

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

SIME DARBY PLANTATION BERHAD
Client Company Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 19) - Pagoh Palm Oil Mill & Plantations of SOU 19 including Pagoh Estate, Pengkalan Bukit Estate and Lanadron Estate
Date Final Report: 2/12/2021

Report prepared by:

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Report Number: 3293199**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	
	Pagoh Palm Oil Mill	565809104000	31/10/2022
	Pagoh Estate	508589902000	28/02/2022
	Pengkalan Bukit Estate	518941002000	28/02/2022
	Lanadron Estate	522273002000	31/07/2022
Address	Level 11, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia		
Certification Unit	Strategic Operating Unit (SOU 19) - Pagoh Palm Oil Mill, Pagoh Estate, Pengkalan Bukit Estate and Lanadron Estate.		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM) Mr. Mohd Fadzil Hasbullah (Pagoh Palm Oil Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com kks.pagoh@simedarbyplantation.com
Telephone	+603 7848 4463 (Head Office) +6019 6957380 (Mill)	Facsimile	+603-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682037 Plantations: MSPO 685822		
Issue Date	12/12/2017	Expiry Date	11/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders 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)	11 - 13/10/2017		
Continuous Assessment Visit Date (CAV) 1	10 - 12/10/2018		
Continuous Assessment Visit Date (CAV) 2	21 - 23/10/2019		
Continuous Assessment Visit Date (CAV) 3	14 - 16/10/2020		

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Continuous Assessment Visit Date (CAV) 4	11 - 13/10/2021		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 600305	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Mass Balance Supply Chain Module	BSI Services Malaysia Sdn. Bhd.	27/01/2024
MSPO 714136	MSPO Supply Chain Certification Standard, dated 1/10/2018	BSI Services Malaysia Sdn. Bhd.	11/12/2022

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Pagoh Palm Oil Mill	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2.07809	102.72001
Pagoh Estate	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2.07809	102.72001
Pengkalan Bukit Estate	KM 19, Jalan Muar Labis, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2.12493	102.74236
Lanadron Estate	KM 4, Jalan Kg. Raja, Panchor, 84500 Muar, Johor, Malaysia	2.17510	102.71896

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Pagoh Estate***	2,058.61	9.10	264.03	2,331.74	88.29
Pengkalan Bukit Estate**	2,941.56	2.87	173.62	3,118.05	94.34
Lanadron Estate*	1,561.96	19.41	117.22	1,698.59	91.96
Total	6,562.13	31.38	554.87	7,148.38	91.80

Note:

*** Internal adjustment during land surveyor in prior to replanting

** 10.17 ha of land was sold to third party

* Nordanal - division of Lanadron has been handed over to SD Property in October 2020

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1.5 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Pagoh Estate	461.77	876.86	580.53	139.45	-	1,596.84	461.77
Pengkalan Bukit Estate	524.56	1,050.03	949.95	417.02	-	2,417.00	524.56
Lanadron Estate	334.81	437.87	686.59	102.69	-	1,227.15	334.81
Total	1,321.14	2,364.76	2,217.07	659.16	-	5,240.99	1,321.14

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 2021 - Dec 2021)	Actual (Oct 2020 - Sept 2021)	Forecast (Dec 2021 - Nov 2022)
Pagoh Estate	36,492.17	27,928.51	40,600.00
Pengkalan Bukit Estate	51,599.09	40,233.69	55,000.00
Lanadron Estate	44,441.87	30,602.84	50,070.00
Tangkah Estate*	0.00	348.81	0.00
Welch Estate*	0.00	91.56	0.00
Muar River Estate*	0.00	119.52	0.00
Total	132,533.13	99,324.93	145,670.00

Note: * Diversion from group estate.

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 2021 - Dec 2021)	Actual (Oct 2020 - Sept 2021)	Forecast (Dec 2021 - Nov 2022)
Bp Realty & Plt	0.00	80.36	0.00
Eng Huat Latex Concentrate Sdn	0.00	8,043.48	0.00
Gan Estate	0.00	2,101.59	0.00
Impressive Transforms Sdn Bhd	0.00	14.98	0.00
Kop Mt Grisek Ledang	0.00	867.05	0.00
Pertanian Melaka	0.00	595.43	0.00
Sin Chin Joo Sdn Bhd	0.00	7,835.19	0.00
Tiong Oil Palm	0.00	150.63	0.00

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Kelapa Sawit Tai	0.00	3,608.96	0.00
Total	0.00	23,297.67	0.00
Note: N/A			

1.8 Certified Tonnage			
	Estimated (Jan 2021 - Dec 2021)	Actual (Oct 2020 - Sept 2021)	Forecast (Dec 2021 - Nov 2022)
	FFB	FFB	FFB
Mill Capacity: 45 MT/hr	132,533.13	99,324.93	145,670.00
SCC Model: MB	CPO (OER: 20.00%)	CPO (OER: 21.06%)	CPO (OER: 21.83%)
	26,506.63	20,918.70	31,800.00
	PK (KER: 5.12%)	PK (KER: 5.25%)	PK (KER: 5.32%)
	6,891.72	5,217.56	7,760.00

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
20,918.70	0	0	1,755.29	14,163.31	15,918.60

1.10 Actual Sold Volume (PK)					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
5,217.56	0	0	2,264.46	2,553.10	4,817.56

Section 2: Assessment Process

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 11-13/10/2021. The audit programme is included as in Section 2.3. The approach to the audit was to treat the SOU 19 Pagoh Palm Oil Mill and Pagoh Estate, Pengkalan Bukit Estate and Lanadron Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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

Assessment Program					
Name (Mill /Plantation /Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Pagoh Palm Oil Mill	X	X	X	X	X
Lanadron Estate	X		X		X
Pengkalan Bukit Estate		X		X	
Pagoh Estate		X		X	X

Tentative Date of Next Visit: October 11, 2022 - October 13, 2022

Total No. of Mandays: 11 Mandays

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Nor Halis Abu Zar (NHA)	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 MS2530:2013 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 Policy and commitment, Social requirements, contract agreement, human rights, workers' welfare, smallholder welfare, Stakeholder Consultation, Legal Requirements, land & Legal issue and MSPO requirements. Fluent in English and Bahasa.
Vijay Kanna Pakirisamy (VKP)	Team Member	He holds a Bachelor Degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10-year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed

		ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Continuous Improvement Safety and Health, Environment and Best Practice. He is fluent in Bahasa Malaysia and English languages.
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2.2 Accompanying Persons

No.	Name	Role
	N/A	

2.3 Assessment Plan

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

Date	Time	Subjects	(NHA)	(VKP)
Sunday, 10/10/2021	-	Auditors travel to Muar and check in at Hotel	√	√
Monday, 11/10/2021 Pagoh POM	08:30 - 09:00	Opening Meeting <ul style="list-style-type: none"> • Presentation by BSI Lead Auditor - introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	√	√
	09:00 - 12:30	Mill Assessment: Plant visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	10:00 - 12:00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	
	12:30 - 13:30	Lunch break	√	√
	13:30 - 16:30	Document review (MS2530:2011 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices,	√	√
	16:30 - 17:00	Interim closing meeting	√	√
	Tuesday, 12/10/2021 Lanadron Estate	09:00 - 12:30	Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√
12:30 - 13:30		Lunch break	√	√

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Date	Time	Subjects	(NHA)	(VKP)
	13:30 - 16:30	Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6: Best practices Best practices, P7: Development of New Planting.	√	√
	16:30 - 17:00	Interim closing meeting	√	√
Wednesday, 13/10/2021 Pagoh Estate	09:00 - 12:30	Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	12:30 - 13:30	Lunch break	√	√
	13:30 - 16:30	Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6: Best practices Best practices, P7: Development of New Planting	√	√
	16:30 - 17:00	Assessment team discussion and preparation and closing meeting	√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the ASA 4 there were no Major & two (2) Minor nonconformities, and one (1) OFI’s raised. The SOU 19 Pagoh Palm Oil Mill and Supply Base certification unit submitted Corrective Action Plans for the Minor nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Minor Nonconformities:		
Ref: 2116522-202110-N1	Area/Process: Pagoh POM	Clause: MSPO 2530 Part 4-4.4.4.2
	Issue Date: 13/10/2021	Due Date: Next Surveillance Audit
Requirements:	The occupational safety and health plan should cover the following: b) The risk of all operations shall be assessed and documented. c) 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 Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	
Statement of Nonconformity:	Occupational Safety and health Plan were not effectively implemented.	
Objective Evidence:	<ol style="list-style-type: none"> Sighted the HIRARC for Ramp – FFB Grading reviewed on 29/09/2021 due to a related incident that occurred on 20/09/2021. The reviewed HIRARC stated the recommended risk control as – wear safety goggles. Based on the verification and interview with the workers and the worker involved with the incident, they have not been provided with the goggles for the activity. The storage of Petronas Diesel Euro 5 (B7) was not in accordance with the Mill Quality Management System under the Occupational Safety Health Manual, Chapter 9 (Chemical Safety Management) states under No. 6.0 Procedures for Handling, iii. <i>Ensure that containers is properly labelled, not damaged and no spillage during handling.</i> During the site visit to the Lubricant Store it was noticed that the diesel and lubricants were stored in containers that were not labelled accordingly. 	

