

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

Sime Darby Plantation Berhad
Client company Address: Level 5, Main Block Plantation Tower No. 2, Jalan PJU 1A/7, 47301 Ara Damansara Petaling Jaya, Selangor, Malaysia
Certification Unit: SOU 27 - Melalap Palm Oil Mill and Supply Base (Melalap Estate and Sapong Estate) Location of Certification Unit: Melalap Palm Oil Mill, 14th KM, Jalan Tenom-Keningau P.O. Box 205, 89908 Tenom, Sabah, Malaysia

Report prepared by:
Muhammad Fadzli bin Masran (Lead Auditor)

Report Number: 3277577

Assessment Conducted by:
BSI Services Malaysia,
(DSM Accreditation Number: MSPO 09112018 CB 12)
Suite 29.01 Level 29 The Gardens North Tower,
Mid Valley City Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia
Tel +60392129638 Fax +60392129639
www.bsigroup.com

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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	
	Melalap Palm Oil Mill (535146-004000)	31/12/2021	
	Melalap Estate (531977-002000)	31/08/2021	
	Sapong Estate (532297-002000)	31/08/2021	
Address	Head Office: Level 5, Main Block Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Petaling Jaya, Selangor, Malaysia Certification Unit: Melalap Palm Oil Mill, 14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia		
Certification Unit	Melalap Palm Oil Mill (SOU 27) & Plantations including Melalap Estate and Sapong Estate		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) Tn. Johamdan Joni (SOU Melalap Chairman) Tn. Bukhari bin Yusof Azuddin (Manager, KKS Melalap)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com kks.melalap@simedarbyplantation.com
Telephone	03-7848 4379 (Head Office) 019-380 7253 (KKS Melalap)	Facsimile	03-7848 4356 (Head Office) 08-730 2243 (KKS Melalap)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682053 Plantations: MSPO 685285		
Issue Date	07/03/2018	Expiry date	06/03/2023
Scope of Certification	Plantations: Production of Sustainable Oil Palm Fruits Mill: Production of Sustainable Palm Oil and Palm Oil Products		
Standard	Plantations: MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders Mill: MS 2530-4:2013 Part 4: General principles for palm oil mills		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	20/12/2017 - 22/12/2017		

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Continuous Assessment Visit Date (CAV) 1	30/10/2018 - 01/11/2018		
Continuous Assessment Visit Date (CAV) 2	08/10/2019 - 10/10/2019		
Continuous Assessment Visit Date (CAV) 3	22/12/2020 - 24/12/2020		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 547124	RSPO MYNI 2019	BSI Services Malaysia Sdn. Bhd.	20/01/2021
MSP0 718818	MSP0 Supply Chain Certification Standard	BSI Services Malaysia Sdn. Bhd.	18/12/2024

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Melalap Palm Oil Mill	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	115.98761	5.23305
Melalap Estate	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	115.97643	5.21497
Sapong Estate	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	115.94913	5.06478

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Melalap Estate	1,241.48	88.29	890.60	2,220.37	56.00
Sapong estate	2,266.15	45.72	1,105.40	3,417.27	66.31
Total	3,507.63	134.01	1,996.00	5,637.64	

1.5 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Melalap Estate	371.88	-	869.6	-	-	869.6	371.88

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Sapong Estate	801.26	-	1464.89	-	-	1464.89	801.26
Total (ha)	1173.14	-	2334.49	-	-	2334.49	1173.14

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 2020 - Feb 2021)	Actual (Oct 2019 - Nov 2020)	Forecast (Mar 2021 - Feb 2022)
Melalap Estate	19,053.27	19514.41	18786.52
Sapong Estate	31,421.74	30132.59	29008.65
Ladang Cepat Kpd Sdn Bhd	N/A	4774.62	7500.00
Ladang Paal Sdn Bhd		579.80	
Nge Wa Hwa		177.19	
Ek Hong Agriculture		424.63	
Total	50,475.01	55603.24	55295.17
Note: Nil			

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 2020 - Feb 2021)	Actual (Oct 2019 - Nov 2020)	Forecast (Mar 2021 - Feb 2022)
ABC	0.00	17810.45	22500.00
Total	0.00	17810.45	22500.00
Note: Nil			

1.8 Certified Tonnage

	Estimated (Mar 2020 - Feb 2021)	Actual (Oct 2019 - Nov 2020)	Forecast (Mar 2021 - Feb 2022)
	FFB	FFB	FFB
Mill Capacity: 25 MT/hr	50,475.01	55603.24	55295.17
SCC Model: MB	CPO (OER: 23.00%)	CPO (OER: 20.52%)	CPO (OER: 21.00%)
	11,609.25	11,409.78	11,611.99
	PK (KER: 5.00 %)	PK (KER: 4.98%)	PK (KER: 5.05%)
	2,523.75	2,769.04	2,792.41

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1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
11,409.78	0.00	0.00	0.00	11,409.78	11,409.78

1.10 Actual Sold Volume (PK)					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
2,769.04	0.00	0.00	0.00	2,769.04	2,769.04

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

Due to the COVID-19 pandemic, this assessment was conducted remotely. This remote assessment was conducted from 22 – 24/12/2020. The audit programme is included in section 2.3. The approach to the audit was to treat the SOU 27 Melalap POM and supply base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement.

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.

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

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

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

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Melalap Palm Oil Mill	√	√	√	√	√
Melalap Estate	√	√	√	√	√
Sapong Estate	√	√	√	√	√

Tentative Date of Next Visit: December 20, 2021 - December 23, 2021

Total No. of Mandays: 11 Mandays

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Muhammad Fadzli Masran	Team Leader	He graduated in Bachelor of Forestry Science at University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. During this assessment, he assessed on the aspects of legal, estate & mill best practices, environmental and workers consultation. He is fluent in Bahasa Malaysia and English languages.
Hu Ning Shing	Team Member	She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal, workers & stakeholders consultation and SCC for CPO mill. She is fluent in Bahasa Malaysia and English languages.

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2.2 Accompanying Persons

No.	Name	Role
	N/A	

2.3 Assessment Plan

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

Date	Time	Subjects	(MFM)	(HNS)	ICT Planned
Monday, 14/12/2020	10.30 - 12.00	Communication on document preparation - Audit plan - Any additional Information	√	√	Teleconference, Microsoft Team Meeting, Email
Tuesday, 22/12/2020 Melalap Palm Oil Mill	09.00 - 09.15	Opening meeting - Opening presentation by audit team leader - Confirmation of assessment scope and finalize audit plan	√	√	Teleconference, Microsoft Team Meeting, Email
	0915 - 1030	Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√		
	1040 - 1230	Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break		√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√		Teleconference, Microsoft Team Meeting, Email
Wednesday, 23/12/2020 Melalap Estate	0915 - 1030	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√		

Date	Time	Subjects	(MFM)	(HNS)	ICT Planned
	1040 - 1230	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break		√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
Thursday, 24/12/2020 Sapong Estate	0915 - 1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break		√	
	1040 - 1230	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	
	1330 - 1450	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break	√		
	1500 - 1600	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1600 - 1630	Assessment team discussion and preparation of closing meeting	√	√	Teleconference, Microsoft Team Meeting, Email
	1630 - 1700	Closing meeting	√	√	Teleconference, Microsoft Team Meeting, Email

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSP0 normative requirements. The assessment details are provided in Appendix A.

- MSP0 MS 2530-2:2013 – General Principles for Independent Smallholders
- MSP0 MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSP0 MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & no (0) Minor nonconformities raised. The SOU 27 Melalap POM and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref: 2005272-202012-M1	Area/Process: Sapong Estate	Clause: 4.4.5.4 – Part 3
	Issue Date: 24/12/2020	Due Date: 24/03/2021
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	
Statement of Nonconformity:	Employees of contractor were not paid based on Minimum Wage Order 2020 and employment contract agreed between the contractor and the employees.	
Objective Evidence:	Sapong Estate: Reviewed the payslips (June and September 2020) for contractor’s workers (Jutamas Kekal Sdn Bhd) below found that they were not paid as per the Minimum Wage Order 2020. 1. I/C No.: 890130-49-50XX 2. I/C No.: 910407-12-61XX	
Corrections:	The contractor will inform a written notice to the workers regarding the deduction made due to absenteeism.	
Root cause analysis:	The contractor (Jutamas Kekal Sdn Bhd) has deducted salary of the two workers due to absenteeism. The workers took leave without prior notice or valid reason. The contractor did not mention in the payslip regarding the deduction made.	
Corrective Actions:	The contractor will update details of wage deductions such as, due to absenteeism in the worker’s payslip. Estate management will regularly monitor workers’ payslip to	

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	ensure payment of wages are made as per Minimum Wage Order and details of deductions are notified if any.
Assessment Conclusion:	<p>Major Non-conformity close out</p> <p>Evidence verified:</p> <p>The contractors have issued notification letter to inform the employee regarding the wage deduction due to absenteeism. Reviewed the notification letter for the employee with identification card no. as follows:</p> <p>I/C No.: 890130-49-50XX I/C No.: 910407-12-61XX</p> <p>The contractors ha include all the details of wage deduction in the employee payslips. Reviewed the payslips for the month of June, September, November and December 2020 for the employee with identification card no. as follows:</p> <p>I/C No.: 890130-49-50XX I/C No.: 910407-12-61XX</p> <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 20/01/2021.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>

Opportunity For Improvement

Ref:	Area/Process:	Clause:
Objective Evidence:	N/A	

Noteworthy Positive Comments

1	Good commitment by the management
2	Good preparation on the documentation for remote assessment

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:

Ref: 1833308-201906-M1	Area/Process: Melalap Palm Oil Mill	Clause: 4.4.5.6 (MSPO Part 4)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
Requirements:	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.	
Statement of Nonconformity:	The terms and conditions in the employment contract signed by contractor's worker was incomplete.	
Objective Evidence:	Employment contract signed by the contractor's worker (I/C: 861010-49-5XXX) was found incomplete where the rate of overtime work, work on rest day rate and notice period of termination of employment were leave blank. Besides, terms and conditions such as annual leave and public holiday entitlement were not stated in the employment contract.	

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Corrections:	Mill to request new updated set of contract employment for the contractor’s workers from the respective contractor.
Root cause analysis:	The knowledge on compliances to legal requirements among contractors requires improvement, as a lot of them came from background with minimal opportunity to be exposed to the information. Albeit the minimal exposure, the contractors display efforts to comply to the requirements with guidance from certification standards document. At the same time, SDP has yet to conduct any training specifically on employment procedures, contracts etc.
Corrective Actions:	Mill management with SQM representative to conduct briefing on the MSPO requirement (including employment condition) for contractors. On a regular basis, Mill Management will request all contractors to submit copy of their employment contracts.
Assessment Conclusion:	Verified on the evidence submitted as below: An employment contract dated 1/11/2019 for the sampled worker above was sighted with the terms & conditions outlined in the contract. The terms and conditions are such as: i. Clause 6 – Rate of overtime on normal working day ii. Clause 9 - Rate of overtime on rest day iii. Clause 12 - Rate of overtime on public holiday iv. Clause 8 – Rate of work on rest day v. Clause 19 – Notice period of termination of employment vi. Clause 13 – Annual leave entitlement vii. Clause 10 – Public holiday entitlement Besides, the management has conducted MSPO & RSPO briefing to contractors & discussion on MSPO & RSPO issues/ NCR related to contractors on 20/11/2019. The management informed the contractors to provide an updated set of employment contracts of their workers to ensure all minimum required terms & conditions to be included in the contract. Seen the attendance list and the photo evident of the training conducted. Thus, the evidence submitted is sufficient and thus the major non-conformance was closed on 7/1/2020. The implementation of the corrective actions will be verified during next assessment.
Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.

Major Nonconformities:		
Ref: 1833308-201906-M2	Area/Process: Melalap Estate	Clause: 4.4.5.6 (MSPO Part 3)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
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.	

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Statement of Nonconformity:	<p>Employment contract signed by the contractors' workers were found incomplete and inappropriate.</p> <p>There was no evidence of the contractor's workers have signed employment contract prior to work with the contractor.</p>
Objective Evidence:	<p>The contractors (Tamin Budiman and Jutamas Kekal Sdn Bhd) have signed employment contract with the workers in Melalap Estate. However, the employment contract was incomplete where terms and conditions such as rest day, work on rest day, annual leave and public holiday entitlement, medical leave, maternity leave and etc were not included in the contract. Besides, the statement in Clause 9 was inappropriate as it stated "Kontrak ini adalah kontrak bebas di mana pekerja dan syarikat tidak terikat dengan hubungan pekerjamajikan". However, the contractor informed that they are employer-employee's relationship. Therefore, this statement is not applicable.</p> <p>Besides, the contractor workers (Contractor: Tamin Budiman) have yet to sign employment contract with the contractor in Sapong Estate.</p>
Corrections:	<p>Estate to request new updated set of contract employment for the contractor's workers from the respective contractor.</p> <p>Estate to ensure that the contractor provide full list of its current workers to Estate Management with full set of employment's contracts copies.</p>
Root cause analysis:	<p>The knowledge on compliances to legal requirements among contractors requires improvement, as a lot of them came from background with minimal opportunity to be exposed to the information. Albeit the minimal exposure, the contractors display efforts to comply to the requirements with guidance from certification standards document.</p> <p>At the same time, SDP has yet to conduct any training specifically on employment procedures, contracts etc.</p> <p>At the time of the audit, some of the workers were newly employed by the contractor and their employment contracts had yet to be issued.</p>
Corrective Actions:	<p>Estate management with SQM representative to conduct briefing on the MSP0 requirement (including employment condition) for contractors.</p> <p>Contractor to furnish Estate Management with all the necessary documents i.e. employment contract, copies of passport and work permit (if foreign worker) and full list of its workers prior to issuing the contract. On a regular basis, Estate Management will request all contractors to submit copy of their employment contracts.</p>
Assessment Conclusion:	<p>Verified on the evidence submitted as below:</p> <p>Melalap Estate and Sapong Estate has developed a Contractor Master List to record the List of Contractor's Workers as at December 2019. The list was prepared by the Medical Assistant and verified by the Senior Manager of Estate.</p> <p>Employment contract dated 1/12/2019 for the total 4 workers of Jutamas Kekal and 1/11/2019 for 8 workers of T&F Enterprise (formerly known as Tamin Budiman) was sighted with the terms & conditions outlined in the contract. The terms and conditions are such as:</p> <ul style="list-style-type: none"> i. Clause 3 – Rate of overtime on normal working day ii. Clause 6 – Rate of work on rest day

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	<p>iii. Clause 10 – Rate of work on public holiday iv. Clause 8 – Notice period of termination of employment v. Clause 11 – Annual leave entitlement vi. Clause 9 – Public holiday entitlement vii. and etc.</p> <p>Besides, the management has conducted MSPO & RSPO briefing to contractors & discussion on MSPO & RSPO issues/ NCR related to contractors on 20/11/2019. The management informed the contractors to provide an updated set of employment contracts of their workers to ensure all minimum required terms & conditions to be included in the contract. Seen the attendance list and the photo evident of the training conducted. Thus, the evidence submitted is sufficient and thus the major non-conformance was closed on 7/1/2020.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>
Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.

