

**MALAYSIAN SUSTAINABLE PALM OIL  
4<sup>th</sup> ANNUAL SURVEILLANCE ASSESSMENT (ASA4)  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Client company Address: Head Office: Group Sustainability Department Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: SOU 2 Chersonese Palm Oil Mill & Chersonese Estate, Kalumpong Estate, Holyrood Estate, & Tali Ayer Estate  Location of Certification Unit: 34350 Kuala Kurau, Bagan Serai, Perak, Malaysia

**Report prepared by:**  
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**Report Number: 3293273**

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

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Chersonese POM:	533667104000	31/10/2021
	Chersonese Estate:	532370011000	31/08/2022
	Holyrood Estate:	530733002000	30/06/2022
	Tali Ayer Estate:	508238502000	31/10/2022
	Kalumpong Estate:	524392002000	31/10/2021
Address	34350 Kuala Kurau, Bagan Serai, Perak, Malaysia		
Certification Unit	SOU 2 Chersonese Palm Oil Mill		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Tn. Mr Mohd Riza Mohd Arif (Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com kks.chersonese@simedarbyplantation.com
Telephone	+603-78484379 (Head Office) +6019-2274216 (Mill)	Facsimile	+603 78484363 (Head Office) +605-7277544 (Mill)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682039 Plantations: MSPO 688334		
Issue Date	10/01/2018	Expiry date	09/01/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	i. MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Oil Palm Plantations and Organized Smallholders ii. MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) 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)	25 - 27/10/2017		
Continuous Assessment Visit Date (CAV) 1	10 - 12/12/2018		
Continuous Assessment Visit Date (CAV) 2	15 - 17/07/2019		
Continuous Assessment Visit Date (CAV) 3	22 - 24/06/2020		

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Continuous Assessment Visit Date (CAV) 4	02-04/08/2021 (Full Remote)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 590800	RSPO P&C for Sustainable Palm Oil Production: 2018; MYNI: 2019	BSI Services Malaysia Sdn Bhd	04/10/2021
MSP0 714137	MSP0 SCCS	BSI Services Malaysia Sdn Bhd	20/11/2024

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Chersonese Palm Oil Mill	Kilang Kelapa Sawit Chersonese, 34350 Kuala Kurau, Perak, Malaysia	4.977571	100.461381
Chersonese Estate	Ladang Chersonese, 34350 Kuala Kurau, Perak, Malaysia	4.984444	100.449722
Holyrood Estate	Ladang Holyrood, 34100 Selama, Perak, Malaysia	5.124178	100.710071
Tali Ayer Estate	Ladang Tali Ayer, 34300 Bagan Serai, Perak, Malaysia	5.058427	100.522390
Kalumpong Estate	Ladang Kalumpong/Byram, 34300 Bagan Serai, Perak, Malaysia	4.969722	100.601389

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Chersonese Estate	2,896.32	25.87	371.53	3,293.72	88.00
Holyrood Estate	1,222.28	12.19	98.27	1,332.74	91.71
Tali Ayer Estate	3,023.96	24.24	707.90	3,756.10	80.51
Kalumpong Estate	2,529.28	21.09	166.43	2,716.80	93.10
<b>Total</b>	<b>9,671.84</b>	<b>83.39</b>	<b>1,344.13</b>	<b>11,099.36</b>	<b>88.33</b>
Note:					
1. Chersonese Estate: 130.45 ha from total planted converted to Coconut planting. Effective July 2021.					
2. Holyrood Estate: Reduced 12.91 ha from total planted & increased 12.91 in infrastructure and other based latest GPS survey conducted on 15 <sup>th</sup> Jan 2021.					

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<b>1.5 Plantings &amp; Cycle</b>							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Chersonese Estate	611.09	1434.58	776.21	74.44	-	2,285.23	611.09
Holyrood Estate	154.32	606.76	461.20	-	-	1,067.96	154.32
Tali Ayer Estate	184.43	1,249.19	1,395.57	194.77	-	2,839.53	184.43
Kalumpong Estate	578.76	370.43	1,505.29	74.80	-	1,950.52	578.76
<b>Total (ha)</b>	<b>1,528.60</b>	<b>3,660.96</b>	<b>4,138.27</b>	<b>344.01</b>	<b>-</b>	<b>8,143.24</b>	<b>1,528.60</b>

<b>1.6 Certified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Jul 2020 - Jun 2021)	Actual (Jul 2020 - Jul 2021)	Forecast (Jul 2021 - Jun 2022)
Chersonese Estate	56,600.00	47019.00	49679.94
Holyrood Estate	26,237.40	13,509.720	27,307.15
Tali Ayer Estate	77,507.28	51224.95	50999.25
Kalumpong Estate	46,200.56	43,077.00	40,218.00
<b>Total</b>	<b>206,611.24</b>	<b>154,830.67</b>	<b>168,204.34</b>

<b>1.7 Uncertified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Jul 2020 - Jun 2021)	Actual (Jul 2020 - Jul 2021)	Forecast (Jul 2021 - Jun 2022)
N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A

<b>1.8 Certified Tonnage</b>			
	Estimated (Jul 2020 - Jun 2021)	Actual (Jul 2020 - Jul 2021)	Forecast (Jul 2021 - Jun 2022)
	FFB	FFB	FFB
<b>Mill Capacity: 45 MT/hr</b>	206,611.24	154,830.67	168,204.34
<b>SCC Model: SG</b>	<b>CPO (OER: 21.30 %)</b>	<b>CPO (OER: 22.26 %)</b>	<b>CPO (OER: 22.75 %)</b>
	44,008.19	34,465.31	38,266.49
	<b>PK (KER: 5.30 %)</b>	<b>PK (KER: 5.83 %)</b>	<b>PK (KER: 5.50 %)</b>
	10,950.39	9,026.63	9,251.24

<b>1.9 Actual Sold Volume (CPO)</b>					
<b>CPO (MT)</b>	<b>MSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
34,465.31	0	0	23,283.84	7,205.68	30,489.52

<b>1.10 Actual Sold Volume (PK)</b>					
<b>PK (MT)</b>	<b>MSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
9,026.63	0	0	6,157.36	1,934.65	8,092.01

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This full remote assessment was conducted due to Pandemic COVID-19 from 2-4/08/2021. The audit programme is included as Section 2.3. This remote audit has been conducted using Information and Communication Technologies including (Microsoft Teams, WhatsApp and phone call). The planned audit objectives have been achieved, there were no connectivity issues which adversely affected the audit. The approach to the audit was to treat the SOU 02 Chersonese POM Certification Unit as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

Structured worker interviews with male and female workers and staff were held in remotely. Field workers were interviewed informally in small groups remotely. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the ASA 4 assessment are detailed in Section 4.2.

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

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

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Chersonese POM	X	X	X	X	X
Chersonese Estate	-	X	X	-	-
Tali Ayer Estate	-	X	-	X	-
Kalumpong Estate	X	-	X	-	X
Holyrood Estate	X	-	-	X	X

**Tentative Date of Next Visit: August 2, 2022 - August 4, 2022**

**Total No. of Mandays: 11 Mandays**

**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role (Team Leader or Team member)</b>	<b>Qualifications (Short description of the team members)</b>
Nor Halis Abu Zar	Team Leader	He holds Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara. 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, He had accumulated more than 6 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 300 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia. He has completed ISO IMS 9001, 14001 Lead Auditor Course in January 2019, MSPO 2530:2013 Lead Auditor Course in February 2019 and endorsed RSPO Lead Auditor Course in October 2020. Fluent in Bahasa Malaysia and English languages. During this assessment, he assessed on the aspects of legal, social and stakeholder engagement.
Amir Bahari	Team Member	He holds B Sc Hons (Chemistry) - University Sains Malaysia 1985 and Dip Palm Oil Milling Technology & Management MPOB 1994. He were attended RSPO P&C Lead Auditor training/course 2018 , MSPO Lead Auditor training/course – SIRIM, ISO 9001: Lead Auditor training/course - SIRIM, ISO 14001 EMS auditing training/course – SIRIM, MSPO - Peer Reviewer training/course - MPOCC 2018, MSPO - SCC training/course - SIRIM 2019. He has 7 years in rubber/latex processing and 23 years in palm oil industry



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		including estate management and palm oil milling operations. Internal auditing for ISO 9001/ 14001 / 18001 and RSPO for estates / mills in the Group from 2013 till current. Fluent in Bahasa Malaysia and English Languages. During this assessment, he assessed on the aspects of Continuous Improvement Safety and Health, Environment and Best Practice.
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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	(NHA)	(AB)	ICT Planned
Monday, 26/07/2021	1630 - 1700	Communication on document preparation - Audit plan - Any additional Information	√	√	Teleconference, Microsoft Team Meeting, Email
Monday, 02/08/2021 <b>Kalumpang Estate</b>	0900 - 0915	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 social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√	√	
	1040 - 1230	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break	√	√	

Date	Time	Subjects	(NHA)	(AB)	ICT Planned
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
Tuesday, 03/08/2021 <b>Chersonese POM</b>	0900 - 1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management, 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 social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	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, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
	Wednesday, 04/08/2021 <b>Holyrood Estate</b>	0900 - 1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√
1030 - 1040		10-minute break	√	√	

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Date	Time	Subjects	(NHA)	(AB)	ICT Planned
	1040 - 1230	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break	√	√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Audit team discussion and 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 MSPO normative requirements. The assessment details are provided in Appendix A.

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

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were no Major, one (1) Minor nonconformities and no Opportunity for Improvement raised. The Sime Darby-Chersonese POM 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.

Minor Nonconformities:				
<b>Ref:</b> <b>2088605-202107-N1</b>	<b>Area/Process: Kalumpang Estate and Holyrood Estate</b>		<b>Clause: 4.4.5.4 Part 3</b>	
	<b>Issue Date: 04/08/2021</b>		<b>Due Date: Next Surveillance Audit</b>	
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:	Compliance of legal requirements were not implemented effectively by the contractors.			
Objective Evidence:	Compliance of legal requirements were not implemented effectively by the contractors. The contractor Bagan Samak Enterprise at Kalumpang Estate, JS Asas Maju Enterprise and Resam Padu Enterprise at Holyrood Estate did not make the correct amount of SOCSO contribution according Employees' Social Security Act 1969 (Act 4) as per checking of employees of contractors pay slip month of Dec 2020, March 2021 and June 2021.			
	ID No.	Salary/ Month	Amount of Contribution Made	Actual Amount of Contribution
	Kalumpang Estate – Bagan Samak Enterprise – Both contribution			
	Bala 761123-XX-XXXX	RM 1646.00 (Dec 2020)	RM 23.60 Employer: RM 18.35 Employee: RM 5.25	RM 37.10 Employer: RM 28.85 Employee: RM 8.25
	RM 2220.00 (June 2021)	RM 23.60 Employer: RM 18.35 Employee: RM 5.25	RM 50.50 Employer: RM 39.35 Employee: RM 11.25	

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	Saiful 831125-XX-XXXX	RM 2210.00 (Dec 2020)	RM 23.60 Employer: RM 18.35 Employee: RM 5.25	RM 50.60 Employer: RM 39.35 Employee: RM 11.25
		RM 2476.00 (June 2021)	RM 23.60 Employer: RM 18.35 Employee: RM 5.25	RM 55.10 Employer: RM 42.85 Employee: RM 12.25
	Holyrood Estate – JS Asas Maju Enterprise – Only Employer contribution			
	Taufik 890613-XX-XXXX	RM 1100.00 (Mar 2021)	RM 23.60 Employer: RM 23.60 Employee: RM 0.00	RM 14.40 Employer: RM 14.40 Employee: RM 0.00
	Holyrood Estate – Resam Padu Enterprise – Both contribution			
	Mohandas 891026-XX-XXXX	RM 2498.07 (June 2021)	RM 57.40 Employer: RM 12.75 Employee: RM 44.65	RM 55.10 Employer: RM 42.85 Employee: RM 12.25
Corrections:	<ol style="list-style-type: none"> <li>Monitoring on contract workers documentation not effective</li> <li>No responsible person in charge to monitor documentation of legal due diligence</li> </ol>			
Root cause analysis:	Brief to all contractor and ensure contractors comply with legal and others requirement. Contractors to submit documents and evidence related to estate management.			
Corrective Actions:	<ol style="list-style-type: none"> <li>Estate management together with RSQM-NTR department will conduct a briefing on Employment Regulation 1957 to all the contractors.</li> <li>Estate management has appointed PIC (Assistant manager &amp; CC) to monitor contract workers documentation. Appointed PIC will ensure hired contract &amp; their workers should comply with Employment Regulation 1957 and Akta Keselamatan Sosial Pekerja 1969 and documented. The legal due diligence of contractor's documents will be put on the list for monitoring and tracking on monthly basis.</li> </ol>			
Assessment Conclusion:	CAP has been accepted on 20/08/2021 and evidence of CAP effectiveness to be verified in the next assessment.			

**Opportunity For Improvement**

<b>Ref:</b> N/A	<b>Area/Process:</b> N/A	<b>Clause:</b> N/A
Objective Evidence:	N/A	

**Noteworthy Positive Comments**

1	Good positive comments from internal and external stakeholders
2	Good commitment by management

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

**Major Nonconformities:**

<b>Ref:</b> 1924802-202004-M1	<b>Area/Process:</b> MS 2530:2013 Part-3	<b>Clause:</b> 4.3.1.1
	<b>Issue Date:</b> 24 <sup>th</sup> June 2020	<b>Due Date:</b> 23 <sup>rd</sup> September 2020

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Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. ii) Employment Act 1955, Section 24(4) Lawful Deduction: The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General under (c) - deductions in respect of payments to a third party on behalf of the employee.
Statement of Nonconformity:	Compliance with the applicable local, state, national and ratified international laws and regulations was not effectively demonstrated.
Objective Evidence:	Holyrood Estate Water supply deduction (deduction code-D066) was made in the month of November 2019 and February 2020 for the following workers: Workers ID: 108879, 111908, 99126, 107661 and 26192.
Corrections:	To stop immediately the water supply deduction on all workers prior to no approval from JTK.
Root cause analysis:	Approval for water supply deduction made to JTK Taiping is pending due to person in-charged on the matters was transfer to Ipoh branch. New request need to be send for approval.
Corrective Actions:	To sending new request to JTK Taiping on the water supply deduction matters for approval.
Assessment Conclusion:	Implemented evidence verified; i) No deduction was made for August and September 2020 until approval granted from JTK. ii) Application to JTK Taiping dated 28 <sup>th</sup> July 2020 was sighted and pending for approval. Corrective action plan was found to be effective and the NC was closed on 21/9/2020. Continuous implementation will be further verified in the next audit.
Verification Statement	ASA 4 Verification Sighted approval from JTK on deduction matters. Refer approval from JTK: 1. "Pemohonan Potongan Upah Doi Bawah Seksyen 24 Akta Kerja 1955 Bagi Tujuan Bayaran Bil Elektrik" dated 06/07/2017 woth reference number BHG.PU/9/129 JLD 28 (53). 2. "Potogan Upah Di Bawah Seksyen 24 Akta Kerja 1955 Bayaran Bil Air" dated 25/07/2019 with reference number JTK.PK. (1) PMT(SEK 24)10602 Jld. 16(26). Verified that deduction has been made according with the approval from JTK and no issue found thus, this Major NC remain closed.

**Major Nonconformities:**

<b>Ref: 1924802-202004-M2</b>	<b>Area/Process: MS 2530:2013 Part-4</b>	<b>Clause: 4.3.1.1</b>
	<b>Issue Date: 24<sup>th</sup> June 2020</b>	<b>Due Date: 23<sup>rd</sup> September 2020</b>
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	

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	ii) Employment Act 1955, Section 24(4) Lawful Deduction: The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General under (c) - deductions in respect of payments to a third party on behalf of the employee.
Statement of Nonconformity:	Compliance with the applicable local, state, national and ratified international laws and regulations was not effectively demonstrated.
Objective Evidence:	Chersonese POM Water supply deduction (deduction code-D066) was made in the month of January 2020 and April 2020 for the following workers: Workers ID: 149672, 88320 and 47879
Corrections:	Mill management has stop the deduction till obtain of Permit Approval
Root cause analysis:	Approval for water supply deduction made to JTK Taiping is pending due to person in-charged on the matters was transfer to Ipoh branch. New request need to be send for approval.
Corrective Actions:	Mill personnel had liaised with JTK Taiping on the issue. The application had been submitted and forwarded to JTK Ipoh for Permit Issuance
Assessment Conclusion:	Implemented evidence verified; i) No deduction was made for August and September 2020 until approval granted from JTK. ii) Application to JTK Taiping dated 28 <sup>th</sup> July 2020 was sighted and pending for approval. Corrective action plan was found to be effective and the NC was closed on 21/9/2020. Continuous implementation will be further verified in the next audit.
Verification Statement	ASA 4 verification Sighted approval from JTK on deduction matters. Refer approval from JTK: 1. "Pemohonan Potongan Upah Doi Bawah Seksyen 24 Akta Kerja 1955 Bagi Tujuan Bayaran Bil Elektrik" dated 06/07/2017 woth reference number BHG.PU/9/129 JLD 28 (53). 2. "Potogan Upah Di Bawah Seksyen 24 Akta Kerja 1955 Bayaran Bil Air" dated 25/07/2019 with reference number JTK.PK. (1)PMT(SEK 24)10602 Jld. 16(26). Verified that deduction has been made according with the approval from JTK and no issue found thus, this Major NC remain closed.

**Opportunity For Improvement**

<b>Ref: 1924802-202004-I1</b>	<b>Area/Process: MS 2530:2013 Part-3</b>	<b>Clause: 4.5.1.6</b>
Objective Evidence:	The Tali Ayer Estate can further improve the discussion on environmental quality issues conducted in the EHS Meeting with more obvious and balanced information stated in the minutes.	
Verification Statement	ASA 4 verification The forum used in the estates are the quarterly OSH meeting and the annual management review meeting.	

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	<p>a) The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact.</p> <p>b) The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the SOU 2.</p> <p>c) The operating unit level dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment.</p>
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Opportunity For Improvement		
<b>Ref: 1924802-202004-I2</b>	<b>Area/Process: MS 2530:2013 Part-3</b>	<b>Clause: 4.5.3.5</b>
Objective Evidence:	Domestic waste was disposed at Block 10 A in Holyrood Estate. As found further improvement can be practiced to improve the segregation of recycled items such as plastic bottles and organic waste/food waste.	
Verification Statement	<p>ASA 4 verification</p> <p>Training on recycling has been made by estate. Management has monitored the segregation of domestic waste that disposed at the landfill. Verification through interview with management and photo evidence.</p>	

**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1719793-201811-M1	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-M2	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-M3	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-N1	Minor	12/12/2018	Closed on 14/2/2019
1797684-201903-M1	Major	17/7/2019	Closed on 11/9/2019
1797684-201903-M2	Major	17/7/2019	Closed on 11/9/2019
1797684-201903-N1	Minor	17/7/2019	Closed on 24/6/2020
1797684-201903-N2	Minor	17/7/2019	Closed on 24/6/2020
1924802-202004-M1	Major	24/6/2020	Closed on 21/9/2020
1924802-202004-M2	Major	24/6/2020	Closed on 21/9/2020
2088605-202107-N1	Minor	04/08/2021	Open





**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues: Contractors (Bagan Samak Enterprise)</b>            Agreement between Sime Darby and contractors were signed and verified during the audit. No complaint for the management. The payment paid within 1 month as agreed. Contractors were being trained and briefed regarding RSPO &amp; MSPO.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>
2	<p><b>Issues: Contractors (Temis (M) Sdn Bhd, Asadra (M) Sdn Bhd)</b>            Agreement between Sime Darby and suppliers were signed and verified during the audit. No complaint for the management. The payment paid within 1 month as agreed. Suppliers were being trained and briefed regarding RSPO &amp; MSPO.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>
3	<p><b>Issues: Local communities (JKK Kg Sg Pinang)</b>            Villagers and temple have good relationship with estate and mill management. They often joined both parties' community programme. There is no issue of encroachment or dispute case so far.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>
4	<p><b>Issues: SJKT Gedong and SJKT Kalumpong</b>            The school management would like to extend their appreciation for the contribution and donations that Sime Darby management given and upkeep of school facilities upon request.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>
5	<p><b>Issues: NUPW Representatives Chersonese POM &amp; Kalumpong Estate and Holyrood Estate)</b>            The election for NUPW were made through vote. Most of the employee joined NUPW and no restriction from the company. No serious complaint from the workers, mainly for the housing maintenance.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>

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<p><b>6</b></p>	<p><b>Issues: Foreign Workers (Chersonese POM &amp; Kalumpong Estate and Holyrood Estate)</b>            Training were provided for all workers. Workers welfare were keep monitored by the management. There is no illegal deduction of their salary has been made.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>
<p><b>7</b></p>	<p><b>Issues: Gender Committee (Chersonese POM &amp; Kalumpong Estate and Holyrood Estate)</b>            No case of sexual harassment reported in the certification unit. New mothers in the certification units were assessed on their needs and no restriction to have a breastfeeding time, check-up session, etc. the gender committee meeting was conducted regularly with active participation and activities among the female employees.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            No other issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment Sime Darby SOU 02 Chersonese POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sime Darby SOU 02 Chersonese POM Certification Unit is approved and continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> BATUMALASAMY A/L SUBRAHMION	<b>Name:</b> NOR HALIS ABU ZAR
<b>Company name:</b> SIME DARBY PLANTATION LADANG KALUMPONG	<b>Company name:</b> BSI MALAYSIA
<b>Title:</b> MANAGER	<b>Title:</b> CLIENT MANAGER
<b>Signature:</b> SIME DARBY PLANTATION BERHAD Ladang Kalumpang  ..... (BATUMALASAMY A/L SUBRAHMION) Date: 21/9/2021 Manager	<b>Signature:</b>  Date: 27/08/2021

**Appendix A: Summary of the findings by Principles and Criteria**

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. - <b>Major compliance -</b>	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. - <b>Major compliance -</b>	The policy established mention that Sime Darby are committed to making: <ol style="list-style-type: none"> <li>1. Promoting Good Governance and Transparency</li> <li>2. Contributing to a better society</li> <li>3. Minimizing environmental harm</li> <li>4. Delivering sustainability quality</li> </ol> This policy shall be guided by the commitment spelt out in the company's: <ol style="list-style-type: none"> <li>1. Responsible Agriculture Charter (RAC)</li> <li>2. Human Right Charter (HRC)</li> <li>3. Innovation &amp; Productivity Charter (IPC)</li> </ol>	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			

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<p><b>4.1.2.1</b></p>	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.  <b>- Major compliance -</b></p>	<p>Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The internal audit was conducted on annually basis and as and when required as per stated in the SOP established. Latest Internal Audit for SOU 02 was conducted on 04/05/2021 for Kalumpang Estate and 06/05/2021 for Holyrood Estate by SQM Department. The internal audit was conducted together for RSPO and MSPO. Issue raised during the audit has been addressed by the estates and mills.</p>	<p>Complied</p>
<p><b>4.1.2.2</b></p>	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.  <b>- Major compliance -</b></p>	<p>Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.   All non-conformity raised during the audit has been addressed by the mill. Root cause analysis and Corrective Action Plan was submitted to the Internal Audit Plan for review. The evidenced was verified by the internal audit team before NC closure.</p>	<p>Complied</p>
<p><b>4.1.2.3</b></p>	<p>Reports shall be made available to the management for their review.  <b>- Major compliance -</b></p>	<p>Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.</p>	<p>Complied</p>
<p><b>Criterion 4.1.3 – Management Review</b></p>			