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Corrections:	1a) Ramp operators has been briefed on 11/10/2021 on the importance of using of suitable PPE and operation procedure. Goggles have been provided to Ramp Operators on 11/10/2021. 2 Person in charge for store, workshop operators & technical supervisor have been briefed on 11/10/2021 regarding labelling requirement.
Root cause analysis:	1a) The PIC did not aware of the changes in HIRARC 2a) There is no monitoring by PIC of the store for container without labelling
Corrective Actions:	1a) To include the PIC when reviewing HIRARC. 2 Lubricant Store has been equipped with check list form and will be checked periodically PIC & verified by Assistant Engineer to ensure store in good condition. Inspection checklist has start implemented 18/10/2021.
Assessment Conclusion:	CAP has been accepted at 25/11/2021. The effectiveness of CAP to be verified in the next assessment.

Minor Nonconformities:		
Ref: 2116522-202110-N2	Area/Process: Lanadron & Pagoh Estate	Clause: MSPO 2530 Part 3-4.5.5.1
	Issue Date: 13/10/2021	Due Date: Next Surveillance Audit
Requirements:	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: - Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.	
Statement of Nonconformity:	Resampling of water were not done in accordance with the relevant procedures.	
Objective Evidence:	<p><u>Lanadron Estate</u></p> <p>The results of the Incoming and Outgoing Water Quality along Muar River indicated the DO* does not conform with Class IIA/IIB of NWQS for natural waterways. The estate has raised a Corrective/Preventive Action Report on 24/09/2021 that indicated the root cause was due to the sampling being done on a rainy day. Nevertheless, the resampling was not conducted simultaneously as per the Water Sampling Procedure.</p> <p><u>Pagoh Estate</u></p> <p>Water Analysis Test Report (Report Number: IE739/2021); Date: 07/07/2021; Results indicated that the DO* does not conform with Class IIA/IIB of NWQS for natural waterways. The estate has not raised a Corrective/Preventive Action Report and has not conducted resampling as per the Water Sampling Procedure. Therefore, a minor nonconformity was raised.</p>	
Corrections:	PIC to arrange for water quality monitoring.	
Root cause analysis:	The PIC is not aware of the water sampling procedure.	
Corrective Actions:	Refresher training to the PIC on the water sampling procedure.	
Assessment Conclusion:	CAP has been accepted at 25/11/2021. The effectiveness of CAP to be verified in the next assessment.	

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Opportunity For Improvement		
Ref: 2116522-202110-I1	Area/Process: Pagoh POM	Clause: MSPO 2530 Part 4-4.5.4.3
Objective Evidence:	It was observed that the pH recorded levels slightly higher than the standard parameter at the Final Discharge Point for the month Apr 2021 – Sept 2021. The mill has justified that the levels does not affect the environment negatively. Nevertheless, the mill can conduct further monitoring and methods to ensure the pH levels are brought below the standard parameters.	

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

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1966873-202010-M1	Area/Process: Plantation – Pagoh Estate and Pengkalan Bukit Estate	Clause: MSPO 2530 Part 3-4.4.4.2
	Issue Date: 16/10/2020	Date of Closure: 24/11/2020
Requirements:	The occupational safety and health plan should cover the following: c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: ii. all precautions attached to products shall be properly observed and applied. i) A First Aid Kit equipped with approved contents should be available at each worksite.	
Statement of Nonconformity:	The occupational safety and health plan was not effectively implemented.	
Objective Evidence:	<p><u>Pagoh Estate</u></p> <p>Based on the revised CHRA Report, dated 04th June 2020 by Assessor Dosh Reg: HQ/15/ASS/00/63, continue to carry out medical surveillance programme by a registered OHD due to the employees exposed or likely exposed to chemicals hazardous to health and the chemical used are concluded as having significant risk for work units: a) Premix (All Chemicals), d) Line Site Fogging (Malathion & Sumithion), e) Workshop (Manganese) – Welder.</p> <p>The medical surveillance programme should be conducted at intervals if not more than twelve months or at such shorter intervals as determined by the OHD.</p> <p>It was identified that there were 10 workers (Welders, Line-site Fogging & Pre-Mixers) that should be sent for medical surveillance at intervals of not more than 12 months. Medical Surveillance was conducted for these workers on 8th October 2020, 20 months after the previous medical surveillance (21st January 2019). The results have yet to be obtained by the operating unit.</p>	

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	<p><u>Pengkalan Bukit Estate</u></p> <p>The first aid box was sampled for the Spraying Gang, Water Treatment Plant Attendant/Nursery Mandore and Chemical Store. The First Aid boxes were found to be as below:</p> <ol style="list-style-type: none"> 1. The First Aid items in the First Aid Box were insufficient. There were less items in the box compared to the First Aid Items list that was in the box. 2. The First Aid items in the box were not labelled. (Acviflavine Lotion, Analgesic Cream) 3. The First Aid items in the box had no expiry date. (Acviflavine Lotion, Analgesic Cream) 4. Issues and Replenishment were not recorded in the first aid kit. The sampled first aid box holders (Spraying Mandore & Nursery Mandore) were not trained on the procedure to use the first aid box. <p>Sighted the First Aid Training dated 14/07/2020 did not include the sampled first aid kit holders. Interview with the mentioned workers indicated that they were not aware on how to use the First Aid Kit items.</p>
<p>Corrections:</p>	<p><u>Pagoh Estate</u></p> <p>The management has arranged for medical surveillance for employees as per recommendation in revised CHRA on 8/10/2020.</p> <p><u>Pengkalan Bukit Estate</u></p> <ol style="list-style-type: none"> 1. Old first aid box from water treatment plant was collected and disposed accordingly to prevent usage of expired items 2. All items in the first aid box is labelled on numbers as per checklist inside the box to easy identification. 3. The expiry date of each item is written on the first aid box. The movement of the items is recorded in daily basis including date and quantity of usage and replenishment. 4. First aiders are briefed on the usage of first aid box. Simple instruction is also provided in the first aid box for easy reference. The sampled first aider was absent during the refresher training session conducted in July 2020.
<p>Root cause analysis:</p>	<p><u>Pagoh Estate</u></p> <p>Delayed in conducting medical surveillance due to waiting for recommendation from revised CHRA report. Further delaying due CHRA re-assessment was put on hold since movement control order (MCO).</p> <p><u>Pengkalan Bukit Estate</u></p> <ol style="list-style-type: none"> 1. The first aid box at water treatment plant was replaced without collecting back the old one. The items in the old box was not replenished hence the items was found insufficient. 2. Medical Assistant is not trained on the requirement to label the item itself. 3. Estate had purchased the item (Acviflavine Lotion, Analgesic Cream) in bulk and distribute into first aid box. The expiry date is at main container and was not replicated the expiry date into individual first aid box.