Major Nonconformities:																												
Ref: 1833308-201906-M3	Area/Process: Melalap Estate	Clause: 4.4.5.1 (MSPO Part 3)																										
	Issue Date: 10/10/2019	Due Date: 10/01/2020																										
Requirements:	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.																											
Statement of Nonconformity:	Rights of the loose fruits collectors (not in the checkroll system) could not be identified and respected.																											
Objective Evidence:	<p>Melalap Estate:</p> <p>Document reviewed on the Gang No.: 51 – Piece rated (Loose Fruit Labour – Main Div) for September 2019 found that the quantity of loose fruits collected were abnormal. Crosschecked with the Mandore’s record logbook found that the abnormal quantities of loose fruits are due to add up with few loose fruit collectors as recorded in the logbook. However, the name of the loose fruit collectors recorded in the logbook were not found in the Employee Master Listing and beside the name of these workers have stated the name of the checkroll workers (Employee No.: 126291 and 142580).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 25%;">Employee No. of Loose Fruit Collector (in Employee Master List)</th> <th style="width: 20%;">Quantity that recorded in the SAP system</th> <th style="width: 40%;">Quantity recorded in the Mandore Logbook</th> </tr> </thead> <tbody> <tr> <td rowspan="2">22/9/2019</td> <td>142580</td> <td>1187</td> <td>561</td> </tr> <tr> <td>126291</td> <td>641</td> <td>307</td> </tr> <tr> <td rowspan="2">23/9/2019</td> <td>142580</td> <td>1245</td> <td>485</td> </tr> <tr> <td>126291</td> <td>860</td> <td>404</td> </tr> <tr> <td rowspan="2">24/9/2019</td> <td>142580</td> <td>1328</td> <td>568</td> </tr> <tr> <td>126291</td> <td>1062</td> <td>379</td> </tr> </tbody> </table>			Date	Employee No. of Loose Fruit Collector (in Employee Master List)	Quantity that recorded in the SAP system	Quantity recorded in the Mandore Logbook	22/9/2019	142580	1187	561	126291	641	307	23/9/2019	142580	1245	485	126291	860	404	24/9/2019	142580	1328	568	126291	1062	379
Date	Employee No. of Loose Fruit Collector (in Employee Master List)	Quantity that recorded in the SAP system	Quantity recorded in the Mandore Logbook																									
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24/9/2019	142580	1328	568																									
	126291	1062	379																									

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	<p>This has indicate that the identity of the loose fruit collectors (not in checkroll system) could not be verify and therefore rights of the loose fruits collectors that not in the Employee Master Listing could not be respected and protected with fair treatment in accordance with the policy.</p>
Corrections:	<p>Melalap Estate management will immediately brief all workers to cease the practise of getting assistance from their relatives/dependents and check the headcount to ensure workers that are assigned for loose fruit collection task only as per employee master listing prior of work.</p> <p>Melalap Estate management to check and verify Mandore’s record logbook on loose fruit (LF) collection to ensure the quantity of LF only from employee listed in Employee master list and tally with quantity in SAP system.</p>
Root cause analysis:	<p>There were relatives/dependents that adds up to the productivity for a few loose fruit collectors as recorded in logbook. The loose fruits collectors were assisted by their relatives/dependent during peak crop.</p>
Corrective Actions:	<p>A monitoring plan to be established (in consultation with regional HR & Workers Management Unit/RSQM/GSQM to ensure all workers are properly identified and headcounts are controlled to ensure the rights of the workers are respected.</p>
Assessment Conclusion:	<p>Verified on the evidence submitted as below:</p> <p>Senior Assistant of Melalap Estate has conducted a briefing on 16/10/2019 during morning muster to brief all the workers that only registered workers with company are allow to work. Any family members or relatives are disallow to assist for any activities such as loose fruit collection due to safety purpose and company’s policies. He also informed to all the workers if their family members are interested to work with the company could be submit application based on the vacancy of job.</p> <p>Besides, seen the checkroll book for December 2019 and Employee Master Listing found only registered workers are worked as loose fruit collectors. All the tonnages of loose fruits collected are recorded into the SAP system based on the raw data of Checkroll Book. Senior Assistant checked on the records and acknowledged after verified.</p> <p>In addition, the GSQM has developed a Monitoring Plan (SOU 27 Melalap) on 16/12/2019 with the objective to ensure all workers are properly identified and headcounts are controlled to ensure the rights of the workers are protected. Thus, the evidence submitted is sufficient and thus the major non-conformance was closed on 7/1/2020.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>
Verification Statement	<p>No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.</p>

Major Nonconformities:		
Ref: 1833308-201906-M4	Area/Process: Melalap Palm Oil Mill	Clause: 4.5.4.2 (MSPO Part 4)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
Requirements:	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	

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Statement of Nonconformity:	The Pollution Prevention Plan was not effectively implemented.
Objective Evidence:	During site visit at the boiler station, noted that the smoke density meter were not functional. Noted during document review, the Daily Continuous Emission Monitoring Minutes Report dated 3/10/2019 and 4/10/2019 stated that the Stack Emission data Chart was not complied with DOE requirement.
Corrections:	The loose cable connection has been rectified and smoke density meter are working in order.
Root cause analysis:	The cable connection from panel board to the smoke density sensor found loose connection during visit.
Corrective Actions:	Mill to do regular monitoring by including the boiler station (smoke density meter) in the quarterly workplace inspection
Assessment Conclusion:	Verified on the evidence submitted as below: Seen the photo evident that the loose cable has been rectified by connected with a clip and tighten up. Plant Inspection Form and Maintenance Notification KKS Melalap dated 8/10/2019 was sighted to take immediate action to rectify the issue. Quarterly workplace inspection will be verified during next assessment. Thus, the evidence submitted is sufficient and thus the major non-conformance was closed on 7/1/2020. The implementation of the corrective actions will be verified during next assessment.
Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.

Minor Nonconformities:		
Ref: 1833308-201906-N1	Area/Process: Melalap Palm Oil Mill	Clause: 4.4.5.4 (MSPO Part 4)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	
Statement of Nonconformity:	Contractor's workers have yet to pay the overtime rate as per Sabah Labour Ordinance.	
Objective Evidence:	Sampled the payslips found that the 2 contractor's workers (Entabuan Quarry) worked overtime were only paid single rate per hour instead of 1.5 times of single rate per hour.	
Corrections:	Contractor to pay the amount that is due to sampled workers based on the sampled month: Albort – Aug and Oct' 19 Leon Lele – July, Aug and Oct' 19	
Root cause analysis:	The knowledge on compliances to legal requirements among contractors requires improvement, as a lot of them came from background with minimal opportunity to be exposed to the information. Albeit the minimal exposure, the contractors display efforts to comply to the requirements with guidance from certification standards document.	

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	At the same time, SDP has yet to conduct any training specifically on employment procedures, contracts etc.
Corrective Actions:	Contractor to indicate in the employment contract the rate per hour for overtime work done and brief all of its workers on the matter. Mill Management will monitor regularly on the compliance to the terms stated regarding the overtime rate paid by periodic payslip/ proof of payment checking and conduct briefing on the MSPO requirement (including employment condition) for contractors.
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.
Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.

Minor Nonconformities:		
Ref: 1833308-201906-N2	Area/Process: Melalap and Sapong Estate	Clause: 4.4.5.4 (MSPO Part 3)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	
Statement of Nonconformity:	Contractors have yet to make contribution of EPF, SOCSO and EIS for local workers employed by them. Payment of wages was not made at the period required by the Sabah Labour Ordinance.	
Objective Evidence:	<p><u>Melalap Estate:</u></p> <p>The contractor (Tamin Budiman) has yet to make contribution of EPF, SOCSO and EIS to the local workers employed by him. Total 13 worker in Melalap Estate and 6 workers in Sapong Estate (2 workers sharing between Melalap Estate and Sapong Estate). This has been verified through document review of payslips and interviewed with the contractor.</p> <p><u>Sapong Estate:</u></p> <p>The contractor, Jutamas Kekal Sdn Bhd has yet to make contribution of EPF, SOCSO and EIS to the local workers as verified through the payslips from July 2019 to September 2019.</p> <p><u>Melalap Estate:</u></p> <p>Besides, the contractor informed that the payment of salary to the workers usually carried out on 10th – 13th of the following month due to waiting of payment from Sime Darby Plantation Berhad. Crosscheck with the payslips found that date of payment of salary was carried out within the said period.</p>	
Corrections:	Estate management to conduct meeting with contractors to discuss on the employment condition of their workers as stated.	
Root cause analysis:	Contractors are facing high turnover of contractor workers. The workers only working on seasonal (3-4 month) then continue their routine to other individual job. E.g. farmer, machine operator. The knowledge on compliances to legal requirements among contractors requires improvement, as a lot of them came from background with minimal opportunity to be	

	<p>exposed to the information. Albeit the minimal exposure, the contractors display efforts to comply to the requirements with guidance from certification standards document.</p> <p>At the same time, SDP has yet to conduct any training specifically on employment procedures, contracts etc.</p>
Corrective Actions:	<p>Estate management with SQM representative to conduct briefing on the MSPO requirement (including employment condition) for contractors.</p> <p>On a regular basis, Estate Management will request all contractors to submit copy of their employment contracts.</p>
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.
Verification Statement	There is reoccurrence of minor NC and has been escalated to major NC. Refer major NC no. 2005272-202012-M1.

Minor Nonconformities:														
Ref: 1833308-201906-N3	<table border="1" style="width: 100%;"> <tr> <td>Area/Process: Melalap and Sapong Estate</td> <td>Clause: 4.4.5.11 (MSPO Part 3)</td> </tr> <tr> <td>Issue Date: 10/10/2019</td> <td>Due Date: 10/01/2020</td> </tr> </table>	Area/Process: Melalap and Sapong Estate	Clause: 4.4.5.11 (MSPO Part 3)	Issue Date: 10/10/2019	Due Date: 10/01/2020									
Area/Process: Melalap and Sapong Estate	Clause: 4.4.5.11 (MSPO Part 3)													
Issue Date: 10/10/2019	Due Date: 10/01/2020													
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.													
Statement of Nonconformity:	Linesite inspection has yet to be carried out on weekly basis for all buildings as per Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446).													
Objective Evidence:	<p>Linesite inspection was carried out on weekly basis by using the Housing Complex/ Creche/ Community Hall Inspections checklist. However, the inspection did not carry out for all buildings on weekly basis but alternate week for different linesite.</p> <p>The last inspection was carried out as table below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>Division</th> <th>Date of Inspection</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Melalap</td> <td>Main</td> <td>12/9/2019, 26/9/2019, 30/9/2019 and 4/10/2019</td> </tr> <tr> <td>Pegalan</td> <td>5/9/2019 and 19/9/2019</td> </tr> <tr> <td rowspan="2">Sapong</td> <td>Main</td> <td>22/8/2019, 21/9/201 and 27/9/2019</td> </tr> <tr> <td>Sentang</td> <td>14/8/2019, 29/8/2019 and 12/9/2019</td> </tr> </tbody> </table>	Estate	Division	Date of Inspection	Melalap	Main	12/9/2019, 26/9/2019, 30/9/2019 and 4/10/2019	Pegalan	5/9/2019 and 19/9/2019	Sapong	Main	22/8/2019, 21/9/201 and 27/9/2019	Sentang	14/8/2019, 29/8/2019 and 12/9/2019
Estate	Division	Date of Inspection												
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	Pegalan	5/9/2019 and 19/9/2019												
Sapong	Main	22/8/2019, 21/9/201 and 27/9/2019												
	Sentang	14/8/2019, 29/8/2019 and 12/9/2019												
Corrections:	Estate to start carry out Linesite inspection for all buildings on weekly basis.													
Root cause analysis:	Estates were assuming 2 weeks interval linesite inspection (alternate linesite area) with proper documentation is sufficient despite monthly inspection by VMO and quarterly inspection by HQ (PMU) and bi yearly by Consultant (Chemsain).													
Corrective Actions:	<p>Estate to ensure weekly linesite inspection record to include all buildings and the record to be checked and endorsed by estate management.</p> <p>Estate management and RSQM will also brief the PIC on the requirement of housing inspection.</p>													
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.													

Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.
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Minor Nonconformities:		
Ref: 1833308-201906-N4	Area/Process: Melalap Palm Oil Mill	Clause: 4.5.3.2 (MSPO Part 4)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
Requirements:	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	
Statement of Nonconformity:	Waste Management Plan was not effectively implemented.	
Objective Evidence:	During document review, it was noted that SW 410 was last disposed on 19/3/2019. As at 30/9/2019, balance of 15 kg recorded in the inventory log book and yet to be disposed. The storage period was more than 180 days without any approval letter from DOE. The waste management plan stated that the Scheduled waste disposal will be conducted as per Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974.	
Corrections:	Mill has disposed the balance of 15kg scheduled waste to the licensed contractor Lagenda Bumimas on 1/11/2019 to avoid further extension of time	
Root cause analysis:	During scheduled waste (SW) disposal exercise on 19/9/2019, 15 kg of the schedule waste was not dispose with the other SW due to no presence of person in charge during the disposal exercise and SW inventory also was found not updated accordingly.	
Corrective Actions:	Melalap Mill to ensure schedule waste inventory record to be updated accordingly. Quality Assessor or person in charge must be available and monitor during disposal or SW collecting exercise by the licensed contractor to ensure all scheduled waste to be disposed accordingly.	
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.	
Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.	

Minor Nonconformities:		
Ref: 1833308-201906-N5	Area/Process: Melalap and Spong Estate	Clause: 4.5.1.2 (MSPO Part 3)
	Issue Date: 10/10/2019	Due Date: 10/01/2020
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	
Statement of Nonconformity:	The environmental management plan established does not cover the Environmental Impact Assessment conducted for replanting program submitted to Sabah Environmental Protection Department.	
Objective Evidence:	According to Sabah ordinance under Environment Protection (Prescribed Activities) (Environmental Impact Assessment) Order 2005, the estate required to conduct Environmental impact Assessment for replanting activities and submitted to Sabah Environmental Protection Department. Both estates visited has conducted the	

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	Environmental impact Assessment by registered consultant. However the Environmental Management Plan Established not covers the Environmental impact Assessment conducted.
Corrections:	Environmental impact assessment for replanting activities will be included in the estate's Environmental Management Plan.
Root cause analysis:	Environmental impact assessment for replanting activity has been implemented by the estate separately since the assessment conducted by the consultant.
Corrective Actions:	Environmental Management Plan will be review yearly and to include Environmental impact assessment for replanting activities if any.
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.
Verification Statement	No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the Major NC was effectively closed.