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<b>4.1.3.1</b>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has established SOP on Management Review documented in SOM, Section 5, Management responsibility version 2, issued in 2015. Management review was conducted on annually basis as per SOP established.</p> <p>Latest Management Review Meeting for SOU 02 was conducted on 12/06/2021. The meeting covers on matters arising from last meetings, review on status and issue of input and output, sustainability management, assessment on effectiveness, opportunities for improvement and changes, resource evaluation, results from system audit (internal and external), supply chain and traceability, changes that affect management system, recommendations for improvement and other matters.</p>	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<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><b>- Major compliance -</b></p>	<p>The continual improvement plans were established. The documents were being maintained and updated with the assistance and guide from Sustainability Department. SDPB is committed to utilise the established system to regularly monitor and review their key activities at the estates. Relevant action plans were initiated to continuously improve its key areas of operations, environmental, safety, health and welfare of the workers as well as social contribution to the community. Among others the continual improvement plans reviewed were:</p> <ul style="list-style-type: none"> <li>a) Pollution Prevention Plan – 2021.</li> <li>b) Identification and Management of Wastewater – 2021.</li> <li>c) Waste Management Plan – 2021.</li> <li>d) Environmental Improvement Plan - 2021.</li> <li>e) Water reduction Plan - 2021.</li> <li>f) Safety and Health Program - 2021</li> </ul> <p>In SOU 2 the yield performance, extraction ratios and production costs has always been in utmost priority in ensuring long-term economic and</p>	Complied

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		<p>financial viability. In general, various efforts had been made to optimize the yield of the plantation among others;</p> <ul style="list-style-type: none"> <li>a) Maximizing crop recovery, optimum ripeness</li> <li>b) Standard (harvest ripe bunches only and 100% loose fruit collection)</li> <li>c) The soil fertility was maintained and planting only high yielding planting material</li> <li>d) To mechanize operation where feasible to reduce reliance of labour</li> </ul> <p>The estates had the following plans of new infrastructure / facilities installation for the improvement relating to the environmental, process improvement pollution and energy conservation for current and forthcoming year 2021-2025. Projects among others include the following;</p> <table border="1" data-bbox="1055 783 1883 1230"> <thead> <tr> <th></th> <th>Station</th> <th>Improvement Plan</th> <th>Project Cost</th> <th>Planned year</th> </tr> </thead> <tbody> <tr> <td></td> <td>Holyrood Estate</td> <td>Ceiling Fan - 46 units</td> <td>13K</td> <td>2021</td> </tr> <tr> <td>1</td> <td>Operation</td> <td>Chemical store - BRD</td> <td>30K</td> <td>2021</td> </tr> <tr> <td>2</td> <td>Housing</td> <td>Street light 5 units</td> <td>5K</td> <td>2021</td> </tr> <tr> <td>3</td> <td>Housing</td> <td>Upgrading roofing-10 units</td> <td>100K</td> <td>2021</td> </tr> <tr> <td>4</td> <td>Operation</td> <td>2 unit LF siever</td> <td>48K</td> <td>2022</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Kalumpong</td> <td></td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Housing</td> <td>Badminton court 2 Div</td> <td>50K</td> <td>2021</td> </tr> <tr> <td>2</td> <td>Housing</td> <td>Shop Lot Kalumpong Div</td> <td>150K</td> <td>2022</td> </tr> <tr> <td>3</td> <td>Operations</td> <td>Canteen Kalumpong Div</td> <td>150K</td> <td>2022</td> </tr> </tbody> </table>		Station	Improvement Plan	Project Cost	Planned year		Holyrood Estate	Ceiling Fan - 46 units	13K	2021	1	Operation	Chemical store - BRD	30K	2021	2	Housing	Street light 5 units	5K	2021	3	Housing	Upgrading roofing-10 units	100K	2021	4	Operation	2 unit LF siever	48K	2022							Kalumpong				1	Housing	Badminton court 2 Div	50K	2021	2	Housing	Shop Lot Kalumpong Div	150K	2022	3	Operations	Canteen Kalumpong Div	150K	2022	
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<p><b>4.1.4.2</b></p>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p>	<p>This is being made upon confirmation of any new projects.</p> <ul style="list-style-type: none"> <li>a) Employees were briefed of any new development in basic understanding during the weekly briefings.</li> </ul>	<p>Complied</p>																																																							

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	- <b>Major compliance</b> -	<ul style="list-style-type: none"> <li>b) The management team will be informed of such development during the monthly management meetings.</li> <li>c) Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.</li> </ul>	
<b>4.1.4.3</b>	<p>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.</p> <p>- <b>Major compliance</b> -</p>	<p>Where introduction of new machines and new work method, all level of employees will be trained to handle /implement the new techniques and work changes.</p> <ul style="list-style-type: none"> <li>a) Monitoring is made by the Estate Managers and Assistants throughout the on-the-job training and familiarisation.</li> <li>b) All projects are tabulated in CAPEX list with time line and costing. The financial procedure will be initiated prior to the project commissioning.</li> <li>c) Training for awareness and allocation of duties will be made in accordingly. Details in 4.4.6.1</li> </ul>	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	<p>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.</p> <p>- <b>Major compliance</b> -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p>	Complied
<b>4.2.1.2</b>	<p>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>Sime Darby Plantation Berhad continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report</p>	Complied



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	- <b>Major compliance</b> -	are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantation Berhad website at: <a href="http://www.simedarbyplantation.com/Sustainability.aspx">http://www.simedarbyplantation.com/Sustainability.aspx</a>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. - <b>Major compliance</b> -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - <b>Minor compliance</b> -	As stated in the procedure, the Mill/Estate Managers are responsible to deal with the external communication for the respective estates under their management. Whereas the Assistant Managers (AM) of each mill/estate were delegated to be responsible for issues related to Indicator 1. Refer to Appointment Letter for PIC on Social dated 02/01/2021 for Kalumpang Estate and 01/07/2021 for Holyrood Estate.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - <b>Major compliance</b> -	The latest stakeholders list for Kalumpang Estate was updated on 02/01/2021 while Holyrood Estate was updated on 08/04/2021. The stakeholder includes authorities, local communities, contractors and vendors/suppliers. Internal stakeholders among all employees including local and foreign workers also available as per List of Local Workers and List of Foreign Workers. Records of communication including confirmation of receipt available as part of publicly available documents including records of Social Impact Assessment (SIA) Report, Management Plan on Social Impact	Complied

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		<p>Assessment, Complaint Book (Internal), Complaint Book (External) and stakeholder minutes of meeting.</p> <p>Latest stakeholder meeting was sighted:</p> <p>Kalumpong Estate: 19/06/2020. For 2021, due to MCO, estate has emailed a requisition letter to their stakeholder if having any complaint dated 10/03/2021. Positive feedback was received by stakeholders.</p> <p>Holyrood Estate: 20/05/2020. 26/06/2020. For 2021, due to MCO, estate has emailed a requisition letter to their stakeholder if having any complaint dated 25/07/2021.</p>																																											
<b>Criterion 4.2.3 – Traceability</b>																																													
<b>4.2.3.1</b>	<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><b>- Major compliance -</b></p>	<p>An SOP has been established ref no MSPO/P2/C3/IN2 dated 01/1/18. Therein describing information of FFB flow chart from harvesting designated block to mill weighbridge (tickets). Extracted samples of the weighbridge as follows. Kalumpong had similar format of despatch records.</p> <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>Date</th> <th>D/O no</th> <th>Quantity</th> <th>Destination</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Holyrood</td> <td>14/6/21</td> <td>20746</td> <td>4.400</td> <td>CPOM</td> </tr> <tr> <td>2</td> <td>Holyrood</td> <td>14/6/21</td> <td>20747</td> <td>10.880</td> <td>CPOM</td> </tr> <tr> <td>3</td> <td>Holyrood</td> <td>22/05/21</td> <td>20555</td> <td>12.070</td> <td>CPOM</td> </tr> <tr> <td>4</td> <td>Holyrood</td> <td>29/07/21</td> <td>21770</td> <td>11.560</td> <td>CPOM</td> </tr> <tr> <td>5</td> <td>Holyrood</td> <td>08/07/21</td> <td>20987</td> <td>13.280</td> <td>CPOM</td> </tr> <tr> <td>6</td> <td>K/mpong</td> <td>31/7/21</td> <td>18927</td> <td>11.570</td> <td>CPOM</td> </tr> </tbody> </table>		Estate	Date	D/O no	Quantity	Destination	1	Holyrood	14/6/21	20746	4.400	CPOM	2	Holyrood	14/6/21	20747	10.880	CPOM	3	Holyrood	22/05/21	20555	12.070	CPOM	4	Holyrood	29/07/21	21770	11.560	CPOM	5	Holyrood	08/07/21	20987	13.280	CPOM	6	K/mpong	31/7/21	18927	11.570	CPOM	Complied
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<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>Both estates monitor the despatch to the mill on daily basis to tally and tracking the volume harvesting and tonnage despatch to the mill. Factors on the FFB balances in the fields are accounted for in the process. Other records include daily FFB harvested and despatched and summary in the monthly yield statistics. The daily despatch to the mill is checked vs the received with the monitoring of the weight differences.</p>	Complied																																										

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<p><b>4.2.3.3</b></p>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b></p>	<p>The PIC for traceability management were appointed as follows:</p> <table border="1" data-bbox="1050 411 1877 512"> <thead> <tr> <th>Estate</th> <th>PIC M/s</th> <th>Position</th> <th>Date</th> <th>Issued by</th> </tr> </thead> <tbody> <tr> <td>Kalumpong</td> <td>Hairulnizam</td> <td>Sr Assistant</td> <td>01/3/21</td> <td>Manager</td> </tr> <tr> <td>Holyrood</td> <td>Amirul Fariz</td> <td>Assistant</td> <td>03/1/21</td> <td>Manager</td> </tr> </tbody> </table> <p>Duties among others include the following</p> <ul style="list-style-type: none"> <li>a) To ensure quality and environmental systems</li> <li>b) To ensure test equipment is in order and functional</li> <li>c) To ensure products meet customers targets and quality</li> <li>d) To ensure all requirement in SCCS are complied with</li> </ul> <p>Both the appointed letters were sighted and verified.</p>	Estate	PIC M/s	Position	Date	Issued by	Kalumpong	Hairulnizam	Sr Assistant	01/3/21	Manager	Holyrood	Amirul Fariz	Assistant	03/1/21	Manager	<p>Complied</p>
Estate	PIC M/s	Position	Date	Issued by														
Kalumpong	Hairulnizam	Sr Assistant	01/3/21	Manager														
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<p><b>4.2.3.4</b></p>	<p>Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b></p>	<p>The FFB weighbridge ticket/despatch notes are produced for all transaction to Chersonese Palm Oil Mill. The set of document consists of the following information among others. Samples as provided in 4.2.3.1.</p> <ul style="list-style-type: none"> <li>a) Weighbridge ticket <ul style="list-style-type: none"> <li>- Date / D/O no / Quantity / w/bridge operator name</li> <li>- Total Bunches / Quality / field no</li> </ul> </li> <li>b) Despatch chit <ul style="list-style-type: none"> <li>- Serial no / field no / no of bunches / tractor no.</li> </ul> </li> <li>c) Delivery Note <ul style="list-style-type: none"> <li>- Date/ weight / w/bridge operator / MPOB licence no.</li> </ul> </li> <li>d) Grading report for the FFB consignment.</li> </ul>	<p>Complied</p>															
<p><b>4.3 Principle 3: Compliance to legal requirements</b></p>																		
<p><b>Criterion 4.3.1 – Regulatory requirements</b></p>																		
<p><b>4.3.1.1</b></p>	<p>All operations are in compliance with the applicable local, state,</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management</p>	<p>Complied</p>															

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	<p>national and ratified international laws and regulations. - <b>Major compliance</b> -</p>	<p>System) under Standard Operation Manual distributed to all operating units under SOU 2. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 Dec 2008. The following compliance to the legislative requirement necessary for both estates among others are;</p> <table border="1" data-bbox="1050 619 1888 1209"> <thead> <tr> <th colspan="4">Kalumpong Estate</th> </tr> <tr> <th></th> <th>Authority</th> <th>Details</th> <th>Validity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MPOB</td> <td>Licence No 52439-200-2000</td> <td>31/10/21</td> </tr> <tr> <td>2</td> <td>MPOB</td> <td>Licence No 54202-101-1000</td> <td>31/08/21</td> </tr> <tr> <td>3</td> <td>KPDNK</td> <td>Permit no S001714 Diesel storage</td> <td>16/01/22</td> </tr> <tr> <td>4</td> <td>DOSH</td> <td>Air Compressor PMT 116519</td> <td>10/04/22</td> </tr> <tr> <td>5</td> <td>JTKerja</td> <td>Wages deduction - electricity</td> <td>Eff 6/7/17</td> </tr> <tr> <td>6</td> <td>JTKerja</td> <td>Wages deduction - water deduction</td> <td>Eff 25/7/19</td> </tr> <tr> <th colspan="4">Holyrood Estate</th> </tr> <tr> <th></th> <th>Authority</th> <th>Details</th> <th>Validity</th> </tr> <tr> <td>1</td> <td>DOSH</td> <td>Air compressor PK PMT 5004</td> <td>08/5/2022</td> </tr> <tr> <td>2</td> <td>DOSH</td> <td>Air compressor PK PMT 1217</td> <td>08/5/2022</td> </tr> <tr> <td>3</td> <td>KPDNKK</td> <td>Permit - diesel 6000 L ref A00453</td> <td>20/1/22</td> </tr> <tr> <td>4</td> <td>MPOB</td> <td>license no: 5307-3300-2000</td> <td>30/6/22</td> </tr> <tr> <td>5</td> <td>JTKerja</td> <td>Wages deduction - electricity</td> <td>Eff 6/7/17</td> </tr> <tr> <td>6</td> <td>JTKerja</td> <td>Wages deduction - water deduction</td> <td>Eff13/10/20</td> </tr> </tbody> </table>	Kalumpong Estate					Authority	Details	Validity	1	MPOB	Licence No 52439-200-2000	31/10/21	2	MPOB	Licence No 54202-101-1000	31/08/21	3	KPDNK	Permit no S001714 Diesel storage	16/01/22	4	DOSH	Air Compressor PMT 116519	10/04/22	5	JTKerja	Wages deduction - electricity	Eff 6/7/17	6	JTKerja	Wages deduction - water deduction	Eff 25/7/19	Holyrood Estate					Authority	Details	Validity	1	DOSH	Air compressor PK PMT 5004	08/5/2022	2	DOSH	Air compressor PK PMT 1217	08/5/2022	3	KPDNKK	Permit - diesel 6000 L ref A00453	20/1/22	4	MPOB	license no: 5307-3300-2000	30/6/22	5	JTKerja	Wages deduction - electricity	Eff 6/7/17	6	JTKerja	Wages deduction - water deduction	Eff13/10/20	
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<p><b>4.3.1.2</b></p>	<p>The management shall list all laws applicable to their operations in a legal requirements register. - <b>Major compliance</b> -</p>	<p>Chersonese CU have identified and documented their legal register with written information on legal requirements applicable to their operation. The record titled "<i>Legal Requirement Register</i>" File 2 (F23) no <i>QSHE/04/5.2.4</i>. SQM Department, based at Head Office is responsible</p>	<p>Complied</p>																																																																

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		<p>to track changes in the law and the information was disseminated to all of its plantations and mills. The identified legal among others includes;</p> <ul style="list-style-type: none"> <li>a) Pesticides Act 1974 and Regulations,</li> <li>b) Environmental Quality Act and Regulations 1974,</li> <li>c) Factories and Machinery Act and Regulations, 1967</li> <li>d) Weights And Measures Regulations 1981</li> <li>e) Electricity Regulations 1994</li> <li>f) Immigration Act 1959</li> <li>g) Occupational Safety and Health Act 1994</li> <li>h) Employment Act 1955</li> <li>i) Aboriginal Peoples Act 1954</li> <li>j) Industrial Relations Act 1967</li> <li>k) Children and Young Persons (Employment) Act 1966</li> <li>l) MPOB Regulations (Licensing) 2005, EQ (Prescribed Premise) (Crude Palm Oil) Regulations 1977</li> <li>m) Industrial Code of Practice for Confined Space 2010.</li> <li>n) MPOB licensing Regulation 2005.</li> </ul> <p>The acts and its regulations were evaluated for compliance annually. Inclusion of new laws /regulations as shown in 4.3.1.3. The documented procedure has been established and implemented; reference;</p> <ul style="list-style-type: none"> <li>a) Estate/Mill Quality Management System, Level 2:</li> <li>b) Standard Operating Manual, Appendix 5.2.4:</li> <li>c) Procedure for Legal and Other Requirements dated 10 December 2008.</li> </ul> <p>All operating units possessed individual Legal &amp; Other Requirements Register (LORR) covering all the necessary regulatory requirements.</p>	
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<p><b>4.3.1.3</b></p>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units Chersonese CU. SQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.</p> <p>Reference document;</p> <ul style="list-style-type: none"> <li>a) Estate/Mill Quality Management System</li> <li>b) Level 2: Standard Operating Manual</li> <li>c) Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</li> </ul> <p>The latest revision on the LORR was made in 1 update on 09/10/20 and 3 updates dated 30/5/21 respectively on the following changes;</p> <ul style="list-style-type: none"> <li>a) Minimum Wages Order 2020</li> <li>b) Anti-Money Laundering, Anti-Terrorism Financing/ Proceeds Unlawful Activities Act 2010</li> <li>c) Employment Social Security Act 1969 (Amendment 2018)</li> <li>d) Malaysian Anti-Corruption Commission Act (Amended) 2018</li> <li>e) Whistleblower Protection Act 2010.</li> </ul>	<p>Complied</p>
<p><b>4.3.1.4</b></p>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>SQM department, which is based in Kuala Lumpur, is responsible for tracking any changes to the Acts and Regulations. In addition, the CEO/RGM of Northern Region also played a role in disseminating new Acts &amp; Regulations to all the mills and estates in the Region.</p> <ul style="list-style-type: none"> <li>a) This was made via communication with the publisher of the documents. This mechanism was outlined in its procedure.</li> </ul>	<p>Complied</p>

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		<p>b) The updating of the legal register is made on a periodical basis.</p> <p>c) Changes in the legal register if any are communicated to the respective CU/SOUs</p> <p>PIC for the LORR monitoring and compilation is appointed accordingly via letter as follows.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>PIC M/s</th> <th>Position</th> <th>Date</th> <th>Issued by</th> </tr> </thead> <tbody> <tr> <td>Kalumpong</td> <td>Hairulnizam</td> <td>Sr Assist</td> <td>01/03/21</td> <td>Manager</td> </tr> <tr> <td>Holyrood</td> <td>Amirul Fariz</td> <td>Assist</td> <td>03/01/21</td> <td>Manager</td> </tr> </tbody> </table>	Estate	PIC M/s	Position	Date	Issued by	Kalumpong	Hairulnizam	Sr Assist	01/03/21	Manager	Holyrood	Amirul Fariz	Assist	03/01/21	Manager	
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<b>Criterion 4.3.2 – Lands use rights</b>																		
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The usage of all land titles area for agriculture purposes and no land encroachment occur.	Complied															
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	<p>The management Sime Darby Plantation Berhad group estates have provided documents to show legal ownership. Refer listing of land title from Kalumpong Estate and Holyrood Estate. The documents issued as summarized below:</p> <p>Kalumpong Estate            Total grant: 14            Land Size: 2750.7918 ha            Legal Ownership: Freehold            Land Use Type: Agriculture</p> <p>Holyrood Estate            Total grant: 14            Land Size: 1,329.3103 ha            Legal Ownership: Freehold</p>	Complied															

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		Land Use Type: Agriculture																									
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The Estates have maps showing the locations of boundary stones that have been physically located and marked. Boundaries stones/markers/trenching at the 2 estates, during the audit document and photos inspection confirmed that they were clearly marked and maintained. Site visit will further confirmed this compliance <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>Boundary</th> <th>Neighbouring</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kalumpong</td> <td>P19C, P19B</td> <td>Mangroves Reserves</td> </tr> <tr> <td>2</td> <td>Kalumpong</td> <td>P20A</td> <td>Kg Kalumpong</td> </tr> <tr> <td>3</td> <td>Kalumpong</td> <td>P02A</td> <td>Smallholders</td> </tr> <tr> <td>4</td> <td>Holyrood</td> <td>P2010A</td> <td>Smallholder</td> </tr> <tr> <td>5</td> <td>Holyrood</td> <td>P2009m</td> <td>Smallholder/main road</td> </tr> </tbody> </table>		Estate	Boundary	Neighbouring	1	Kalumpong	P19C, P19B	Mangroves Reserves	2	Kalumpong	P20A	Kg Kalumpong	3	Kalumpong	P02A	Smallholders	4	Holyrood	P2010A	Smallholder	5	Holyrood	P2009m	Smallholder/main road	Complied
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<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	There is not land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Complied																								
<b>Criterion 4.3.3 – Customary rights</b>																											
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	There is no customary land for the portion of land.	Complied																								
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	There is no customary land for the portion of land.	Complied																								



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4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance</b> -	There is no customary land for the portion of land.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	Social impacts were identified based on the Social Impact Assessment as documented in the SIA Report SOU 2 Chersonese; Assessment Date: 14-17 June 2015; Assessment by Sustainability Strategy Unit PSQM Department. Based on the assessment, management plan was established with annual review upon consultation with relevant stakeholders.  Latest SIA management plan was sighted. Social impact related to COVID-19 included for operation. Refer Latest SIA: Kalumpong Estate: 04/06/2021 Holyrood Estate: 11/01/2021	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	Sime Darby has established standard operating procedure for dealing with complaint and grievances and documented in Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008.  Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders.  Records of communication sighted available as per following types: 1. Estate complaint book	Complied

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		<p>2. Roll call muster notebook</p> <p>3. Toolbox briefing contractor</p> <p>4. External communication files (official/authority/others)</p>	
<b>4.4.2.2</b>	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p><b>- Major compliance -</b></p>	<p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	Complied
<b>4.4.2.3</b>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p><b>- Minor compliance -</b></p>	<p>The complaint form is made available in the estates office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.</p>	Complied
<b>4.4.2.4</b>	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p><b>- Minor compliance -</b></p>	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders. Verified through stakeholder’s interview.</p>	Complied
<b>4.4.2.5</b>	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.</p>	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>	<p>The estates management have made contribution to the local communities and stakeholders such as donation to school sports day, temple repair, safety town hall (safety programs, motivational and religious talk) for the benefit of local communities and also workers.</p>	Complied

<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	The Group Upstream Malaysia Safety, Health and Environmental Policy Statement had been established and implemented. a) The policy was signed by the Chief Operation Officer Upstream Malaysia on June 2020 and displayed prominently on notice boards in English and local language Bahasa Malaysia. b) The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office. c) Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.  In interviews with the workers and staff via remote revealed that the employees have been briefed and have understood the policy.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as	The occupational safety and health plan shall cover the following: a) Briefings to employees were made through town hall session, a standard program organised at HQ level. 1. During the session subjects on safety policies, road safety, zero harm, accident history and precautionary measures, dialogue and 'ikrar pekerja' were briefed and shown in slides presentation to the employees. 2. The 'ikrar pekerja' was sighted. Content includes among others to prioritise safety, execute work safely, adherence to all safety rules and regulations and to target zero accident. 3. The town hall session for both Holyrood and Kalumpong Estates were organised separately. Details shown in 4.4.6.1	Complied