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	<ol style="list-style-type: none"> 4. Medical Assistant has not been trained on the procedure to record issuances and replenishment of items in first aid box. 5. The sampled first aider was absent during the refresher training session conducted in July 2020. Lack of follow up by the MA on the attendance of the first aiders hence no follow up training was conducted to the first aiders.
<p>Corrective Actions:</p>	<p><u>Pagoh Estate</u></p> <ol style="list-style-type: none"> 1. Medical surveillance programme is included in management plan with intervals within or less than 12 months interval. 2. Internal audit to check on the monitoring of the programme in accordance to the management plan. <p><u>Pengkalan Bukit Estate</u></p> <ol style="list-style-type: none"> 1. Estate’s Medical Assistant to collect and monitor the condition of first aid box every 3 month. 2. To train medical assistant on the SOP of first aid kit. 3. Estate Senior Assistant to verify on the monitoring record that includes issuance, replenishment, expiry date of the items. 4. To check during internal audit on the implementation of the SOP.
<p>Assessment Conclusion:</p>	<p>Evidence submitted and verified:</p> <ol style="list-style-type: none"> 1. First Aid training has been conducted on 28/10/2020 with 24 attendees. 2. The Person Responsible for first aid monitoring has been issued reminder letter as per letter dated 07/11/2020. 3. Old first aid box with incomplete items has been replaced with new first aid box. 4. First aid monitoring records for 5 units of first aid box dated 07/10/2020 and 03/11/2020. 5. Updated Record of usage of First aid Items was included in the First Aid box. 6. All item in the first aid box has been listed include the description and usage. 7. All items with expiry date has been labelled. <p>All the evidence has been verified. The corrective action plan was effectively implemented. The major no-conformity was effectively closed on 24/11/2020.</p>
<p>Verification Statement</p>	<p><u>ASA 4 verification</u></p> <p>Medical Surveillance were conducted at intervals as stated in the CHRA and verified as below:</p> <ul style="list-style-type: none"> - Lanadron Estate - Medical Surveillance was conducted from 05-06/10/2021 at Klinik TTMC Ayer Keroh for 16 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals and fumes. - Pagoh Estate - Medical Surveillance was conducted from 18/08/2021 and 24/08/2021 by KPJ Bandar Maharani Specialist Hospital for 49 workers exposed to pesticides and 2 workers exposed to organophosphate in the estate. <p>First aiders were available at both sample estates, assigned to various workstation at the estates. The mandores and staffs were responsible for first aid boxes at each workstation assigned to them by the management. The first aid box was recently replenished with all stated items available in the box. First Aid trainings were conducted regularly at the sampled estates and documents of trainings were</p>

	verified dated 07/10/2021 (Lanadron Estate) and 30/06/2021 (Pagoh Estate). Therefore, the Major Nonconformities remain closed.
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Minor Nonconformities:		
Ref: 1966873-202010-N1	Area/Process: Plantation - Pagoh Estate and Pengkalan Bukit Estate	Clause: MSPO 2530 Part 3-4.5.1.5
	Issue Date: 16/10/2020	Date of Closure: 13/10/2021
Requirements:	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	
Statement of Nonconformity:	Awareness and training programme was not effectively implemented.	
Objective Evidence:	<u>Pengkalan Bukit Estate & Pagoh Estate</u> Sighted evidence of spillage at the lubricant store entrance and oil residues surrounding the oil traps during handling.	
Corrections:	<u>Pagoh Estate</u> 1. To reduce number of stairs at lubricant store to avoid spillage 2. To implement bund system outside the oil trap to avoid spillage <u>Pengkalan Bukit</u> 1. To provide tray during process of top up lubricant in lubricant store. 2. To educate general workers on the method of handling of oil residue recovery at oil trap.	
Root cause analysis:	<u>Pagoh Estate</u> 1. There is no containment for spillage at lubricant store 2. There is no containment for oil spillage at oil trap <u>Pengkalan Bukit Estate</u> 1. No tray being provided for top up of lubricant at store 2. There is no awareness training o general workers during process of recovery oil residue in oil trap	
Corrective Actions:	<u>Pagoh Estate & Pengkalan Bukit Estate</u> To monitor on spillage at lubricant store / oil trap by including the checklist for spillage in workplace inspection.	
Assessment Conclusion:	The effectiveness of corrective action plan implementation will be assessed during next assessment	
Verification Statement	<u>ASA 4 verification</u> Site visit to the stores at Pagoh Estate and Lanadron Estate indicated that there were no traces of oil spillage around the oil traps. Appropriate bunds have been constructed around the oil traps to reduce spillage of oil on the ground. Monitoring of oil spillage has been incorporated in the Workplace Inspection Checklist to ensure continuous monitoring or oil spillages onto the ground. Therefore, the corrective actions taken by the estates is deemed to be sufficient to address the minor nonconformity and the nonconformity is closed. Thus, Minor NC was closed on 13/10/2021.	

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Minor Nonconformities:		
Ref: 1966873-202010-N2	Area/Process: Plantation - Pengkalan Bukit Estate	Clause: MSPO 2530 Part 3-4.4.5.4
	Issue Date: 16/10/2020	Date of Closure: 13/10/2021
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	
Statement of Nonconformity:	The contractors employee were not paid based on Legal Requirement as per Employer's Circular No. 3 Year 2018 issued by Perkeso.	
Objective Evidence:	Noted during document review at Pengkalan Bukit Estate, there was no evidence of SOCSO contribution made from the contractor, Hayati Enterprise Sdn. Bhd. to workers with employment no. HESB/12901/019.	
Corrections:	The management has communicated the legal requirement to the said contractor through email on the EIS contribution to its employees.	
Root cause analysis:	There's no briefing on legal compliances to Hayati Ent by the management.	
Corrective Actions:	All third party contractor is ensured to comply with legal requirement by obtaining signed due diligence.	
Assessment Conclusion:	The effectiveness of corrective action plan implementation will be assessed during next assessment.	
Verification Statement	<p><u>ASA 4 verification</u></p> <p>Noted that all the contract workers were provided with appropriate employment contract. A copy of employment contract and pay slips were submitted to the estates visited for monitoring purpose. Based on the payment voucher checked, daily rate for contract workers is RM 42.31/day for outside town and RM 46.15/day for town area. Pay slip/cash voucher of the workers were sighted that it is according to the employment contract. The records are documented and available for review. Thus, Minor NC was effectively closed on 13/10/2021.</p>	

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1693239-201809-M1	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M2	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M3	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M4	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M5	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M6	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-N1	Minor	12/10/2018	Closed on 23/10/2019
1693239-201809-N2	Minor	12/10/2018	Closed on 23/10/2019

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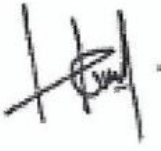
CAR Ref.	CLASS	ISSUED	STATUS
1841179-201906-M1	Major	23/10/2019	Closed on 19/11/2019
1841179-201906-M2	Major	23/10/2019	Closed on 19/11/2019
1841179-201906-N2	Minor	23/10/2019	Closed on 16/10/2020
1966873-202010-M1	Major	16/10/2020	Closed on 24/11/2020
1966873-202010-N1	Minor	16/10/2020	Closed on 13/10/2021
1966873-202010-N2	Minor	16/10/2020	Closed on 13/10/2021
2116522-202110-N1	Minor	13/10/2021	Open
2116522-202110-N2	Minor	13/10/2021	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Feedbacks: <u>Local Community Head (Kg Payang Panjang)</u> Good cooperation given by the Pagoh POM’s management team in support of any social activities with Kg Payang Panjang. The local community head has raised a question with regards to monetary contribution and is there any limit for the contribution.</p> <p>Management Response Any monetary contribution is subject to approval by HQ. The request must be formal and in writing to the management.</p> <p>Audit Team Findings: Noted on the explanation. No further information.</p>
2	<p>Feedbacks: <u>NUPW Representatives</u> They informed that no pending issue during the time of audit. They will discuss with the management if there is any issue reported. Workers are paying in accordance with Minimum Wage Order 2020.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further information.</p>
3	<p>Issues: <u>Workers Representative by nationalities (Bangladesh, India and Indonesia)</u> The workers are satisfied with the management and they informed that their wages have achieved Minimum Wage Order 2020. They are aware of the complaint procedure. No discrimination from the management.</p> <p>Management Responses: The management will ensure comply with legal requirements and respect all the workers without discrimination.</p>