3.4 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
1563665-201712-M1	Major	22/12/2017	Closed out on 16/2/2018
1563665-201712-M2	Major	22/12/2017	Closed out on 16/2/2018
1563665-201712-M3	Major	22/12/2017	Closed out on 16/2/2018
1563665-201712-N1	Minor	22/12/2017	Closed out on 1/11/2018
1700545-201810-M1	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M2	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M3	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M4	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M5	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-N1	Minor	1/11/2018	Closed out on 10/10/2019
1700545-201810-N2	Minor	1/11/2018	Closed out on 10/10/2019
1833308-201906-M1	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-M2	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-M3	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-M4	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-N1	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N2	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N3	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N4	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N5	Minor	10/10/2019	Closed out on 24/12/2020

2005272-202012-M1	Major	24/12/2020	Closed out on 20/01/2021
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3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: N/A
	Management Responses: N/A
	Audit Team Findings: N/A

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment SOU 27 Melalap POM and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 27 Melalap POM and Supply Base Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Johamdan bin Joni @ Joni Tetei	Name: Muhammad Fadzli b. Masran
Company name: Sapong Estate	Company name: BSI Services Malaysia Sdn. Bhd
Title: Senior Manager / SOU 27 Chairman	Title: Client Manager
Signature:  <small>OUTTHRIE INDUSTRIES MALAYSIA SENDIRIAN BERHAD SAPONG ESTATE</small> Date: 17/6/2021 <small>JOHAMDAN BIN JONI @ JONI TETEI SENIOR MANAGER</small>	Signature: 
Date: 17/6/2021	Date: 16/06/2021

Appendix A: Summary of the findings by Principles and Criteria

MS 2530 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation Berhad has issued an inter-office mail (Ref. No.: SQM.RSPO.1811/22.11) dated 23/11/2018 regarding the statement on commitment towards MSPO implementation by Head, Global Sustainability Operations. Sime Darby Plantation Berhad is committed to comply and implement the MSPO certification to demonstrate our commitment towards the production of certified sustainable palm oil products.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Sime Darby Plantation Berhad has clearly emphasized to achieve commitment towards a systematic approach in ensuring continuous improvement in the operation, compliance to statutory, legal and other regulatory requirements and establishment of traceability within the supply chain in the above-mentioned memorandum.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit schedule was issued to the operating unit by SQM through email and internal audit plan was sighted. The internal audit was planned on 27/08/2020 for Melalap Estate and 28/08/2020 for Sapong Estate.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	Sime Darby Plantation Berhad has established an Internal Audit Procedure (Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017) to	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>ensure the process of system audit is carried out effectively. The frequency of the internal audit is on annually and as when required.</p> <p>Seen the MSPO & RSPO Internal Audit Report for Melalap Estate & Sapong Estate and the audit was conducted on 27/08/2020 and 28/08/2020. 2 major non-conformances raised in Melalap Estate and 1 opportunity for improvement in Sapong Estate. Root cause was identified, and correction & corrective action was developed accordingly. All the non-conformities were closed on 29/09/2020 as accepted by the Lead Auditor.</p>	
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report has distributed to the estate’s management. The Management Representative has acknowledged on the acceptance of the Internal Audit Report on 27/08/2020. Management review meeting was conducted to review the findings of the internal audit.</p>	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The latest management review meeting was carried out on 28/08/2020 in Melalap Estate and 07/09/2020 in Sapong Estate chaired by the Estate Manager. The agenda that discussed as below:</p> <p>Review of meeting minutes</p> <p>Matters Arising from previous meeting minutes</p> <p>Objective/ Management Program</p> <p>Training Plan</p> <p>Results from internal audit: RSPO & MSPO</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Correction and Corrective Action for Non-conformity from RSPO MSPO Internal Audit</p> <p>Customers feedback/ complaints</p> <p>Changes that could affect the management system</p> <p>Effectiveness of certification and recommendations for Improvement</p> <p>Other matters</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Projects in relation to the continual improvement are made through allocation in Capital Expenditure. The estates have developed management/ improvement plan for environment and social as continual improvement plan. Among the plans include:</p> <p><u>Melalap Estate</u></p> <p>To reduce domestic waste by raise awareness on 3R program and encourage people to make the compost by their kitchen waste.</p> <p>To allocate budget for van transport to send the student to school.</p> <p><u>Sapong Estate</u></p> <p>To conduct census to identify workers’ dependents without proper document.</p> <p>Replacing the fluorescent lamp into LED lamp which consume less electricity.</p>	Complied
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry</p>	<p>The management continuously reviewed the estates performance and work method for a continual improvement to achieve better results.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	There was no new technology used in both Melalap Estate and Sapong Estate.	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	There was no new technology implemented in Melalap Estate and Sapong Estate. However, refresher training on operation was carried out accordingly.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company’s website:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		(http://www.simedarbyplantation.com/Sustainability.aspx) to obtain information such as policies, annual report and complaint procedures.	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Besides, the company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Senior Manager of the Melalap Estate and Sapong Estate have appointed Assistant Managers as Social Officer to handle any issue related to social in the estate. Seen the appointment letter dated 10/07/2018 and 18/12/2020 respectively. Role and responsibility were outlined in the appointment letter.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input	A combine stakeholder meeting for Melalap POM and Melalap Estate was conducted on 22/09/2020. Stakeholders such as contractors, suppliers, school’s representatives, local communities and government	Complied

Criterion / Indicator		Assessment Findings	Compliance								
	<p>from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>authorities have attended the meeting. Issues raised by stakeholders were recorded in the minutes and incorporated into the SIA management plan 2020. The stakeholders were briefed on company's policies and procedures during the stakeholder meeting.</p> <p>Sapong Estate has organized a stakeholder meeting on 17/09/2020 with the participation of various stakeholders such as authorities, local communities, contractors, schools and workers' representatives. Meeting minutes was sighted and issues raised by the stakeholders were recorded in the minutes. One of the stakeholders has requested to the management to construct a drain pit for discharge. The management has arranged contractor to carry out the construction work accordingly and seen the contract form# 43000518482 where the work was carried out on 29/09/2020.</p>									
Criterion 4.2.3 – Traceability											
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has established SOP for traceability and documented in Sime Darby Plantation, Sustainable Plantation Management System, ver. 2, issue no. 5 dated April 2019 under Appendix 5: Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability.</p> <p>Sighted sampled records for FFB dispatch to the mill as follows:</p> <p><u>Melalap Estate</u></p> <p>FFB dispatch</p> <table border="1"> <tr> <td>Consignment note no</td> <td>ME 45945</td> </tr> <tr> <td>Date harvested</td> <td>21/2/2020</td> </tr> <tr> <td>Field/area</td> <td>P01K, P00K</td> </tr> <tr> <td>Bunches</td> <td>411</td> </tr> </table>	Consignment note no	ME 45945	Date harvested	21/2/2020	Field/area	P01K, P00K	Bunches	411	Complied
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4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>All bunches evacuated from field to BIN was recorded in the Bunch/BIN Chit and submitted to the mill through FFB consignment note.</p> <p>Reviewed the bunch chit and consignment note dated 21/12/2020 no. ME 45945 for Melalap Estate and dated 23/12/2020 no. SE 36199 for Sapong Estate.</p>	Complied																				
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The estate sampled has identified and appointed person responsible to ensure the effective implementation of the traceability system established.</p> <p><u>Melalap Estate</u></p> <p>The estate has appointed the Sr. Asst. Manager as person responsible to ensure the implementation of the traceability system established as per appointment letter dated 10/7/2018 signed by the Estate Sr. Manager.</p>	Complied																				

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		<p><u>Sapong Estate</u></p> <p>The estate has appointed the Asst. Manager as person responsible to ensure the implementation of the traceability system established as per appointment letter dated 17/12/2020 signed by the Estate Sr. Manager.</p>	
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>FFB being sell to Melalap POM, own mill and being monitored by Marketing Department.</p> <p>Reviewed the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and mill). The weigh bridge operator will check the system before releasing the dispatch.</p>	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Compliance to each applicable law and regulation is monitored by the operating units. Sighted the sampled evidence of compliancy to the regulation as follows:</p> <p>Melalap</p> <ol style="list-style-type: none"> 1. MPOB License no. 53197702000 for sell and move, FFB. Validity period from 1/9/2020 - 31/8/2021 2. Scheduled Control Goods Permit (Diesel Euro 2M) no. 000187, ref. no. B.PGK SB(KGU)05/04(PBKB) Validity period from 10/8/2020 - 9/8/2021 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>3. Employment of Non-Residential License no. JTK.H TNM: 600-4/1/92112/577. Validity period from 12/6/2020 - 11/6/2021.</p> <p>4. Salary deduction permit for travelling document process fee, Amanah Saham Bumiputra and Electricity supply, serial no. 600-1/2/12/1 Jld.2 (11/TNM/2020-0103). Validity period from 13/3/2020 - 12/3/2022</p> <p>5. Air compressor permit no. PMT-SB20 33742 and PMT-SB/20 33743. Validity period from 13/7/2020 – 12/10/2021</p> <p>Sapong Estate</p> <p>1. License no. 532297002000 for sell and move, FFB. Validity period from 1/9/2020 - 31/8/2021</p> <p>2. Scheduled Control Goods Permit (Diesel Euro 2M) no. 000217, ref. no. B.PGK SB(KGU)27/07(PBKB) Validity period from 27/10/2020 - 26/10/2021</p> <p>3. Employment of Non-Residential License no. JTK.H TNM: 600-4/1/92112/6. Validity period from 11/6/2020 - 10/6/2021.</p> <p>4. Salary deduction permit for Electricity supply, serial no. 600-1/2/12/1 Jld.2 (11/TNM/2020-0119). Validity period from 16/3/2020 - 15/3/2022</p> <p>5. Air compressor permit no. PMT-SB20 34077. Validity period from 20/7/2020 – 19/10/2021</p> <p>Melalap Estate has obtained approval (Serial No.: 600-1/2/12/1 Jld.2(11/TNM/2020-0103) valid from 13/03/2020 to 12/03/2020) from <i>Jabatan Tenaga Kerja Sabah</i> for deduction of wages for following purpose:</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> i. Payment for processing of travel documents ii. ASB iii. Electricity bill <p>Sapong Estate has obtained approval from <i>Jabatan Tenaga Kerja Sabah</i> for the following deduction of wages:</p> <ul style="list-style-type: none"> i. Serial No.: 600-1/2/12/2(11/TNM/20202-0119) for electricity bill which valid from 16/03/2020 to 15/03/2022. 	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The list of applicable laws and regulations which consist of documents/laws that covers the requirements related to MSPO compliance. Among the sampled includes as follows:</p> <ol style="list-style-type: none"> 1. Prevention and Control of Infectious Diseases Act 1988, Act 342 2. Occupational Safety and Health Act 1994 (Act514) 3. Environmental Quality Act 1974 (Act 127) 4. Factories and Machinery Act with regulations 1967 (Act 139) 5. Pesticides Act 1974 (Act 149) 6. MPOB Act 1998 (Act 582) 7. Road Transport Act 1987 (Act 333) 8. Employees Social Security Act 1969 (Act 4) 9. Minimum Wages Order 2020 10. Infectious Disease Prevention and Control Order (Declaration of Local Area of Infection) (Effective Extension) (No.2) 2020 11. Infectious Disease Prevention and Control Order (Declaration of Infectious Local Areas) (Effective Extension) (No. 5) 2020 12. Infectious Disease Prevention and Control Order Regulation - Infectious Disease Prevention and Control Regulations (Measures in Local Areas) (No.7) 2020 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		13. Infectious Disease Prevention and Control Order Regulations - Infectious Disease Prevention and Control Regulation (Compounding of Offenses - Offenses) (Amendment) (No.7) 2020	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Changes to legal requirements are monitored and updated by company's Group Sustainability & Quality Management (GSQM). The SOP 2.0 (Legal Compliance) has specified any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:</p> <ol style="list-style-type: none"> 1. Head Office Assignee to identify and register all applicable laws & regulations pertaining to estate / palm oil mill operation. 2. Head Office Assignee to arrange the purchase of the applicable laws & regulations books where possible. Otherwise, downloaded/ soft copy would be used. <p>The latest up-date for 2020 are; -</p> <ol style="list-style-type: none"> 1. Minimum Wages Order 2020 2. Workers' Minimum Standards of Housing and Amenities Amendment Act 2019 3. Infectious Disease Prevention and Control Order (Declaration of Local Area of Infection) (Effective Extension) (No.2) 2020 	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The estate has appointed person responsible to monitor compliance and update any changes in regulatory requirement applicable to the estate.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Melalap Estate</u></p> <p>The estate has appointed the Sr. Asst. Manager as person responsible to monitor and update any changes in regulatory requirement as per appointment letter dated 10/7/2018 signed by the Estate Manager.</p> <p><u>Sapong Estate</u></p> <p>The estate has appointed the Asst. Manager as person responsible to monitor and update any changes in regulatory requirement as per appointment letter dated 17/12/2020 signed by the Estate Manager.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The was no evidence to show that oil palm cultivation activities Melalap Estate and Sapong Estate had diminished the land use rights of others. Verified documents to show legal ownership of its land.</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Verified the land titles shown that the legal ownership of the company. Sample of land title as below:</p> <p><u>Melalap Estate:</u></p> <p>There are total 6 land titles found for total 2,788.75 ha. All the land titles have been issued under the name of owner to Sime Darby Plantations Sdn Bhd.</p> <ul style="list-style-type: none"> i. Country Lease No.: 28934; Lot No.: 460; Area Lot: 8.57 acres ii. Country Lease No.: 165314643; Lot No.: 165314643; Area: 2,740.95 acres iii. Country Lease No.: 29759; Lot No.: 1991; Area: 2.90 acres 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Sapong Estate:</u></p> <p>There are total 5 land titles found in Sapong Estate for total 3,417.27 ha. All the land titles have been issued under the name of owner to Golden Hope Plantations (Peninsular) Sdn Bhd which belongs to Sime Darby Plantations Berhad.</p> <p>i. Provisional Lease Land Title No.: 16628301; Area: 440.50 acres ii. Land Title No.: 166283012; Area: 5.15 acres</p>	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Legal boundary was clearly demarcated with concrete pole and security trenches</p> <p><u>Melalap Estate</u></p> <p>Legal boundary was clearly demarcated with concrete pole and security trenches. Reviewed the picture taken at the boundary stone no. 47/176 dated 23/12/2020 in P19 adjacent with smallholders.</p> <p><u>Sapong Estate</u></p> <p>Legal boundary was clearly demarcated with security trenches. Reviewed the picture taken at the boundary stone no. 791/444 dated 23/12/2020 in P00P1 adjacent with Sri Tanjung Plantations.</p>	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in Melalap Estate and Saponh Estate at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.3.3 – Customary rights		
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements within the Melalap Estate and Sapong Estate land area.
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements within the Melalap Estate and Sapong Estate land area.
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements within the Melalap Estate and Sapong Estate land area.
4.4 Principle 4: Social responsibility, health, safety and employment condition		
Criterion 4.4.1: Social Impact Assessment (SIA)		
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 19 – 21/05/2015 for SOU 27 Melalap. There is no new SIA was conducted since last assessment. The methodology of the assessment was through field interview, site observation and documentation review. A Management Plan on Social Impact Assessment 2020 was developed on 22/09/2020 in Melalap Estate and 18/09/2020 in Sapong Estate which has included the issues raised during stakeholder meeting and SPIEU meeting. For eg: i. Issue: The representative from SK Pulong has informed that the vehicle to transport the students to school is inappropriate due to social distancing for Covid-19.
Complied		

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Criterion / Indicator		Assessment Findings	Compliance
		Status: Management of Melalap Estate has allocated a budget for Year 2021 of RM 120,000 to purchase a van to send the students to school.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner. Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Melalap Estate has implemented Internal & External Complaint Book and Complaint Form to record any grievances from stakeholders. Reviewed the Internal & External Complaint Book found that common grievances were related to the housing repair. The complainants have acknowledged on the complaint form after actions have been taken to rectify the issue.	Complied

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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>- Minor compliance -</p>	<p>Melalap Estate has implemented Internal & External Complaint Book and Form to record complaints and requests reported by the stakeholders. Sampled of the complaints as below:</p> <p>i. Issue: Ceiling broken and fell dated 01/10/2020 and 03/10/2020 at House Mazlan and Fauzi Action: The management has instructed worker to repair the said-complaint. Seen the photo evident of the ceiling has been repaired. The complainants have acknowledged on 09/10/2020 after work done.</p> <p>Sapong Estate has implemented Complaint Book and recorded complaints from the stakeholders. Sampled of the complaint as below:</p> <p>i. Issue: Roofing leakage at House Rahman reported on 05/10/2020. Action: The management has instructed worker to repair the said-complaint. Seen the photo evident of the roof has been repaired on 08/10/2020.</p> <p>ii. Issue: Broken door at House James reported on 12/10/2020. Action: The management has instructed worker to repair the said-complaint. Seen the photo evident of the door has been repaired on 13/10/2020.</p>	Complied
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>- Minor compliance -</p>	<p>The stakeholders have been briefed on the flowchart for handling social issues and whistleblowing policy on 25/08/2020. Seen the attendance list and the training material.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon</p>	<p>Record review found that previous complaints and requests for Year 2019 were still available.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	request. - Major compliance -		
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The estates' management have offered job opportunity to the local communities by verified through employee master listing. The management has helped the stakeholders upon request. For eg: one of the village representatives has requested for assistance from Sapong Estate to clean the field in the village. The management has approved and supported the request by replied to the representatives. Photo evident of clean field was sighted. Besides, a disaster authority has requested for donation for Covid-19 pandemic and the management has agreed and contributed total RM 2,000 with payment voucher# 1600000320 dated 13/04/2020 sighted.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020. In the Policy Statement stated as follows: "Upstream Malaysia is committed to providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia." 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.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Estate visited has established Safety and Health Plan and reviewed on annually basis. The plan covers on ESH Risk Management, ESH Structure, Incident Reporting, ERP, Chemical Safety Management, Contractor Safety Management, Water Quality Monitoring, Communication, Inspection, Health and Hygiene Monitoring, Awareness and Competency training and training</p> <p>Sighted the implementation of the management plan FY 2020 as follows:</p> <ol style="list-style-type: none"> 1. Latest CHRA was conducted on 1/11/2019 by DOSH registered assessor with reg. no. HQ/09/ASS/00/124 as per report no. HQ/09/ASS/00/124-2019/064. 2. Latest medical surveillance was conducted on 13/12/2020 by registered OHD with reg. no. HQ/13/DOC/00/315. The report has yet to be received by the estate. 3. The first aid kit monitoring was conducted on monthly basis by the estate Medical Asst. Reviewed the first aid kit monitoring records dated 21 – 22/10/2020. 	
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following:</p> <ol style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. 	<p>Complied</p>