	<p>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>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>b) The estates identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following:</p> <ol style="list-style-type: none"> <li>1. Change in work process</li> <li>2. Revision/changes in legislative requirement</li> <li>3. Occurrence of accidents</li> </ol> <p>HIRARC for the estates was formalized on in 2008 with review made annually. The significant and routine activities for the estates were adequately covered with details among others as follows:</p> <table border="1" data-bbox="1093 798 1883 1136"> <thead> <tr> <th colspan="4">Holyrood/Kalumpong Estates</th> </tr> <tr> <th></th> <th>Areas/Activities</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palm /bunch census</td> <td>9</td> <td>Harvesting &amp; collection</td> </tr> <tr> <td>2</td> <td>Circle /selective spraying</td> <td>10</td> <td>Transportation of workers</td> </tr> <tr> <td>3</td> <td>Confined space</td> <td>11</td> <td>Walking from palm to palm</td> </tr> <tr> <td>4</td> <td>Drainage – machinery</td> <td>12</td> <td>Loose fruit collection</td> </tr> <tr> <td>5</td> <td>Grass cutting</td> <td>13</td> <td>In field machine to 3mt bin</td> </tr> <tr> <td>6</td> <td>Compound sanitation</td> <td>14</td> <td>Water pumping</td> </tr> <tr> <td>7</td> <td>Fertilizer application</td> <td>15</td> <td>Chemical mixing</td> </tr> <tr> <td>8</td> <td>Replanting</td> <td>16</td> <td>Nursery (where applicable)</td> </tr> </tbody> </table> <p>Recent review made on 04/1/2021 - Kalumpong Estate and Holyrood 12/3/21 respectively. Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the estates office and workshop. In general, the control measures were appropriate to the identified risks. A person-</p>	Holyrood/Kalumpong Estates					Areas/Activities		Areas /Activities	1	Palm /bunch census	9	Harvesting & collection	2	Circle /selective spraying	10	Transportation of workers	3	Confined space	11	Walking from palm to palm	4	Drainage – machinery	12	Loose fruit collection	5	Grass cutting	13	In field machine to 3mt bin	6	Compound sanitation	14	Water pumping	7	Fertilizer application	15	Chemical mixing	8	Replanting	16	Nursery (where applicable)	
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		<p>in-charge at each site was appointed to monitor the implementation of the control measures through the 5S initiative.</p> <p>c) The training held by the estates in the CU in relation to the pesticides handling as listed below. Included therein are the precautionary measures of products organised by the manufacturer.</p> <table border="1" data-bbox="1093 539 1883 842"> <thead> <tr> <th></th> <th>Subject</th> <th>Holyrood</th> <th>Kalumpong</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SOP Weeding / HIRARC</td> <td>-</td> <td>29/1/21</td> </tr> <tr> <td>2</td> <td>Spraying SOP</td> <td>22/1/21</td> <td>18/6/21</td> </tr> <tr> <td>3</td> <td>P &amp; D spraying</td> <td>28/1/21</td> <td>-</td> </tr> <tr> <td>4</td> <td>Chemical spillage ERP</td> <td>19/1/21</td> <td>-</td> </tr> <tr> <td>5</td> <td>Pesticides Handling</td> <td>19/1/21</td> <td>10/6/21</td> </tr> <tr> <td>6</td> <td>Chemical spraying</td> <td>18/1/21</td> <td>29/4/20</td> </tr> <tr> <td>7</td> <td>First Aid Kit &amp; ERP handling</td> <td>08/5/21</td> <td>04/6/21</td> </tr> <tr> <td>8</td> <td>PPE adherence</td> <td>10/3/21</td> <td>-</td> </tr> </tbody> </table> <p>Details of other training are available 4.4.6.1 under training and competency. ESH programs are also implemented. Common programs were initiated from HQ level e.g. OSH meeting, workplace inspection, inspection on PPE, training on MSPO/RSPO etc.</p> <p>d) The estate provides PPE to the employees such as apron, safety helmets, and safety shoes relevant to the work handled by the workers. Records of PPE issuance for both estates were sighted. During interviews and photos evidence workers was observed to be in PPE. Based on the HIRARC carried out at the estates the PPE types for the various activities has been identified and implemented.</p> <ol style="list-style-type: none"> <li>1. Harvester- Safety helmet, sickle cover, hand glove. wellington boots</li> <li>2. Sprayers- Respirator, nitrile glove (Chemical Resistant) goggles, wellington boots, apron.</li> <li>3. Manuring- Apron, wellington boots, dust mask, nitrile glove.</li> </ol>		Subject	Holyrood	Kalumpong	1	SOP Weeding / HIRARC	-	29/1/21	2	Spraying SOP	22/1/21	18/6/21	3	P & D spraying	28/1/21	-	4	Chemical spillage ERP	19/1/21	-	5	Pesticides Handling	19/1/21	10/6/21	6	Chemical spraying	18/1/21	29/4/20	7	First Aid Kit & ERP handling	08/5/21	04/6/21	8	PPE adherence	10/3/21	-	
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		<p>4. Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. Sighted issuance of PPE record for the following employees in 2020.</p> <p>e) The estate has established an SOP for chemical handling. This is available in PSQM – Operational Control Procedure under subject Chemical Safety Management. This includes compliance related to</p> <ol style="list-style-type: none"> <li>1. Conduct/reassess CHRA</li> <li>2. Review of chemical register</li> <li>3. Chemical management assessment review</li> <li>4. Conduct health surveillance.</li> </ol> <p>The document was sighted and currently applicable to the estate operations.</p> <p>f) The Estates Managers were appointed as the Chairman of the ESH committee. The letter of appointment for the Managers signed by the Regional GM was sighted. (Holyrood Estate 01/7/21 /Kalumpong Estate 02/1/21) The Managers subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. All identified Executives were officially given a letter for such an appointment.</p> <p>g) The estates management conduct regular two-way communication with their employees through the quarterly ESH meeting. The dates of meeting held by the estates are recorded below.</p> <table border="1" data-bbox="1093 1267 1883 1375"> <thead> <tr> <th>Estate</th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Kalumpong</td> <td>June 21</td> <td>19/3/21</td> <td>18/12/20</td> <td>18/9/20</td> </tr> <tr> <td>Holyrood</td> <td>July 21</td> <td>21/4/21</td> <td>20/1/21</td> <td>25/9/20</td> </tr> </tbody> </table>	Estate					Kalumpong	June 21	19/3/21	18/12/20	18/9/20	Holyrood	July 21	21/4/21	20/1/21	25/9/20	
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Kalumpong	June 21	19/3/21	18/12/20	18/9/20														
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		<p>The minutes of meeting randomly were sighted and verified. Workers during the meeting participated in the discussion mainly on housing and safety. All units adopted the agenda as released SQM. This agenda list was sighted and adequate to discuss salient issues relating safety, environmental and health. The agenda as discussed during the meeting among others includes the following:</p> <ul style="list-style-type: none"> <li>a) <i>Laporan Pemakaian PPE</i></li> <li>b) <i>Laporan Prestasi ESH/Kesehatan</i></li> <li>c) <i>Laporan Latihan &amp; SOP/HIRARC</i></li> <li>d) <i>Laporan Pematuhan Undang-Undang</i></li> <li>e) <i>Laporan Pematuhan Oleh Kontraktor</i></li> <li>f) <i>Laporan Kemalangan Region/ GCAD</i></li> <li>g) <i>Laporan Pemeriksaan Tempat Kerja</i></li> <li>h) <i>Laporan Kesehatan &amp; Kawasan Perumahan</i></li> <li>i) <i>Laporan Bahan Buangan Terjadual/Isu Alam Sekitar</i></li> </ul> <p>Meeting scheduled held in June/July 21 was deferred in view of the COVID pandemic. Directive was produced by SQM regional via letter dated 02/06/2021 and 26/07/21 respectively.</p> <p>h) Accident and emergency procedures are available in adherence to the SDPB policy on 'Crisis Management &amp; Emergency Response' plan - chapter 13 of PQMS, OSH manual and 'Accident and Reporting and Investigation Procedure' in chapter 14 of the same manual. Each estate had procedures emergencies situation as listed below in the table. There was formation of ERP Team &amp; ERP for all the identified incidences. The organization chart for the ERP team was</p>	
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		<p>established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by SQM and amended to tailor to the situation differences in the estates.</p> <table border="1" data-bbox="1093 497 1883 667"> <thead> <tr> <th colspan="4">Emergencies Situation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire Hazard</td> <td>6</td> <td>Poisonous animals attack</td> </tr> <tr> <td>2</td> <td>Injury At Site</td> <td>7</td> <td>Flood</td> </tr> <tr> <td>4</td> <td>Dieseline spillage</td> <td>8</td> <td>Workers' Strike</td> </tr> <tr> <td>5</td> <td>Explosion</td> <td>9</td> <td>Electrocution /Electric shock</td> </tr> </tbody> </table> <p>ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training among others as follows:</p> <table border="1" data-bbox="1093 887 1883 1056"> <thead> <tr> <th></th> <th>Subject</th> <th>Holyrood</th> <th>Kalumpong</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire Drill</td> <td>25/10/20</td> <td>25/11/21</td> </tr> <tr> <td>2</td> <td>Chemical spillage ERP</td> <td>19/1/21</td> <td>-</td> </tr> <tr> <td>3</td> <td>First Aid Kit &amp; ERP handling</td> <td>08/5/21</td> <td>04/6/21</td> </tr> <tr> <td>4</td> <td>SW management</td> <td>06/1/21</td> <td>23/7/21</td> </tr> </tbody> </table> <p>i) The trained personnel for the First Aid were among the employees working in the estates as staff/mandores. The estates distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops.</p> <p>j) Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed. The following accident incidents were reviewed:</p>	Emergencies Situation				1	Fire Hazard	6	Poisonous animals attack	2	Injury At Site	7	Flood	4	Dieseline spillage	8	Workers' Strike	5	Explosion	9	Electrocution /Electric shock		Subject	Holyrood	Kalumpong	1	Fire Drill	25/10/20	25/11/21	2	Chemical spillage ERP	19/1/21	-	3	First Aid Kit & ERP handling	08/5/21	04/6/21	4	SW management	06/1/21	23/7/21	
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		Estate	Case	LTI	Case Non LTI	JKKP8 Submission	
		1 Kalumpong	2	33	0	29/01/2021	
		2 Holyrood	0	0	0	26/01/2021	
		<p>Accident statistics are being maintained in a satisfactory manner. LTI as at December 2020. Where required submissions of JKKP 6, &amp; 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly.</p>					
<b>Criterion 4.4.5: Employment conditions</b>							
<b>4.4.5.1</b>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has implemented The Group Sustainability &amp; Quality Policy Statement which signed on 02/12/2019.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities &amp; Reporting.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> <li>1. Kalumpong Estate: 05/05/2021</li> <li>2. Holyrood Estate: 03/05/2021</li> </ol>					Complied
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has implemented The Group Sustainability &amp; Quality Policy Statement which signed on 02/12/2019.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities &amp; Reporting.</p>					Complied

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		<p>Refer section 3.2 Respect and Uphold Labour Right where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation union membership, political view, religion and/or age.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> <li>1. Kalumpong Estate: 05/05/2021</li> <li>2. Holyrood Estate: 03/05/2021</li> </ol>	
<p><b>4.4.5.3</b></p>	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>Employment contract are available and explained in language that understood by workers and signed by the workers (Local, Indonesian and Bangladesh). Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0).</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>Sighted the sampled employment contracts and pay slips as below:</p> <p>Kalumpong Estate</p> <ol style="list-style-type: none"> <li>1. Employee ID: 0000147642</li> <li>2. Employee ID: 0000147643</li> <li>3. Employee ID: 0000028940</li> <li>4. Employee ID: 0000028942</li> <li>5. Employee ID: 0000095540</li> <li>6. Employee ID: 0000098263</li> <li>7. Employee ID: 0000154879</li> <li>8. Employee ID: 0000155516</li> </ol>	<p>Complied</p>

		<p>Holyrood Estate</p> <ol style="list-style-type: none"> <li>1. Employee ID: 0000026188</li> <li>2. Employee ID: 0000026191</li> <li>3. Employee ID: 0000098719</li> <li>4. Employee ID: 0000099129</li> <li>5. Employee ID: 0000111427</li> <li>6. Employee ID: 0000111908</li> <li>7. Employee ID: 0000160626</li> <li>8. Employee ID: 0000160627</li> </ol>	
<p><b>4.4.5.4</b></p>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>Management for the Estates ensure employees of contractors are paid in accordance with the provisions of the Minimum Wages Order by making it compulsory for contractors to submit their workers' monthly pay slips.</p> <p>Kalumpang Estate</p> <p>Contractor: Bagan Samak Enterprise Agreement E162/2021/007 dated 01/06/2021 for Transportation of Fresh Fruit Bunches</p> <ol style="list-style-type: none"> <li>1. IC number: 761123-XX-XXXX</li> <li>2. IC number: 831125-XX-XXXX</li> </ol> <p>Contractor: YIH Construction Sdn Bhd E162/2021/001 dated 01/06/2021 for Rental Machinerics.</p> <ol style="list-style-type: none"> <li>1. IC number: 760411-XX-XXXX</li> <li>2. IC number: 681014-XX-XXXX</li> </ol> <p>Holyrood Estate</p> <p>Contractor: JS Asas Maju Enterprise dated 05/03/2021 for EFB Transportation Including Mechanical Application and Outsource Material</p> <ol style="list-style-type: none"> <li>1. IC number: 860613-XX-XXXX</li> </ol>	<p>Minor Non Conformity</p>

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		<p>Contractor: Resam Padu Enterprise Agreement dated 06/04/2021 for Transportation of Fresh Fruit Bunches</p> <p>1. IC number: 760411-XX-XXXX</p> <p>2. IC number: 681014-XX-XXXX</p> <p>Sighted and verified the sampled of payslip for employee with ID no. for the month of December 2020, March 2021, and June 2021.</p> <p>Compliance of legal requirements were not implemented effectively by the contractors. The contractor Bagan Samak Enterprise at Kalumpang Estate, JS Asas Maju Enterprise and Resam Padu Enterprise at Holyrood Estate did not make the correct amount of SOCSO contribution according Employees' Social Security Act 1969 (Act 4) as per checking of employees of contractors pay slip month of Dec 2020, March 2021 and June 2021. Thus, Minor NC was raised.</p>																			
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		<table border="1"> <tr> <td></td> <td>RM 2476.00 (June 2021)</td> <td>RM 23.60 Employer: RM 18.35 Employee: RM 5.25</td> <td>RM 55.10 Employer: RM 42.85 Employee: RM 12.25</td> </tr> </table>		RM 2476.00 (June 2021)	RM 23.60 Employer: RM 18.35 Employee: RM 5.25	RM 55.10 Employer: RM 42.85 Employee: RM 12.25		
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		<table border="1"> <tr> <td>Taufik 890613-XX-XXXX</td> <td>RM 1100.00 (Mar 2021)</td> <td>RM 23.60 Employer: RM 23.60 Employee: RM 0.00</td> <td>RM 14.40 Employer: RM 14.40 Employee: RM 0.00</td> </tr> </table>	Taufik 890613-XX-XXXX	RM 1100.00 (Mar 2021)	RM 23.60 Employer: RM 23.60 Employee: RM 0.00	RM 14.40 Employer: RM 14.40 Employee: RM 0.00		
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		Holyrood Estate – Resam Padu Enterprise – Both contribution						
		<table border="1"> <tr> <td>Mohandas 891026-XX-XXXX</td> <td>RM 2498.07 (June 2021)</td> <td>RM 57.40 Employer: RM 12.75 Employee: RM 44.65</td> <td>RM 14.40 Employer: RM 42.85 Employee: RM 12.25</td> </tr> </table>	Mohandas 891026-XX-XXXX	RM 2498.07 (June 2021)	RM 57.40 Employer: RM 12.75 Employee: RM 44.65	RM 14.40 Employer: RM 42.85 Employee: RM 12.25		
Mohandas 891026-XX-XXXX	RM 2498.07 (June 2021)	RM 57.40 Employer: RM 12.75 Employee: RM 44.65	RM 14.40 Employer: RM 42.85 Employee: RM 12.25					
<p><b>4.4.5.5</b></p>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>The estates have employed local and foreign workers. All the mill workers are under direct employment and under contract. Sighted the master list of the workers having the information of full names, gender, date of birth, job description and other relevant information.</p>			<p>Complied</p>			
<p><b>4.4.5.6</b></p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>Employment contract are available and explained in language that understood by workers.</p> <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0).</p>			<p>Complied</p>			

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		<p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	
<p><b>4.4.5.7</b></p>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The pay slip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, and temple and mosque fund.</p> <p>For field workers, they record the working hours in the Daily Time Record. The overtime working hours always mutually agreed and approved by the assistant manager. The documented working hours available in the daily check roll records</p> <p>Sighted and verified the sampled of payslip for employee with ID no. for the month of December 2020, March 2021 and June 2021 as follows: Sighted the sampled employment contracts and pay slips as below:</p> <p>Kalumpong Estate</p> <ol style="list-style-type: none"> <li>1. Employee ID: 0000147642</li> <li>2. Employee ID: 0000147643</li> <li>3. Employee ID: 0000028940</li> <li>4. Employee ID: 0000028942</li> <li>5. Employee ID: 0000095540</li> <li>6. Employee ID: 0000098263</li> <li>7. Employee ID: 0000154879</li> <li>8. Employee ID: 0000155516</li> </ol> <p>Holyrood Estate</p> <ol style="list-style-type: none"> <li>1. Employee ID: 0000026188</li> <li>2. Employee ID: 0000026191</li> </ol>	<p>Complied</p>

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		<p>3. Employee ID: 0000098719          4. Employee ID: 0000099129          5. Employee ID: 0000111427          6. Employee ID: 0000111908          7. Employee ID: 0000160626          8. Employee ID: 0000160627</p>	
<b>4.4.5.8</b>	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p><b>- Major compliance -</b></p>	<p>The working hours and breaks of the individual worker indicated in the time records were comply with legal regulations and collective agreements. Based on check roll records, overtime and breaks were recorded and consistent with the pay slip for sample months shown no evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.</p>	Complied
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contains the following information:</p> <ol style="list-style-type: none"> <li>Earnings - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday), Overtime (Weekdays, Rest days and Holiday).</li> <li>Deduction - Union fee (NUPW &amp; AMESU), SOCSO, EPF, electricity deduction and others.</li> </ol> <p>Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract.</p> <p>Sighted and verified the sampled of payslip for employee with ID no. for the month of December 2020, March 2021 and June 2021 as follows:</p> <p>Kalumpung Estate</p> <ol style="list-style-type: none"> <li>Employee ID: 0000147642</li> <li>Employee ID: 0000147643</li> <li>Employee ID: 0000028940</li> </ol>	Complied

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		<p>4. Employee ID: 0000028942          5. Employee ID: 0000095540          6. Employee ID: 0000098263          7. Employee ID: 0000154879          8. Employee ID: 0000155516          Holyrood Estate          1. Employee ID: 0000026188          2. Employee ID: 0000026191          3. Employee ID: 0000098719          4. Employee ID: 0000099129          5. Employee ID: 0000111427          6. Employee ID: 0000111908          7. Employee ID: 0000160626          8. Employee ID: 0000160627</p>	
<p><b>4.4.5.10</b></p>	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.  <b>- Minor compliance -</b></p>	<p>Subsidized rate of water, electricity and accommodation were supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.</p>	<p>Complied</p>
<p><b>4.4.5.11</b></p>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.  <b>- Major compliance -</b></p>	<p>Based on document checking and interview with the worker, confirmed that the estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through LAP piping while electricity is via TNB grid supply. Access to food supply for the workers are considered adequately and sufficiently as the estate is very near to the town.</p>	<p>Complied</p>



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		<p>Kalumpang Estate and Holyrood Estate:</p> <p>Line site inspection was done weekly by Executive and recorded in the log book. Weekly summary reported via checklist for Estate housing inspection i.e. housing complex/NEST/Community Hall Inspections records shown latest inspection done by Medical Assistant or appointed person in charge. Latest record sighted in July 2021</p>	
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has implemented Sexual Harassment Policy dated 01/11/2019 signed by Mr Mohamad Helmy Othman Basha, Group Managing Director Sime Darby Plantation Berhad.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> <li>1. Kalumpang Estate: 05/05/2021</li> <li>2. Holyrood Estate: 03/05/2021</li> </ol>	Complied
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has implemented The Group Sustainability &amp; Quality Policy Statement which signed on 02/12/2019 where the management is respecting Freedom of Association.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities &amp; Reporting.</p> <p>Refer section 3.2 stated respect the rights of employees to join and form organizations of their own choice and to bargain collectively.</p> <p>The NUPW minute meeting for Kalumpang Estate was sighted conducted on 19/02/2021.</p>	Complied

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		<p>The NUPW minute meeting for Holyrood Estate was sighted conducted on 07/08/2020. For 2021, meeting has been postponed due to MCO.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> <li>1. Kalumpong Estate: 05/05/2021</li> <li>2. Holyrood Estate: 03/05/2021</li> </ol>																	
<p><b>4.4.5.14</b></p>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has implemented The Group Sustainability &amp; Quality Policy Statement which signed on 02/12/2019 where the management will Eradicate any form of Exploitation.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities &amp; Reporting.</p> <p>Refer section 3.3 Respect and Uphold Children Rights.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> <li>1. Kalumpong Estate: 05/05/2021</li> <li>2. Holyrood Estate: 03/05/2021</li> </ol>	<p>Complied</p>																
<p><b>Criterion 4.4.6: Training and competency</b></p>																			
<p><b>4.4.6.1</b></p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>Training were provided during musters and also in session held in the estate community hall. The following training made for the employees were recorded as follows. Subjects extracted were mainly related to ESH, SOP, and pesticide handling.</p> <table border="1" data-bbox="1048 1262 1890 1396"> <thead> <tr> <th></th> <th>Subject</th> <th>Holyrood</th> <th>Kalumpong</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SOP Weeding / HIRARC</td> <td>-</td> <td>29/1/21</td> </tr> <tr> <td>2</td> <td>Company Policies Briefing</td> <td>13/5/21</td> <td>27/3/21</td> </tr> <tr> <td>3</td> <td>RSPO Briefing to employees</td> <td>07/7/20</td> <td>12/6/20</td> </tr> </tbody> </table>		Subject	Holyrood	Kalumpong	1	SOP Weeding / HIRARC	-	29/1/21	2	Company Policies Briefing	13/5/21	27/3/21	3	RSPO Briefing to employees	07/7/20	12/6/20	<p>Complied</p>
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		4	Harvesting safety awareness	19/1/20	10/4/20
		5	Tractors driving SOP	-	03/4/21
		6	RSPO MSPO awareness	-	01/3/21
		7	Circle raking	-	03/7/20
		8	Workshop management	10/6/21	-
		9	Spraying SOP	22/1/21	18/6/21
		10	P & D spraying	28/1/21	-
		11	FFB crop quality	16/10/20	-
		12	Harvesting SOP	28/5/21	14/02/20
		13	Harvesting Safety awareness	-	15/05/20
		14	Fire Drill	25/10/20	25/11/21
		15	Chemical spillage ERP	19/1/21	-
		16	FFB quality	06/3/20	-
		17	Rat Baiting	15/1/21	08/6/21
		18	Fertilizer application	09/6/20	-
		19	Bagworm	18/8/20	23/1/20
		20	Pesticides Handling	19/1/21	10/6/21
		21	Chemical spraying	18/1/21	29/4/20
		22	Replanting	16/6/20	15/2/21
		23	First Aid Kit & ERP handling	08/5/21	04/6/21
		24	Working hours /Payslip	25/3/21	-
		25	Protection -HCV riparian zone	26/1/21	14/7/21
		26	fertilizer - application	10/6/21	-
		27	Line site hygiene - FW	-	03/11/20
		28	PPE adherence	10/3/21	-
		29	SW management	06/1/21	23/7/21
		30	Sexual harassment / COBC	24/2/20	05/5/21
		31	Safety Town Hall 8.0	25/8/20	03/9/20
		32	TKI induction program	24/10/20	16/1/21
		33	TKI induction program	28/7/21	11/12/20