	<p>Audit Team Findings: No other issue.</p>
4	<p>Feedbacks: <u>Contractors (AVN Brothers, Ng Sah Leng, Lotus Two Engineering)</u> There is no late payment issue from Estate to contractors. Agreement is valid and signed by both parties. Contractor workers' pay slip were kept in office. As for the VISA/work permit issue for foreign worker (FW), contractor having a problem in getting the VISA/work permit on time. Sime Darby Plantation Berhad only allowed FW with approved VISA/work permit in the premise.</p>
	<p>Management Responses: Noted on the information. On the VISA/work permit issue, the management continue to adhere Sime Darby's policies and procedures for foreign workers recruitment process.</p>
	<p>Audit Team Findings: No further information.</p>
5	<p>Feedbacks: <u>Gender Committee</u> No sexual harassment case reported. New mother's need assessment was conducted concurrently during the gender committee meeting. Meeting and activities were actively conducted and participated by the members.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No further information.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment SOU 19 Pagoh Palm Oil Mill and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 19 Pagoh Palm Oil Mill and Supply Base Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: SENIN BIN SUMIRIN	Name: NOR HALIS ABU ZAR
Company name:	Company name: BSI Services Malaysia Sdn Bhd
Title: SIME DARBY PLANTATION BERHAD (Company No. 647766-V) LADANG PENGKALAN BUKIT	Title: CLIENT MANAGER
Signature:  Senin Bin Sumirin Manager	Signature: 
Date: 26/11/2021	Date: 25/11/2021

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
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy established mention that Sime Darby Plantation Berhad are committed to making: 1. Promoting Good Governance and Transparency 2. Contributing to a better society 3. Minimizing environmental harm 4. Delivering sustainability quality This policy shall be guided by the commitment spelt out in the company's: 1. Responsible Agriculture Charter (RAC) 2. Human Right Charter (HRC) 3. Innovation & Productivity Charter (IPC)	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance															
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	<p>RSPO + MSPO Internal Audit for SOU 19 Pagoh was carried out on 04/08/2021 in Lanadron Estate and 21/07/2021 in Pagoh Estate by GSQM & RSQM. The audit was carried out based on the reference of MS 2530-3:2013 and MS 2530-4:2013. Summary of findings as below:</p> <table border="1"> <thead> <tr> <th>Estates</th> <th>Date of audit</th> <th>Major NC</th> <th>Minor NC</th> <th>OFI</th> </tr> </thead> <tbody> <tr> <td>Lanadron</td> <td>04/08/2021</td> <td>01</td> <td>00</td> <td>06</td> </tr> <tr> <td>Pagoh</td> <td>03/08/2021</td> <td>03</td> <td>02</td> <td>01</td> </tr> </tbody> </table> <p>Seen the Internal Audit Report with root cause identified for the non-conformities and OFIs raised. All the non-conformities and OFIs were closed accordingly. Sighted evidence of acceptance of corrective action by lead auditor on 27/09/2021.</p>	Estates	Date of audit	Major NC	Minor NC	OFI	Lanadron	04/08/2021	01	00	06	Pagoh	03/08/2021	03	02	01	Complied
Estates	Date of audit	Major NC	Minor NC	OFI														
Lanadron	04/08/2021	01	00	06														
Pagoh	03/08/2021	03	02	01														
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of non-conformities, in order to implement the necessary corrective action. - Major compliance -	<p>Sime Darby Plantation Berhad has developed Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 1/9/2017. The frequency of the internal audit shall be carried out at least once a year and when is required. Summary of findings as below:</p> <table border="1"> <thead> <tr> <th>Estates</th> <th>Date of audit</th> <th>Major NC</th> <th>Minor NC</th> <th>OFI</th> </tr> </thead> <tbody> <tr> <td>Lanadron</td> <td>04/08/2021</td> <td>01</td> <td>00</td> <td>06</td> </tr> <tr> <td>Pagoh</td> <td>03/08/2021</td> <td>03</td> <td>02</td> <td>01</td> </tr> </tbody> </table> <p>Seen the Internal Audit Report with root cause identified for the non-conformities and OFIs raised. All the non-conformities and OFIs were closed accordingly.</p>	Estates	Date of audit	Major NC	Minor NC	OFI	Lanadron	04/08/2021	01	00	06	Pagoh	03/08/2021	03	02	01	Complied
Estates	Date of audit	Major NC	Minor NC	OFI														
Lanadron	04/08/2021	01	00	06														
Pagoh	03/08/2021	03	02	01														
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	<p>The internal audit report has distributed to the estate's management. The Management Representative has acknowledged on the acceptance of the Internal Audit Report on 04/08/2021 in Lanadron Estate and 03/08/2021 in Pagoh Estate. Management review meeting was conducted to review the findings of the internal audit.</p>	Complied															