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<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p>	<p>The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the mill. Latest Company Policy training was conducted on 24/7/202 for Melalap Estate and 28/8/2020 for Sapong Estate</p> <p>The estates sampled has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment cover all main operations and support operations such as harvesting, weeding, manuring, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year, if accident occur or changes on the operation.</p> <p><u>Melalap Estate</u></p> <p>Latest HIRARC review was conducted on 10/7/2020 due to annual review. No changes were made to the HIRARC register since last review.</p> <p><u>Sapong Estate</u></p> <p>The estate has reviewed the HIRARC register for 3 times FY 2020. Review has been done on 25/3/2020 on harvesting operation, 1/7/2020 due to annual review and on 11/9/2020 on transporting workers – tractor operation.</p> <p>The estate has established training program for employees exposed to chemicals including sprayers and store keeper to ensure the continuous awareness to the employee. The training was conducted by the Executives, Medical Assistant and representative form the</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 should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>chemical suppliers to the supervisors and operators. Sighted the sampled training records as follows:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. Refresh spraying training dated 13/7/2020 2. Chemical SDS training dated 13/7/2020 3. ERP for chemical spillage, poisoning and firefighting training dated 10/9/2020 <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. Sprayer (weeding) refresher training dated 21/1/2020 2. Refresher sprayer briefing and demo on use of 3M respirator mask training dated 24/9/2020 3. Refresher sprayer training dated 10/2/2020 <p>d) Spraying PPE SOP, PPE record Issuance, list of spraying workers</p> <p>The estates sampled provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008. Reviewed the PPE issuance records for sprayers, noted that they were provided with wellington boots, apron, nitrile gloves, safety goggle and half face respirator. Reviewed the PPE issuance for wokers with employee ID as follows:</p> <table border="1" data-bbox="1048 1305 1720 1369"> <thead> <tr> <th>Melalap Estate</th> <th>Sapong Estate</th> </tr> </thead> <tbody> <tr> <td>1. 33xx8</td> <td>1. 1323xx</td> </tr> </tbody> </table>	Melalap Estate	Sapong Estate	1. 33xx8	1. 1323xx	
Melalap Estate	Sapong Estate					
1. 33xx8	1. 1323xx					

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	<table border="1" data-bbox="1050 416 1720 643"> <tr> <td>2. 33xx4</td> <td>2. 480xx</td> </tr> <tr> <td>3. 33xx5</td> <td>3. 1015xx</td> </tr> <tr> <td></td> <td>4. 338xx</td> </tr> <tr> <td></td> <td>5. 336xx</td> </tr> <tr> <td></td> <td>6. 1043xx</td> </tr> <tr> <td></td> <td>7. 337xx</td> </tr> <tr> <td></td> <td>8. 1253xx</td> </tr> </table> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>The Estate Sr. Manager has been appointed as Person Responsible / Chairman for Safety and Health at both estates sampled as per appointment letter dated 8/9/2020 signed by the General Manager, Sabah North Zone.</p> <p>The Estate Manager has appointed the Sr. Assistant Manager as person responsible for Safety and health issue in the estate as per appointment letter dated 10/7/2018.</p> <p>The estate management has established Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the matters arising from the previous meetings, accident and incident report, workplace inspection, and training. Sighted the minutes meeting records as follows:</p>	2. 33xx4	2. 480xx	3. 33xx5	3. 1015xx		4. 338xx		5. 336xx		6. 1043xx		7. 337xx		8. 1253xx	
2. 33xx4	2. 480xx															
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		No.	Melalap Estate	Sapong Estate	
		1	3/3/2020	3/3/2020	
		2	24/6/2020	3/6/2020	
		3	23/9/2020	3/9/2020	
		4	TBC	1/12/2020	
		<p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3.</p> <p>The estates sampled continue provided training to create awareness on the ERP. Training was conducted as follows:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> Emergency Response Plan training dated 10/9/2020 <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> Firefighting with stakeholders in collaboration with Tenom Fire Department training dated 17/9/2020 <p>First aider present at various work station at the estates visited. The mandore was appointed as responsible for first aid box at each workstation. All the appointed first aider has been trained on basic first aid treatment. Reviewed the latest training conducted as follows:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> First aid training dated 14/8/2020 <p><u>Sapong Estate</u></p>			

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		<p>1. First aid refresher training dated 29/6/2020</p> <p>The estates sampled maintain the records of accident cases and reported to head office through OSH Monthly Performance Report. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p>The mill submit the JKPP 8 form on annually basis to DOSH through MyKKP website. Sighted the submission as FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date submitted</th> <th>Cases/LTA</th> </tr> </thead> <tbody> <tr> <td>Melalap</td> <td>24/1/2020</td> <td>2 cases, 3 LTA</td> </tr> <tr> <td>Sapong</td> <td>22/1/2020</td> <td>2 cases, 0 LTA</td> </tr> </tbody> </table>	Estate	Date submitted	Cases/LTA	Melalap	24/1/2020	2 cases, 3 LTA	Sapong	22/1/2020	2 cases, 0 LTA	
Estate	Date submitted	Cases/LTA										
Melalap	24/1/2020	2 cases, 3 LTA										
Sapong	22/1/2020	2 cases, 0 LTA										
Criterion 4.4.5: Employment conditions												
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established Group Sustainability & Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p>	Complied									

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		The policies were communicated to the employees on 24/07/2020 in Melalap Estate, 05/08/2020 in Sapong Estate and 25/08/2020 to external stakeholders.	
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from http://www.simedarbyplantation.com/sustainability/human-rights-charter .	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Pay and conditions are documented and achieved the Minimum Wage Order 2020. The workers were paid according to the legal requirement and as per the collective agreement signed. Total sampled 22 payslips in Melalap Estate and Sapong Estate for March 2020, June 2020 and September 2020 found that they were paid accordingly.	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the	Melalap Estate and Sapong Estate have engaged contractors for rental of machineries and replanting work. Seen the employment contracts that signed by the contractors and their workers. Employment contract has clearly mentioned the terms and conditions as per the Sabah	Major Non-conformity

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<p>employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Ordinance and has acknowledged by the workers. EPF and SOSCO contribution was made to the workers by the contractors as verified the contribution records.</p> <p><u>Sapong Estate:</u> Reviewed the payslips (June and September 2020) for contractor's workers (Jutamas Kekal Sdn Bhd) below found that they were not paid as per the Minimum Wage Order 2020.</p> <ol style="list-style-type: none"> 1. I/C No.: 890130-49-50XX 2. I/C No.: 910407-12-61XX <p>This Minor NC has been escalated to Major NC.</p>	
<p>4.4.5.5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The estates' management have registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</p>	Complied
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The mill management has employed local and foreign workers. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Sabah Ordinance. Total 22 employment contracts were sampled for both Melalap Estate and Sapong Estate.</p>	Complied
<p>4.4.5.7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Seen the Estate Daily Attendance Report for monthly basis where it recorded the number of days work and hours of overtime work. The data was transferred from the checkroll record book for the workers to the SAP system.</p>	Complied

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4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Reviewed the Supervisor record of attendance and work allocation form found that attendance and overtime were recorded. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime were paid according to the Estate Daily Attendance Report. Total hours of overtime and daily attendance has recorded in the Estate Daily Attendance Report and the payslips.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families with subsidized electricity supply.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	The estates' management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. The last inspection for November 2020 was conducted on 04/11/2020, 11/11/2020, 12/11/2020, 18/11/2020, 24/11/2020 and 25/11/2020 in Pegalan and Main Division in Melalap Estate. the linesite inspection done on 14/12/2019. Linesite inspection was carried out on weekly basis and seen the inspection checklist accordingly. Issues found during the inspection were recorded in the remarks.	Complied

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<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.</p> <p>Gender Committee was established in Melalap Estate and Sapong Estate to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 14/08/2020 in Melalap Estate and 09/06/2020 in Sapong Estate. There was no sexual harassment and violence case reported during the meeting.</p>	<p>Complied</p>
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively.</p> <p>SPIEU committee was established in Melalap Estate and Sapong Estate.</p> <p>The last meeting was conducted on 21/09/2020 between the workers' representatives and management representatives to discuss issues related to workers in Melalap Estate, Melalap POM and Sapong Estate. Seen the meeting minutes and issues were recorded in the meeting</p>	<p>Complied</p>

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		<p>minutes. Actions are still in progress for the issues raised. For eg: the worker requested to repair the drainage system in the housing area. Seen the photo evident of the repairing work is in progress.</p> <p>The workers have signed on written consent to allow the management to make deduction of RM 3 per month. Seen the written consent with acknowledgement.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornograph. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years.</p> <p>No employees below the age of 18 were sighted through verified the Employee Master Listing.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>The estate visited has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.</p> <p>Sighted the sample training records as follows:</p> <p><u>Melalap Estate</u></p>	Complied

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	<ol style="list-style-type: none"> 1. OSH Act and regulation training dated 23/9/2020 2. ESH committee fuction and responsibility training dated 23/9/2020 3. Refresher harvesting training dated 13/7/2020 4. Refresher spraying training dated 13/7/2020 5. Accident investigation report training dated 23/9/2020 6. First Aid training dated 14/8/2020 7. ERP training dated 10/9/2020 8. Chemical Safety Data Sheet training dated 13/7/2020 9. Firefighting training dated 10/9/2020 10. Personal hygiene and health training dated 24/7/2020 11. Company Policy training dated 24/7/2020 12. 3R training dated 24/7/2020 13. HCV training dated 20/7/2020 <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. ESWISS refresher training dated 14/2/2020 2. First aid refresher training dated 29/6/2020 3. Kick off meeting for replanting contractors and training dated 19/8/2020 4. Sprayer (weeding) refresher training dated 21/1/2020 	

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		5. Refresher sprayer briefing and demo on use of 3M respirator mask training dated 24/9/2020 6. Refresher sprayer training dated 10/2/2020 7. RSPO and MSPO training for contractors dated 25/8/2020 8. Refresher on new changes on Sime Darby policy, COBC and whistle blowing channel training dated 5/8/2020 9. Firefighting with stakeholders in collaboration with Tenom Fire Department training dated 17/9/2020 10. RSPO and MSPO briefing to stakeholders dated 17/9/2020 11. Safety townhall meeting dated 28/8/2020 12. Ergonomic training dated 13/2/2020	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The estates visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p> <p><u>Melalap Estate</u></p> <p>32 training was identified for management, employee and contractors and programmed throughout FY 2020.</p> <p><u>Sapong Estate</u></p> <p>28 training was identified for management, employee and contractors and programmed throughout FY 2020.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The estates visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>In the Policy stated as follows:</p> <p>Group Sustainability and Quality Statement: Minimizing Environmental Harm:</p> <ul style="list-style-type: none"> i. Protecting and enhancing biodiversity and ecosystem ii. No deforestation and No new development on peat land iii. Enhancing resilience against climate change impact iv. Adopting responsible consumption and production 	Complied

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		<p>Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement</p> <p>Environment</p> <ul style="list-style-type: none"> i. Comply to emission and effluent standard ii. efficient use of water and energy iii. Minimize waste iv. Protect the ecosystem and biodiversity 	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>The assessment was conducted base on Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure. In the SOP stated the POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts.</p> <p><u>Sapong Estate</u></p> <p>Latest review was conducted on 1/7/2020 by the Quality Assurance officer and approved by the Manager with no changes on made to the EAI and EIE since last review was conducted.</p> <p>For replanting program, Environmental Impact Assessment has been conducted on August 2018 as per report no. CK/EV4034322A-17.</p> <p><u>Melalap Estate</u></p> <p>Latest review was conducted on 2/4/2020 by the Quality Assurance officer and approved by the Manager with no changes on made to the EAI and EIE since last review was conducted.</p> <p>For replanting, EIA was conducted on October 2018 as per report dated CK/EV403-4322B/17.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.1.3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The operating units sampled have established the Environmental Management Program base on the significant impacts identified in the EAI/EIE conducted and documented in several management plan such as Environmental Action/Pollution Prevention Plan, Water Management Plan, Waste management Plan and Energy Management Plan. The plan stated the Environmental issue, mitigating measures and person responsible. The plan was reviewed on annually basis.</p> <p>Among the plan established as follows:</p> <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. Create awareness to staff and workers regarding the importance of saving electricity 2. Recollect waste water during premixing 3. Use oil tray to prevent leakage used oil 4. Regular vehicle/machinerie engine maintenance 5. Replanting area <ol style="list-style-type: none"> a. Riparian zone of 20m established b. Don't fell area more than 25° c. Signage at area more than 25° and riparian zone d. Established Legume Cover Crop <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. To comply with EQA 1974 and Regulation 2005 2. To improve the Scheduled Waste store 3. To reduce domestic waste and create awareness on 3R 4. To create awareness on Zero Burning 	<p>Complied</p>

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		<p>5. To ensure no chemical application the bufferzone Reviewed the documentation on the implementation of the management plan as follows: <u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. The estate continue to create awareness on the 3R program and zero burning practice among the workers. Reviewed picture dated 23/12/2020 in the signboard erected at the housing area. Latest training on 3R has been conducted on 24/7/2020. Additionally, the mill has established the 3R collection station at the housing area. 2. The estate has established rive buffer zone for Sg. Pegalan in field P01MA as per picture reviewed dated 23/12/2020. No evidence of chemical application and the vegetation is well maintained. 3. The estate has installed collection sum and water pump to collect waste water from chemical premixing area and reuse back in chemical premixing operation. Reviewed the picture dated 24/12/2020 the process reuse of waste water. <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. The estate monitor the vehicle/machineries maintenance in timely manner to ensure no oil leakage or smoke pollution. Reviewed the vehicle maintenance schedule displayed at the workshop (picture dated 24/12/2020) and tractor daily utilisation records. 2. The estate progressively changed fluorescent tube to LED tube in order to optimize the use of electricity. Reviewed the evidence as per invoice no. IV-22891 dated 27/10/2020 	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	The operating units sampled have established the Environmental Management Program including promoting activity with positive impact to the workers.	Complied

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	- Minor compliance -	<p>Among the plan established as follows:</p> <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. Create awareness to staff and workers regarding the importance of saving electricity 2. Recollect waste water during premixing <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. To reduce domestic waste and create awareness on 3R 2. To create awareness on Zero Burning 3. To ensure no chemical application the buffer zone 	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>The estates continue provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p>	Complied
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The estates sampled discussed the issues on environmental concern during Environmental, Safety and Health committee meeting conducted on quarterly basis.</p>	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy</p>	<p>The estate sampled has established plan for efficiency of the use of fossil fuels and to optimise renewable energy and documented in Energy Management plan and environmental management plan.</p>	Complied