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		34	Noise /Safety awareness SQM	-	13/11/20																																							
		35	COVID-19 Awareness	20/4/21	03/1/21																																							
		36	COVID-19 Awareness	-	23/3/20																																							
<b>4.4.6.2</b>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>Similar methods for identifying the training needs are used in all the estates. The details of the training needs include categories of;</p> <p>a) Job descriptions,  b) Sections,  c) Employees' group.</p> <p>Included in this program are subjects related to;</p> <p>a) Environment e.g. Environmental, safety &amp; health policy,  b) Scheduled waste management,  c) Environmental responsibility, hcv &amp; biodiversity training,  d) Field activities/operations,  e) Equipment handling, vehicles maintenance etc</p>				Complied																																						
<b>4.4.6.3</b>	<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><b>- Minor compliance -</b></p>	<p>Formal training programs for 2021 that covered aspects of the MSPO with regular assessments of training needs were available for all the audited sites. Training Plan for each operating unit were established. A training need identification matrix has been established with target dates for the training identified. The training program among others includes the following subjects:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Subjects</th> <th colspan="3">Month</th> </tr> <tr> <th>1-4</th> <th>5-8</th> <th>9-12</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ESH Legal &amp; Other requirements</td> <td>/</td> <td>-</td> <td>-</td> </tr> <tr> <td>2</td> <td>USECHH) 2000</td> <td>/</td> <td>-</td> <td>-</td> </tr> <tr> <td>3</td> <td>Accident Investigation Techniques</td> <td>/</td> <td>-</td> <td>-</td> </tr> <tr> <td>4</td> <td>ERP Chemical spill, poisoning, Fire.</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>5</td> <td>First Aid Training</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>6</td> <td>Scheduled waste management</td> <td>/</td> <td>/</td> <td>-</td> </tr> </tbody> </table>					Subjects	Month			1-4	5-8	9-12	1	ESH Legal & Other requirements	/	-	-	2	USECHH) 2000	/	-	-	3	Accident Investigation Techniques	/	-	-	4	ERP Chemical spill, poisoning, Fire.	/	-	/	5	First Aid Training	/	-	/	6	Scheduled waste management	/	/	-	Complied
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		7	Safe Work Procedure for All Stations.	/	-	/	
		8	Confined Space Training	-	/	-	
		9	Policy Training	/	-	/	
		10	Effective workplace inspection	-	/	/	
		11	GAP training / SW	/	/	/	
		12	RSPO & Management Training,	/	-	/	
		13	RSPO Human Right Training,	/	-	/	
		14	SDarby Policies (Gender & Conservation).	/	-	/	
		15	Maintenance of spraying equipment	/	/	/	
		16	HCV Training for Region	-	/	/	
		17	Safe handling of Electrical Equipment	/	-	/	
		18	MSDS/CSDS	/	-	/	
		19	5 S Housekeeping	/	/	-	
		20	PPE adherence	/	/	-	
		21	Estate Activities / Mill Work stations	/	/	/	
		22	Triple rinsing	/	/	-	
		23	Effective work place inspection	-	/	/	
		24	HIRARC	/	-	/	
		25	Safe driving techniques	/	-	/	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>							
<b>Criterion 4.5.1:</b> Environmental Management Plan							
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	The Group Upstream Malaysia Safety, Health and Environmental Policy Statement had been established and implemented. The policy was signed by the Chief Operation Officer Upstream Malaysia on June 2020 and displayed prominently on notice boards in English and local language Bahasa Malaysia. Therein among others has stated that the					Complied

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		<p>Company is committed to protecting the environment and conserving biodiversity through minimizing environmental harms</p> <ul style="list-style-type: none"> <li>a) Protecting and enhancing biodiversity and the ecosystem</li> <li>b) No deforestation and no new development on peat soil</li> <li>c) Enhancing resilience against climate change impact</li> <li>d) Adopting responsible consumption and production.</li> </ul> <p>This policy is prominently displayed in the office along with other Company's Policies. It is communicated to the employees via training and weekly briefing session among others as follows:</p> <table border="1" data-bbox="1048 699 1886 970"> <thead> <tr> <th></th> <th>Subject</th> <th>Holyrood</th> <th>Kalumpong</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Company Policies Briefing</td> <td>13/5/21</td> <td>27/3/21</td> </tr> <tr> <td>2</td> <td>RSPO Briefing to employees</td> <td>07/7/20</td> <td>12/6/20</td> </tr> <tr> <td>3</td> <td>RSPO MSPO awareness</td> <td>-</td> <td>01/3/21</td> </tr> <tr> <td>4</td> <td>Chemical spillage ERP</td> <td>19/1/21</td> <td>-</td> </tr> <tr> <td>5</td> <td>Protection -HCV riparian zone</td> <td>26/1/21</td> <td>14/7/21</td> </tr> <tr> <td>6</td> <td>SW management</td> <td>06/1/21</td> <td>23/7/21</td> </tr> <tr> <td>7</td> <td>Safety Town Hall 8.0</td> <td>25/8/20</td> <td>03/9/20</td> </tr> </tbody> </table> <p>Subjects on environmental are included the annual training program related to "Environmental Responsibility &amp; Biodiversity-Environmental Aspect Impact Assessment".</p>		Subject	Holyrood	Kalumpong	1	Company Policies Briefing	13/5/21	27/3/21	2	RSPO Briefing to employees	07/7/20	12/6/20	3	RSPO MSPO awareness	-	01/3/21	4	Chemical spillage ERP	19/1/21	-	5	Protection -HCV riparian zone	26/1/21	14/7/21	6	SW management	06/1/21	23/7/21	7	Safety Town Hall 8.0	25/8/20	03/9/20	
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<p><b>4.5.1.2</b></p>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The Environmental Policy has been established as described in 4.5.1.1 above. The objectives of the environmental management plan among others include the following;</p> <ul style="list-style-type: none"> <li>a) Implement and comply all prevailing statutory environmental laws</li> <li>b) Plantation development emphasizing zero burning practices.</li> <li>c) Compliance of DOE - to minimize pollution of land/water/air</li> <li>d) To control and practice GAP systems in both mineral/peat soils.</li> <li>e) Identification of HCV and preserving riparian zones.</li> </ul>	<p>Complied</p>																																

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		<p>The aspects and impacts had been provided in <i>the Environmental Impact Assessment</i> reviewed on Jan 2021 compiled internally.</p> <p>The analysis covered the following activities;</p> <ul style="list-style-type: none"> <li>a) Harvesting / weeding / fertilizer application</li> <li>b) Mulching / road upkeep / ramp</li> <li>c) Workshop / chemical store</li> <li>d) Lubricant store / fertilizer store</li> <li>e) Impact of field operations activities towards environmental</li> <li>f) Identification of riparian zone</li> <li>g) All the relevant positive/negative impact and mitigation plan,</li> </ul> <p>The plans and impact assessments relating to environmental impacts based on documents for both estates and the mill are elaborated in the following records:</p> <ul style="list-style-type: none"> <li>a) Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, (<i>version 1; year 2008 Issue no. 1; dated 1 April 2009 Register</i>)</li> <li>b) Appendix 5.4.1c - Environmental Aspect and Impact Identification form (<i>version 1; year 2008 Issue no. 1; dated 1 April 2009; MR-01/EAI</i>)</li> <li>c) Appendix 5.4.1d – Environmental Impacts Evaluation form (<i>version 1; year 2008 issue no. 1; dated 1 April 2009; MR-02/EIE</i>)</li> </ul> <p>The latest register being reviewed dated Jan 2021 to include the following changes and continued being formalised for 2021.</p>	
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<p><b>4.5.1.3</b></p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The environmental improvement plans are identified <i>the Environmental Impact Assessment 2021</i> having details of mitigation of the negative impacts. They are summarized and among others as shown below;</p> <table border="1" data-bbox="1048 475 1865 1319"> <thead> <tr> <th></th> <th>Activities</th> <th>Impacts</th> <th>Mitigation plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Harvesting</td> <td>Promote positive impact to soil structure through biomass frond &amp; EFB mulching</td> <td>Practice proper frond stacking. EFB applied to improve nutrient &amp; biomass</td> </tr> <tr> <td>2</td> <td>Weeding</td> <td>Negative impact as polluting the soil with usage of chemicals</td> <td>Dosage of chemicals is monitored &amp; calibrated. Manual weeding practiced at certain areas to reduce reliance of chemical.</td> </tr> <tr> <td>3</td> <td>Manuring</td> <td>Over usage of chemical &amp; fertilizer affecting soil toxicity causing leaching /wash off</td> <td>Identify buffer zones and to prevent leaching of fertilizer and chemicals. Application along frond stacking rows.</td> </tr> <tr> <td>4</td> <td>Road upkeep</td> <td>Damages through grading and chambering</td> <td>Water collected at drain pits is collected to maximize moisture of nearest palm.</td> </tr> <tr> <td>5</td> <td>Loading bay</td> <td>FFB transportation of lorries in minimizing leakages of fuel</td> <td>Education to drivers and monitoring of vehicles movements.</td> </tr> <tr> <td>6</td> <td>Workshop</td> <td>Spillage to prevent pollution</td> <td>Availability of spill kit and health surveillance for welding personnel.</td> </tr> </tbody> </table>		Activities	Impacts	Mitigation plan	1	Harvesting	Promote positive impact to soil structure through biomass frond & EFB mulching	Practice proper frond stacking. EFB applied to improve nutrient & biomass	2	Weeding	Negative impact as polluting the soil with usage of chemicals	Dosage of chemicals is monitored & calibrated. Manual weeding practiced at certain areas to reduce reliance of chemical.	3	Manuring	Over usage of chemical & fertilizer affecting soil toxicity causing leaching /wash off	Identify buffer zones and to prevent leaching of fertilizer and chemicals. Application along frond stacking rows.	4	Road upkeep	Damages through grading and chambering	Water collected at drain pits is collected to maximize moisture of nearest palm.	5	Loading bay	FFB transportation of lorries in minimizing leakages of fuel	Education to drivers and monitoring of vehicles movements.	6	Workshop	Spillage to prevent pollution	Availability of spill kit and health surveillance for welding personnel.	<p>Complied</p>
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<p><b>4.5.1.4</b></p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b></p>	<p>This is available as elaborated in indicator 4.5.1.3 above. Improvement planned for both short and long terms are detailed along with the identified issues.</p>	<p>Complied</p>																																																					
<p><b>4.5.1.5</b></p>	<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. <b>- Major compliance -</b></p>	<p>Training program is available in the SOU 02 Training Program 2021 updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety &amp; health policy, scheduled waste management, environmental responsibility, HCV &amp; Biodiversity training.</p> <table border="1" data-bbox="1055 694 1883 1066"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Subjects</th> <th colspan="3">Month</th> </tr> <tr> <th>1-4</th> <th>5-8</th> <th>9-12</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ESH Legal &amp; Other requirements</td> <td>/</td> <td>-</td> <td>-</td> </tr> <tr> <td>2</td> <td>ERP Chemical spill, poisoning, Fire</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>3</td> <td>Scheduled waste management</td> <td>/</td> <td>/</td> <td>-</td> </tr> <tr> <td>4</td> <td>Safe Work Procedure for All Stations.</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>5</td> <td>Policy Training</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>6</td> <td>HCV Training for Region</td> <td>-</td> <td>/</td> <td>/</td> </tr> <tr> <td>7</td> <td>Safe handling of Electrical Equipment</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>8</td> <td>MSDS/CSDS</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>9</td> <td>Triple rinsing</td> <td>/</td> <td>/</td> <td>-</td> </tr> </tbody> </table>		Subjects	Month			1-4	5-8	9-12	1	ESH Legal & Other requirements	/	-	-	2	ERP Chemical spill, poisoning, Fire	/	-	/	3	Scheduled waste management	/	/	-	4	Safe Work Procedure for All Stations.	/	-	/	5	Policy Training	/	-	/	6	HCV Training for Region	-	/	/	7	Safe handling of Electrical Equipment	/	-	/	8	MSDS/CSDS	/	-	/	9	Triple rinsing	/	/	-	<p>Complied</p>
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<p><b>4.5.1.6</b></p>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b></p>	<p>The forum used in the estates are the quarterly OSH meeting and the annual management review meeting.</p> <p>a) The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact.</p> <p>b) The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the SOU 2</p>	<p>Complied</p>																																																					

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<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>											
<b>4.5.2.1</b>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p><b>- Major compliance -</b></p>	<p>The forum used in the estates are the quarterly OSH meeting and the annual management review meeting.</p> <p>a) The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact.</p> <p>b) The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the SOU 2</p> <p>c) The operating unit level dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment</p> <p>A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2021. The document was reviewed/updated on Jan 2021. The Environment Management Plan for efficiency of fossil fuel usage are detailed below:</p> <table border="1" data-bbox="1048 1161 1890 1361"> <thead> <tr> <th></th> <th>Target</th> <th>Objective</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Backhoe tractor</td> <td>To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment</td> <td>To ensure the vehicle engine is turn off during idle time To record vehicle activity which consume fuel</td> </tr> </tbody> </table>		Target	Objective	Action plan	1	Backhoe tractor	To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment	To ensure the vehicle engine is turn off during idle time To record vehicle activity which consume fuel	Complied
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		2	Van /vehicle	To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment	To record vehicle activity in order to eliminate waste activity which consume fuel. To turn off vehicle engine during idle time.																																																																																				
		3	Electrical supply	To reduce reliance on gen-sets for power supply	Utilization of TNB sources																																																																																				
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<p>The estates record/monitor the diesel utilization over the running hours of gen-set and other vehicles running. Performance variation in view of several factors i.e.</p>																																																																																									

		<p>a) Infrastructure of estates, b) Community size / no of gen-sets, c) No. of vehicles / age of machine. d) Weather interference / crop production volume</p> <p>Baseline for Kalumpong and Holyrood is 3.00 and 1.30 respectively.</p>																					
<b>4.5.2.2</b>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel in all transport and machinery operations was available in the respective estate yearly budgets.</p>	Complied																				
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>There was no opportunity to use renewable energy (<i>shell/fibre/EFB</i>) in the estate with the present technology and facilities within the industry.</p>	Complied																				
<b>Criterion 4.5.3: Waste management and disposal</b>																							
<b>4.5.3.1</b>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>All waste products and sources of pollution has been identified and documented. Details as follows;</p> <table border="1"> <thead> <tr> <th></th> <th>Activities</th> <th>Source</th> <th>Waste /Pollution</th> <th>Affected Environment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gen store</td> <td>Petrol oil, lubricant Chemical</td> <td>Spillage &amp; contamination</td> <td>Land, water</td> </tr> <tr> <td>2</td> <td>SW store</td> <td>Scheduled waste</td> <td>All type of SW</td> <td>Environmental</td> </tr> <tr> <td>3</td> <td>Office</td> <td>Domestic/ office waste</td> <td>Paper plastic</td> <td>Land, water</td> </tr> </tbody> </table>		Activities	Source	Waste /Pollution	Affected Environment	1	Gen store	Petrol oil, lubricant Chemical	Spillage & contamination	Land, water	2	SW store	Scheduled waste	All type of SW	Environmental	3	Office	Domestic/ office waste	Paper plastic	Land, water	Complied
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		6	Field activities	Operation waste	Palm frond, FFB stalk	Land /water																																					
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	<p>The estates had established the waste and pollution management plan as shown below. The PIC and time frame was also shown in the management plan.</p> <table border="1"> <thead> <tr> <th></th> <th>Activities</th> <th>Source</th> <th>Waste /Pollution</th> <th>Affected Environment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gen store</td> <td>Petrol oil, lubricant</td> <td rowspan="2">Spillage &amp; contamination</td> <td rowspan="2">Land, water</td> </tr> <tr> <td></td> <td></td> <td>Chemical</td> </tr> <tr> <td>2</td> <td>SW store</td> <td>Scheduled waste</td> <td>All type of SW</td> <td>Environmental</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Office</td> <td>Domestic/ office waste</td> <td>Paper plastic</td> <td rowspan="2">Land, water</td> </tr> <tr> <td>Toilet &amp; kitchen</td> <td>Sewage</td> </tr> <tr> <td rowspan="3">4</td> <td rowspan="3">W/shop</td> <td>Used oil &amp; grease</td> <td>Spillage</td> <td></td> </tr> <tr> <td>Metal waste</td> <td>Wastage</td> <td>Recycled</td> </tr> <tr> <td>Oil drum/tank</td> <td></td> <td></td> </tr> </tbody> </table>						Activities	Source	Waste /Pollution	Affected Environment	1	Gen store	Petrol oil, lubricant	Spillage & contamination	Land, water			Chemical	2	SW store	Scheduled waste	All type of SW	Environmental	3	Office	Domestic/ office waste	Paper plastic	Land, water	Toilet & kitchen	Sewage	4	W/shop	Used oil & grease	Spillage		Metal waste	Wastage	Recycled	Oil drum/tank			Complied
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	<p>Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>	<p>VII- Scheduled Waste (Hazardous Waste) Management ref no. SD/SDP/PSQM (ESH) /203-EN1 dated 26/2/2015.</p> <p>The inventory of the waste generated is recorded using the "E-SWISS" inventory system. Methodology of SW disposal is also described in indicator 4.5.3.2 above. All SW are disposed to Edgenta Mediserve Sdn Bhd for the SW 404 (Holyrood Estate) and SDI for the workshop lubricant and others waste. Details as sampled as shown below:</p> <table border="1" data-bbox="1048 603 1886 705"> <thead> <tr> <th></th> <th>Estate</th> <th>SW collector</th> <th>Date</th> <th>SW 404</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>HE</td> <td>Edgenta Medicare</td> <td>10/5/21</td> <td>0.100</td> </tr> <tr> <td>2</td> <td>KE</td> <td>SDI</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Employees of Kalumpang seek medical treatment at Pusat Kesihatan K Kurau as there was no MA available in the estate hence no SW for the clinical waste handled by the estate.</p>		Estate	SW collector	Date	SW 404	1	HE	Edgenta Medicare	10/5/21	0.100	2	KE	SDI	-	-	
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1	HE	Edgenta Medicare	10/5/21	0.100														
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<p><b>4.5.3.4</b></p>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>The SOP of disposal pesticide container is described in the estates in SOU 11, procedure SD/SDP/PSQM (ESH)/203-EN1–Scheduled Wastes (Hazardous Waste) Management has been established. Content includes the triple rinsing procedures and the relevant training to be conducted. Under the operational control procedure established as given in 4.5.3.3 above the guideline and practice for handling empty pesticides containers are as follows:</p> <ul style="list-style-type: none"> <li>a) All class 2 and above containers are tripled rinsed and holes punctured at the bottom only if the waste generator is to dispose as non-scheduled waste.</li> <li>b) Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process.</li> <li>c) Empty containers were tripled rinsed, pierced and delivered to a registered recycler company M/s E-Idaman Sdn Bhd approved by DOE.</li> </ul> <table border="1" data-bbox="1093 1347 1886 1378"> <thead> <tr> <th></th> <th>Estate</th> <th>Date</th> <th>Empty Containers</th> <th>Empty bags</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Estate	Date	Empty Containers	Empty bags						<p>Complied</p>					
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			1	Kalumpong	21/6/20	564	-																		
			2	Holyrood	-	-	-																		
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste for the operating units in SOU 02 was disposed as follows;	<table border="1"> <thead> <tr> <th colspan="2">Disposal site</th> <th colspan="2">Remarks</th> </tr> <tr> <th>Estate</th> <th>Estate</th> <th>External</th> <th></th> </tr> </thead> <tbody> <tr> <td>Kalumpong</td> <td>-</td> <td>MD Kerian</td> <td>Collection 2/3 x week</td> </tr> <tr> <td>Holyrood</td> <td>P05C</td> <td>-</td> <td>Collection 2/3 x week</td> </tr> </tbody> </table>						Disposal site		Remarks		Estate	Estate	External		Kalumpong	-	MD Kerian	Collection 2/3 x week	Holyrood	P05C	-	Collection 2/3 x week	Complied
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<b>Criterion 4.5.4: Reduction of pollution and emission</b>																									
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	An assessment of all polluting activities has been conducted and monitored. This included the gaseous emissions, particulate / soot emissions and effluent. The CU has continued to maintain its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) records i.e. (SM/5.2/EAI) and (SM/5.2/EIE) which covers estates and mill activities / operation. 'Pollution Identification Environmental Improvement Action Plan' is used to identify the waste products and sources of pollution, was in place and is reviewed accordingly. Among others the significant environmental receptors for the estates and mill operations were:	<table border="1"> <thead> <tr> <th></th> <th>Environmental Receptors</th> <th colspan="2">Source</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td colspan="2">Air emissions – from boiler stack (smoke &amp; particulate), vehicle &amp; generator (smoke and gases). GHG emission from anaerobic processes (ETP, EFB dumping).</td> </tr> <tr> <td>2</td> <td>Water</td> <td colspan="2">Water discharges – Cleaning water/run-off/process station waters (hydro cyclone/sterilizer condensate/clarification waste) &amp; boiler quenching water &amp; blow down</td> </tr> </tbody> </table>							Environmental Receptors	Source		1	Air	Air emissions – from boiler stack (smoke & particulate), vehicle & generator (smoke and gases). GHG emission from anaerobic processes (ETP, EFB dumping).		2	Water	Water discharges – Cleaning water/run-off/process station waters (hydro cyclone/sterilizer condensate/clarification waste) & boiler quenching water & blow down		Complied				
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		3	Land	Land – Scheduled waste, domestic waste and industrial / process waste. Clinical wastes – generated from clinics.																						
Full compliance to zero burning practices.																										
<p><b>4.5.4.2</b></p>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance –</b></p>	<p>Details of action plan for identified pollutants are shown below:</p> <table border="1" data-bbox="1048 560 1890 1257"> <thead> <tr> <th data-bbox="1048 560 1099 592"></th> <th data-bbox="1099 560 1496 592">Sources/objective &amp; target</th> <th data-bbox="1496 560 1890 592">Action Plan /Steps</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 592 1099 724">1</td> <td data-bbox="1099 592 1496 724">Management of HCV river reserve Sg Segar, water catchment area, and buffer zone conservation.</td> <td data-bbox="1496 592 1890 724">To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area</td> </tr> <tr> <td data-bbox="1048 724 1099 791">2</td> <td data-bbox="1099 724 1496 791">To monitor waste management plan for its suitability</td> <td data-bbox="1496 724 1890 791">SW disposal monitoring</td> </tr> <tr> <td data-bbox="1048 791 1099 924">3</td> <td data-bbox="1099 791 1496 924">To improve employees awareness on pollution prevention at housing complex including zero burning policy.</td> <td data-bbox="1496 791 1890 924">Continuous reminders</td> </tr> <tr> <td data-bbox="1048 924 1099 991">4</td> <td data-bbox="1099 924 1496 991">To minimise spillage of oil/chemical onto the ground</td> <td data-bbox="1496 924 1890 991">Continuous training and use of spill trays</td> </tr> <tr> <td data-bbox="1048 991 1099 1123">5</td> <td data-bbox="1099 991 1496 1123">To review aspect identification &amp; impact evaluation to identify significant critical points for control.</td> <td data-bbox="1496 991 1890 1123">Review through EA/EIE</td> </tr> <tr> <td data-bbox="1048 1123 1099 1257">6</td> <td data-bbox="1099 1123 1496 1257">Maintenance of forest trees in the estates.</td> <td data-bbox="1496 1123 1890 1257">Ensure signage &amp; demarcation are visible to avoid chemical intervention. To monitor pollution/erosion</td> </tr> </tbody> </table> <p>The polluting activities are identified and documented in the following documents and assessments. Latest review on 04/1/2021.</p> <p>a) Identification &amp; Management of waste water 2021</p>				Sources/objective & target	Action Plan /Steps	1	Management of HCV river reserve Sg Segar, water catchment area, and buffer zone conservation.	To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area	2	To monitor waste management plan for its suitability	SW disposal monitoring	3	To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	4	To minimise spillage of oil/chemical onto the ground	Continuous training and use of spill trays	5	To review aspect identification & impact evaluation to identify significant critical points for control.	Review through EA/EIE	6	Maintenance of forest trees in the estates.	Ensure signage & demarcation are visible to avoid chemical intervention. To monitor pollution/erosion	<p>Complied</p>
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		<ul style="list-style-type: none"> <li>i. Type of waste produced</li> <li>ii. Treatment / contamination method</li> <li>iii. Reuse/recycle/disposal method</li> </ul> <p>b) Waste Management Plan 2021</p> <ul style="list-style-type: none"> <li>i. Type of waste/description</li> <li>ii. Location / Management Plan</li> <li>iii. Person -In-Charge</li> </ul> <p>c) Pollution Preventive Plan 2021</p> <ul style="list-style-type: none"> <li>i. Pollution Source and Concerns</li> <li>ii. Mitigation / Monitoring &amp; Action Plan</li> <li>iii. Person-In-Charge</li> </ul> <p>Areas of focus include activities at the chemical store / workshop / store / scheduled waste / diesel tank / nursery / WTP.</p>	
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> </ul>	<p>SOU 02 estates had established its Water Management Plan 2021 which was developed to maintain the quality and availability of natural water resources. This is made by practicing efficient water consumption through various methods such as;</p> <ul style="list-style-type: none"> <li>a) Implementation of rain water harvest,</li> <li>b) Construction of water gate and scheduled water pumping for effective management of field drains and field water level.</li> <li>c) daily monitoring of bund / scheduled maintenance</li> </ul>	Complied