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The latest management review meeting was carried out on 04/09/2021 in Lanadron Estate and 03/09/2021 in Pagoh Estate where the agenda that discussed as below:</p> <ol style="list-style-type: none"> 1. Opening Remarks by Chairman 2. Previous Meeting Minutes Review 3. Matters Arising from Previous Minutes of Meeting 4. Objective/ Management Program 5. Training Plan 6. Results from Internal Audits: RSPO & MSPO 7. Nonconformity, Corrective and Preventive Actions 8. Customers/ Stakeholders Feedback/ Complaints 9. Resource Needs 10. Changes that could affect the management systems 11. Recommendations for Improvement 12. Other matters 13. Conclusion 	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Lanadron Estate and Pagoh Estate had plans for continual improvements established as detailed below:</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. Improvement Plan for Estate Operation 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Introduction of Land Surf to replace manual wheelbarrow to increase FFB evacuation at newly matured area. <p>2. Improvement Plan for Employees Welfare and Housing</p> <ul style="list-style-type: none"> - Roof and ceiling replacement - Provide steel cabinet for safekeeping - Appointment of gender representative - Briefing on prevention of sexual harassment. <p><u>Pagoh Estate</u></p> <p>1. Improvement Plan for Estate Operation</p> <ul style="list-style-type: none"> - Introduction of drone spraying at immature area to counter labour shortage. - Using mechanisation harvesting system to increase workers earnings and reduce labour - Using tractor (ST102) for circle & path spraying to reduce labour gain coverage <p>2. Improvement Plan for Employees Welfare</p> <ul style="list-style-type: none"> - Roof and ceiling replacement - Provide steel cabinet for safekeeping - Appointment of gender representative - Briefing on prevention of sexual harassment. 	
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the weekly briefings. The management team will be informed of such development during the monthly management meetings.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	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. Monitoring is made by the Estate Managers and Assistants throughout the on-the-job training and familiarization.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company’s website to obtain information such as policies, annual report and complaint procedures.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The estate visited has appointed personnel to be responsible for Social Issues as per appointment letter which state the responsible of the PIC as follows: <ol style="list-style-type: none"> 1. Investigate any complaint or grievances on social issue and suggest appropriate disciplinary action 2. Keep and keep secret every record of complaint or grievances on social issue 3. Give advice and counselling to workers 4. Organize social activity/program <u>Lanadron Estate</u> The estate has appointed the Assistant Manager as Person Responsible for Social Issue as per appointment letter dated 01/10/2019 signed by the Estate Manager. <u>Pagoh Estate</u>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		The estate has appointed the Assistant Manager as Person Responsible for Social Issue as per appointment letter dated 07/01/2021 signed by the Estate Manager.	
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>The estates visited has established the list of Stakeholders and documented in the List of Stakeholders FY 2021. The stakeholders were categorized as Contractors, Vendors/Suppliers, Local Community and Other Interested Parties (Government Agencies, School, Hospitals, and Police Station etc. Stakeholders list for Lanadron Estate has been update on 09/10/2021 while at Pagoh Estate on 01/10/2021.</p> <p>Consultation and communication were conducted through written reports and meetings.</p> <p><u>Lanadron Estate</u></p> <p>Sighted stakeholders meeting has been conducted on 26/08/2021 and 07/09/2021 with villagers, BAKAJ and Jabatan Alam Sekitar Johor. Sighted evidence of minutes of meeting and attendance.</p> <p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook. No complaints or grievances were recorded from external stakeholders. Government Agencies such as DOSH recorded their visit reports in the logbook. Sighted the latest visit report dated 15/5/2019.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair Logbook with latest report dated 21/09/2021. All complaints have been satisfactorily addressed by the estate.</p> <p><u>Pagoh Estate</u></p> <p>Sighted stakeholders meeting has been conducted on 03/08/2021. Sighted evidence of minutes of meeting and attendance.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook. No complaints or grievances were recorded from external stakeholders. Government Agencies such as DOSH recorded their visit reports in the logbook. Sighted the latest visit report dated 19/05/2021.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair Logbook with latest report dated 22/09/2021. All complaints have been satisfactorily addressed by the estate.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Both the sampled estates send their FFB to Pagoh POM. Weighbridge tickets were available for verification and maintained for traceability of all FFBs sent to the mill. Weighbridge tickets were sampled for both estates. The weighbridge ticket provided the following details among others:</p> <ol style="list-style-type: none"> 1. Product (FFB or Loose fruit) 2. Delivery note from estates stating the weight and fruit grade (A or B). 3. D.O Number 4. Date of the shipment <p>The Sustainable Plantation Management System (Appendix 15) Dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The responsible personal for the traceability is the Estate Manager of each supplying units.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by conducting MSPO internal audit. Verified the Internal Audit records as below: 1. Lanadron Estate – 04/08/2021 2. Pagoh Estate – 03/08/2021 Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the estate managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The delivery records of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents. Verification of FFB Consignment Note, Weighbridge Tickets, Crop Book and FFB dispatch in SAP and Check-roll System (CRS) system showed that the recording of FFB delivered to the mill is accurate.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Sime Darby Plantation Berhad have established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU19.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>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 Sime Darby Plantation, ESH Management System Manual, ESH Legal & Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision: 0. Date: 01/07/2012.</p> <p>Among the license and Permits sampled were:</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 522273002000; Estate Area: 1698.59; License Validity Period: 07/10/2021 – 31/07/2022. 2. Air Receiver License; Registration Number: MK PMT 1881; License Expiry Date: 02/12/2021. 3. Air Receiver License; Registration Number: MK PMT 1873; License Expiry Date: 02/12/2021. 4. Permit Barang Kawalan Berjadual; Reference Number: MR/PD/P-0007/13 @ SKS 5; Serial Number P: J 002808; Description: Diesel (Euro 2M); Storage Quantity: 14, 000 Litres; License Validity Period: 18/06/2021 – 17/06/2024. 5. River Water Extraction and Diversion License; License Number: 07/A/Muar/071; File Number: BAKAJ: 334/300/05/03/07/1; Maximum Abstraction: 100m³/day; 31/12/2021. <p><u>Pagoh Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 50859902000; Estate Area: 2331.74; License Expiry Date: 01/05/2021 – 30/04/2022. 2. MPOB License (Nursery); License Number: 597369011000; License Expiry Date: 01/05/2021 – 30/04/2022. 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>3. Permit Barang Kawalan Berjadual; Reference Number: MR/PD/SK – 1079 @ SKS 199; Serial Number P: J002849; Description: Diesel (Euro 2M); Storage Capacity: 18,000 Liters; License Validity Period: 03/08/2021 – 02/08/2024.</p> <p>4. River Extraction and Diversion License; License Number: 06/A/Muar/011; File Number: BAKAJ: 334/300/05/03/06/1; Maximum Abstraction: 100m³/day; 31/12/2021.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Documented Procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>All legal requirements were documented in Legal and Other Requirement Register available at the estates. The register is reviewed regularly and updated as and when there are new or amended legal requirements that are applicable to the estate operations. The latest review is as below.</p> <p>Lanadron Estate: 05/07/2021 Pagoh Estate: 05/07/2021</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Documented procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance'</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>available at the estates undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records verification indicates that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented.</p> <p><u>Lanadron Estate</u></p> <p>The management has appointed the Sr. Asst. Manager, Mr. Mohd Nor Helmi Bin Asmail as the official officer responsible for legal compliance in the estate as stated in the appointment letter dated 03/01/2020 undersigned by the Estate Manager.</p> <p><u>Pagoh Estate</u></p> <p>The management has appointed the Asst. Manager, Mr. Mohd Azmil Bin Samsudin as the official officer responsible for legal compliance in the estate as stated in the appointment letter dated 07/01/2021 undersigned by the Estate Manager.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance																																								
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	There was no evidence to show that Oil Palm cultivation activities of both the estates had diminished the land use rights of others. The management had documents to show legal ownership of its land.	Complied																																								
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Documents showing legal ownership or lease, history of land tenure and the actual legal use (agriculture) of the land were made available at all visited sites. Sample of land title based on the latest quit rent for 2021 are: <u>Lanadron Estate</u> There are total 13 land titles found in Estate for total 1698.59 ha. All the land titles have been issued under the name of owner to Sime Darby Plantations Sdn Bhd. Among the titles were: <table border="1"> <thead> <tr> <th>No</th> <th>Title No.</th> <th>Lot No.</th> <th>District</th> <th>Area, Ha</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>89386</td> <td>1007</td> <td>Muar</td> <td>405.1023</td> </tr> <tr> <td>2</td> <td>3818</td> <td>11995</td> <td>Grisek</td> <td>565.1149</td> </tr> <tr> <td>3</td> <td>3834</td> <td>7518</td> <td>Grisek</td> <td>603.0368</td> </tr> </tbody> </table> <u>Pagoh Estate</u> There are total 30 land titles found in Estate for total 2331.74 ha. All the land titles have been issued under the name of owner to Sime Darby Plantations Sdn Bhd. Among the titles were: <table border="1"> <thead> <tr> <th>No</th> <th>Title No.</th> <th>Lot No.</th> <th>District</th> <th>Area, Ha</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>89107</td> <td>28</td> <td>Muar</td> <td>407.5184</td> </tr> <tr> <td>2</td> <td>101001</td> <td>143</td> <td>Muar</td> <td>140.8304</td> </tr> <tr> <td>3</td> <td>93881</td> <td>2159</td> <td>Muar</td> <td>1,038.342</td> </tr> </tbody> </table>	No	Title No.	Lot No.	District	Area, Ha	1	89386	1007	Muar	405.1023	2	3818	11995	Grisek	565.1149	3	3834	7518	Grisek	603.0368	No	Title No.	Lot No.	District	Area, Ha	1	89107	28	Muar	407.5184	2	101001	143	Muar	140.8304	3	93881	2159	Muar	1,038.342	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. - Major compliance -	Both estate maps clearly showing the estates boundary. The demarcation at Lanadron Estate and Pagoh Estate was by using concrete pegging and boundary trenching.	Complied																																								

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Criterion / Indicator		Assessment Findings	Compliance
		During field visit, a few physical boundary stones being checked and verify it with company's GPS coordinate and our own GPS coordinate. The coordinate checked by are matched to the data that prepared by Estate.	
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the SOU 19 Estates at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>The estates visited has conducted Social Impact Assessment (SIA) conducted in May 2015. The assessment conducted was include the feedbacks from the stakeholder engagement meeting Besides providing socio-economic baseline data , the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of the respective estates and mill(in SOU19) action plans for handling the identified issues were also presented in the report.</p> <p><u>Lanadron Estate</u></p> <p>The estate has conducted Addendum Social Impact Assessment (SIA) on Replanting Activity dated 20/07/2020 and Addendum Social Impact Assessment Report dated 28/09/2021 by RSQM, Central West Region. The estate has established Social Management Plan on Social Impact Assessment for the year 2021.</p> <p><u>Pagoh Estate</u></p> <p>The estate has conducted Addendum Social Impact Assessment (SIA) on Replanting Activity dated 20/07/2020 and Addendum Social Impact Assessment Report dated 28/09/2021 by RSQM, Central West Region. The estate has established Social Management Plan on Social Impact Assessment for the year 2021.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	
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. - Major compliance -	Estate has implemented External Complaint Book and Housing Defect Complaint Form to record complaints and requests reported by the stakeholders. The complaints or grievances were resolved within the time frame. Most of the complaints were related to housing repair. The complaint form has recorded the name of complainant, date of completion and acknowledgement from the complainant after action taken. <u>Lanadron Estate</u> Any communication/request/grievances from external stakeholder were recorded in the communication logbook. No complaints or grievances were recorded from external stakeholders. Government Agencies such as DOSH recorded their visit reports in the logbook. Sighted the latest visit report dated 15/5/2019. For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair Logbook with latest report dated 21/09/2021. All complaints have been satisfactorily addressed by the estate. <u>Pagoh Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook. No complaints or grievances were recorded from external stakeholders. Government Agencies such as DOSH recorded their visit reports in the logbook. Sighted the latest visit report dated 19/05/2021.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair Logbook with latest report dated 22/09/2021. All complaints have been satisfactorily addressed by the estate.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>Both estate has established communication book/form for internal and external complaint. The communication log book/forms is available at estate's office.</p> <p>In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>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. Latest awareness training has been conducted on 02/08/2021.</p>	Complied
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>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