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	<p>including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Among the plan established focusing on:</p> <p>1. Create awareness to staff and workers regarding the importance of saving electricity</p> <p>Sighted the monitoring for diesel usage/FFB produced records for FY 2019 and FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Sapong Estate</th> <th colspan="2">Melalap Estate</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.57</td> <td>3.29</td> <td>3.33</td> <td>3.78</td> </tr> <tr> <td>Feb</td> <td>0.74</td> <td>3.47</td> <td>2.46</td> <td>3.84</td> </tr> <tr> <td>Mar</td> <td>0.38</td> <td>2.49</td> <td>3.15</td> <td>3.11</td> </tr> <tr> <td>Apr</td> <td>0.45</td> <td>1.70</td> <td>3.27</td> <td>2.17</td> </tr> <tr> <td>May</td> <td>2.22</td> <td>2.03</td> <td>2.91</td> <td>3.01</td> </tr> <tr> <td>Jun</td> <td>1.57</td> <td>2.17</td> <td>2.53</td> <td>2.65</td> </tr> <tr> <td>Jul</td> <td>3.26</td> <td>1.89</td> <td>3.18</td> <td>3.43</td> </tr> <tr> <td>Aug</td> <td>0.81</td> <td>1.67</td> <td>10.91</td> <td>3.16</td> </tr> <tr> <td>Sep</td> <td>3.60</td> <td>2.09</td> <td>3.30</td> <td>2.31</td> </tr> <tr> <td>Oct</td> <td>3.88</td> <td>1.81</td> <td>2.95</td> <td>2.03</td> </tr> <tr> <td>Nov</td> <td>3.16</td> <td>2.75</td> <td>3.23</td> <td></td> </tr> <tr> <td>Dec</td> <td>3.34</td> <td>N/A</td> <td>3.07</td> <td>N/A</td> </tr> </tbody> </table>		Sapong Estate		Melalap Estate		2019	2020	2019	2020	Jan	0.57	3.29	3.33	3.78	Feb	0.74	3.47	2.46	3.84	Mar	0.38	2.49	3.15	3.11	Apr	0.45	1.70	3.27	2.17	May	2.22	2.03	2.91	3.01	Jun	1.57	2.17	2.53	2.65	Jul	3.26	1.89	3.18	3.43	Aug	0.81	1.67	10.91	3.16	Sep	3.60	2.09	3.30	2.31	Oct	3.88	1.81	2.95	2.03	Nov	3.16	2.75	3.23		Dec	3.34	N/A	3.07	N/A	
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The 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 determined based on previous year fuel consumption.</p>	Complied																																																																					

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Criterion / Indicator		Assessment Findings	Compliance																								
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No possibility to use renewable energy in the estate	Complied																								
Criterion 4.5.3: Waste management and disposal																											
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>The estates have identified the waste products and source pollution generated in the estates and mill. The waste are categorized as follows:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Item Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Scheduled Waste</td> <td>1. Spent lubricant</td> <td rowspan="5">Workshop</td> </tr> <tr> <td>2. Spent hydraulic oil</td> </tr> <tr> <td>3. Used oil filters</td> </tr> <tr> <td>4. Used batteries</td> </tr> <tr> <td>5. Contaminated rags, empty lubricant, grease, hydraulic oil containers</td> </tr> <tr> <td>6. Empty Chemical containers</td> <td>Chemical store</td> </tr> <tr> <td></td> <td>Clinical Waste</td> <td>Clinic</td> </tr> <tr> <td rowspan="4">Domestic waste</td> <td>Rubbish</td> <td rowspan="4">Workers housing complex, office</td> </tr> <tr> <td>Sewage</td> </tr> <tr> <td>Used PPE</td> </tr> <tr> <td>Used Tyre</td> </tr> <tr> <td>Estate Waste</td> <td>EFB</td> <td>Sentang Div.</td> </tr> </tbody> </table>	Type	Item Description	Location	Scheduled Waste	1. Spent lubricant	Workshop	2. Spent hydraulic oil	3. Used oil filters	4. Used batteries	5. Contaminated rags, empty lubricant, grease, hydraulic oil containers	6. Empty Chemical containers	Chemical store		Clinical Waste	Clinic	Domestic waste	Rubbish	Workers housing complex, office	Sewage	Used PPE	Used Tyre	Estate Waste	EFB	Sentang Div.	Complied
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.2 A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> 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 <p>- Major compliance -</p>	<p>The estates visited has established waste management plan. Latest review was conducted on 3/1/2020. Among the plan established as follows:</p> <ol style="list-style-type: none"> 1. To comply with EQA Schedules Waste Regulation 2005 2. To provide enough dustbin at the housing area 3. Established domestic waste collection schedule 4. Continuously create awareness on hygiene and 3R among the workers 5. Ensure maintenance of septic tanks 6. Monitoring collection and application of EFB in the field. <p>Reviewed the implementation of the management plan as follows:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. The estate continue to create awareness on the 3R program and zero burning practice among the workers. Reviewed picture dated 23/12/2020 in the signboard erected at the housing area. Latest training on 3R has been conducted on 24/7/2020. Additionally, the mill has established the 3R collection station at the housing area. 2. The estate maintain the inventory records for all scheduled waste generated. Reviewed the inventory records for the month of November 2020 in the ESWISS. <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. The estate has installed collection sum and water pump to collect waste water from chemical premixing area and reuse back in chemical premixing operation. Reviewed the picture dated 24/12/2020 the process reuse of waste water. 	<p>Complied</p>

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		<p>2. Domestic waste were disposed at Keningau Municipal Landfill. Reviewed the disposal document dated 2/10/2020 approved by the Asst. Environmental Health Officer, Keningau Municipal Council.</p> <p>3. The estate maintain the inventory of empty pesticide container. Reviewed the inventory records dated 3/6/2020 and 18/9/2020.</p>	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures.</p> <p>Both estate visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited.</p> <p>Sighted the latest disposal records as follows:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> SW 410, C/N no. 202009251002VHNR dated 18/9/2020 SW 102, C/N no. 2020092510N5OC8Y dated 18/9/2020 <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> SW 305, C/N no. 037491 dated 8/9/2020 	Complied
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the</p>	<p>Empty pesticides container were identified as scheduled/recycle waste. All empty pesticides containers were triple rinse for reused purpose or stored at designated stored before disposed to licensed contractors.</p> <p>Sighted the disposal records for SW 409 as follows:</p> <p><u>Melalap Estate</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	national programme on recycling of used HDPE pesticide containers. - Major compliance -	1. SW 409, C/N no. 037490 dated 8/9/2020 <u>Sapong Estate</u> 2. SW 409, C/N no. 2020092510J9K72X dated 18/9/2020	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	<u>Melalap Estate</u> Domestic waste were collected three times a week. Reviewed the domestic waste collection records available for review. The domestic waste were disposed in designated landfill located in field P02M. <u>Sapong Estate</u> Domestic waste were disposed at Keningau Municipal Landfill. Reviewed the disposal document dated 2/10/2020 approved by the Asst. Environmental Health Officer, Keningau Municipal Council.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The estates visited has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The action plan to reduce the identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan.	Complied
Criterion 4.5.5: Natural water resources			

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>The estate sampled has established water management plan which mainly focusing on:</p> <ul style="list-style-type: none"> 1. Identification and management of waste water 2. Contingency plan during water shortage 3. Reduce the fresh water usage <p>The management plan stated the water source, areas of concern, Monitoring, contingency plan, person responsible and time frame.</p> <p>Sighted the implementation of the management plan as follows:</p> <p><u>Melalap Estate</u></p> <ul style="list-style-type: none"> 1. The estate has established rive buffer zone for Sg. Pegalan in field P01MA as per picture reviewed dated 23/12/2020. No evidence of chemical application and the vegetation is well maintained. 2. The estate monitor the quality of the river flowing through the estate. Reviewed the river water sampling records as follows: <ul style="list-style-type: none"> i. Pesticide in Water Analysis Report no. PL498/2020 dated 22/10/2020. Results: Non – Detected 3. The estate monitor the treated clean water supplied to the workers for domestic use. Reviewed the water sampling records as follows: <ul style="list-style-type: none"> i. Domestic water analysis Report no. IE/934/2020 dated 24/11/2020. Results: After treatment conforms to NSDWQ for domestic use. <p><u>Sapong Estate</u></p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. The estate has established river buffer zone for Sg. Biah in field P03AA as per picture reviewed dated 23/12/2020. No evidence of chemical application and the vegetation is well maintained. Signboard on prohibition of spraying, manuring, farming and waste disposal were erected at the buffer zone area. 2. The estate monitor the quality of the river flowing through the estate. Reviewed the river water sampling records as follows: <ol style="list-style-type: none"> i. Pesticide in Water Analysis Report no. IE819/2020 dated 16/10/2020. Results: Non – Detected 3. The estate monitor the treated clean water supplied to the workers for domestic use. Reviewed the water sampling records as follows: <ol style="list-style-type: none"> i. Domestic water analysis Report no. ML/331/2020 dated 16/10/2020. Results: After treatment conforms to NSDWQ for domestic use. 	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Sighted no construction of bund, weirs and dams across waterways passing through the Melalap Estate and Sapong Estate.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in estate visited.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			

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<p>4.5.6.1</p> <p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>The reassessment on the HCV area in SOU 27 has been conducted on 7 – 9/7/2015 and documented in HCV Re-Assessment for Strategic operating Unit (SOU) 27 Melalap final Report Ver. III dated January 2016.</p> <p>7 HCV were identified in both estates as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Estate</th> <th>No.</th> <th>Area</th> <th>Ha.</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Melalap Estate</td> <td>1</td> <td>Water Catchment (P01KA)</td> <td>3.6700</td> <td>4</td> </tr> <tr> <td>2</td> <td>River (Pengalan) Reserve</td> <td>84.2500</td> <td>4</td> </tr> <tr> <td>3</td> <td>Aki Tampulan Stone</td> <td>0.0045</td> <td>6</td> </tr> <tr> <td>4</td> <td>Cemetery (P01MA)</td> <td>0.3700</td> <td>6</td> </tr> <tr> <td colspan="3">Total</td> <td>88.2945</td> <td></td> </tr> <tr> <td rowspan="3">Sapong Estate</td> <td>5</td> <td>Stream (known as Ampat Bunut, Biah Rivers) buffer zone</td> <td>41.8900</td> <td>4</td> </tr> <tr> <td>6</td> <td>Slope) known as Ant Hill) area P 03AA</td> <td>0.4000</td> <td>4</td> </tr> <tr> <td>7</td> <td>Cemetery (P02A and P02BA)</td> <td>3.4300</td> <td>6</td> </tr> <tr> <td colspan="3">Total</td> <td>45.72.00</td> <td></td> </tr> <tr> <td colspan="3">Grand Total</td> <td>134.0145</td> <td></td> </tr> </tbody> </table>	Estate	No.	Area	Ha.	HCV	Melalap Estate	1	Water Catchment (P01KA)	3.6700	4	2	River (Pengalan) Reserve	84.2500	4	3	Aki Tampulan Stone	0.0045	6	4	Cemetery (P01MA)	0.3700	6	Total			88.2945		Sapong Estate	5	Stream (known as Ampat Bunut, Biah Rivers) buffer zone	41.8900	4	6	Slope) known as Ant Hill) area P 03AA	0.4000	4	7	Cemetery (P02A and P02BA)	3.4300	6	Total			45.72.00		Grand Total			134.0145		<p>Complied</p>
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<p>4.5.6.2</p> <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</p>	<p>No RTE species identified as per report HCV Re-Assessment for Strategic operating Unit (SOU) 27 Melalap final Report Ver. III dated January 2016.</p> <p>Estates visited established HCV management plan base on the HCV assessment conducted. Among the management plan established as follows:</p> <p><u>Sapong Estate</u></p>	<p>Complied</p>																																																		

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	<p>resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<ol style="list-style-type: none"> 1. Maintain all remnant forest patches, area, more than 25 degree slope (Ant Hill – P03AA) 2. To maintain the buffer zone (width) as per company policy 3. To update the hydrology map 4. To inform retrain all the sprayers to maintain soft grasses at inter rows 5. Maintain fruit trees and plant 6. Maintain the HCV areas (for cemetery – P02A and 2018B) <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. Ensure signboard is available at HCV area 2. Monitoring HCV area for evidence of trespassing 3. Demarcation of riparian buffer zone for Sg. Makaniton and Sg. Pegalan. 	
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Estates visited established HCV management plan base on the HCV assessment conducted.</p> <p>Reviewed the implementation of the management plan as follows:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. The estate has established rive buffer zone for Sg. Pegalan in field P01MA as per picture reviewed dated 23/12/2020. No evidence of chemical application and the vegetation is well maintained. 	Complied

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		<p>2. Estate visited continue to monitor the HCV area. The issue monitored include of encroachment/Sign of trespassing, wildlife issues/conflicts/sightings, pollution/erosion issue and others. The monitoring was conducted on monthly basis. Reviewed the monitoring records FY 2020. No evidence of trespassing at the HCV area during the period.</p> <p><u>Sapong Estate</u></p> <p>1. The estate has established rive buffer zone for Sg. Biah in field P03AA as per picture reviewed dated 23/12/2020. No evidence of chemical application and the vegetation is well maintained. Signboard on prohibition of spraying, manuring, farming and waste disposal were erected at the buffer zone area.</p> <p>2. Estate visited continue to monitor the HCV area. The issue monitored include of encroachment/Sign of trespassing, wildlife issues/conflicts/sightings, pollution/erosion issue and others. Reviewed the monitoring records dated 22/12/2020.</p>	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law – EQA and Regulations 1974.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where	No open burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied

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	there is a significant risk of disease spread or continuation into the next crop. - Major compliance -		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	SOP was established for the Estates. Sime Darby SOP issued 2/1/2008 and Agricultural Reference Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU 24 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc. Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement,	Complied

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		Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	<p>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>Landscapes of both estates visited are mostly flat. Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p>	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Both sampled 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.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	SOU 27 has continued its commitment to long term sustainability and improvements through a capital expenditure program. The management has forecasted 5 years business plan from FY 2020 – 2024.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
	- Major compliance -																				
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>SOU 27 have long range replanting program until FY 2025. Replanting planned for the palm older than 25 years, non-performance field (yield) and ganoderma infected palm. Observed the replanting program for the next financial year as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Melalap</td> <td>90.65</td> <td>103.63</td> <td>86.05</td> <td>133.91</td> <td>140.78</td> </tr> <tr> <td>Sapong</td> <td>81.65</td> <td>182.37</td> <td>266.27</td> <td>170.04</td> <td>90.29</td> </tr> </tbody> </table>	Estate	2021	2022	2023	2024	2025	Melalap	90.65	103.63	86.05	133.91	140.78	Sapong	81.65	182.37	266.27	170.04	90.29	Complied
Estate	2021	2022	2023	2024	2025																
Melalap	90.65	103.63	86.05	133.91	140.78																
Sapong	81.65	182.37	266.27	170.04	90.29																
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>All relevant information contained in the annual budget plan for as sighted in annual budget FY2020 such as:</p> <ul style="list-style-type: none"> i. Total crop projection and yield potential ii. Activity direct cost <ul style="list-style-type: none"> a. Mature upkeep b. Manuring c. Harvesting and collection d. Transportation e. Nursery iii. Estate administration <ul style="list-style-type: none"> a. Admin Cost iv. Labour overhead v. Road and bridges 	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance
		vi. Cost of production.	
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2024) and well documented upon request.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Melalap Estate and Sapong Estate has engaged contractors for varieties of works such as replanting, FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below: i. Company No.: 675906-U for land preparation and related works for Oil Palm replanting which valid for 6 months from 13/03/2020 ii. Ref. No.: SOU27/Rental machine/T/19/01 for rental heavy machineries which valid from 01/01/2002 to 31/12/2020 iii. Company Name: T&F Enterprise for transporting & planting oil palm seedlings and EFB mulching which valid from 01/07/2020 to 31/12/2020 Pricing of the works/ services and mechanism were clearly stated in the appendix of the agreement and agreed by the contractors. Payment term is outlined in the agreement where the payment shall be made within 30 days from the date of receipt of the invoice from Service Providers.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		For replanting contractor, the payment will be made within 45 days of the issue of Certificate of payment as mentioned in the Appendix 4 sighted by the contractor.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records printed from system as below: i. INV# IV-01735 dated 31/08/2020; Payment made on 08/09/2020 ii. INV# IV-01742 dated 30/09/2020; Payment made on 08/10/2020 iii. INV# 201839 dated 30/10/2020; Payment made on 06/11/2020	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors engaged by the estates' management has signed on a letter regarding the compliance of RSPO/ MSPO/ SCCS. All the contractors need to follow the RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system. Briefing of RSPO & MSPO was given to the contractors for SOU 27 on 25/08/2020. Seen the training attendance list and training materials. They have signed on the addendum as well on 25/08/2020.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Melalap Estate and Sapong Estate has engaged contractors for varieties of works such as replanting, FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below: i. Company No.: 675906-U for land preparation and related works for Oil Palm replanting which valid for 6 months from 13/03/2020 ii. Ref. No.: SOU27/Rental machine/T/19/01 for rental heavy machineries which valid from 01/01/2002 to 31/12/2020	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iii. Company Name: T&F Enterprise for transporting & planting oil palm seedlings and EFB mulching which valid from 01/07/2020 to 31/12/2020	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	As refer to the SDP Vendor COBC, Clause 4 – Responsibility and Compliance with the Vendor COBC, where rights to audit vendors to verify compliance of the COBC. Besides, an addendum signed by the contractors has clearly stated that all contractors shall ensure to reserve the right of the certification body to audit.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estate’s personnel. Projects where tenders are issued by HQ are checked by representatives from HQ usually from the Engineering Department.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more	NA as no development of new planting.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
	requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -		
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	NA as no development of new planting.	Not Applicable
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	NA as no development of new planting.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	NA as no development of new planting.	Not Applicable
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	NA as no development of new planting.	Not Applicable
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	NA as no development of new planting.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	NA as no development of new planting.	Not Applicable
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	NA as no development of new planting.	Not Applicable
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made	NA as no development of new planting.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
	available. - Major compliance -		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	NA as no development of new planting.	Not Applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	NA as no development of new planting.	Not Applicable