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	<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p>d) Establishment of <i>mucuna bracteata</i> to prevent erosion,</p> <p>e) Side drain at field road to control water, frond stacking,</p> <p>f) Enhancement of ground vegetation at bare ground area.</p> <p>The water sources are as shown below:</p> <table border="1" data-bbox="1048 563 1879 1023"> <thead> <tr> <th></th> <th>Water source</th> <th>Usage</th> <th>Monitoring</th> <th>Freq</th> <th>PIC</th> <th>Review status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>LAP</td> <td>Purchased for domestic consumption</td> <td>Monitoring water supply</td> <td>Mth</td> <td>AM Mgr</td> <td>Liaison with Authority</td> </tr> <tr> <td>2</td> <td>Rain water</td> <td>Domestic use Workshop Chemical mixing</td> <td>Rain fall data</td> <td>On-going</td> <td>AM Mgr</td> <td>Water harvesting for general washing</td> </tr> <tr> <td>3</td> <td>Water tank</td> <td>Emergency water supply</td> <td>-</td> <td>-</td> <td>AM Mgr</td> <td>Request water supply from other estates</td> </tr> </tbody> </table> <p>The contingency plan during water shortage</p> <table border="1" data-bbox="1048 1114 1879 1351"> <thead> <tr> <th></th> <th>Incident</th> <th>Action steps</th> <th>PIC</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water shortage/ prolonged dry season</td> <td>To obtain water from local authority /Mill catchment To train/educate staff/workers to conserve water</td> <td>Manager AM/Mill Engineer</td> <td>As and when required</td> </tr> </tbody> </table>		Water source	Usage	Monitoring	Freq	PIC	Review status	1	LAP	Purchased for domestic consumption	Monitoring water supply	Mth	AM Mgr	Liaison with Authority	2	Rain water	Domestic use Workshop Chemical mixing	Rain fall data	On-going	AM Mgr	Water harvesting for general washing	3	Water tank	Emergency water supply	-	-	AM Mgr	Request water supply from other estates		Incident	Action steps	PIC	Status	1	Water shortage/ prolonged dry season	To obtain water from local authority /Mill catchment To train/educate staff/workers to conserve water	Manager AM/Mill Engineer	As and when required
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		<p>The water reduction plan is shown below:</p> <table border="1"> <thead> <tr> <th data-bbox="1048 400 1084 432"></th> <th data-bbox="1084 400 1263 432">Issues/Areas</th> <th data-bbox="1263 400 1637 432">Action Steps</th> <th data-bbox="1637 400 1778 432">PIC</th> <th data-bbox="1778 400 1890 432">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 432 1084 635">1</td> <td data-bbox="1084 432 1263 635">Rain water collection</td> <td data-bbox="1263 432 1637 635">Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery</td> <td data-bbox="1637 432 1778 635">AM/Field staff</td> <td data-bbox="1778 432 1890 635">On-going</td> </tr> <tr> <td data-bbox="1048 635 1084 735">2</td> <td data-bbox="1084 635 1263 735">Leakage on plumbing system</td> <td data-bbox="1263 635 1637 735">Frequent inspection to detect leakage Fix any leakage</td> <td data-bbox="1637 635 1778 735">AM/Field staff</td> <td data-bbox="1778 635 1890 735">On-going</td> </tr> <tr> <td data-bbox="1048 735 1084 863">3</td> <td data-bbox="1084 735 1263 863">Water compartmentalization</td> <td data-bbox="1263 735 1637 863">To conserve level of soil moisture To minimize water stress during dry season</td> <td data-bbox="1637 735 1778 863">AM/Field staff</td> <td data-bbox="1778 735 1890 863">On-going</td> </tr> <tr> <td data-bbox="1048 863 1084 963">4</td> <td data-bbox="1084 863 1263 963">Handling of chemicals</td> <td data-bbox="1263 863 1637 963">To recycle water spillage while mixing of chemical at mixing area</td> <td data-bbox="1637 863 1778 963">AM/Field staff</td> <td data-bbox="1778 863 1890 963">On-going</td> </tr> <tr> <td data-bbox="1048 963 1084 1064">5</td> <td data-bbox="1084 963 1263 1064">Education</td> <td data-bbox="1263 963 1637 1064">Avoid excessive usage during cleaning Close pipe to prevent water dripping</td> <td data-bbox="1637 963 1778 1064">AM/Field staff</td> <td data-bbox="1778 963 1890 1064">On-going</td> </tr> </tbody> </table> <p>The estates continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along the natural waterways. The estates adopted the existing SDP policy to maintain the buffer by restricting agrochemical application and left undeveloped during replanting. Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in Sime Darby Plantation dated April 2014). The buffer zones established are as follows:</p>		Issues/Areas	Action Steps	PIC	Status	1	Rain water collection	Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery	AM/Field staff	On-going	2	Leakage on plumbing system	Frequent inspection to detect leakage Fix any leakage	AM/Field staff	On-going	3	Water compartmentalization	To conserve level of soil moisture To minimize water stress during dry season	AM/Field staff	On-going	4	Handling of chemicals	To recycle water spillage while mixing of chemical at mixing area	AM/Field staff	On-going	5	Education	Avoid excessive usage during cleaning Close pipe to prevent water dripping	AM/Field staff	On-going	
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	<i>River width</i>	<i>Buffer zone</i>		<i>River width</i>	<i>Buffer zone</i>
1	> 40 m	50 m	4	5 - 10 m	10 m
2	20 - 40 m	40 m	5	< 5 m	5 m
3	10 - 20 m	20 m	-		-

The guideline was issued by the GSD Unit with latest revision dated on 13/06/2011. There was no spraying activities or signs left in such an area. The buffer zones identified at the estates are as follows:

	Estate	Buffer zone area
1	Kalumpong	Gedung - Water P01A, P14D, P21A Kalumpong - WG02 - P04B,P05B,P19D
2	Holyrood	River reserve Sg Segar

Samples are taken from estates for detection of any pollution arising from the mill and estates activities. Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water courses.

The sampling sites taken was verified. There were no issues on the water quality. Variation if any is investigated as per the SOP. Sampling analysis Kalumpong Estate dated 25/6/21 was sighted and verified.

Among others management plan taken:

- Regular inspection at buffer/HCV areas
- Monitor water from surrounding areas
- Track, measure and report all activities around river
- Train and educate workers.

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<p><b>4.5.5.2</b></p>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.  <b>- Minor compliance -</b></p>	<p>Interviews and feedback received from stakeholders confirmed that there was no construction of bunds, weirs and dams across main rivers or waterways passing through both the estates.</p>	<p>Complied</p>
<p><b>4.5.5.3</b></p>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).  <b>- Minor compliance -</b></p>	<p>Practices on water harvesting such as road side drains had been constructed and water has been directed to conservation terraces, pruned fronds were stacked along the palm row. Practices of water harvesting are mainly constructed on flat areas. Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and also to benefit the nearest palm at the pit end to obtain additional moisture. This is part of the common practices introduced within the SDP Group Agriculture Procedures.</p>	<p>Complied</p>
<p><b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b></p>			
<p><b>4.5.6.1</b></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> <ul style="list-style-type: none"> <li>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</li> <li>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The audit findings have confirmed that there is no new planting (refer 7.3.1 to 7.4.2) affecting present HCV and primary forest.  Hence the current HCV assessment of the estates remains valid. The recent HCV assessment for the entire SOU 2 covering all the 4 estates and the mill was performed in September 2016 by the PSQM personnel. Methodology is through site observation, interviews, stakeholders consultation and desktop review on available secondary data. The assessment among others covers the following areas;</p> <ol style="list-style-type: none"> <li>1. Overview of HCV assessment.</li> <li>2. Description of assessment areas.</li> <li>3. Finding and discussion <ul style="list-style-type: none"> <li>- landscape context</li> <li>- HCV criteria and application to agriculture</li> </ul> </li> <li>4. HCV monitoring and management</li> </ol>	<p>Complied</p>

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		<p>In summary the areas covered within the SOU 2 landholdings 11, 83.39 ha and the HCV areas presence as summarized as follows;</p>		
	Estate	HCV area	Area	Type
1	T Ayer	Bund Samagagah River	3.88	HCV 4
		Sg Semang River reserve	5.50	HCV 4
		Bung Sg Kerian	0.21	HCV 4
		Monkey Island	14.65	HCV 4
2	Chersonese	Bund (Sg Kurau)	10.82	HCV 4
		Bund Teluk Rubiah mangrove forest	6.77	HCV 4
		Bund Sg Kurau Jin Seng Divison	2.99	HCV 4
		Mill water catchment	5.29	HCV 4
3	Kalumpong	Bund Sg Kurau & Cabai Malai mangrove river	9.82	HCV 4
		Sg Kurau river reserve pond	10.72	HCV 4
		S Thiraupathaman temple	0.13	HCV 4
			0.42	HCV 6
4	Holyrood	River reserve Sg Segar	12.19	HCV 4
		Total	83.39	
		<p>The high biodiversity is included in the HCV reassessment for SOU 2 report dated Sept 2016 by SDP PSQM Dept. Birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report reviewed annually 04/1/21. The exercise has taken into consideration</p>		



		<p>all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented. Map verification confirmed that west estate is surrounded by river/straits and villages. The HCVs, conservation areas/environmentally sensitive areas e.g. bund along the stretches of river/straits which passes bordering through the estates had been identified and being monitored.</p>				
<p><b>4.5.6.2</b></p>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> <li>a) Ensuring that any legal requirements relating to the protection of the species are met.</li> <li>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</li> </ul> <p><b>- Major compliance -</b></p>	<p>There was no RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCV. The estates had established a HCV action plan for FY2021 such as briefing/training to workers on protection of buffers zones for respective rivers as identified in the HCV assessment. Communications are made to all employees, contractors, suppliers and neighbours informing that encroachment and hunting are not allowed.</p> <p>There were programs held by the estates to all employees in pertaining to the awareness of HCV areas and RTE species. Interview with the employees concluded that training and briefing made during the ad hoc session and morning muster. This is also emphasized during the training held by SQM programs. Employees are aware of the following measures;</p> <ul style="list-style-type: none"> <li>a) An offence to capture, harm, kills any wildlife.</li> <li>b) Disciplinary measures shall be taken if found violating company rules.</li> <li>c) Riparian buffer zone to be free from any chemicals application/pollution</li> </ul> <p>Training in relation to the HCV management are provided to the employees as follows:</p> <table border="1" data-bbox="1048 1342 1883 1374"> <tr> <td data-bbox="1048 1342 1520 1374">Subject</td> <td data-bbox="1520 1342 1700 1374">Holyrood</td> <td data-bbox="1700 1342 1883 1374">Kalumpong</td> </tr> </table>	Subject	Holyrood	Kalumpong	<p>Complied</p>
Subject	Holyrood	Kalumpong				

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		1	Company Policies Briefing	13/5/21	27/3/21	
		2	RSPO Briefing to employees	07/7/20	12/6/20	
		3	Protection -HCV riparian zone	26/1/21	14/7/21	
		4	Safety Town Hall 8.0	25/8/20	03/9/20	
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	<p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment.</p> <ul style="list-style-type: none"> <li>a) Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area.</li> <li>b) The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires.</li> <li>c) Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities.</li> <li>d) Monitoring is carried out by the security and staff in charge for the respective area.</li> <li>e) Sime Darby Plantation in addition established their own disciplinary measures if found any staff or workers found to capture, harm, collect or kill the RTE species in the estate.</li> <li>f) On-going monitoring for HCV areas for both Estates has been verified. The monitoring was conducted on monthly basis.</li> </ul>				Complied
<b>Criterion 4.5.7: Zero burning practices</b>						
<b>4.5.7.1</b>	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. <b>- Major compliance -</b>	<p>The Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered to the policy of "Zero open burning" for any replanting. Interviews with the workers there is no open burning being practiced in the estates. Both estates had replanting program spanned over the forthcoming years. Refer details in 4.6.2.2. In addition Sime Darby Plantation assigned 1 person based in HQ being in charge to</p>				Complied

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		<p>detect any open fire in the Company's fields using the Global Spot Watch.</p> <p>There was no land preparation of existence or new planting in SOU 02 Estates by burning ever since SDB practiced zero burning as per the policy in:</p> <ol style="list-style-type: none"> <li>1. EQMS-SOP-Section B2 - Under felling/clearing &amp; land preparation</li> <li>2. Carbon Policy</li> </ol> <p>As advocated, the estates practiced zero burning. All palms were felled, shredded, windrow-ed and left to decompose.</p>	
<b>4.5.7.2</b>	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p><b>- Major compliance -</b></p>	N/A. Details in 4.5.7.1 above	Complied
<b>4.5.7.3</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	N/A. Details in 4.5.7.1 above	Complied
<b>4.5.7.4</b>	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p><b>- Minor compliance -</b></p>	<p>This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in Sime Darby Plantation. However there are variations of practices between inland and coastal estates. Trunks are felled and chipped without having to shred and windrowed in certain conditions. Adjustment of work requirement are finalised from the directive of the replanting unit and the Region office.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			

<p><b>4.6.1.1</b></p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>OU 02 Chersonese continued to use the documents established by the Sime Darby Plantation Berhad among others as follows:</p> <ul style="list-style-type: none"> <li>a) Plantations / Mill Quality Management System (PQMS / MQMS) Manual</li> <li>b) PQMS / MQMS Std Operating Manual &amp; Procedures (SOP)</li> <li>c) Sustainable Plantation Management System (SPMS) Manual</li> <li>d) RSPO Supply Chain Manual</li> <li>e) ESH Management System Manual</li> <li>f) Occupational Safety and Health Manual</li> <li>g) Pictorial Safety Standards</li> <li>h) Laboratory Process Control Manual</li> <li>i) Security Guidelines.</li> </ul> <p>In addition, technical guidelines as listed in the Agricultural Reference Manual were also used. In general the documents included operation activities in the estates and the mills from;</p> <ul style="list-style-type: none"> <li>a) seedlings in nursery to planting of young palms.</li> <li>b) plantation upkeep to mill FFB receipt, grading, processing.</li> <li>c) quality analysis and dispatch of CPO &amp; PK.</li> <li>d) security in the SOU.</li> </ul> <p>Contents of the Manual were disseminated to the workers through;</p> <ul style="list-style-type: none"> <li>a) morning muster</li> <li>b) mill weekly briefings</li> <li>c) training as ad hoc and programmed basis.</li> </ul> <p>The Manuals are also kept in the administration office to facilitate reference by any interested parties. Site inspection and interview with workers confirmed that the SOPs had been implemented and the employees understood the requirements of the SOPs.</p>	<p>Complied</p>
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		<p>In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p> <p>The procedures were communicated to workers through training and infield supervision. Interview with workers showed that the information in the procedures had been effectively communicated. Workers confirmed that the SOPs had been implemented and they understood the requirements of the SOPs</p> <p>The implementation of SOPs are monitored on a daily basis by the field staffs and Assistant Managers with overall overview by the Managers. The monitoring is made via supervision and records maintenance. The estates among others maintained the following records.</p> <ul style="list-style-type: none"> <li>a) Work program / Field cost books</li> <li>b) Bin cards, Harvesting Intervals</li> <li>c) Monthly Estate Report and Account</li> <li>d) Monthly Operations, monthly rainfall</li> <li>e) Pest and diseases monthly return</li> <li>f) Agrochemical monthly consumption</li> <li>g) Harvesting details i.e. Daily inspection report - yield improvement program</li> <li>h) Pest &amp; disease monthly submission</li> <li>i) Summary of machinery running hours</li> <li>j) Water level records daily with monthly submission to HQ</li> <li>k) Harvesting records detailing the number of bunches harvested</li> <li>l) Quantity of loose fruit collected by each harvesters</li> <li>m) Monthly FFB production, etc.</li> </ul>	
<p><b>4.6.1.2</b></p>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented</p>	<p>Like all SDPB Estates, the estates visited in SOU 02 continued to have a management strategy for planting on slopes in order to minimize and</p>	<p>Complied</p>

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	<p>to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by:</p> <p>a) Slope &amp; River Protection Policy b) Buffer Zone &amp; 25-degree slope and in item 8 Section 4 c) Land Preparation for Terracing in ARM Manual.</p> <p>Interviews concluded that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crops were planted in the replants. The slope maps for the titled ha were provided by the R&amp;D Precision Agriculture Unit with details as follows:</p> <table border="1" data-bbox="1050 791 1881 1059"> <thead> <tr> <th>No</th> <th>Topography</th> <th>Kalumpong</th> <th>Holyrood</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0-2</td> <td>100</td> <td>45.38</td> </tr> <tr> <td>2</td> <td>2-6</td> <td>-</td> <td>46.10</td> </tr> <tr> <td>3</td> <td>6-12</td> <td>-</td> <td>8.11</td> </tr> <tr> <td>4</td> <td>12-20</td> <td>-</td> <td>0.40</td> </tr> <tr> <td>5</td> <td>20-25</td> <td>-</td> <td>-</td> </tr> <tr> <td>6</td> <td>&gt;25</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <p>This compliance being addressed in the "<i>Slope and River Protection</i>" signed by the CEO dated Jan 2015 stating the following among others; "Slope of &gt;25 degree to be excluded from any new plantation development and replanting program. For slope &lt;25 degree the existing crop all vegetative shall be maintained accordingly".</p>	No	Topography	Kalumpong	Holyrood	1	0-2	100	45.38	2	2-6	-	46.10	3	6-12	-	8.11	4	12-20	-	0.40	5	20-25	-	-	6	>25	-	-		Total	100%	100%	
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<p><b>4.6.1.3</b></p>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>SOU 02 has maintained a visual identification or reference system and established for the field. Block markers were displayed in the estate corners of every field in the property. The markers consists the following</p>	<p>Complied</p>																																

		<p>information consisting the below details and sighted via photos provided during the audit.</p> <p>a) Field No / Task no</p> <p>b) Total Hectare</p> <p>c) Type of clone (info in yield details) / year planted.</p>	
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>The SOU 02 continued to achieve long term economic and financial viability through documented management plan projected to year 2025. Since there are no smallholders in this Business Unit, therefore a business case for scheme smallholders is not considered.</p> <p>a) A Management Plan including crop forecast, capital expenditure, operational expenditure, general charges, profit and loss covering the period of 2021 to 2025 had been prepared for all the estates as well as the POM and made available to the audit team.</p> <p>b) This plan had also included mature area and also for the forecasted FFB production per hectare for the period 2021 to 2025.</p> <p>c) All the estates had a standard budgeting format. The records were reviewed during the audit. The Business Plan also included a 5-year budget/forecast financial plan (i.e. 2021-2025) with allocation on the following:</p> <ul style="list-style-type: none"> <li>- Crop yielding area / Prime mature</li> <li>- Total mature / Cost/ha</li> <li>- General charges/upkeep/collection/depreciation</li> <li>- CAPEX</li> </ul> <p>d) The component of the budget comprises of the following items;</p> <ul style="list-style-type: none"> <li>- Labour statement / Allocation of wages</li> <li>- Labour benefit summary / Labour reconciliation</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Yield statement oil palm</li> <li>- Summary of vehicle and running schedule</li> <li>- Job allocation for vehicles / Summary of workshop running schedule</li> <li>- Summary if budget / Summary of general charges</li> <li>- CAPEX, oil palm mature and young mature</li> </ul> <p>Format of estates summary expenditure is as per the following content. Figures were extracted out for reason of confidentiality.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Mature Ha</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Immature Ha</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Total Planted Ha</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>FFB Tons</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Yield /Ha</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>RM/mt FFB</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>RM//Ha</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> </tbody> </table>	Year	2021	2022	2023	2024	2025	Mature Ha	X	X	X	X	X	Immature Ha	X	X	X	X	X	Total Planted Ha	X	X	X	X	X	FFB Tons	X	X	X	X	X	Yield /Ha	X	X	X	X	X	RM/mt FFB	X	X	X	X	X	RM//Ha	X	X	X	X	X	
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<p><b>4.6.2.2</b></p>	<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><b>- Major compliance –</b></p>	<p>The replanting program for the three estates is compiled as follows. The program is reviewable on annual basis which is subject to amendment. All figures in ha otherwise stated.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Kalumpong</td> <td>157.52</td> <td>62.51</td> <td>106.55</td> <td>107.15</td> <td>169.04</td> </tr> <tr> <td>Holyrood</td> <td>0</td> <td>0</td> <td>0</td> <td>17.97</td> <td>0</td> </tr> </tbody> </table> <p>Sizes of fields identified for replanting varies subject to factors i.e. hilly, yield etc. All replanting program and planning in all the Group Estates are monitored by the Replanting Unit. Assistance and audit are performed as and when required and necessary.</p>	Year	2022	2023	2024	2025	2026	Kalumpong	157.52	62.51	106.55	107.15	169.04	Holyrood	0	0	0	17.97	0	<p>Complied</p>																														
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<p><b>4.6.2.3</b></p>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production : cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance –</b></p>	<p>The Business Management Plan also known as <i>Projected Cash flow Statement</i> contained the following details;</p> <ul style="list-style-type: none"> <li>a) FFB Crop Production and yield per ha</li> <li>b) Crop projection from 2018 until year 2028</li> <li>c) Cost per mt FFB with estimated in 2021 RM/FFB</li> <li>d) Price forecast</li> <li>e) Financial indicators</li> </ul>	<p>Complied</p>
<p><b>4.6.2.4</b></p>	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p><b>- Major compliance -</b></p>	<p>This is reviewed on a monthly and annual basis.</p> <ul style="list-style-type: none"> <li>a) All estates performance is established in P/L report. However this is limited to a higher level management from RGM and above.</li> <li>b) The costing is provided in the estates monthly accounts.</li> <li>c) Variation if significant from the budgeted amount is justified with reasons.</li> </ul>	<p>Complied</p>
<p><b>Criterion 4.6.3: Transparent and fair price dealing</b></p>			
<p><b>4.6.3.1</b></p>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance –</b></p>	<p>The documentation of price mechanism for services received from contractors are contained in the respective contracts.</p> <p>Kalumpang Estate</p> <ol style="list-style-type: none"> <li>1. Contractor: Bagan Samak Enterprise Agreement E162/2021/007 dated 01/06/2021 for Transportation of Fresh Fruit Bunches</li> <li>2. Contractor: YIH Construction Sdn Bhd E162/2021/001 dated 01/06/2021 for Rental Machineries.</li> </ol>	<p>Complied</p>
<p><b>4.6.3.2</b></p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p>	<p>Reviewed during the audit were contracts entered between the Estates and third parties. The contracts and PO are fair as they contain provisions relating to the Estates’ and contractors’ obligations, payment</p>	<p>Complied</p>

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	- Major compliance -	<p>calculation, mutual termination clause, and mutually agreed between Sime Darby Plantation Berhad and contractor. It was also stipulated that payment is to made within 30 days after upon receipt of the invoice. There is evidence that payments are made in a timely manner.</p> <p>Kalumpong Estate</p> <ol style="list-style-type: none"> <li>1. Contractor: Bagan Samak Enterprise Agreement E162/2021/007 dated 01/06/2021 for Transportation of Fresh Fruit Bunches</li> <li>2. Contractor: YIH Construction Sdn Bhd E162/2021/001 dated 01/06/2021 for Rental Machineries.</li> </ol>	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>Sighted during the audit was the inclusion of MSPO requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors and reiterated during the stakeholder meeting.</p>	Complied
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Evidence of contracts with contractors were provided by the Estate management. The contracts contain provisions related to statutory obligations, EPF, SOCSO, min wages, insurance, safety tools, etc. Appendix 1 of contract states FFB transport rates mechanism.</p> <p>Kalumpong Estate</p> <ol style="list-style-type: none"> <li>1. Contractor: Bagan Samak Enterprise Agreement E162/2021/007 dated 01/06/2021 for Transportation of Fresh Fruit Bunches</li> <li>2. Contractor: YIH Construction Sdn Bhd E162/2021/001 dated 01/06/2021 for Rental Machineries.</li> </ol>	Complied
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p>	<p>Statement on compliance with MSPO requirements is included in the agreement and signed and acknowledged by the contractor. The auditors have been able to have access to the contractors' workers,</p>	Complied