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Among contribution made to the local communities as follows: Lanadron Estate: Food donation to workers 14/08/2021 Pagoh Estate: Communal Work (Cleaning) and Free Sanitation (COVID-19) at Jabatan Penjara Muar dated 11/08/2021.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates. The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH Risk Management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.	Complied
4.4.4.2	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.	The occupational safety and health plan cover the following: a) Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the staffs and workers through induction training for new workers, morning briefing and displayed at various notice boards within the	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>estate. The policy has been briefed to all workers on:</p> <ul style="list-style-type: none"> - Lanadron Estate: 08/07/2020 - Pagoh Estate: 04/09/2021 <p>b) Sime Darby Plantation Berhad have established Standard Operating Procedure for Risk Assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a. Estates sampled have conducted risk assessments for all the operations and documented in the Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. Among the activities verified in the HIRARC included Loading FFB, P&D Circle Application, Harvesting (Carriers), Gardening, etc.</p> <p>HIRARC is reviewed on annually and as and when there are any accidents that occur in the estate. Verified the latest review of HIRARC for the estates as below.</p> <ul style="list-style-type: none"> - Lanadron Estate: 01/04/2021 – Gardener Cleaning Housing Area & 11/08/2021 – Frond Stacker. - Pagoh Estate: 21/06/2021 – Workshop. <p>Chemical Health Risk Assessment was conducted in compliance to the OSHA Act 1994 and the Use and Standard of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000 to assess the risks associated to hazardous chemicals used in the estate. The CHRA reports were available in the sampled estates as below:</p> <ul style="list-style-type: none"> - Lanadron Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/15/ASS/00/363-2020-070) conducted by Nisafety Consultancy (DOSH Registration: 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>JH/07/04/121) on June 2020 was available for verification.</p> <ul style="list-style-type: none"> - Pagoh Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/15/ASS/00/363-2020-066) conducted by Nisafety Consultancy (DOSH Registration: JH/07/04/3696) on June 2020. <p>Medical Surveillance was conducted for workers exposed to chemicals and welding fumes in the estate as recommended in the CHRA. The medical surveillance was conducted to monitor the level of exposure on the workers towards the chemicals and fumes.</p> <ul style="list-style-type: none"> - <u>Lanadron Estate</u> Medical Surveillance was conducted from 05/10/2021 and 06/10/2021 at Klinik TTMC Ayer Keroh for 16 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals and fumes. Results have not been obtained yet by the estate. - <u>Pagoh Estate</u> Medical Surveillance was conducted from 18/08/2021 and 24/08/2021 by KPJ Bandar Maharani Specialist Hospital for 49 workers exposed to pesticides and 2 workers exposed to organophosphate in the estate. Results indicated that all workers were fit to work with no major underlying conditions. <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019 in the estates. The NRA Reports were available in the sampled estates as below.</p> <ul style="list-style-type: none"> • Lanadron Estate – Assessment conducted on 25/07/2020 by Emrest (M) Sdn Bhd. The assessment report (Ref. No: 	

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	<p>HQ/LPROYKPEB/20/00183) was available for verification.</p> <ul style="list-style-type: none"> • Pagoh Estate – Assessment conducted on 14/07/2020 by Emrest (M) Sdn Bhd. The assessment report (Ref. No: HQ/LPROYKPEB/20/00182) was available for verification. <p>Audiometric Test was conducted in the estates as per the recommendation in the Noise Risk Assessment as below.</p> <ul style="list-style-type: none"> - <u>Lanadron Estate</u> Audiometric test was conducted on 11/10/2021 by Nisafety Consultancy for 15 workers identified to be exposed to excessive noise in the estate. The results have not been obtained yet. - <u>Pagoh Estate</u> Audiometric Programme was conducted by KPJ Bandar Maharani Specialist Hospital on 20/09/2021 – 23/09/2021. A total of 32 workers had undergone the audiometric test. 2 workers were diagnosed with Hearing impairment and 4 workers were recommended to be referred to the audiologist. The management has planned for the selected workers to be referred to the audiologist on 11 and 18/10/2021. The necessary JKKP7 form for the 2 workers with hearing impairment has been sent to DOSH and available for verification. <p>c) Estates sampled have established a training program for employees exposed to chemicals used at the palm oil estates to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager, and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows</p>	

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	<p><u>Lanadron Estate:</u></p> <ul style="list-style-type: none"> • Interpump Safety & Maintenance Training: 15/09/2021 <p><u>Pagoh Estate</u></p> <ul style="list-style-type: none"> • Interpump Maintenance, Spraying and Safety Training: 17/09/2021 • P&D Spraying (Using Drone) & Safety Training – 02/07/2021 • Rat Baiting & Safety Training – 01/07/2021 • Chemical Mixing & Safety Training – 19/06/2021 <p>d) The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17/03/2008.</p> <p>Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>e) Standard Operating Procedures for Handling of Chemicals were available in several documents such as:</p> <ul style="list-style-type: none"> – Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26/02/2015. <p>f) <u>Lanadron Estate</u></p> <p>The Estate Manager, En. Rahalim bin Salehudin was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 25/05/2021 undersigned by the Regional CEO, Central Region. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary,</p>	

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	<p>representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p><u>Pagoh Estate</u></p> <p>The Estate Manager, Mr. Rosli Bin Mohamad was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 11/06/2019 undersigned by the Regional CEO, Central West Region. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees' safety, health and welfare such as operational risks and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the OSH Meeting Minutes dated as follows:</p> <ul style="list-style-type: none"> - Lanadron Estate: 06/10/2021, 09/06/2021 and 12/03/2021 - Pagoh Estate: 02/10/2021, 08/04/2021 and 06/01/2021 <p>h) Accident and Emergency procedures were available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01/07/2012.</p> <p>The estates have established Emergency Response Team lead by the Estate Managers. The ERT chart and Fire Extinguisher Map was also available and verified.</p>	

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	<p>Emergency Response Training was conducted as below:</p> <p><u>Lanadron Estate</u></p> <ul style="list-style-type: none"> • Fire Extinguisher and Fire Fighting Training – 26/08/2021 <p><u>Pagoh Estate</u></p> <ul style="list-style-type: none"> • Fire Drill & Safety Training – 21/07/2021 <p>i) First aiders were assigned to various workstation at the estates. The mandores and staffs were responsible for first aid boxes at each workstation assigned to them by the management. The first aid box was recently replenished with all stated items available in the box. First Aid trainings were conducted regularly at the sampled estates and documents of trainings were verified as below.</p> <p>Lanadron Estate: 07/10/2021 Pagoh Estate: 30/06/2021</p> <p>j) The estates sampled recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update form via online through GSQM ESH Portal. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p><u>Lanadron Estate</u></p> <p>There were 7 accidents (22 Days LTA) case for the year 2020 reported in the estate. The JKPP 8 form has been submitted to DOSH for the year ending 2020 on 20/01/2021 and documents available for verification.</p> <p>For the year 2021 there were 2 accident cases reported. The JKPP 6 forms have been submitted to DOSH accordingly. Accident investigations, HIRARC Review and Retraining records were available for verification.</p>	

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		<p><u>Pagoh Estate</u></p> <p>There were 2 accident cases reported for the year 2020 in the estate. The JKKP 8 Form has been submitted to DOSH on 30/01/2021 and available for verification. There were 2 accidents reported for the year 2021 as of to date. The accident investigations reports were available for verification.</p>	
Criterion 4.4.5:Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has established Group Sustainability & Quality Policy Statement dated 2/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, and business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Lanadron Estate: 22/07/2021 2. Pagoh Estate: 10/07/2021 	Complied