MS 2530 Part 4: General Principles for Palm Oil Mills

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation Berhad has issued an inter-office mail (Ref. No.: SQM.RSPO.1811/22.11) dated 23/11/2018 regarding the statement on commitment towards MSPO implementation by Head, Global Sustainability Operations. Sime Darby Plantation Berhad is committed to comply and implement the MSPO certification to demonstrate our commitment towards the production of certified sustainable palm oil products.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	Sime Darby Plantation Berhad has clearly emphasized to achieve commitment towards a systematic approach in ensuring continuous improvement in the operation, compliance to statutory, legal and other regulatory requirements and establishment of traceability within the supply chain in the above-mentioned memorandum.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit schedule was issued to the operating unit by SQM through email and internal audit plan was sighted. The internal audit was planned on 25/08/2020 for Melalap POM.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	Sime Darby Plantation Berhad has established an Internal Audit Procedure (Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017) to ensure the process of system audit is carried out effectively. The frequency of the internal audit is on annually and as when required.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Seen the MSPO & RSPO Internal Audit Report for KKS Melalap and the audit was conducted on 26/08/2020. 1 major non-conformance, 1 minor non-conformance and 1 opportunity for improvement was raised for MSPO requirements. Root cause was identified, and correction & corrective action was developed accordingly. All the non-conformities were closed on 29/09/2020 as accepted by the Lead Auditor.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the mill's management. The Management Representative has acknowledged on the acceptance of the Internal Audit Report on 26/08/2020. Management review meeting was conducted to review the findings of the internal audit.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The latest management review meeting was carried out on 25/09/2020 in Melalap POM chaired by the Mill Manager and attended by 11 participants. The agenda that discussed as below: Review of meeting minutes Matters Arising from previous meeting minutes Review on status/ issue of input and output Objectives/ Management Program Results from audit system and assessment Customers feedback/ complaints Internal audit report MSPO_RSPO_SCCS_2020 Changes that could affect the MSPO/ RSPO SCCS systems	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Recommendations for Improvement Improvement in the effectiveness of the MSPO/ RSPO SCCS system and its process Resource Needed SIA Other matters	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Mill has developed the Pollution Prevention Plan and SIA for the continual improvement process. For eg: To control the high-water usage for cleaning purpose by using wet cleaning program using water jet installed at involve station and enforce dry cleaning using fibre to minimize usage of water. To comply Clean Air Regulation 2014 by improve boiler air emission monitoring by equipped with CEMS and ESP system at boiler.	Complied
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Dissemination of information to the employees were made through dialogues and training sessions. The staff/workers annual training program for FY 2020 was established. The training subjects identified among others include LOTO training, operations training, RSPO/ MSPO training and emergency response training.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.</p>	Complied
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website (http://www.simedarbyplantation.com/Sustainability.aspx) to obtain information such as policies, annual report and complaint procedures.</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Besides, the company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Mill Manager of the Melalap POM has appointed Mill Assistant II as Social Officer to handle any issue related to social in the mill. Seen the appointment letter dated 01/01/2020. Role and responsibility were outlined in the appointment letter.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	A combine stakeholder meeting for Melalap POM and Melalap Estate was conducted on 22/09/2020. Stakeholders such as contractors, suppliers, school's representatives, local communities and government authorities have attended the meeting. Issues raised by stakeholders were recorded in the minutes and incorporated into the SIA management plan 2020. The stakeholders were briefed on company's policies and procedures during the stakeholder meeting.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	New standard regarding to traceability if have Record of weighbridge ticket of month march and July 2020 from estate and Mill (for received FFB and sell CPO). Sime Darby Plantation Berhad has established SOP for traceability and documented in Sime Darby Plantation, Sustainable Plantation Management System, ver. 2, issue no. 5 dated April 2019 under	Complied

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Criterion / Indicator	Assessment Findings	Compliance			
	<p>Appendix 5: Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability.</p> <p>Sighted sampled records for FFB received and CPO/PK dispatched out as follows:</p> <p>MSPO Certified group estate</p> <table border="1" data-bbox="1088 675 1865 1136"> <tr> <td data-bbox="1088 675 1476 1136"> <ul style="list-style-type: none"> a) Supplier: E200 - Sapong b) Product ID: 0001-FFB A Crop* c) Nett weight: 10,020 kg d) Delivery date: 21/12/2020 e) Weighbridge ticket no.: 92931 f) D.O. no.; 36187 g) MSPO certificate no.: MSPO 685285 h) MSPO certificate validity: 7/3/2018 – 6/3/2023 </td> <td data-bbox="1476 675 1865 1136"> <ul style="list-style-type: none"> a) Supplier: E201 - Melalap b) Product ID: 0001-FFB A Crop* c) Nett weight: 12,020 kg d) Delivery date: 21/12/2020 e) Weighbridge ticket no.: 92933 f) D.O. no.; 45822 g) MSPO certificate no.: MSPO 685285 h) MSPO certificate validity: 7/3/2018 – 6/3/2023 </td> </tr> </table> <p>Outside supplier</p> <table border="1" data-bbox="1088 1235 1865 1367"> <tr> <td data-bbox="1088 1235 1865 1367"> <ul style="list-style-type: none"> i) Supplier: Ladang Paal j) Product ID: 0002-FFB B Crop* k) Nett weight: 1,710 kg l) Delivery date: 21/12/2020 </td> </tr> </table>	<ul style="list-style-type: none"> a) Supplier: E200 - Sapong b) Product ID: 0001-FFB A Crop* c) Nett weight: 10,020 kg d) Delivery date: 21/12/2020 e) Weighbridge ticket no.: 92931 f) D.O. no.; 36187 g) MSPO certificate no.: MSPO 685285 h) MSPO certificate validity: 7/3/2018 – 6/3/2023 	<ul style="list-style-type: none"> a) Supplier: E201 - Melalap b) Product ID: 0001-FFB A Crop* c) Nett weight: 12,020 kg d) Delivery date: 21/12/2020 e) Weighbridge ticket no.: 92933 f) D.O. no.; 45822 g) MSPO certificate no.: MSPO 685285 h) MSPO certificate validity: 7/3/2018 – 6/3/2023 	<ul style="list-style-type: none"> i) Supplier: Ladang Paal j) Product ID: 0002-FFB B Crop* k) Nett weight: 1,710 kg l) Delivery date: 21/12/2020 	
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Criterion / Indicator		Assessment Findings	Compliance
		<div style="border: 1px solid black; padding: 5px;"> m) Weighbridge ticket no.: 92927 n) D.O. no.; 009559 o) MSPO certificate no.: 0430092070 p) MSPO certificate validity: 5/1/2017 – 4/1/2022 </div> <p>CPO Dispatch</p> <div style="border: 1px solid black; padding: 5px;"> a) Buyer: Kunak SDP Sabah b) Product ID: 0007-Crude Palm Oil (CPO) RSPO MB c) Nett weight: 39,270 kg d) Delivery date: 21/12/2020 e) Weighbridge ticket no.: 007018 f) D.O. no.; 4560 </div>	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Any record on RC visit, mill advisory report and internal audit. Internal audit was conducted on annually basis. Reviewed the internal audit report conducted on 26/8/2020 by 2 Internal Auditors from RSQM. 2 non-conformity were raised on traceability during the audit. The issue has been addressed by the mill and accepted by the audit team on 29/9/2020. The results of the Internal Audit was discussed in the Management Review Meeting. Reviewed the minutes for meeting conducted on 25/9/2020.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system.	Appointment letter for traceability system (PIC)	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	The mill has appointed the Mill Assistant Manager and QA Supervisor as person responsible to implement the traceability system as per appointment letter dated 20/1/2020 signed by the Mill Manager	
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Record of weighbridge ticket of month march and July 2020 from estate and Mill (for received FFB and sell CPO). Stock of CSPO & CSPK was recorded in Mass Balancing Records for Oil Mill. Production records were maintained in "Daily production summary". The information about stock balance, sales and delivery is recorded in the format on daily basis. Production of MSPO certified CPO have been started since MSPO certificate is granted.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Compliance to each applicable law and regulation is monitored by the operating units. Sighted the sampled evidence of compliancy to the regulation as follows: 6. MPOB License no. 535146004000 for sell and move, store and processing 288000 ton FFB. Validity period from 1/1/2020 -1 31/12/2020 7. DOE's Compliance Schedule no. JPKKS/12/003562 for license no. 003562. Validity period from 1/7/2020 – 30/6/2021 8. Private Installation License no. 004490/2020. Validity period from 24/6/2020 - 23/6/2021 9. Competence person license	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>a. CePSWaM Cert no. CePSWaM/2011199. Validity period from 24/6/2020 – 24/6/2021</p> <p>b. CePPOME Cert. no. CePPOME/197881.</p> <p>Melalap POM has obtained approval from <i>Jabatan Tenaga Kerja Sabah</i> for the following:</p> <p>i. Serial No.: 600-1/2/12/1(08/TNM/2020-0132) for overtime limit to maximum 120 hours per month which valid from 19/05/2020 to 18/05/2022.</p> <p>Serial No.: 600-1/2/12/1 Jld.2(11/TNM/2020-0104) for deduction of wage for ASB and electricity bill which valid from 13/03/2020 to 12/03/2022.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The list of applicable laws and regulations which consist of documents/ laws that covers the requirements related to MSPO compliance. Among the sampled includes as follows:</p> <ol style="list-style-type: none"> 14. Prevention and Control of Infectious Diseases Act 1988, Act 342 15. Occupational Safety and Health Act 1994 (Act514) 16. Environmental Quality Act 1974 (Act 127) 17. Factories and Machinery Act with regulations 1967 (Act 139) 18. Pesticides Act 1974 (Act 149) 19. MPOB Act 1998 (Act 582) 20. Road Transport Act 1987 (Act 333) 21. Employees Social Security Act 1969 (Act 4) 22. Minimum Wages Order 2020 23. Infectious Disease Prevention and Control Order (Declaration of Local Area of Infection) (Effective Extension) (No.2) 2020 24. Infectious Disease Prevention and Control Order (Declaration of Infectious Local Areas) (Effective Extension) (No. 5) 2020 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		25. Infectious Disease Prevention and Control Order Regulation - Infectious Disease Prevention and Control Regulations (Measures in Local Areas) (No.7) 2020 26. Infectious Disease Prevention and Control Order Regulations - Infectious Disease Prevention and Control Regulation (Compounding of Offenses - Offenses) (Amendment) (No.7) 2020	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Changes to legal requirements are monitored and updated by company's Group Sustainability & Quality Management (GSQM). The SOP 2.0 (Legal Compliance) has specified any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:</p> <ol style="list-style-type: none"> 3. Head Office Assignee to identify and register all applicable laws & regulations pertaining to estate / palm oil mill operation. 4. Head Office Assignee to arrange the purchase of the applicable laws & regulations books where possible. Otherwise, downloaded/ soft copy would be used. <p>The latest up-date for 2020 are; -</p> <ol style="list-style-type: none"> 4. Minimum Wages Order 2020 5. Workers' Minimum Standards of Housing and Amenities Amendment Act 2019 6. Infectious Disease Prevention and Control Order (Declaration of Local Area of Infection) (Effective Extension) (No.2) 2020 	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory</p>	<p>The mill has appointed the QA Supervisor as person responsible to monitor compliance and to track update the changes in regulatory</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	requirements. - Minor compliance -	requirements as per appointment letter dated 20/1/2020 signed by the Mill Manager.	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Melalap POM is located inside of the land of Melalap Estate. The land is belonging to Sime Darby Plantation Sdn Bhd. Sighted the copy of the land title and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Melalap POM is located inside of the land of Melalap Estate. The land is belonging to Sime Darby Plantation Sdn Bhd. Sighted the copy of the land title and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The mill located in Melalap estate under land title no. Country Lease 165314643. The mill boundary was clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the Melalap POM at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
Criterion 4.3.3 – Customary rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements within the Melalap POM land area.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The right to use the land is not disputed and there was no customary land within the Melalap POM.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 19 – 21/05/2015 for SOU 27 Melalap. There is no new SIA was conducted since last assessment. The methodology of the assessment was through field interview, site observation and documentation review. A Management Plan on Social Impact Assessment 2020 was developed on 20/11/2020 which has included the issues raised during stakeholder meeting and SPIEU meeting. For eg: ii. Issue: Workers' Representative has requested the management to repair the broken drainage system at House No. 90-91, 79-78, 75-76 and 81-80.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Status: Seen the Contract Form with Doc. No.: 4300526096 dated 13/12/2020 where the management has appointed contractor to repair the respective issue.</p> <p>iii. Issue: Workers' Representative has complained on the grass cutting issue at housing complex.</p> <p>Status: The management has appointed a worker to carry out grass cutting 2 rounds per month and seen the job verification record for November 2020.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Melalap POM has implemented Internal & External Complaint Form and Complaint Book for External Stakeholder (OCP/ Supplier/ Contractor) to record any grievances from stakeholders. There is no external complaint received since July 2019. Reviewed the Internal & External Complaint Form found that common grievances were related to the housing repair. The complainants have acknowledged on the complaint form after actions have been taken to rectify the issue.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>Melalap POM has implemented Internal & External Complaint Form to record complaints and requests reported by the stakeholders. Sampled of the complaints as below:</p> <p>ii. House No.: 10 dated 19/06/2020 Issue: Roofing broken. Action: The management has instructed the carpenter to repair and seen the Work Permit for Repair dated 19/06/2020. Modification and repair were done on 19/06/2020.</p> <p>iii. House No.: A3 dated 04/07/2020 Issue: Water pipe broken. Action: The management has instructed the carpenter to repair and seen the Work Permit for Repair dated 04/07/2020. Modification and repair were done on 04/07/2020.</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>The stakeholders have been briefed on the flowchart for handling social issues and whistleblowing policy on 25/08/2020. Seen the attendance list and the training material.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Record review found that previous complaints and requests for Year 2018 were still available.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	The mill management has offered 100% job opportunity to the local communities by verified through employee master listing. The mill has helped the stakeholders upon request. For eg: Representative of workers has requested for belt press cake as fertilizer for the workers to plant vegetables at their housing area on 12/06/2020 and the management has responded and approved the request on 13/06/2020.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020. In the Policy Statement stated as follows: "Upstream Malaysia is committed to providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia."	Complied