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	<b>- Minor compliance -</b>	documentations such as contracts and workers' pay slips for verification during this audit.	
<b>4.6.4.4</b>	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.  <b>- Major compliance -</b>	Each contractor will be observed and monitored for FFB transporter and the transporters are required to show the weighbridge ticket from the mill as proof that FFB was delivered to the Mill as agreed. For harvesting contractor, FFB tonnage will be extracted from weighbridge data (from POM or estate with weighbridge) and work/job completed check by assistant/manager using work completion certificate/checklist for approval.	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
<b>4.7.1.1</b>	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.  <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>4.7.1.2</b>	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.  <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>Criterion 4.7.2: Peat Land</b>			

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. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
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. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
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. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
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. <b>- Minor compliance -</b>	No development of new planting in the estate.	N/A
<b>Criterion 4.7.4: Soil and topographic information</b>			

<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - <b>Major compliance</b> -	No development of new planting in the estate.	N/A
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - <b>Major compliance</b> -	No development of new planting in the estate.	N/A
<b>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</b>			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - <b>Major compliance</b> -	No development of new planting in the estate.	N/A
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - <b>Major compliance</b> -	No development of new planting in the estate.	N/A
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - <b>Major compliance</b> -	No development of new planting in the estate.	N/A
<b>Criterion 4.7.6: Customary land</b>			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders	No development of new planting in the estate.	N/A

	to express their views through their own representative institutions. <b>- Major compliance -</b>		
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. <b>- Minor compliance -</b>	No development of new planting in the estate.	N/A
<b>4.7.6.3</b>	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>4.7.6.4</b>	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>4.7.6.5</b>	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>4.7.6.6</b>	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A
<b>4.7.6.7</b>	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	No development of new planting in the estate.	N/A

<p><b>4.7.6.8</b></p>	<p>Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b></p>	<p>No development of new planting in the estate.</p>	<p>N/A</p>
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**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mills**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	The policy established mention that Sime Darby are committed to making: <ol style="list-style-type: none"> <li>1. Promoting Good Governance and Transparency</li> <li>2. Contributing to a better society</li> <li>3. Minimizing environmental harm</li> <li>4. Delivering sustainability quality</li> </ol> This policy shall be guided by the commitment spelt out in the company's: <ol style="list-style-type: none"> <li>1. Responsible Agriculture Charter (RAC)</li> <li>2. Human Right Charter (HRC)</li> <li>3. Innovation &amp; Productivity Charter (IPC)</li> </ol> Policy training has been conducted on 09/03/2021.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			



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Criterion / Indicator		Assessment Findings	Compliance
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Internal audit was carried by Sustainable & Quality Management Unit (SQM) team on 07/05/2021 for Chersonese Palm Oil Mill. Audit covered both documentation and field operation for the mill.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. <b>- Major compliance -</b>	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.  All non-conformity raised during the audit has been addressed by the mill. Root cause analysis and Corrective Action Plan was submitted to the Internal Audit Plan for review. The evidenced was verified by the internal audit team before NC closure.	Complied
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. <b>- Major compliance -</b>	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	The latest management review was carried out on 06/07/2021. The combined MSPO meeting was chaired by mill manager and attended by assistant manager and head of department. All pertinent elements in the standard has been discussed for	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
		effective implementation of MSPO towards continual improvement.																					
<b>Criterion 4.1.4 – Continual Improvement</b>																							
<b>4.1.4.1</b>	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p><b>- Major compliance -</b></p>	<p>Chersonese Palm Oil Mill had a plan of new machinery installation VORSEP - ESP Boiler station for the improvement relating to the pollution and energy conservation in the current financial year 2021</p> <p>a) Details of the installation have reached the stage of final commissioning with participation of HQ personnel; from Engineering Department. The documents were sighted and verified.</p> <p>b) Projects in relation to the continual improvement are made through allocation in Capital Expenditure</p> <p>c) The mill in addition had the following plans of new infrastructure / facilities installation for the improvement relating to the environmental, process improvement pollution and energy conservation for current and forthcoming year 2021-2025. Projects among others include the following;</p> <table border="1"> <thead> <tr> <th></th> <th>Station</th> <th>Improvement Plan</th> <th>Cost</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Housing</td> <td>Car Garage -Mill entrance</td> <td>40K</td> <td>2022</td> </tr> <tr> <td>2</td> <td>Housing</td> <td>Fencing - Housing - 24 units</td> <td>80K</td> <td>2022</td> </tr> <tr> <td>3</td> <td>Operation</td> <td>VORSEP - Boiler</td> <td>100K</td> <td>2023</td> </tr> </tbody> </table>		Station	Improvement Plan	Cost	Year	1	Housing	Car Garage -Mill entrance	40K	2022	2	Housing	Fencing - Housing - 24 units	80K	2022	3	Operation	VORSEP - Boiler	100K	2023	Complied
	Station	Improvement Plan	Cost	Year																			
1	Housing	Car Garage -Mill entrance	40K	2022																			
2	Housing	Fencing - Housing - 24 units	80K	2022																			
3	Operation	VORSEP - Boiler	100K	2023																			

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p><b>- Major compliance -</b></p>	<p>This is being made upon confirmation of any new projects.</p> <p>a) Employees were briefed of any new development in basic understanding during the weekly briefings.</p> <p>b) The management team will be informed of such development during the monthly management meetings.</p> <p>c) Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.</p> <p>d) The management continuously reviewed the estates performance and work method for a continual improvement to achieve better results.</p>	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p><b>- Major compliance -</b></p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p>	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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view.  Procedure for complaints and grievances were available through Sime Darby Plantations Berhad website at: <a href="http://www.simedarbyplantation.com/Sustainability">http://www.simedarbyplantation.com/Sustainability</a>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).  The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	As stated in the procedure, the Mill/Estate Managers are responsible to deal with the external communication for the respective estates under their management. Whereas the Assistant Managers (AM) of each mill/estates were delegated to be responsible for issues related to Indicator 1. Seen the appointment letter to the appointed Assistant Manager. Refer to letter dated 01/05/2021 for Chersoneses POM.	Complied
<b>4.2.2.3</b>	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. <b>- Major compliance -</b>	The latest stakeholders list for Chersonese POM was updated on 02/01/2021. The external stakeholder consultation is conducting once a year. The last meeting was conducted for Chersonese POM on 12/03/2020. For 2021, due to MCO, mill has emailed a requisition letter to their stakeholder if having any complaint.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Positive feedback was received by stakeholders. There were no issues raised with regards to the mill operation in the stakeholder consultation. Hence, no action plan was required.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	An SOP has been established with ref no MSPO/P2/C3/IN2 dated 01/1/18. Therein describing information of; a) FFB flow chart from estates harvesting designated block to mill weighbridge (tickets). b) The mill processing records the total FFB processed for the day and the storage tank no being stored. c) The records include opening FFB balances in ramp and cages plus the FFB intake from the estates for the day less the closing FFB balances will provide the total processed. d) The despatch oil from the storage tank follows a similar formula opening stock plus production less the despatch volume will give a closing stock for the day record. e) All records of CPO tank sounding are recorded during the 2 shifts operations.	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	The mill maintained daily production records as described in 4.2.3.1 above in compliance to the procedure established by the mill. a) FFB flow chart from estate harvesting designated block to mill weighbridge (tickets). b) The mill processing records the total FFB processed for the day and the storage tank no being stored.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>c) The records include opening FFB balances in ramp and cages plus the FFB intake from the estates for the day less the closing FFB balances will provide the total processed.</li> <li>d) The despatch oil from the storage tank follows a similar formula opening stock plus production less the despatch volume will give a closing stock for the day record.</li> <li>e) All records of CPO tank sounding are recorded during the 2 shifts operations.</li> <li>f) All records are maintained in the daily production report authorised by the Mill Manager.</li> </ul>	
<b>4.2.3.3</b>	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>PIC is En Mohd Ridhwan Ravidran a QA Supervisor appointed via letter dated 01/07/2020 issued by the Mill Manager. The appointment letter was sighted and verified.</p>	Complied
<b>4.2.3.4</b>	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p><b>- Major compliance -</b></p>	<p>The FFB weighbridge ticket/despatch note is produced for all transaction to Chersonese Palm Oil Mill. The set of document consists of the following information;</p> <ul style="list-style-type: none"> <li>a) Weighbridge ticket <ul style="list-style-type: none"> <li>- Date / D/O no / Quantity / w/bridge operator name</li> <li>- Total Bunches / Quality / field no</li> </ul> </li> <li>b) Despatch chit <ul style="list-style-type: none"> <li>- Serial no / field no / no of bunches / tractor no.</li> </ul> </li> <li>c) Delivery Note <ul style="list-style-type: none"> <li>- Date/ weight / w/bridge operator / MPOB licence no.</li> </ul> </li> <li>d) Grading report for the FFB consignment.</li> </ul>	Complied

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		<p>Sample of produce dispatched as sampled and recorded below.</p> <table border="1"> <thead> <tr> <th></th> <th>Ticket no</th> <th>Date</th> <th>Produce</th> <th>mt</th> <th>Buyer</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>013726</td> <td>27/7/21</td> <td>CPO</td> <td>39.64</td> <td>Trading Hedaina</td> </tr> <tr> <td>2</td> <td>013694</td> <td>18/7/21</td> <td>CPO</td> <td>40.08</td> <td>Trading Hedaina</td> </tr> <tr> <td>3</td> <td>013640</td> <td>02/7/21</td> <td>CPO</td> <td>39.45</td> <td>Trading Hedaina</td> </tr> <tr> <td>4</td> <td>013745</td> <td>30/7/21</td> <td>CPO</td> <td>40.63</td> <td>Trading Hedaina</td> </tr> <tr> <td>5</td> <td>013635</td> <td>01/7/21</td> <td>CPK</td> <td>40.08</td> <td>SDP Nuri KCP</td> </tr> </tbody> </table> <p>Information in the ticket among others comprising;            a) MPOB licence no            b) Gross and tare weight/ vehicle no/ time in and out            c) quantity mt/buyer weight/ drivers details/produce quality/seal no            d) RSPO CPO IP/weighbridge operator on duty</p>		Ticket no	Date	Produce	mt	Buyer	1	013726	27/7/21	CPO	39.64	Trading Hedaina	2	013694	18/7/21	CPO	40.08	Trading Hedaina	3	013640	02/7/21	CPO	39.45	Trading Hedaina	4	013745	30/7/21	CPO	40.63	Trading Hedaina	5	013635	01/7/21	CPK	40.08	SDP Nuri KCP	
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<b>Criterion 4.3.1 – Regulatory requirements</b>																																							
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	Chersonese Palm Oil Mill continued to comply with legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and GSQM sustainability team. The Mill had obtained and renewed license and permits as required by the law. The licenses/permit viewed among others were:	Complied																																				

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		4	AESP (Authorised Entrant Standby Person-CS)	6 competent persons	
		5	AGT (Authorised Gas Tester Entry Supervisor-CS)	One competent person	
		6	ICE driver	One 1 <sup>st</sup> grade	
		7	Electrical Chargemen	One A4 Chargemen	
		<p><i>EQ (Prescribed Premise) Crude Palm Oil Regulations 1977</i></p> <p>a) Requirement in "Jadual Pematuhan"</p> <p>b) License number and validity period – 005448 valid 04/6/2020 45mt/hr - extended due to MCO compliance.</p> <p>c) Discharge method – zero discharge – water course</p> <p>d) Scheduled waste (CePSWaM): Visiting by MA</p> <p>e) Effluent Pond (CePPOME): Mr Md Nur Faiz) Mill Engineer siri no: CePPOME/00050.</p> <p>Note: Chersonese POM under MPOB license 004229 issued till for 30/6/22 the approved FFB processed/annum is maximum 192000 mt and the actual FFB processed in 2020 was 147088 mt compliance to the regulations. The mill was designed at 45 mt/hr. Fire certificate application was sighted via email effective 16/5/2019. The Mill is still waiting for approval from BOMBA. BOMBA has yet to update the BLESS system. Communication documents sighted and verified in view of the delay dated 21/5/2021.</p>			
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register.	The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was formalised on 25/10/2017 thereafter reviewed annually.		Complied	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>- Major compliance -</b></p>	<p>a) List of applicable legal and other requirements was made available during the assessment and complied in the QSHE/04/5.2.4 folder.</p> <p>b) Documented procedure has been established and implemented refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008</p> <p>Among others the identified applicable laws and regulations relevant to its operations included:</p> <ul style="list-style-type: none"> <li>a) Environmental Quality Act 1974 and its Regulations,</li> <li>b) Factories and Machinery Act 1967 and its Regulations,</li> <li>c) Occupational Safety and Health Act 1994 and its Regulations,</li> <li>d) Pesticides Act, 1974,</li> <li>e) Worker’s Minimum Standards of Housing &amp; Amenities Act, 1990.</li> <li>f) Wildlife conservation Act 2010</li> <li>g) Malaysian Palm Oil Board 1998</li> <li>h) Holiday Act 1951</li> <li>i) Passport Act 1966</li> <li>j) Workers Union Act 1959</li> <li>k) Estate Hospital Assistants (Registration) Act 1965</li> <li>l) Petroleum (safety Measures) Act 1984</li> <li>m) Fire Services Act 1984</li> <li>n) Uniform Building By Laws 1986</li> </ul>	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>o) Weights And Measures Act 1972 (Act 71) (Amendment 1981)</li> <li>p) Movement Control Order Aug 2020</li> </ul>	
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	<p>SQM Department, based at Head Office is responsible to track changes in the law and the information was disseminated to all of its plantations and mills. SQM department, which is based in Kuala Lumpur, is responsible for tracking any changes to the Acts and Regulations. In addition, the CEO of Northern Region also played a role in disseminating new Acts &amp; Regulations to all the mills and estates in the Region.</p> <ul style="list-style-type: none"> <li>a) This was made via communication with the publisher of the documents.</li> <li>b) This mechanism was outlined in its procedure.</li> <li>c) The updating of the legal register is made on a periodical basis.</li> <li>d) Changes in the legal register if any are communicated to the respective CU/SOUs</li> </ul> <p>The CU had entirely adopted the SDPB established documented system for identifying, tracking, accessing and updating the legal requirements. It had ensured that all applicable legal requirements pertaining to MSPO are established, implemented and maintained. The latest revision on the LORR was made in 1 update on 09/10/20 and 3 update dated 30/05/21 respectively on the following changes;</p> <ul style="list-style-type: none"> <li>a) Minimum Wages Order 2020</li> <li>b) Anti-Money Laundering, Anti-Terrorism Financing / Proceeds Unlawful Activities Act 2010</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		c) Employment Social Security Act 1969 (Amendment 2018) d) Malaysian Anti-Corruption Com Act (Amended) 2018 e) Whistleblower Protection Act 2010.	
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	SQM department, which is based in Kuala Lumpur, is responsible for tracking any changes to the Acts and Regulations. In addition, the CEO/RGM of SDP Central West Region also played a role in disseminating new Acts & Regulations to all the mills and estates in the Region. a) This was made via communication with the publisher of the documents. b) This mechanism was outlined in its procedure. c) The updating of the legal register is made on a periodical basis. d) Changes in the legal register if any are communicated to the respective CU/SOUs A person in charge En Mohd Ridhwan Ravidran a QA Supervisor has been appointed via letter dated 01/07/2020 issued by the Mill Manager. The appointed letter was sighted and verified.	Complied.
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	Based on the results of documentations and stakeholder consultation, no evidence that the oil palm milling activities diminished the land use rights of others.	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	The land title applicable to Chersonese POM with Grant number 71380 (Lot 4647) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 26/04/1993.	Complied

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4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	Fencing parameters established around the mill building complex to separate the management boundary of estate and the mill. The housing and other recreational facilities are located within the same vicinity for ease of employees' management.	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). - <b>Minor compliance</b> -	There is not land dispute recorded. This was verified with stakeholders' consultation.  In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
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. - <b>Major compliance</b> -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.1.1</b>	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) for SIA Chersonese POM on 14/06/2015 to 17/06/2015. The assessment was carried out through interviewed with stakeholders, document reviewed and site visit. The assessment was involved the participation of internal and external stakeholders such as local authorities, local communities, contractors, and workers. SIA Management Plan 2021 has been prepared and verified.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	Sime Darby has established SOP for dealing with complaints and grievances and documented in Sustainable Plantation Management System Appendix 5, Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Sime Darby Plantation Berhad - Whistleblowing Response Procedure issuance December 2018 Whistleblowing channel: 1. E-form: <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> 2. E-mail: senior independent director: <a href="mailto:seniordirector@simedarbyplantation.com">seniordirector@simedarbyplantation.com</a> & GCO whistleblowing unit: <a href="mailto:whistleblowing@simedarbyplantation.com">whistleblowing@simedarbyplantation.com</a> 3. Toll free numbers (Malaysian Office Hours; GMT +8 hours): Malaysia (1800223388) & hotline: +60192797553, 4. Address: Whistleblowing unit, Sime Darby Plantation Berhad, PO Box 8068, Kelana Jaya, 46781 Selangor, Malaysia.	Complied

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4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	The complaint and grievances is open to affected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. Complaints about house maintenance are recorded in a log book which keeps the information about date, complainant, details of complain and status. Other written complains will be kept in a file. Nonetheless, there has been no complaint received so far	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	The complaint form is made available in the mill and estate offices. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail. Training on reporting of ethical misconduct was done incorporated with Code of Business Conduct (COBC) to all the workers at the mill	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last assessment. Only request for maintenance housing are made by workers.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	The mill maintained its records of complaint in a complain file. Records for more than 24 months ago were still kept in the file.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
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	Among contribution given and CSR programme introduced by Chersonese POM was giving Food Kit to their workers during MCO dated 10/07/2021.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. <b>- Minor compliance -</b>		
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	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. <b>- Major compliance -</b>	The Group Occupational Safety & Health Management Policy and Plan had been established and implemented. a) The policy was signed by the Chief Operation Officer Upstream Malaysia on June 2020 and displayed prominently on notice boards in English and local language Bahasa Malaysia. b) The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office. c) Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. d) Commitment to be responsibilities of both employer & employees. e) The policy as committed will be reviewed/revised as deemed appropriate. f) In Interviews with the workers and staff revealed that the employees have been briefed and has understood the policy.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented.	The policy has been established and elaborated in item 4.4.4.1 above. a) The policy amongst others has mentioned the details of the policy statement and the direction of the organisation towards	Complied



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<p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> <li>ii. All employees involved are adequately trained on safe working practices;</li> <li>iii. All precautions attached to products should be properly observed and applied;</li> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p>	<p>implementing ESH practices. The clause "<i>A safety and health policy, which is communicated and implemented</i>" is mentioned in the policy. Safety briefing to employees &amp; contractors was made in several training sessions inclusive of safety requirement of the organization.</p> <p>b) The Mill had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment.</p> <p>HIRARC is subject for a review in event of the following;</p> <ul style="list-style-type: none"> <li>i. Change in work process</li> <li>ii. Revision/changes in legislative requirement</li> <li>iii. Occurrence of accidents</li> </ul> <p>HIRARC for the mill was formalized on in 2008 with review made annually. The significant and routine activities for the mill were adequately covered with details as follows;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 40%;">Areas/Activities (Mill)</th> <th style="width: 5%;"></th> <th style="width: 50%;">Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reception Station–W/b</td> <td>8</td> <td>Engine Room</td> </tr> <tr> <td>2</td> <td>Fruit Handling</td> <td>9</td> <td>Product storage /Dispatch</td> </tr> <tr> <td>3</td> <td>Sterilizer</td> <td>10</td> <td>Laboratory</td> </tr> <tr> <td>4</td> <td>Threshing</td> <td>11</td> <td>Water treatment</td> </tr> <tr> <td>5</td> <td>Clarification / Oil Room</td> <td>12</td> <td>Effluent Treatment Pond</td> </tr> <tr> <td>6</td> <td>Boiler House</td> <td>13</td> <td>Crop reception – Ramp</td> </tr> <tr> <td>7</td> <td>Confined space</td> <td>14</td> <td>Working at height</td> </tr> </tbody> </table>		Areas/Activities (Mill)		Areas /Activities	1	Reception Station–W/b	8	Engine Room	2	Fruit Handling	9	Product storage /Dispatch	3	Sterilizer	10	Laboratory	4	Threshing	11	Water treatment	5	Clarification / Oil Room	12	Effluent Treatment Pond	6	Boiler House	13	Crop reception – Ramp	7	Confined space	14	Working at height	
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<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>The latest review was made on 17/4/2021 - an update following incidences in 2021.</p> <p>Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the mill office and workshop. In general, the control measures were appropriate to the identified risks. A person-in-charge at each site were appointed to monitor the implementation of the control measures through the 5S initiative.</p> <p>c) The mill has an OSH program for Financial Year 2021. The program list as guided by SQM personnel includes among others the following activities:</p> <ul style="list-style-type: none"> <li>i. OSH committee</li> <li>ii. OSH program &amp; review</li> <li>iii. OSH inspection</li> <li>iv. Health &amp; Hygiene monitoring program               <ul style="list-style-type: none"> <li>- monthly medical check-up</li> </ul> </li> <li>v. Safety &amp; health training               <ul style="list-style-type: none"> <li>- fire drill &amp; fire fighting</li> <li>- Ist aid awareness</li> <li>- chemical safety training</li> </ul> </li> </ul>	

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	<p>d) The mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded. Acknowledgement of receipt was recorded. Based on the HIRARC carried out at the mill the PPE types for the various activities has been identified and implemented.</p> <ul style="list-style-type: none"> <li>i. Mill operator – Safety boots, ear muff, safety vest, helmet, cotton glove</li> <li>ii. Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.</li> <li>iii. The mill expands PPE to include issuance of nose/mouth mask during the present Pandemic COVID-19</li> </ul> <p>e) The SOP of handling of chemicals is available. The document was dated 26/02/17 titled “chemical safety management” 17 pages.</p> <ul style="list-style-type: none"> <li>i. Therein is shown requirement &amp; selection of chemicals, assessment of chemicals hazards, and selection of supplier and transportation of chemicals.</li> <li>ii. Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000) The guidelines are adequate to address the requirement needed.</li> </ul> <p>The manual of the SOP is filed and functional.</p>	

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	<p>f) The Mill Manager is appointed as the Chairman of the ESH committee.</p> <ul style="list-style-type: none"> <li>i. He is the overall person in charge of the safety and environment of the mill operations.</li> <li>ii. The Mill Manager duties among other to preside the ESH meetings. He in turn will delegate the down line duties to the Engineers and Mill Staff/Supervisors.</li> </ul> <p>The appointment letter dated 01/01/21 as Chairman) issued by RCEO of the Northern Region was sighted and verified.</p> <p>g) The Mill management conducts regular two-way communication with their employees through the quarterly ESH meeting. The dates of meeting held are recorded below.</p> <table border="1" data-bbox="1128 896 1848 1002"> <thead> <tr> <th colspan="4">ESH Meeting CPOM</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10/02/21</td> <td>3</td> <td>11/11/20</td> </tr> <tr> <td>2</td> <td>10/05/21</td> <td>4</td> <td>11/08/20</td> </tr> </tbody> </table> <p>The minutes of meeting dated 10/2/21 and 11/11/20 respectively were sighted and verified. Workers during the meeting participated in the discussion mainly on housing and safety. All units adopted the agenda as released SQM. This agenda list was sighted and adequate to discuss salient issues relating safety, environmental and health. The agenda as discussed during the meeting among others includes the following:</p> <ul style="list-style-type: none"> <li>i. Laporan Pemakaian PPE</li> <li>ii. Laporan Prestasi ESH/Kesehatan</li> <li>iii. Laporan LatIhan &amp; SOP/HIRARC</li> </ul>	ESH Meeting CPOM				1	10/02/21	3	11/11/20	2	10/05/21	4	11/08/20	
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	<ul style="list-style-type: none"> <li>iv. <i>Laporan Pematuhan Undang-Undang</i></li> <li>v. <i>Laporan Pematuhan Oleh Kontraktor</i></li> <li>vi. <i>Laporan Kemalangan</i></li> <li>vii. <i>Laporan Pemeriksaan Tempat Kerja</i></li> <li>viii. <i>Laporan Kesihatan &amp; Kawasan Perumahan</i></li> <li>ix. <i>Laporan Bahan Buangan Terjadual/Isu Alam Sekitar</i></li> </ul> <p>The agenda discussed in the safety meetings are adequate to address the issue relating to OSH and to update the new legislative requirement for compliance.</p> <p>h) The procedures for accident and emergencies has been established. There is formation of ERP Team &amp; ERP for all the identified incidences. In addition the procedures have been summarised in a chart flow form and displayed for information of all employees in the mill. They includes emergencies relating fire, explosion, oil spillages &amp; chemical spillages</p> <ul style="list-style-type: none"> <li>i. <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2021</i> headed by the Mill Manager</li> <li>ii. <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Kebakaran</i></li> <li>iii. <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Letupan</i></li> <li>iv. <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Minyak</i></li> <li>v. <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Kimia</i></li> </ul>	