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<p>4.4.5.2 The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has implemented The Group Sustainability & 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 & Reporting.</p> <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>Complied</p>
<p>4.4.5.3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</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>There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p> <p>Sampled of agreement and payslip for Feb 2021, Apr 2021 and Aug 2021 for Lanadron Estate and Jan 2021, Apr 2021 and May 2021 for Pagoh Estate as below:</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000139805 2. Employee ID: 0000133028 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		3. Employee ID: 000050942 4. Employee ID: 0000162599 5. Employee ID: 0000131094 6. Employee ID: 0000113371 7. Employee ID: 0000108542 8. Employee ID: 0000110284 <u>Pagoh Estate</u> 1. Employee ID: 000067056 2. Employee ID: 0000149787 3. Employee ID: 0000153331 4. Employee ID: 0000125145 5. Employee ID: 0000152752 6. Employee ID: 000011553	
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	Contractor for the estate were mainly for works such as FFB evacuation and transportation and replanting works. Noted that all the contract workers were provided with appropriate employment contract. A copy of employment contract and pay slips were submitted to the estates visited for monitoring purpose. Based on the payment voucher checked, daily rate for contract workers is RM 42.31/day for outside town and RM 46.15/day for town area. Pay slip/cash voucher of the workers were sighted that it is according to the employment contract. The records are documented and available for review. Refer employee of contractor's agreement: <u>Lanadron Estate</u>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Kim Soon Lee Transport – FFB Transportation</p> <ol style="list-style-type: none"> Ubaidah Bin Ismail NRIC 960229-XX-XXXX Mohd Fariz Bin Bidin NRIC 831230-XX-XXXX Ahmad Najiff Bin Md Saat NRIC 800428-XX-XXXX <p>Gunalabur (M) Sdn Bhd</p> <ol style="list-style-type: none"> Teo Chai Xin NRIC 881209-XX-XXXX Kafri Reteey Bin Rosdi 760609-XX-XXXX <p><u>Pagoh Estate</u></p> <p>Kim Soon Lee Transport – FFB Transportation</p> <ol style="list-style-type: none"> T. Muthu A/L Turaikanoo NRIC 690906-XX-XXXX <p>Long Contruction & Equipment Sdn Bhd</p> <ol style="list-style-type: none"> Ng Kar Loon NRIC 920909-XX-XXXX 	
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The estate has established the workers master list which contain information such as Checkroll type, designation, race, religion, nationality, sex, name, date of birth, date joined, work permit expiry date, passport expiry date, EPF no., Work permit no, SOCSO, IC/Permit no., Income tax no, Employment no.</p>	Complied
4.4.5.6	<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>- Major compliance -</p>	<p>All the workers were provided with fair contracts which has been explained, understand, agreed and signed by bot employee and employer. In the contract stated the terms and conditions such as:</p> <ol style="list-style-type: none"> Transfer/secondment Salary 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	3. Working hours 4. Medical 5. Accommodation 6. Compliance 7. SOCSO/Employment Injury Scheme 8. Income tax 9. Rest Day 10. Public Holiday 11. Sick leave 12. Annual leave 13. Maternity leave 14. Retirement age 15. Transportation 16. Equipment tools 17. Termination of service 18. Safety and health 19. Other terms and conditions 20. Variation of term and conditions Sampled of agreement and payslip for Feb 2021, Apr 2021 and Aug 2021 for Lanadron Estate and Jan 2021, Apr 2021 and May 2021 for Pagoh Estate as below: <u>Lanadron Estate</u> 1. Employee ID: 0000139805 2. Employee ID: 0000133028	

Criterion / Indicator		Assessment Findings	Compliance
		3. Employee ID: 000050942 4. Employee ID: 0000162599 5. Employee ID: 0000131094 6. Employee ID: 0000113371 7. Employee ID: 0000108542 8. Employee ID: 0000110284 <u>Pagoh Estate</u> 1. Employee ID: 000067056 2. Employee ID: 0000149787 3. Employee ID: 0000153331 4. Employee ID: 0000125145 5. Employee ID: 0000152752 6. Employee ID: 000011553	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	All the daily attendance and overtime work were recorded in Estate Daily Attendance Report. Sighted the payslip for the month of March, April and May 2020 for the workers as follows: <u>Lanadron Estate</u> 1. Employee ID: 0000139805 2. Employee ID: 0000133028 3. Employee ID: 000050942 4. Employee ID: 0000162599 5. Employee ID: 0000131094 6. Employee ID: 0000113371	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		7. Employee ID: 0000108542 8. Employee ID: 0000110284 <u>Pagoh Estate</u> 1. Employee ID: 0000067056 2. Employee ID: 0000149787 3. Employee ID: 0000153331 4. Employee ID: 0000125145 5. Employee ID: 0000152752 6. Employee ID: 0000011553	
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>All the daily attendance and overtime work were recorded in Estate Daily Attendance Report.</p> <p>Sampled of agreement and payslip for Feb 2021, Apr 2021 and Aug 2021 for Lanadron Estate and Jan 2021, Apr 2021 and May 2021 for Pagoh Estate as below:</p> <p><u>Lanadron Estate</u></p> 1. Employee ID: 0000139805 2. Employee ID: 0000133028 3. Employee ID: 0000050942 4. Employee ID: 0000162599 5. Employee ID: 0000131094 6. Employee ID: 0000113371 7. Employee ID: 0000108542 8. Employee ID: 0000110284	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Pagoh Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000067056 2. Employee ID: 0000149787 3. Employee ID: 0000153331 4. Employee ID: 0000125145 5. Employee ID: 0000152752 6. Employee ID: 0000011553 	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Wages and overtime were paid according to the Estate Daily Attendance Report. Total hours of overtime and daily attendance has recorded in the Estate Daily Attendance.</p> <p>Sampled of agreement and payslip for Feb 2021, Apr 2021 and Aug 2021 for Lanadron Estate and Jan 2021, Apr 2021 and May 2021 for Pagoh Estate as below:</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000139805 2. Employee ID: 0000133028 3. Employee ID: 0000050942 4. Employee ID: 0000162599 5. Employee ID: 0000131094 6. Employee ID: 0000113371 7. Employee ID: 0000108542 8. Employee ID: 0000110284 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Pagoh Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000067056 2. Employee ID: 0000149787 3. Employee ID: 0000153331 4. Employee ID: 0000125145 5. Employee ID: 0000152752 6. Employee ID: 0000011553 <p>All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2020. Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.</p>	
4.4.5.10	<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.</p> <p>- Minor compliance -</p>	<p>The management has contributed 10 kg of rice once every 2 months for all their workers. Apart from that, all the workers are provided with free medical facilities. In additional, all the workers are entitled with the phone allowance of RM5 for every month. Free housing facilities were provided to all the workers and their families.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>The estates' management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections.</p> <p><u>Lanadron Estate</u></p> <p>The last inspection conducted on 04/10/2021, 01/10/2021, 27/09/2021 and 24/09/2021.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Pagoh Estate</u></p> <p>The last inspection conducted on 01/10/2021, 24/09/2021, 17/09/2021 and 10/09/2021.</p>	
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.</p> <p>Gender Committee was established in Lanadron Estate and Pagoh Estate to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 07/10/2021 at Lanadron Estate while at Pagoh estate on 15/09/2021. Issues reported were recorded in the minutes. Interviewed with the female workers found that no sexual harassment or violence case reported so far.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Lanadron Estate: 22/07/2021 2. Pagoh Estate: 10/07/2021 	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be</p>	<p>Sime Darby Plantation Berhad has implemented The Group Sustainability & 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 & Reporting.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>discriminated against or suffer repercussions.</p> <p>- Major compliance -</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 Lanadron Estate was conducted on 30/08/2021.</p> <p>The NUPW minute meeting for Pagoh Estate was conducted on 04/08/2021.</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"> 1. Lanadron Estate: 22/07/2021 2. Pagoh Estate: 10/07/2021 	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornography. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years.</p> <p>No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Lanadron Estate: 22/07/2021 	Complied