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	<p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Estate visited has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.</p> <p>Sighted the implementation of the management plan FY 2020 as follows:</p> <ol style="list-style-type: none"> 1. The mill sent the workers involved in chemical handling and welding works for medical surveillance on annually basis. Latest annual medical surveillance was conducted on 29/6/2020 by OHD with reg. no. HQ/08/DOC/00/695 as per report no. HQ/08/DOC/00/695-2020/010. All workers sent for surveillance were found fit to work. 2. Latest audiometric test has been conducted on 29/6/2020 as per report ref no. HQ/14/PEB/00/128-2020/05 by registered OHD doctor with registration no. HQ/14/PEB/00/128. 3 workers were identified with hearing impairment and 3 workers were found with STS. They have been sent for retest on 2/10/2020. 3. The mill has conducted noise risk assessment on 8/7/2020 by competent person with reg. no. HQ/18/PEB/00/00028 as per report no. HQ/18/PEB/00/00028-2020/052. 	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.2 The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. 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 	<p>a) record of training/briefing of policy</p> <p>Sime Darby Plantation has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the mill. Latest Safety and Health Townhall meeting was conducted on 26/8/2020</p> <p>b) HIRARC and CHRA</p> <p>The mill has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment cover all main operations and support operations such as boiler station, FFB ramp, fruit handling station, Sterilizer station, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year, if accident occur or changes on the operation.</p> <p>Latest HIRARC review was on 13/7/2020 for annual review no changes made to the HIRARC register.</p> <p>with additional HIRARC for dewatering system and COVID 19.</p>	<p>Complied</p>

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<p>are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>c) OSH training matrix</p> <p>The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the sampled training records as follows:</p> <ol style="list-style-type: none"> 1. Safety chemical handling dated 7/3/2020 <p>d) Boiler PPE SOP, PPE record Issuance, list of boiler workers</p> <p>The mill provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008.</p> <p>PPE issuance records was done by employee basis. reviewed the PPE issuance records for Laboratory personnel as follows:</p> <ol style="list-style-type: none"> 1. 1484xx 2. 1229xx 3. 989xx 4. 347xx 5. 347xx <p>e) 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)</p>	

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	<p>Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>f) Appointment letter PIC of OSHA, The Mill Manager has been appointed as Person Responsible / Chairman for Safety and Health in the estate as per appointment letter signed by the General Manager, Sabah North Zone dated 1/8/2020.</p> <p>Mill management has appointed Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>g) OSH meeting record for year 2020 (all) Mill management has appointed Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the, accident and incident report, OSHA compliance, PPE issue, first aid kit monitoring, PPE monitoring, workplace inspection, firefighting equipment monitoring, review OSH performance, review medical surveillance/audiometric test and training. Sighted the minutes meeting FY 2020 as follows:</p> <ol style="list-style-type: none"> 1. 6/1/2020 	

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	<p>2. 6/4/2020</p> <p>3. 4/7/2020</p> <p>4. 25/9/2020</p> <p>h) Accident and emergency procedures and training record</p> <p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3.</p> <p>The estate continuously provide training to create awareness on the emergency procedure. Sighted the training records as follows:</p> <ol style="list-style-type: none"> 1. Fire drill and Fire Extinguisher training collaboration with BOMBA dated 13/8/2020 <p>i) first aid training and first aider list</p> <p>First aider present at various work station at the mill with appointed responsible person. Latest training was conducted on 14/8/2020.</p> <p>The mill monitor the items and conditions of all first aid kit on monthly basis. Reviewed the first aid monitoring records and first aid items used records FY 2020 dated 4/11/2020</p> <p>j) Accident record (JKKP 6,7, and 8)</p> <p>The mill maintain the records of accident cases and reported to head office through OSH Monthly Performance Report. Reviewed the report for January 2020 dated 3/2/2020. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p>	

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		The mill submit the JKKP 8 form on annually basis to DOSH through MyKKP website.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established Group Sustainability & Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees during townhall meeting conducted on 26/08/2020 and 25/08/2020 to external stakeholders.</p>	Complied
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment	Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the	Complied

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	<p>regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from http://www.simedarbyplantation.com/sustainability/human-rights-charter.</p>	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Pay and conditions are documented and achieved the Minimum Wage Order 2020. The workers were paid according to the legal requirement and as per the collective agreement signed. Total sampled 10 payslips for March 2020, June 2020 and September 2020 found that they were paid accordingly.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There was no contractor engaged by the mill for operations. Thus, this indicator is not applicable to mill.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>	<p>The mill management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</p>	Complied

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	- Major compliance -		
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	The mill management has employed local workers. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work. Terms and conditions were according to SPIEU Collective Agreement and Sabah Ordinance as verified the total 10 sampled of employment contracts.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	The mill is implemented thumb print system to record the attendance and overtime of the workers. Reviewed the Attendance Record Report and Mill Daily Attendance Report for March 2020, June 2020 and September 2020 found that no overtime has exceeded the allowable limit and workers were paid according to the records.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Reviewed the thumb print Attendance Record Report found that working hours and break time were recorded. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime were paid according to the Attendance Record Report and Mill Daily Attendance Report. Total hours of overtime and daily attendance has recorded in the Mill Daily Attendance Report and the payslips.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families with subsidized water supply.	Complied

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	development, medical care provisions and improvement of social surroundings. - Minor compliance -		
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The mill’s management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. The mill workers are using own treatment water and government electricity. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. Seen the record of inspection for November 2020.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Gender Committee was established in Melalap POM to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 26/08/2020. There was no sexual harassment and violence case reported during the meeting.	Complied
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective	Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights.	Complied

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	<p>bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>They respect the rights of their employees to form and join unions and bargain collectively.</p> <p>SPIEU committee was established in Melalap POM and last meeting was conducted on 21/09/2020 between the workers' representatives and management representatives to discuss issues related to workers. Seen the meeting minutes and issues were recorded in the meeting minutes. Issues reported during the meeting were incorporated into SIA management plan.</p> <p>The workers have signed on written consent to allow the management to make deduction of RM 3 per month. Seen the written consent with acknowledgement.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornography. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years.</p> <p>No employees below the age of 18 were sighted through verified the Employee Master Listing.</p>	Complied
<p>Criterion 4.4.6: Training and competency</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The estate visited has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.</p> <p>Sighted the sample training records as follows:</p> <ol style="list-style-type: none"> 1. Fire drill and Fire Extinguisher training collaboration with BOMBA dated 13/8/2020 2. Safety chemical handling dated 7/3/2020 3. First aider refresher training dated 14/8/2020 4. Townhall and new policy training dated 26/8/2020 5. Hearing conservation training dated 26/11/2020 6. AESP/Confine space training dated 28/10/2020 7. Fire extinguisher training dated 11/2/2020 8. First Aid (CPR) training dated 12/2/2020 9. 3R awareness training date 21/9/2020 	Complied
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The estates visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p> <p>23 training was identified for management, employee and contractors and programmed throughout FY 2020.</p>	Complied

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4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The mill visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>In the Policy stated as follows:</p> <p>Group Sustainability and Quality Statement:</p> <p>Minimizing Environmental Harm:</p> <ul style="list-style-type: none"> i. Protecting and enhancing biodiversity and ecosystem ii. No deforestation and No new development on peat land iii. Enhancing resilience against climate change impact iv. Adopting responsible consumption and production <p>Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Environment</p> <ul style="list-style-type: none"> i. Comply to emission and effluent standard ii. efficient use of water and energy iii. Minimize waste iv. Protect the ecosystem and biodiversity <p>The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the mill.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <p>- Major compliance -</p>	<p>The estates and mill conducted Environmental Impact Assessment to identify the environmental aspect in all estate activities and documented in Environmental Aspects Impacts Identification form and Environmental Impacts Evaluation form. The assessment covers all activities in the estates and mill. The assessment was conducted base on SOP established. Refer SOP Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure.</p> <p>The assessment was reviewed at minimum once a year or if there is any changes in operation. Latest review was conducted on 17/7/2020 by the Assistant Manager and approved by the Manager with no changes on made to the EAI and EIE since last review was conducted.</p> <p>The estate visited has established environmental management plan base on aspect and impacts analysis conducted.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The management plan established base on operation with significant impact to the environment. The management plan was reviewed annually. The management plan stated the environmental issue, mitigation actions, monitoring plan and person responsible for monitoring implementation.</p> <p>The operating units sampled have established the Environmental Management Program base on the significant impacts identified in the EAI/EIE conducted and documented in several management plan such as Environmental Action/Pollution Prevention Plan, Water Management Plan, Waste management Plan and Energy Management Plan. The plan stated the Environmental issue, mitigating measures and person responsible. The plan was reviewed on annually basis.</p> <p>Among the plan established and implemented as follows: Melalap POM</p> <ol style="list-style-type: none"> 1. Wet cleaning using water jet installed at involved station The mill has installed heavy duty high water pressure in order to reduce the usage of fresh water. Reviewed the Purchase Order no. 4502586608 dated 20/11/2020. 2. Mill to provide 3R collection centre Mill have established the 3R collection centre at the mill to assist the employee on the 3R. The mill continuously conduct training to create awareness on the 3R. Latest training was conducted on 21/9/2020. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Program to promote positive impact was documented in continual Improvement Plan. Among the plan to promote positive impact as follows:</p> <ol style="list-style-type: none"> 1. Wet cleaning using water jet installed at involved station 2. To manage waste water as an land irrigation by meet target as requirement 3. To improve boiler air emission monitoring by equip with CEMS and ESP system at boiler 	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p>	<p>The mill continue provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p>	Complied
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The estate visited has discussed on environmental issue during Environmental Performance Monitoring Committee meeting where representative of the management and employee raised their concerns about environmental quality in the estates. The meeting was conducted on quarterly basis. Reviewed the minutes for meeting conducted on:</p> <ol style="list-style-type: none"> 1. 10/1/2020 2. 21/4/2020 3. 6/7/2020 4. 30/10/2020 	Complied

Criterion / Indicator	Assessment Findings	Compliance																																											
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																													
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>The mill visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows:</p> <table border="1" data-bbox="1088 644 1442 1118"> <thead> <tr> <th></th> <th colspan="2">Diesel</th> </tr> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1.70</td> <td>0.53</td> </tr> <tr> <td>Feb</td> <td>0.90</td> <td>0.84</td> </tr> <tr> <td>Mar</td> <td>0.93</td> <td>0.98</td> </tr> <tr> <td>Apr</td> <td>1.55</td> <td>0.58</td> </tr> <tr> <td>May</td> <td>0.92</td> <td>1.02</td> </tr> <tr> <td>Jun</td> <td>0.72</td> <td>0.28</td> </tr> <tr> <td>Jul</td> <td>0.88</td> <td>0.83</td> </tr> <tr> <td>Aug</td> <td>1.30</td> <td>0.85</td> </tr> <tr> <td>Sep</td> <td>0.53</td> <td>1.10</td> </tr> <tr> <td>Oct</td> <td>0.94</td> <td>0.55</td> </tr> <tr> <td>Nov</td> <td>0.97</td> <td>0.83</td> </tr> <tr> <td>Dec</td> <td>0.82</td> <td></td> </tr> </tbody> </table>		Diesel			2019	2020	Jan	1.70	0.53	Feb	0.90	0.84	Mar	0.93	0.98	Apr	1.55	0.58	May	0.92	1.02	Jun	0.72	0.28	Jul	0.88	0.83	Aug	1.30	0.85	Sep	0.53	1.10	Oct	0.94	0.55	Nov	0.97	0.83	Dec	0.82		<p>Complied</p>
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<p>4.5.2.2</p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The 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 determined based on previous year fuel consumption.</p>	<p>Complied</p>																																										

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Criterion / Indicator		Assessment Findings	Compliance																																										
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy used is from biofuel (shell and fiber) for boiler start-up. Sighted the records for usage of renewable energy FY 2020 as follows: <table border="1"> <thead> <tr> <th></th> <th colspan="2">Fibre and Shell</th> </tr> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>1.00</td><td>1.05</td></tr> <tr><td>Feb</td><td>0.96</td><td>1.03</td></tr> <tr><td>Mar</td><td>0.97</td><td>1.08</td></tr> <tr><td>Apr</td><td>1.01</td><td>1.12</td></tr> <tr><td>May</td><td>0.96</td><td>1.11</td></tr> <tr><td>Jun</td><td>1.00</td><td>1.09</td></tr> <tr><td>Jul</td><td>0.99</td><td>1.09</td></tr> <tr><td>Aug</td><td>0.94</td><td>1.08</td></tr> <tr><td>Sep</td><td>1.00</td><td>1.08</td></tr> <tr><td>Oct</td><td>1.08</td><td>1.09</td></tr> <tr><td>Nov</td><td>1.01</td><td>1.07</td></tr> <tr><td>Dec</td><td>1.02</td><td></td></tr> </tbody> </table>		Fibre and Shell			2019	2020	Jan	1.00	1.05	Feb	0.96	1.03	Mar	0.97	1.08	Apr	1.01	1.12	May	0.96	1.11	Jun	1.00	1.09	Jul	0.99	1.09	Aug	0.94	1.08	Sep	1.00	1.08	Oct	1.08	1.09	Nov	1.01	1.07	Dec	1.02		Complied
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Criterion 4.5.3: Waste management and disposal																																													
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The mill identified the waste products and source pollution generated in the mill operation. The waste are categorized as follows: <table border="1"> <thead> <tr> <th>Type</th> <th>Item Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Scheduled Waste</td> <td>1. Spent lubricant 2. Spent hydraulic oil 3. Spent Hexane & IPA 4. Spent empty drum and container 5. Used lead acid batteries</td> <td>Workshop</td> </tr> </tbody> </table>	Type	Item Description	Location	Scheduled Waste	1. Spent lubricant 2. Spent hydraulic oil 3. Spent Hexane & IPA 4. Spent empty drum and container 5. Used lead acid batteries	Workshop	Complied																																				
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	POME																			
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The mill has established waste management plan. Latest review was conducted on 20/2/2020. Among the plan established as follows:</p> <ol style="list-style-type: none"> To comply with EQA Schedules Waste Regulation 2005 Monitor of POME application Monitor EFB field application and recorded continuously To continue practice 3R program at mill Mill to provide 3R collection centre <p>Sighted the sampled implementation of the management plan as follows:</p> <ol style="list-style-type: none"> Mill have established the 3R collection centre at the mill to assist the employee on the 3R. The mill continuously conduct 		Complied																

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Criterion / Indicator		Assessment Findings	Compliance														
		<p>training to create awareness on the 3R. Latest training was conducted on 21/9/2020.</p> <p>2. The mill reported to DOE the amount of EFB disposed to the neighbouring sister estate through land application. Sighted the records of EFB disposal for the last 3 months as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Ton</th> </tr> <tr> <th>Melalap</th> <th>Sapong</th> </tr> </thead> <tbody> <tr> <td>September</td> <td>1508.09</td> <td>93.17</td> </tr> <tr> <td>October</td> <td>1527.47</td> <td>110.32</td> </tr> <tr> <td>November</td> <td>847.46</td> <td>655.48</td> </tr> </tbody> </table>	Month	Ton		Melalap	Sapong	September	1508.09	93.17	October	1527.47	110.32	November	847.46	655.48	
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4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures.</p> <p>Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Reviewed the Scheduled waste inventory record book for SW 305, SW 306, SW 323, SW 409, SW 410Sw 102, SW 312 and SW 109 FY 2020.</p> <p>Reviewed the sampled scheduled waste disposal records:</p> <ol style="list-style-type: none"> 18/9/2020, SW 410, C/N no. A037466 18/9/2020, SW 410, C/N no. A037469 18/9/2020, SW 410, C/N no. A037487 18/9/2020, SW 409, C/N no. A037467 18/9/2020, SW 409, C/N no. A037470 18/9/2020, SW 323, C/N no. A037488 	Complied														