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		<p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. Details as provided in 4.4.6.3 .</p> <p>i) The trained personnel for the First Aid were among the employees working in the mill on shift.</p> <p>i. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room.</p> <p>ii. In addition, there are also first aid boxes kept in the office, store and workshops.</p> <p>j) Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKPP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement was submitted to DOSH on 27/1/21. Accident Statistics are being maintained in a satisfactory manner.</p> <table border="1"> <thead> <tr> <th colspan="3">Accident Cases</th> <th rowspan="2">JKPP 8 submission</th> </tr> <tr> <th>LTI cases</th> <th>No of LTI</th> <th>Non-LTI Cases</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10</td> <td>0</td> <td>27/1/21</td> </tr> </tbody> </table>	Accident Cases			JKPP 8 submission	LTI cases	No of LTI	Non-LTI Cases	1	10	0	27/1/21	
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		An incidence on 08/09/20 involving a fireman suffering from feet burn during raking work and treated at the Pusat Kesihatan K Kurau given MC and continued for total 10 days.	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	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. <b>- Major compliance -</b>	Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019. Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting. Policy training has been conducted on 09/03/2021.	Complied
<b>4.4.5.2</b>	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. <b>- Major compliance -</b>	Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019. Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting. Refer section 3.2 Respect and Uphold Labour Right where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation union membership, political view, religion and/or age. Policy training has been conducted on 09/03/2021.	Complied

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<p><b>4.4.5.3</b> Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wage’s requirements.</p> <p>Sample of agreement and pay slips for local and foreign workers for December 2020, March 2021, and June 2021:</p> <ol style="list-style-type: none"> <li>1. Employee ID: 26667</li> <li>2. Employee ID: 26669</li> <li>3. Employee ID: 163706</li> <li>4. Employee ID: 163707</li> <li>5. Employee ID: 158555</li> <li>6. Employee ID: 158571</li> <li>7. Employee ID: 26689</li> <li>8. Employee ID: 26694</li> </ol> <p>Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.</p>	<p>Complied</p>
<p><b>4.4.5.4</b> Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>There are no permanent contract workers at Chersonese POM. There is a seasonal contract for maintenance work. Sighted sample of contractor Teras Integrasi Sdn Bhd for Maintenance, Repair and Overhaul (MRO) Service Truck Scale System (Weighbridge) For Sime Darby Plantation Berhad (SDPB) Estates and Mills dated 07/06/2021. Verified availability of record of employee of contractors has been paid on according to the law and regulation.</p>	<p>Complied</p>



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<p><b>4.4.5.5</b> The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>The mill has employed local and foreign workers. All the mill workers are under direct employment and under contract.</p> <p>Sighted the master list of the workers having the information of full names, gender, date of birth, job description and other relevant information.</p>	<p>Complied</p>
<p><b>4.4.5.6</b> All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>Employment Contract for local and foreign workers are available. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local and foreign workers indicated in the employment records are available. Foreign worker contract is valid for 2 year plus yearly contract extension for those who intent to continue working with the company.</p> <p>Sample of agreement and pay slips for local and foreign workers for December 2020, March 2021, and June 2021:</p> <ol style="list-style-type: none"> <li>1. Employee ID: 26667</li> <li>2. Employee ID: 26669</li> <li>3. Employee ID: 163706</li> <li>4. Employee ID: 163707</li> <li>5. Employee ID: 158555</li> <li>6. Employee ID: 158571</li> <li>7. Employee ID: 26689</li> </ol>	<p>Complied</p>

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		8. Employee ID: 26694 Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	Chersonese POM has established a time recording system using punch card for all employees. Time recording system has been implemented by punch card system for all mill employees.  The working hours for all employees have been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer	Complied
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. <b>- Major compliance -</b>	The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on the Mill Daily Attendance Report (CKRRD005) and punch card records, overtime and breaks were recorded and consistent with the payslip for sample months in November 2019, January 2020 and April 2020. There were evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980. Extension of overtime limit for maximum of 130 hours was granted based on JTK approval ref: BHG PU/9/134 JLD (11), 27/3/17.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Pay slips of all employees (check roll) are available as evidence of salary payment.  The pay slip contains the following information: 1. Earnings - Basic Salary (Daily Rated Work, Work on Rest Day and	Complied

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		<p>Work on Holiday)</p> <ul style="list-style-type: none"> <li>- Overtime (Weekdays, Rest days and Holiday)</li> </ul> <p>2. Deduction</p> <ul style="list-style-type: none"> <li>- Union fee (NUPW &amp; AMESU), SOCSO, EPF, electricity deduction and others</li> </ul> <p>Sample of agreement and pay slips for local and foreign workers for December 2020, March 2021, and June 2021:</p> <ol style="list-style-type: none"> <li>1. Employee ID: 26667</li> <li>2. Employee ID: 26669</li> <li>3. Employee ID: 163706</li> <li>4. Employee ID: 163707</li> <li>5. Employee ID: 158555</li> <li>6. Employee ID: 158571</li> <li>7. Employee ID: 26689</li> <li>8. Employee ID: 26694</li> </ol> <p>Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.</p>	
<b>4.4.5.10</b>	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p><b>- Minor compliance -</b></p>	<p>Subsidized rate for water supply, electricity and free accommodation was supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.</p>	Complied

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<p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.  <b>- Major compliance -</b></p>	<p>The basic amenities and facilities at the quarters provided by the company to its workers including electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is borne by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 2-3 each person per house.</p> <p>Line site inspection is conducted on a weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990. The results of the inspection are being discussed with the estate manager for actions.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basic amenities (e.g. mattress, cooking utensils).</p>	<p>Complied</p>
<p><b>4.4.5.12</b> The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.  <b>- Major compliance -</b></p>	<p>Sime Darby has implemented Sexual Harassment Policy dated 01/11/2019 signed by Mr Mohamad Helmy Othman Basha, Group Managing Director Sime Darby Plantation Berhad.</p> <p>Policy training has been conducted on 09/03/2021.</p>	<p>Complied</p>
<p><b>4.4.5.13</b> The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p>	<p>Sime Darby has implemented The Group Sustainability &amp; Quality Policy Statement which was signed on 02/12/2019 where the management is respecting Freedom of Association.</p> <p>Sighted Human Rights Charter Revised 2020 has been established to cover on Human Rights consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities &amp; Reporting.</p>	<p>Complied</p>

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	- Major compliance -	Refer section 3.2 stated respect the rights of employees to join and form organizations of their own choice and to bargain collectively. The NUPW minute meeting for Chersonese POM was sighted conducted on 12/06/2020. 2021 meeting were postpone due to MCO. Policy training has been conducted on 09/03/2021.	
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management will Eradicate any form of Exploitation. Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting. Refer section 3.3 Respect and Uphold Children Rights. Policy training has been conducted on 09/03/2021.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	The annual training program has been established and significantly covers all aspects of the MSPO requirements. There were also additional subjects including the mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the SOU 02. The subjects for the training are issued and assisted by the SQM personnel. The following topics included in	Complied

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		21	SOP for all working stations	/	/	/				
		22	Triple rinsing	/	/	-				
		23	Effective work place inspection	-	/	/				
		24	HIRARC	/	-	/				
		25	Safe driving techniques	/	-	/				
		26	HACCP	/	/	/				
		27	Safe machine operator techniques	/	-	/				
		Records of training for Chersonese Palm Oil Mill were sighted during this audit. Details are shown in 4.4.6.3.								
<b>4.4.6.2</b>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>The training needs for the mill financial year 2021 training program has been established. The details of the training needs include categories of stations, subjects, and employees group. Included in this program among others are subjects related to;</p> <ul style="list-style-type: none"> <li>a) Environmental/safety &amp; health policy</li> <li>b) scheduled waste management</li> <li>c) environmental responsibility,</li> <li>d) HCV &amp; Biodiversity training</li> <li>e) machine handling/mill stations operations/control of process parameters</li> <li>f) workshop management etc.</li> </ul>				Complied				
<b>4.4.6.3</b>	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>The mill training are held/organized during the daily briefing prior to work commencement. Mainly the issues discussed/briefed were related to mill operations, environmental and safety compliance. These training records are maintained and were sighted during the audit.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 50%;">Date</th> </tr> </thead> <tbody> <tr> <td>Subject</td> <td></td> </tr> </tbody> </table>					Date	Subject		Complied
	Date									
Subject										

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Criterion / Indicator		Assessment Findings		Compliance
		1	Company Policies Briefing	18/3/20
		2	RSPO Palm Trace	26/6/21
		3	RSPO MSPO SCCS awareness	28/6/21
		4	LOTO refresher	27/1/21
		5	EAI/EIE management	25/3/20
		6	CHRA	24/2/20
		7	VORSEP management	20/7/20
		8	Noise risk assessment	28/1/20
		9	Food Safety	5/11/20
		10	Chemical spillage	03/9/20
		11	First Aid - Refresher	15/120
		12	CLASS Rgn	23/3/21
		13	Noise conservation/hazard	28/1/20
		14	Health / Safety Awareness	18/11/20
		15	Palm Trace Management	26/6/20
		16	Chemical Regulation Labeling	23/3/21
		17	Chemical handling	03/9/20
		18	Effluent Management	17/6/21
		19	First Aid Kit & ERP handling	09/2/21
		20	Safety Town Hall	28/8/20
		21	AIA/EIE guidelines	26/3/20
		22	Process SOP	21/10/20
		23	Driving SOP & PPE	06/10/20
		24	SW management	10/1/20
		25	Sexual harassment / COBC	29/6/21
		26	Security management	11/9/20
		27	Suara Kami Induction Program	07/7/20
		28	Safety awareness -Employee	9/3/21



Criterion / Indicator		Assessment Findings	Compliance
		Training program are made on annual basis. It is subject for review during the financial year should need arises. These training are made to ensure employees are trained in their job and on to update on current development adopted by the organisation. Bulk of the mill training is organized during the daily briefing prior to work commencement of each shift. Mainly the issues discussed / briefed were related to mill process operations and safety compliance.	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - <b>Major compliance</b> -	There is an Environmental Management Policy was signed by the Chief Operation Officer Upstream Malaysia on June 2020 and displayed prominently on notice boards in English and local language Bahasa Malaysia. Therein the policy among others states that the Company is committed to protecting the environment and conserving biodiversity through sustainable development. This is policy is prominently displayed in the office along with other Company's Policies.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - <b>Major compliance</b> -	The Policy is available and the objectives stated therein. The environmental aspects and impact evaluation covers the following areas/activities among others; a) boiler operation b) power generation c) crude palm oil storage leakage and spillage effluent pond ruptured	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. <b>- Major compliance -</b>	<p>This plan is available and updated for the FY 2021. The environmental issues for improvement outlined by the mill are shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>Environmental issues</th> <th>Mitigating Measures</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Meet new regulatory requirement of &lt;15% boiler emission</td> <td>Need to install new dust collecting system to reduce from 40% to 15%.</td> </tr> <tr> <td>2</td> <td>Solids from effluent pond</td> <td>Disposed as fertilizer dry basis upon desludged</td> </tr> <tr> <td>3</td> <td>Leachate into estate trench</td> <td>Drainage system being monitored and ensure proper application of EFB</td> </tr> <tr> <td>4</td> <td>To avail min 2 competent persons for POME &amp; SW</td> <td>Currently with competent personnel in view of transfer and retirement. Liaison with DOE for to comply by 2021.</td> </tr> <tr> <td>5</td> <td>To comply with Clean Air Regulations 2014</td> <td>To improve boiler air emission through equipment of new technology.</td> </tr> </tbody> </table> <p>All actions are to be monitored on the indicated frequency shown in the plan.</p>		Environmental issues	Mitigating Measures	1	Meet new regulatory requirement of <15% boiler emission	Need to install new dust collecting system to reduce from 40% to 15%.	2	Solids from effluent pond	Disposed as fertilizer dry basis upon desludged	3	Leachate into estate trench	Drainage system being monitored and ensure proper application of EFB	4	To avail min 2 competent persons for POME & SW	Currently with competent personnel in view of transfer and retirement. Liaison with DOE for to comply by 2021.	5	To comply with Clean Air Regulations 2014	To improve boiler air emission through equipment of new technology.	Complied
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4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	This is available as elaborated in indicator 4.5.1.3 above. Improvement planned for both short and long terms are detailed along with the identified issues.	Complied																		
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards	A training program is available in the SOU 02 Program updated on a yearly basis or revised as per the management requirement. Programs in relation to environmental among others as follows;	Complied																		

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Criterion / Indicator		Assessment Findings				Compliance	
	achieving objectives. - <b>Major compliance</b> -		Subjects		Month		
				1-4	5-8	9-12	
		1	ESH Legal & Other requirements	/			
		2	ER Plan Chemical spill, Fire. (Lightning)	/		/	
		3	Scheduled waste management	/	/		
		4	Policy Training	/		/	
		5	Effective workplace inspection		/	/	
		6	GAP training / SW	/	/	/	
		7	HCV Training for Region		/	/	
<b>4.5.1.6</b>	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - <b>Major compliance</b> -	The forum used in discussing environmental issues are the quarterly OSH meeting and the annual management review meeting (dated 11/6/2020). The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact.				Complied	
		ESH Meeting					
1	10/02/21	3	11/11/20				
2	10/05/21	4	11/08/20				
		The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the POM.					
<b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy							

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4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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 <b>- Major compliance -</b>	A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2020. The document was reviewed/updated on Jan 2021. The Environment Management Plan for efficiency of fossil fuel usage are detailed below:				Complied
			Target	Objective	Action plan	
		1	Backhoe tractor/ front loader	To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment	To ensure the vehicle engine is turn off during idle time To record vehicle activity which consume fuel	
		2	Van/ Supervisory vehicle	To reduce fossil fuel (diesel) consumption from company-owned vehicles and fuel using mobile equipment	To record vehicle activity in order to eliminate waste activity which consume fuel. To turn off vehicle engine during idle time.	
		3	Electrical supply	To reduce reliance on gen-sets for power supply	Utilization of TNB sources	
The utilization of fossil fuel in 2020 is being monitored with records shown below: Baseline is 0.25						
	Mth	Diesel L	FFB mt	Diesel/FFB		
	Jan	1432	10758	0.13		
	Feb	2344	16093	0.14		
	Mac	2406	17232	0.14		

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		Apr	2871	14787	0.19	
		May	1592	13007	0.12	
		Jun	4189	14390	0.29	
		July	5694	14086	0.40	
		Aug	2482	12427	0.20	
		Sep	1764	9525	0.18	
		Oct	2201	8565	0.26	
		Nov	2134	7174	0.25	
		Dec	1566	9451	0.18	
		<p>The monitoring is recorded in environment performance indicator-electricity generated by steam turbine tabulated for the financial year 2021. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB. A monthly record on energy consumption for both renewable and non-renewable sources were also maintained and documented. It is monitored to optimise use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel.</p> <p>Diesel consumption &amp; ratio diesel used /mt FFB (Baseline set at 0.25)</p> <p>Variation of ratio in the analysis were explained and justified. Under the energy management plan 2021 the mill aimed for reduction plan among others;</p> <ul style="list-style-type: none"> <li>- educate workers on fuel saving practice</li> <li>- avoid leakages during vehicles maintenance.</li> </ul>				

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4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - <b>Major compliance</b> -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel in all transport and machinery operations was available in the yearly budgets.	Complied												
4.5.2.3	The use of renewable energy should be applied where possible. - <b>Minor compliance</b> -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell used in the mill are shown in 4.5.2.2 above. The long term planning for biogas implementation was reviewed to stand similar with other sister mills in the Group. The recovered biogas will be used for energy generation (e.g. steam & electricity)	Complied												
<b>Criterion 4.5.3: Waste management and disposal</b>															
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - <b>Major compliance</b> -	<p>All waste and pollution are identified and documented in the Waste Management Plan for Financial Year 2021. The waste generated from the mill operations as shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>Waste</th> <th>Item</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td rowspan="3">1</td> <td rowspan="3">Scheduled Waste</td> <td>Spent lubricants/ hydraulic oil</td> <td>Workshop activities</td> </tr> <tr> <td>Used batteries/ used rags /empty containers</td> <td>Workshop activities</td> </tr> <tr> <td>Hexane/spent chemicals/empty containers</td> <td>Laboratory and boiler station</td> </tr> </tbody> </table>		Waste	Item	Sources	1	Scheduled Waste	Spent lubricants/ hydraulic oil	Workshop activities	Used batteries/ used rags /empty containers	Workshop activities	Hexane/spent chemicals/empty containers	Laboratory and boiler station	Complied
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1	Scheduled Waste	Spent lubricants/ hydraulic oil	Workshop activities												
		Used batteries/ used rags /empty containers	Workshop activities												
		Hexane/spent chemicals/empty containers	Laboratory and boiler station												

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Criterion / Indicator		Assessment Findings				Compliance										
		2	Domestic Waste	Rubbish	Line site/office & mill complex											
				Sewage	Line site/office & mill complex											
		3	Industrial Waste	POME	Effluent Treatment Plant											
				EFB	EFB station											
		<p>Compost production at time of visit has been shelved by the SDP management until a new directive is announced.</p> <p>The source of mill pollution generated from the mill is the smoke from the boiler. It is monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE. There was no major issue.</p>														
<b>4.5.3.2</b>	<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><b>- Major compliance -</b></p>	<p>The Waste Management Plan for Financial Year 2021 is available and sighted. The plan listed the waste generated from the mill operations as shown in indicator 4.5.3.1 above. The management of the waste aimed for a reduction and improvement are described below;</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Item</th> <th>Action/Program</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Scheduled waste</td> <td>Spent lubricants/ hydraulic oil</td> <td rowspan="2">SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005; Establishment &amp; notification of SW</td> </tr> <tr> <td>Used batteries/ used rags/ empty containers</td> </tr> <tr> <td></td> <td>Hexane/spent chemicals/ empty containers</td> <td>Labeling &amp; Coding of SW SW Inventory Disposal &lt; 180 days &amp; approved quantity/volume.</td> </tr> </tbody> </table>				Type	Item	Action/Program	Scheduled waste	Spent lubricants/ hydraulic oil	SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005; Establishment & notification of SW	Used batteries/ used rags/ empty containers		Hexane/spent chemicals/ empty containers	Labeling & Coding of SW SW Inventory Disposal < 180 days & approved quantity/volume.	Complied
Type	Item	Action/Program														
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	Hexane/spent chemicals/ empty containers	Labeling & Coding of SW SW Inventory Disposal < 180 days & approved quantity/volume.														

Criterion / Indicator		Assessment Findings			Compliance																			
		Domestic Waste	Rubbish	Disposed together with the estate to the Majlis Daerah Kerian																				
			Sewage	Disposal by local authority																				
		Industrial Waste	POME	Monitoring of application & through operation of evaporators																				
			EFB	Monitoring of application in the field.																				
<b>4.5.3.3</b>	<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><b>- Major compliance -</b></p>	<p>The SOP on Scheduled Waste disposal is established and implemented.</p> <p>a) Details as provided in SDP MQMS Standard Operating Procedure Section VII- Handling of scheduled waste (Hazardous Waste) Management ref no. SD/SDP/PSQM (ESH) /203-EN1 dated 26/2/2015.</p> <p>b) The inventory of the waste generated is recorded using the "E-SWISS" inventory system. Methodology of SW disposal is also described in indicator 4.5.3.2 above.</p> <p>c) All SW are disposed to CLM Conservation Sdn Bhd no 004640 licence valid dated 30/4/2021. Details as sampled as shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>SW collector</th> <th>Date</th> <th>SW 409</th> <th>SW 322</th> <th>SW 306</th> <th>SW 110</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">CLM Conservation</td> <td>27/3/21</td> <td>0.700</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>17/2/21</td> <td>0.013</td> <td>0.009</td> <td>0.300</td> <td>0.005</td> </tr> </tbody> </table>				SW collector	Date	SW 409	SW 322	SW 306	SW 110	1	CLM Conservation	27/3/21	0.700	-	-	-	17/2/21	0.013	0.009	0.300	0.005	Complied
	SW collector	Date	SW 409	SW 322	SW 306	SW 110																		
1	CLM Conservation	27/3/21	0.700	-	-	-																		
		17/2/21	0.013	0.009	0.300	0.005																		



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		Prior despatch was dated 24/09/20 hence no delay in the despatches.			
<b>4.5.3.4</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. <b>- Minor compliance -</b>	The mill and the host estate used the facility available in the District of Kerian. All domestic waste are collected 2 to 3 x /week by Majlis Daerah Kerian eliminating the issue of managing own landfill in the estate property. Collection are made from a centralized point accumulated internally by the estate management from the living quarters and office complex. The risk of contamination has been minimized through this system.	Complied		
<b>Criterion 4.5.4:</b> Reduction of pollution and emission					
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact. The identified impact if any will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation. It was last reviewed on 04/01/2021. Areas of focus include activities at the chemical store / workshop / store / scheduled waste / diesel tank / boiler house / effluent pond / WTP.	Complied		
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	The pollution prevention plan and plan to reduce GHG emission 2021 dated 04/01/2021, with the mitigation plan, actions and time frame has been identified. In addition the Environmental Management Plan for FY2021 is available. The monitoring of the plan is available. The following tabled the management action plan to reduce GHG emission from the mill activities. <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 50%;">Issues &amp; Strategies</td> <td style="width: 50%;">Action Plan</td> </tr> </table>	Issues & Strategies	Action Plan	Complied
Issues & Strategies	Action Plan				

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Criterion / Indicator		Assessment Findings				Compliance						
		1	Reduce diesel consumption at mill operation	To monitor diesel usage To ensure vehicle scheduled maintenance Optimum gen set usage								
		2	Reduce smoke emission to the air	To effectively implement the CEMS Eliminate use of wet shell as fuel								
		3	Reduce electricity usage	Monitor usage vs baseline Install capacitor at identified large power consumption motor Install led bulb for the lighting system								
		<p>All efforts and action plan for the identified pollutants and emission above is adequate to comply with the requirement. All identified issues have significant impacts to the environment. The mill also monitored and maintained records on Palm GHG. This compilation is made at Head Office level and made for the entire SOU. Inclusive in the report are;</p> <p>1) Plantation/field emission (76.91%)            - data from field emission and sinks (CO2/FFB)</p> <p>2) Mill emission (23.09%)            - data from mill emission and credits (CO2/FFB)</p>										
<b>4.5.4.3</b>	<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><b>- Major compliance -</b></p>	<p>Based on Jadual Pematuhan CPOM disposed effluent on water discharge. Sighted quarterly report has been submitted to DOE (<i>license no 004229 01/07/2020 - 30/06/2021</i>) by quarterly basis. Latest submission for to DOE on as follows. Among others the indicators were:</p> <table border="1"> <tr> <td>No</td> <td>April - Jun 21</td> <td>STD</td> <td>April</td> <td>May</td> <td>June</td> </tr> </table>				No	April - Jun 21	STD	April	May	June	Complied
No	April - Jun 21	STD	April	May	June							

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Criterion / Indicator		Assessment Findings					Compliance												
		1	pH	5-9	8.6	9.0	8.7												
		2	BOD mg/l	50	24	35	48												
		3	SS ppm	400	60	100	400												
		4	Oil & Grease	50	3	3	9												
		5	AN	150	1	1	49												
		6	TN	150	27	37	-												
		All parameters tested complied with regulatory standards																	
<b>Criterion 4.5.5: Natural water resources</b>																			
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>The Water Management Plan for the mill has been established. It was last reviewed on 11/1/2021 plan. Included therein are the following documents which were sighted and verified;</p> <ul style="list-style-type: none"> <li>a) Contingency plan during water shortage</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>Area/incident</th> <th>Action steps</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water shortage/ prolonged dry season</td> <td>To obtain water from LAP To train/ educate staff/ workers to conserve water To seek assistance from LAP To obtain treated water supply from neighbouring mill's WTP</td> <td>Mill Executive/ Staff</td> </tr> <tr> <td>2</td> <td>Severe water pollution/ contamination</td> <td>To obtain water from LAP To train/educate staff/workers to conserve water To seek assistance from LAP</td> <td>Mill Executive/ Staff</td> </tr> </tbody> </table>						Area/incident	Action steps	PIC	1	Water shortage/ prolonged dry season	To obtain water from LAP To train/ educate staff/ workers to conserve water To seek assistance from LAP To obtain treated water supply from neighbouring mill's WTP	Mill Executive/ Staff	2	Severe water pollution/ contamination	To obtain water from LAP To train/educate staff/workers to conserve water To seek assistance from LAP	Mill Executive/ Staff	Complied
	Area/incident	Action steps	PIC																
1	Water shortage/ prolonged dry season	To obtain water from LAP To train/ educate staff/ workers to conserve water To seek assistance from LAP To obtain treated water supply from neighbouring mill's WTP	Mill Executive/ Staff																
2	Severe water pollution/ contamination	To obtain water from LAP To train/educate staff/workers to conserve water To seek assistance from LAP	Mill Executive/ Staff																

Criterion / Indicator		Assessment Findings				Compliance
				To obtain treated water outsourced supply		
		b) Water reduction plan				
			Issues/ Area	Action Steps	PIC	Status
		1	Rain water collection	Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery	Mill Engineer	On-going
		2	Re-streaming	Re stream from sterilizer condensate pit for dilution	Mill Engineer	On-going
		c) Identification & management of waste water				
			Location	Wastewater produced	Treatment/ Containment	Reuse/recycle Disposal method

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Criterion / Indicator		Assessment Findings				Compliance	
		1	Processing stations	Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water	Oil recovery/ ETP	Recover into system	
		2	Boiler	Blow down, cleaning water	Sludge pit, ETP	Monsoon drain	
		3	Process ramp	Rainfall runoff	Sedimentation trap	Monsoon drain	
		4	Engine room	Steam condensate, turbine cooling water	Monsoon drain, recycled tank	Monsoon drain	
		5	Laboratory	Cleaning water	Process drain	Monsoon drain	
		6	Washroom	Toilet water, cleaning water	Septic tank	Supernatant to drains, sludge collected by licensed contractor.	

Criterion / Indicator		Assessment Findings	Compliance																		
		<p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in Sime Darby Plantation dated April 2014). The buffer zones established are as following:</p> <table border="1"> <thead> <tr> <th></th> <th>River width (Meters)</th> <th>Buffer Zone (Meters)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>&gt;40</td> <td>50</td> </tr> <tr> <td>2</td> <td>20-40</td> <td>40</td> </tr> <tr> <td>3</td> <td>10-20</td> <td>20</td> </tr> <tr> <td>4</td> <td>5-10</td> <td>10</td> </tr> <tr> <td>5</td> <td>&lt;5</td> <td>5</td> </tr> </tbody> </table> <p>The management monitors the water quality through water sampling:            Monitoring of upstream, midstream and downstream of Sg Kurau 2x yearly.</p>		River width (Meters)	Buffer Zone (Meters)	1	>40	50	2	20-40	40	3	10-20	20	4	5-10	10	5	<5	5	
	River width (Meters)	Buffer Zone (Meters)																			
1	>40	50																			
2	20-40	40																			
3	10-20	20																			
4	5-10	10																			
5	<5	5																			
<b>4.5.5.2</b>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p>	<p>Details of effluent treatment and report as per item 4.5.4.3 above.</p> <p>The effluent are retained for treatment in a flow through 14 ponds before being discharge through water course. Both the management and DOE are understudying changes for the method of practice. Communication in this relation was sighted and verified.</p>	Complied																		
<b>4.6 Principle 6: Best Practices</b>																					
<b>Criterion 4.6.1: Mill Management</b>																					

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.6.1.1</b> Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  <b>- Major compliance -</b></p>	<p>The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The Standard Operating procedures (SOPs) described details from the</p> <ul style="list-style-type: none"> <li>a) Reception, sterilisation,</li> <li>b) Threshing, pressing,</li> <li>c) Clarification, nut polishing station,</li> <li>d) Effluent, laboratory,</li> <li>e) Workshop, dispatches</li> </ul> <p>SOU 02 Chersonese continued to use the documents established by the Sime Darby Plantation Berhad among others as follows;</p> <ul style="list-style-type: none"> <li>a) Plantations / Mill Quality Management System (PQMS / MQMS) Manual</li> <li>b) PQMS / MQMS Std Operating Manual &amp; Procedures (SOP)</li> <li>c) Sustainable Plantation Management System (SPMS) Manual</li> <li>d) RSPO Supply Chain Manual</li> <li>e) ESH Management System Manual</li> <li>f) Occupational Safety and Health Manual</li> <li>g) Pictorial Safety Standards</li> <li>h) Laboratory Process Control Manual</li> <li>i) Security Guidelines.</li> </ul>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>In addition, technical guidelines as listed in the Agricultural Reference Manual were also used. In general the documents included operation activities in the estates and the mills from;</p> <ul style="list-style-type: none"> <li>a) seedlings in nursery to planting of young palms.</li> <li>b) plantation upkeep to mill FFB receipt, grading, processing.</li> <li>c) quality analysis and dispatch of CPO &amp; PK.</li> <li>d) security in the SOU.</li> </ul> <p>Contents of the Manual were disseminated to the workers through;</p> <ul style="list-style-type: none"> <li>a) morning muster</li> <li>b) mill weekly briefings</li> <li>c) training as ad hoc and programmed basis.</li> </ul> <p>The Manuals are also kept in the administration office to facilitate reference by any interested parties. Site inspection and interview with workers confirmed that the SOP had been implemented and the employees understood the requirements of the SOP. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p>	
<b>4.6.1.2</b>	<p>All palm oil mills shall implement best practices.</p> <p><b>- Major compliance -</b></p>	<p>The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the Mill Advisor scheduled on a 6 monthly basis. In addition there are audits by Regional</p>	Complied



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Criterion / Indicator	Assessment Findings	Compliance
	<p>Head, PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others. Report relating to the monitoring i.e. daily production report, monthly report, SOU meetings minutes and PSQM internal audit report were sighted and system adopted is effective.</p> <p>The mill had an established mechanism to perform checking to ensure consistent implementation of procedures. Daily Production Report (sighted 31/12/2020) providing details as follows;</p> <ul style="list-style-type: none"> <li>- FFB received / processed / balance</li> <li>- FFB certified non-certified quantity</li> <li>- Produce production / despatch / balance</li> <li>- Storage capacity/ status / laboratory results</li> </ul> <p>The monitoring records maintained among others were related to;</p> <ol style="list-style-type: none"> <li>a) Monitoring of effluent / black smoke</li> <li>b) Processing &amp; produce parameters</li> <li>c) Dispatches / scheduled wastes etc.</li> <li>d) Monitoring consistent implementation of procedures through internal audit</li> <li>e) Daily shift report for the process performance</li> <li>f) There was a flow chart showing method for monitoring compliance of requirements including legal requirements.</li> <li>g) Internal audits are performed once a year minimum.</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Activities carried out by contractors are being monitored via the following among others</p> <ul style="list-style-type: none"> <li>a) To obtain work permit for confined spaces or work at height in the Mill</li> <li>b) Evidences of competency for specialized work/job</li> <li>c) The mill supervisors and engineers will be onsite to monitor the work.</li> <li>d) The estates monitor to ensure that no contractors bring along their family members to work in the field.</li> <li>e) The estates ensure that the contractors are providing PPE, suitable working equipment and machinery.</li> </ul> <p>Records of follow up action, if any, are retained where necessary.</p>	
<b>Criterion 4.6.2:</b> Economic and financial viability plan			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>Chersonese Palm Oil Mill continued to achieve long term economic and financial viability through documented management plan projected to year 2025. Since there are no smallholders in this Business Unit, therefore a business case for scheme smallholders is not considered.</p> <ul style="list-style-type: none"> <li>a) A Management Plan including crop forecast, capital expenditure, operational expenditure, general charges, profit and loss covering the period of 2021 to 2025 had been prepared and made available to the audit team.</li> <li>b) This plan had also included mature area and also FFB production 2021 to 2025.</li> <li>c) The component of the budget comprises of the following items;</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings						Compliance																																																
		<ul style="list-style-type: none"> <li>- Labour statement / Allocation of wages</li> <li>- Labour benefit summary / Labour reconciliation</li> <li>- Yield statement oil palm</li> <li>- Summary of vehicle and running schedule</li> <li>- Job allocation for vehicles / Summary of workshop running schedule</li> <li>- Summary if budget / Summary of general charges</li> <li>- CAPEX,</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>FFB processed</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>OER</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>KER</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Gen charges</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Processing</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Depreciation</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Despatch</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> </tbody> </table>						Year	2021	2022	2023	2024	2025	FFB processed	X	X	X	X	X	OER	X	X	X	X	X	KER	X	X	X	X	X	Gen charges	X	X	X	X	X	Processing	X	X	X	X	X	Depreciation	X	X	X	X	X	Despatch	X	X	X	X	X	
Year	2021	2022	2023	2024	2025																																																			
FFB processed	X	X	X	X	X																																																			
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Depreciation	X	X	X	X	X																																																			
Despatch	X	X	X	X	X																																																			
<b>Criterion 4.6.3:</b> Transparent and fair price dealing																																																								
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017.  All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the mill personnel.						Complied																																																

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Criterion / Indicator		Assessment Findings	Compliance
		Sighted contract Transportation Of Crude Palm Oil (CPO) (Services) For Sime Darby Plantation Berhad Peninsular Malaysia oil Mills between Chersonese Mill with Mayang Bayumas Sdn Bhd dated 12/12/2020, pricing mechanism detailed out under Appendix 1 (Schedule of Transport Rates) and Appendix 2 (Transport Rate Adjustment Mechanism). Refer T/SDPD/PEN/CPO/0720/003.	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far. Refer contract Transportation of Crude Palm Oil (CPO) (Services) For Sime Darby Plantation Berhad Peninsular Malaysia oil Mills between Chersonese Mill with Mayang Bayumas Sdn Bhd dated 12/12/2020. Refer T/SDPD/PEN/CPO/0720/003.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far. Refer contract Transportation of Crude Palm Oil (CPO) (Services) For Sime Darby Plantation Berhad Peninsular Malaysia oil Mills between Chersonese Mill with Mayang Bayumas Sdn Bhd dated 12/12/2020. Refer T/SDPD/PEN/CPO/0720/003. Inclusive in the contract is a clause 5 (d) requiring compliance on RSPO and MSPO matters	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor.	Refer contract Transportation of Crude Palm Oil (CPO) (Services) For Sime Darby Plantation Berhad Peninsular Malaysia oil Mills between Chersonese Mill with Mayang Bayumas Sdn Bhd dated	Complied

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	- <b>Major compliance</b> -	12/12/2020. Refer T/SDPD/PEN/CPO/0720/003. Agreement were signed by both parties.	
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - <b>Minor compliance</b> -	This requirement has been specified during a briefing by the mill to CPO transporter. In addition, Inclusive in the contract (LOA) is a clause 5 (d) requiring compliance on RSPO and MSPO matters.	Complied

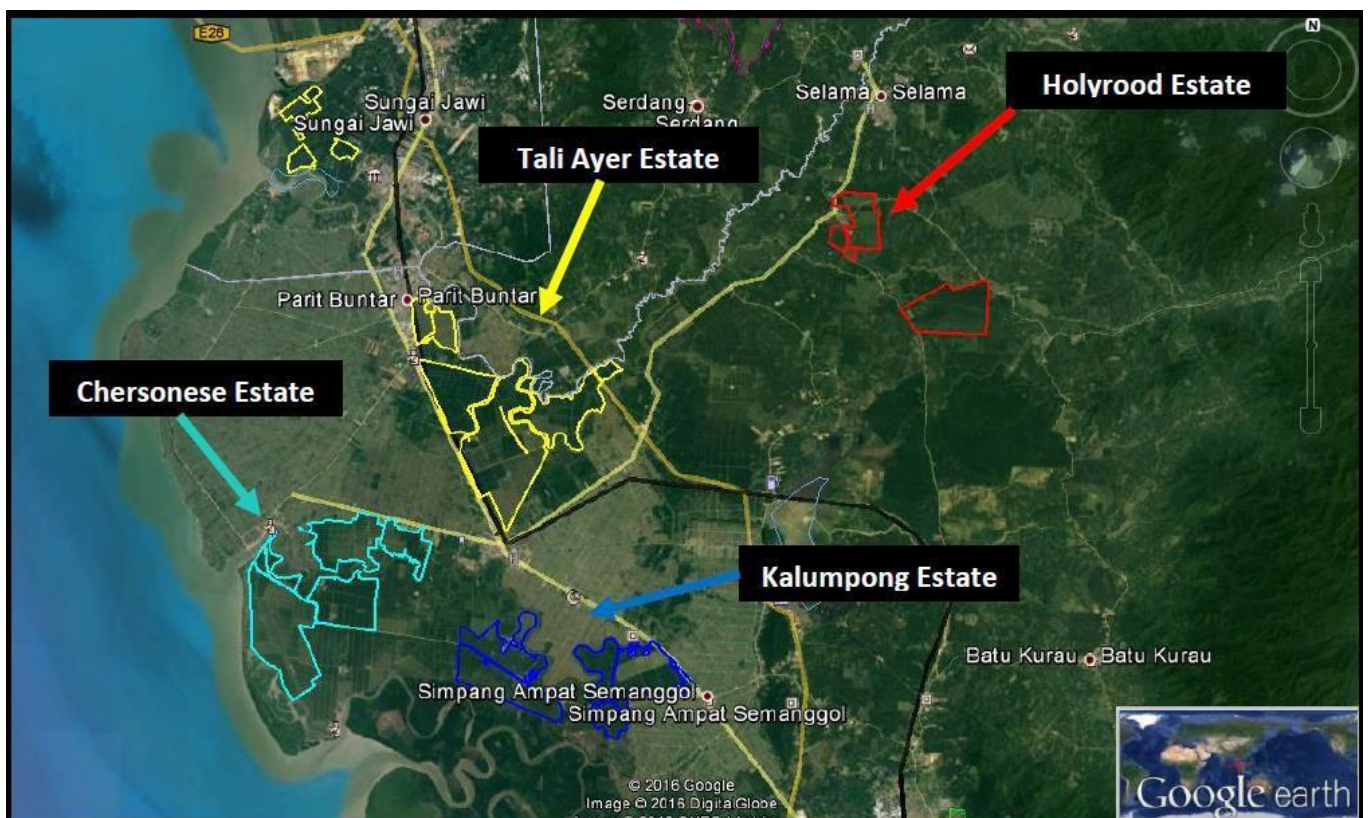
**Appendix B: List of Stakeholders Contacted**

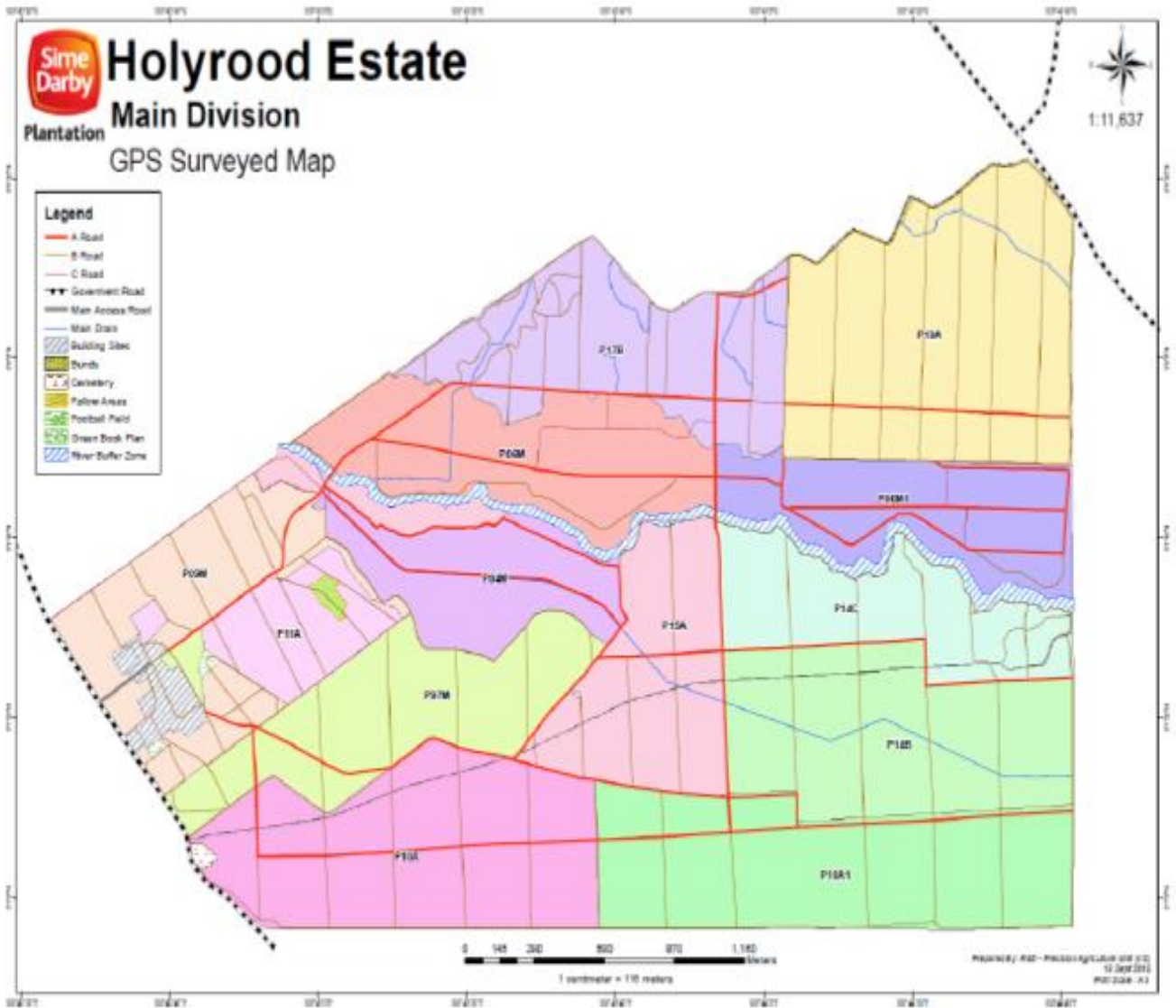
<p><b>Government Officer:</b>          SJKT Gedong          SJKT Kalumpong</p>	<p><b>Community/neighbouring village:</b>          JKK Kg Kuala Gua          JKK Kg Sg Pinang          Temple Chersonese</p>
<p><b>Suppliers/Contractors/Vendors:</b>          Bagan Samak Enterprise          Sime Darby Industrial          Teras Integrasi Enterprise          Resam Padu Enterprise          JS Asas Maju Enterprise          Temis (M) Sdn Bhd          Asandra (M) Sdn Bhd</p>	<p><b>Worker’s Representative/Gender Committee:</b>          NUPW Representative Estates and Mill          Gender Committee Representative Estates and Mill          Foreign workers Estates and Mill          Local workers Estates and Mill</p>

**Appendix C: Smallholder Member Details**

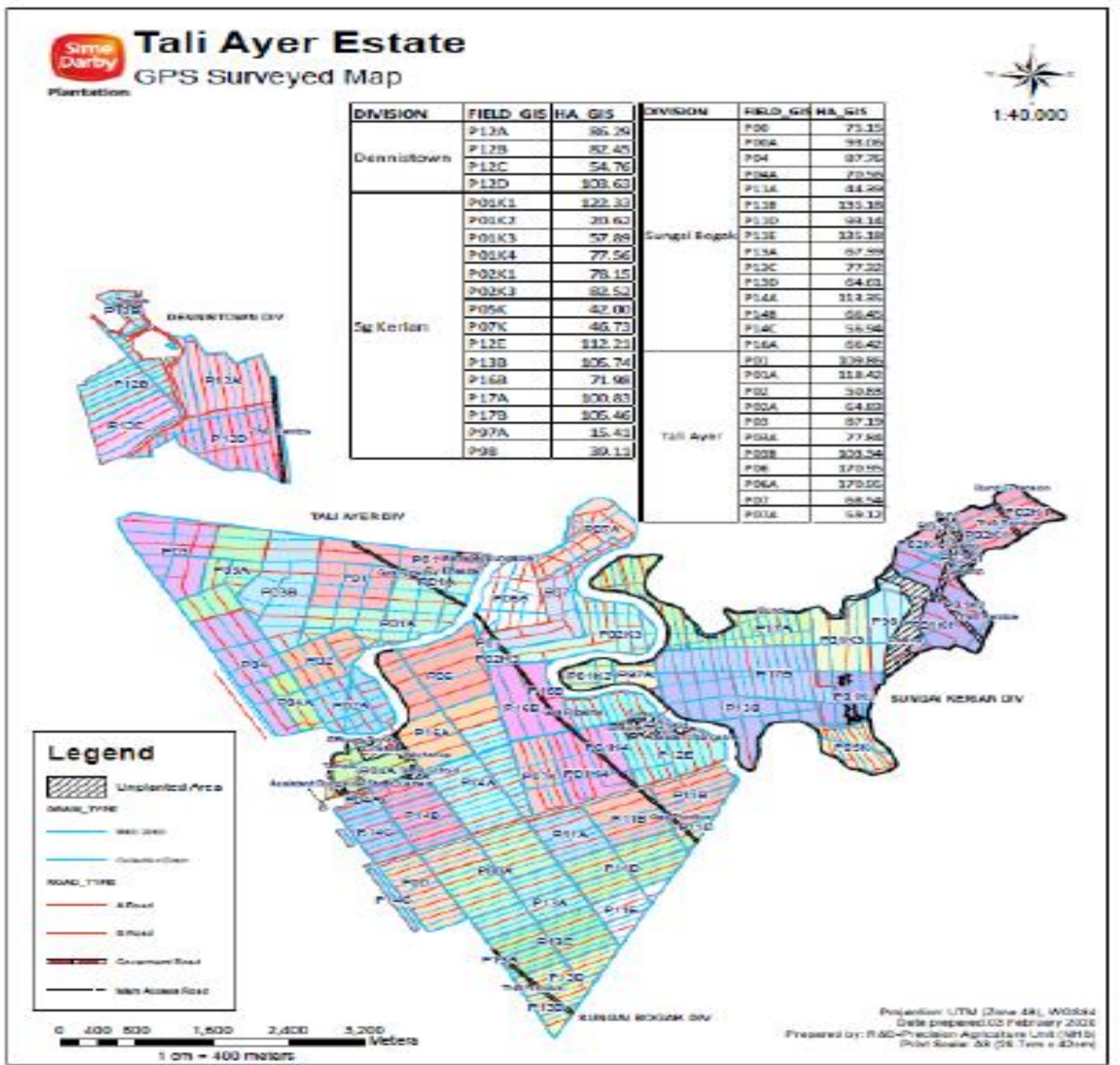
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

**Appendix D: Location and Field 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