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Criterion / Indicator		Assessment Findings	Compliance
		7. 18/9/2020, SW 312, C/N no. A037489 8. 18/9/2020, SW109, C/N no. A037465 9. 18/9/2020, SW 306, C/N no. A037468	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste were collected three times a week by Melalap estate. Reviewed the domestic waste collection records available for review. The domestic waste were disposed in designated landfill located in field P02M.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. The plan was reviewed on annual basis. The mill conducted Stack sampling as per requirement stated in the compliance schedule for DOE license and contradiction license. Sighted the sample stack sampling as follows: 1 st quarter 2020	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
		<ul style="list-style-type: none"> Boiler no. 1 Report no: SAHEN/Melalap-01/20-01 Monitoring date: 29/7/2020 Result: 27.58 at 12% CO₂, higher than permissible limit at 150 mg/m³. The mill has acquired contradiction license from DOE with permissible limit at 400 mg/m³. Boiler no. 2 Report no: SAHEN/Melalap-02/20-01 Monitoring date: 28/7/2020 Result: 33.10 at 12% CO₂, higher than permissible limit at 150 mg/m³. The mill has acquired contradiction license from DOE with permissible limit at 400 mg/m³. 																			
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 003562. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>1st quarter:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Jan 29/1/2020</td> <td>BOD</td> <td>16</td> </tr> <tr> <td>pH</td> <td>8.90</td> </tr> <tr> <td rowspan="2">Feb</td> <td>BOD</td> <td>N/A</td> </tr> <tr> <td>pH</td> <td>N/A</td> </tr> <tr> <td rowspan="2">Mar</td> <td>BOD</td> <td>N/A</td> </tr> <tr> <td>pH</td> <td>N/A</td> </tr> </tbody> </table>	Month	Parameter	Results	Jan 29/1/2020	BOD	16	pH	8.90	Feb	BOD	N/A	pH	N/A	Mar	BOD	N/A	pH	N/A	Complied
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Criterion / Indicator		Assessment Findings	Compliance																																				
		<p>2nd quarter:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Apr 22/4/2020</td> <td>BOD</td> <td>19</td> </tr> <tr> <td>pH</td> <td>9.20</td> </tr> <tr> <td rowspan="2">May 13/5/2020</td> <td>BOD</td> <td>19</td> </tr> <tr> <td>pH</td> <td>9.10</td> </tr> <tr> <td rowspan="2">June 5/6/2020</td> <td>BOD</td> <td>19</td> </tr> <tr> <td>pH</td> <td>9.30</td> </tr> </tbody> </table> <p>3rd quarter</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Jul 14/7/2020</td> <td>BOD</td> <td>18</td> </tr> <tr> <td>pH</td> <td>9.30</td> </tr> <tr> <td rowspan="2">Aug 14/8/2020</td> <td>BOD</td> <td>18</td> </tr> <tr> <td>pH</td> <td>7.80</td> </tr> <tr> <td rowspan="2">Sep 8/9/2020</td> <td>BOD</td> <td>19</td> </tr> <tr> <td>pH</td> <td>8.70</td> </tr> </tbody> </table>	Month	Parameter	Results	Apr 22/4/2020	BOD	19	pH	9.20	May 13/5/2020	BOD	19	pH	9.10	June 5/6/2020	BOD	19	pH	9.30	Month	Parameter	Results	Jul 14/7/2020	BOD	18	pH	9.30	Aug 14/8/2020	BOD	18	pH	7.80	Sep 8/9/2020	BOD	19	pH	8.70	
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Criterion 4.5.5: Natural water resources																																							
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources.</p>	<p>The mill has established water management plan focusing on reducing the fresh water usage due to high usage for cleaning. Latest review was conducted in 20/2/2020. The action established as follows:</p>	Complied																																				

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Criterion / Indicator	Assessment Findings	Compliance																								
<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<p>1. To continue wet cleaning program using water jet installed at involved station</p> <p>2. To enforce dry cleaning using fibre to minimise usage of water</p> <p>The mill monitors the water consumption/FFB on monthly basis. sighted the records FY 2020 as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Month</th> <th>L/FFB</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>1.23</td></tr> <tr><td>Feb</td><td>1.46</td></tr> <tr><td>Mar</td><td>1.49</td></tr> <tr><td>Apr</td><td>1.39</td></tr> <tr><td>May</td><td>1.29</td></tr> <tr><td>Jun</td><td>1.19</td></tr> <tr><td>Jul</td><td>1.52</td></tr> <tr><td>Aug</td><td>1.63</td></tr> <tr><td>Sep</td><td>1.92</td></tr> <tr><td>Oct</td><td>1.61</td></tr> <tr><td>Nov</td><td>1.97</td></tr> </tbody> </table> <p>The estate and mill provided adequate treated water to their workers. Domestic water analysis was conducted on monthly basis. Sighted the sampled domestic water analysis result as per report no. as follows:</p> <p>1. IE 934/2020 dated 24/11/2020. The results for treated water were conform to NSDWQ for domestic use.</p>	Month	L/FFB	Jan	1.23	Feb	1.46	Mar	1.49	Apr	1.39	May	1.29	Jun	1.19	Jul	1.52	Aug	1.63	Sep	1.92	Oct	1.61	Nov	1.97	
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Criterion / Indicator		Assessment Findings	Compliance
		2. IE 776/2020 dated 6/10/2020. The results for treated water doesn't confirm to NSDWQ for domestic use. CAR form dated 6/1-/2020 has been raised	
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 003562. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.</p> <p>Reviewed the latest Structured Oil Recovery Assessment (SORA) conducted on 7 – 10/7/2020. The report covers on Process control, spillage/leakages, housekeeping/ upkeep/ environment, PK quality, CPO quality, laboratory, Oil losses, kernel losses, security, safety and compliances. Overall performance of the mill during the visit was satisfactory.</p>	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2020 and business plan FY 2020 – FY 2024</p> <p>In the 5 years business plan include items as follows:</p> <ul style="list-style-type: none"> i. Mill intake – FFB input ii. Production of CPO iii. Production of PK iv. Total Palm Oil Extraction v. Total Palm Kernel Extraction vi. Mill cost <p>The business plan for FY2020 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization and etc. It also includes</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Melalap POM has received and processed FFB from owned supplying estates and outsider crop (OCP). Total 15 FFB suppliers have been sending FFB to Melalap POM.</p> <p>Sampled the contract agreements for FFB suppliers/ service providers as below:</p> <ul style="list-style-type: none"> i. Agreement No.: P/G/0420/FFB01720L for supplying FFB which valid until 31/12/2020. ii. Agreement No.: P/G/0220/FFB01661L for supplying FFB which valid until 31/12/2020. iii. Agreement No.: P/G/0220/FFB01663L for supplying FFB which valid until 31/12/2020. <p>Pricing of the contract was stated in the agreement and acknowledged by the suppliers/ contractors. The pricing mechanism is stated in the 3rd Schedule of the agreement.</p> <p>The payment will be divided into two, advanced payment and final payment. Advanced payment will be made on weekly basis which the payment of 70% of the value equivalent to the total FFB delivered every 7 days or more during the delivery month to the end of the week of the said month. Final payment will be made for remaining outstanding monthly purchase price on or before 10th days of the following month.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Payment terms were clearly stated in the agreement signed by the contractors/ FFB suppliers. Verified the self-billed invoice as below: i. INV# G/APCN-200023 dated 31/10/2020; Payment made on 09/11/2020 ii. INV# G/AFVCH-009125 dated 31/10/2020; Payment made on 09/11/2020	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors engaged by the mill management have signed on a Vendor Integrity Pledge (VIP) and briefed on the SDP Vendor COBC and RSPO & MSPO requirement was conducted on 25/08/2020. Besides, the contractors have signed on the addendum dated 23/11/2020 where they need to follow RSPO/MSPO/ SCCS requirements.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Mill has engaged contractor for activity such as transporters. Sampled of the agreement between company and the contractors as below: iv. Ref. No.: T/SDPSSB/SABAH/CPOPK/0317 for CPO and PK transportation which valid from 01/11/2020 to 31/10/2021	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	As refer to the SDP Vendor COBC, Clause 4 – Responsibility and Compliance with the Vendor COBC, where rights to audit vendors to verify compliance of the COBC. Besides, an addendum signed by the contractors has clearly stated that all contractors shall ensure to reserve the right of the certification body to audit.	Complied

Appendix B: List of Stakeholders Contacted

Government Officer: Nil	Community/neighbouring village: Nil
Suppliers/Contractors/Vendors: Nil	Worker's Representative/Gender Committee: Nil

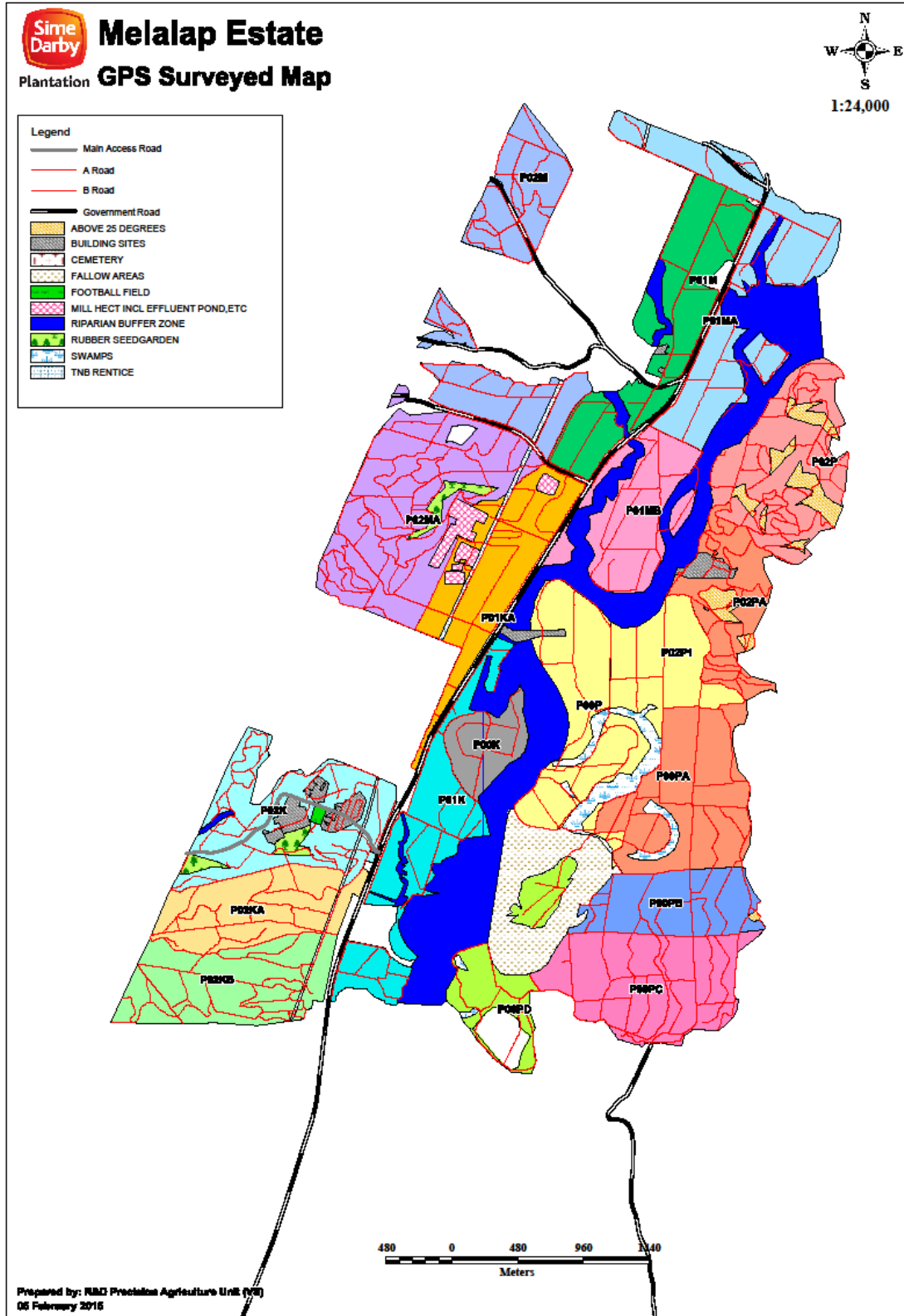
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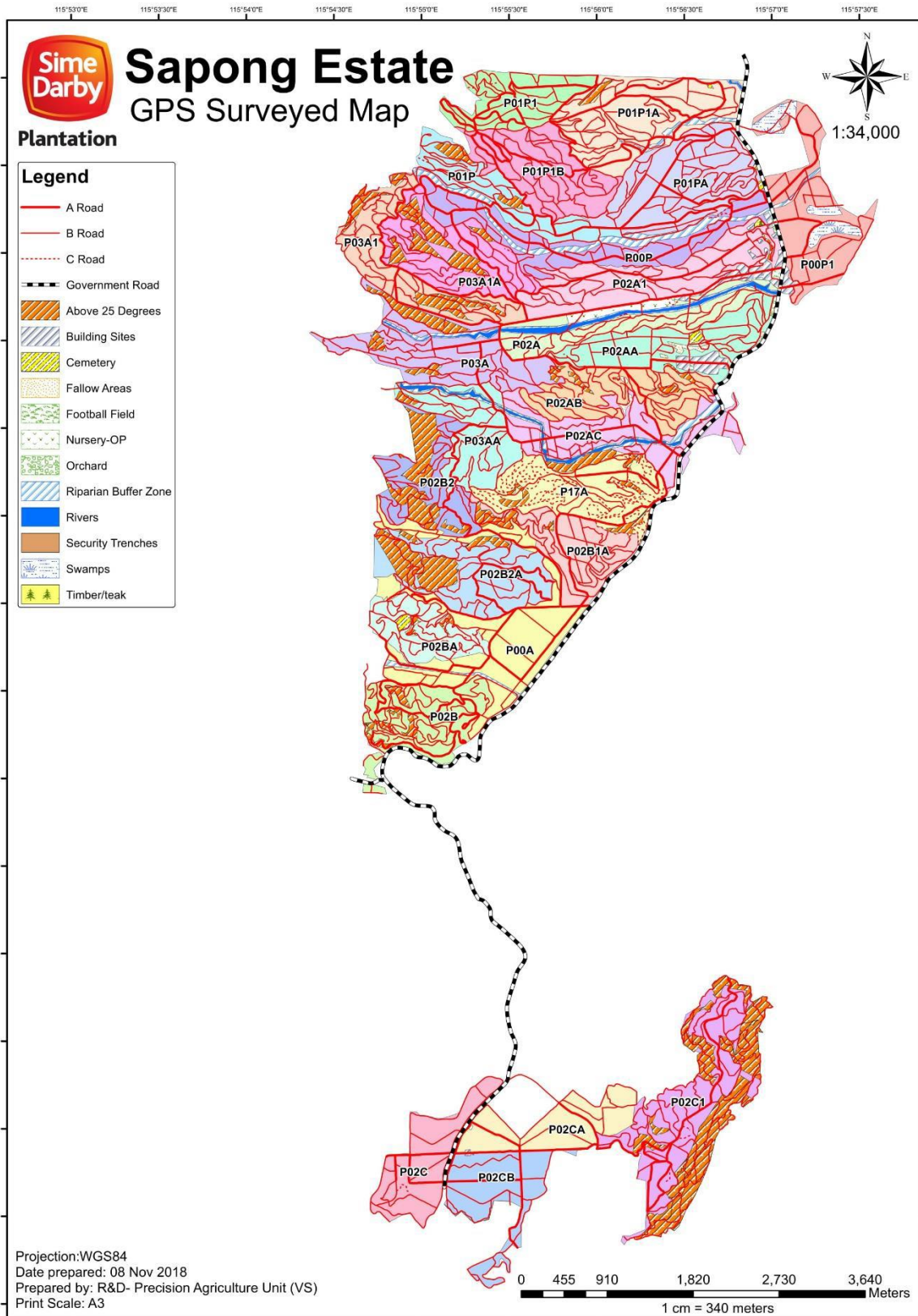
Appendix C: Smallholder Member Details

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

Appendix D: Location and Field Map







Appendix E: List of Abbreviations

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