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Criterion / Indicator	Assessment Findings	Compliance																								
	2. Pagoh Estate: 10/07/2021																									
Criterion 4.4.6: Training and competency																										
<p>4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Pagoh Certification Unit estates have established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>COVID-19 training and briefings were sighted for the estates. Interview with the sampled workers and staff indicated that they were aware on the SOP during the MCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below: -</p> <p><u>Lanadron Estate</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Training</th> <th style="text-align: center;">Date</th> </tr> </thead> <tbody> <tr> <td>MSPO Training</td> <td style="text-align: center;">12/10/2021</td> </tr> <tr> <td>Pruning Training</td> <td style="text-align: center;">06/10/2021</td> </tr> <tr> <td>Interpump Maintenance Training</td> <td style="text-align: center;">15/09/2021</td> </tr> <tr> <td>Harvesters SOP Training</td> <td style="text-align: center;">15/09/2021</td> </tr> <tr> <td>Passport Safekeeping Training</td> <td style="text-align: center;">15/09/2021</td> </tr> </tbody> </table> <p><u>Pagoh Estate</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Training</th> <th style="text-align: center;">Date</th> </tr> </thead> <tbody> <tr> <td>MSPO Compliance and Safety Training</td> <td style="text-align: center;">06/10/2021</td> </tr> <tr> <td>Audiometry and Safety Training</td> <td style="text-align: center;">08/10/2021</td> </tr> <tr> <td>Harvesting System and Safety Training</td> <td style="text-align: center;">17/09/2021</td> </tr> <tr> <td>COVID-19 Briefing</td> <td style="text-align: center;">13/07/2021</td> </tr> <tr> <td>Passport Locker & Handover Briefing</td> <td style="text-align: center;">15/09/2021</td> </tr> </tbody> </table>	Training	Date	MSPO Training	12/10/2021	Pruning Training	06/10/2021	Interpump Maintenance Training	15/09/2021	Harvesters SOP Training	15/09/2021	Passport Safekeeping Training	15/09/2021	Training	Date	MSPO Compliance and Safety Training	06/10/2021	Audiometry and Safety Training	08/10/2021	Harvesting System and Safety Training	17/09/2021	COVID-19 Briefing	13/07/2021	Passport Locker & Handover Briefing	15/09/2021	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	The estates have conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Estate: Recommended Training Needs for the year 2021 for all estates.	Complied
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	A training programme has been developed and available in the Annual Sustainability Programme 2021. The trainings were sighted to have been sub categorised to trainings on Environmental, GAP, SOP, Social and OSH.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate. Documents associated with the trainings and briefing were available for verification dated as below. Lanadron Estate: 08/07/2020 Pagoh Estate: 04/09/2021	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives;	The estates have established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>Evaluation. The management plan was established for the activity which give significant impact for the environment and documented in Pollution Prevention Plan. The EAI and EIE were reviewed annually basis by the EAI/EIE review team.</p> <p>The Environmental Management Plan for the year 2021 consist of subcategorised plans such as below.</p> <ol style="list-style-type: none"> 1. Waste Management Plan 2. Energy Management Plan 3. Water Management Plan 4. HCV Management Plan 5. Pollution Prevention Plan 6. Chemical Reduction Plan 7. Integrated Pest Management Plan 	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The estates sampled has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment. The EAI and EIE were reviewed annually basis.</p> <p>The management plan stated the objectives of the environmental issue, mitigating measures, person responsible and monitoring period. The progress of the plan was monitored on quarterly basis. The plan was reviewed on annually basis. The management plan stated the Environmental management Plan, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency.</p>	Complied

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4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	All the estates sampled has established the environmental management plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. All the estates continue to promote activities that gives positive impact to the environment by continuously provided awareness to the employees which was communicated through training, briefing and signages.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Training program is available in the estates Training Program updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. Guidance was provided by the SQM prior to the approval and implementation by the estates. Trainings conducted in relation to environmental and its improvement plan are shown as follows. <u>Lanadron Estate</u> <ul style="list-style-type: none"> • Conservation and Biodiversity Training – 14/09/2021 • IPM (Bagworm) Training – 14/06/2021 <u>Pagoh Estate</u> <ul style="list-style-type: none"> • Beneficial Plant and Safety Training – 08/06/2021 • Communal Work (Linesite Cleaning) – 12/02/2021 • Scheduled Waste Management & Safety Training – 07/10/2021 	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Both sampled estates discuss environmental related issues in the JKPP Meetings that are conducted on a quarterly basis. The Environmental Issues were included in the meeting agenda and sighted in the meeting minutes.	Complied

Criterion / Indicator	Assessment Findings	Compliance																																																																												
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																																														
<p>4.5.2.1</p> <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The monitoring of non-renewable energy usage is done on a monthly basis. Sighted the sampled monitoring records for diesel usage per FFB production for 2021 as follows:</p> <p><u>Lanadron Estate</u></p> <table border="1" data-bbox="1048 651 1877 991"> <thead> <tr> <th>Month</th> <th>Diesel (Litres)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr><td>Jan 2021</td><td>3001</td><td>6834</td><td>3010</td></tr> <tr><td>Feb 2021</td><td>4185</td><td>6148</td><td>2765</td></tr> <tr><td>Mar 2021</td><td>3977</td><td>5651</td><td>3035</td></tr> <tr><td>Apr 2021</td><td>4901</td><td>6308</td><td>2976</td></tr> <tr><td>May 2021</td><td>3632</td><td>5903</td><td>3054</td></tr> <tr><td>Jun 2021</td><td>4220</td><td>5983</td><td>2740</td></tr> <tr><td>Jul 2021</td><td>3901</td><td>2818</td><td>4354</td></tr> <tr><td>Aug 2021</td><td>3777</td><td>2383</td><td>2956</td></tr> <tr><td>Sep 2021</td><td>3603</td><td>2491</td><td>5596</td></tr> </tbody> </table> <p><u>Pagoh Estate</u></p> <table border="1" data-bbox="1048 1082 1877 1378"> <thead> <tr> <th>Month</th> <th>Diesel (Litres)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr><td>Jan 2021</td><td>3875.0</td><td>46247</td><td>1400</td></tr> <tr><td>Feb 2021</td><td>5008.0</td><td>46806</td><td>1456</td></tr> <tr><td>Mar 2021</td><td>5018.6</td><td>18999</td><td>2423</td></tr> <tr><td>Apr 2021</td><td>5815.4</td><td>34878</td><td>4806</td></tr> <tr><td>May 2021</td><td>5514.0</td><td>48990</td><td>3622</td></tr> <tr><td>Jun 2021</td><td>4976.0</td><td>14420</td><td>2594</td></tr> <tr><td>Jul 2021</td><td>5827.0</td><td>19990</td><td>3843</td></tr> <tr><td>Aug 2021</td><td>4343.0</td><td>21563</td><td>1707</td></tr> </tbody> </table>	Month	Diesel (Litres)	Electricity (kWh)	Water (m ³)	Jan 2021	3001	6834	3010	Feb 2021	4185	6148	2765	Mar 2021	3977	5651	3035	Apr 2021	4901	6308	2976	May 2021	3632	5903	3054	Jun 2021	4220	5983	2740	Jul 2021	3901	2818	4354	Aug 2021	3777	2383	2956	Sep 2021	3603	2491	5596	Month	Diesel (Litres)	Electricity (kWh)	Water (m ³)	Jan 2021	3875.0	46247	1400	Feb 2021	5008.0	46806	1456	Mar 2021	5018.6	18999	2423	Apr 2021	5815.4	34878	4806	May 2021	5514.0	48990	3622	Jun 2021	4976.0	14420	2594	Jul 2021	5827.0	19990	3843	Aug 2021	4343.0	21563	1707	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		Sep 2021	4218.0	18229	2037	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.				Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate.				Complied
Criterion 4.5.3: Waste management and disposal						
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All the estates sampled has identified the waste products and source pollution and documented in the Waste Management Plan 2021. The type of wastes been identified are Scheduled waste (SW306, SW305, SW102, SW410, SW409, SW404, Scrap Iron), Domestic waste (rubbish, garden waste and sewage), Recycle waste (tires), Clinical waste (syringe) and Industrial waste (scrap iron).				Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	All the estates have established the waste management plan and the plan was reviewed on annually basis. All the sampled estates have identified all waste products and source of pollution and documented in the Waste Management Plan. The waste identified has been categorized as follows: - Domestic Waste – Household Waste, Organic Waste - Industrial Waste – Scrap Metal				Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Scheduled Waste Generated from Estate Operation – Used Hydraulic, Clinical Waste, Oil Filter. - Recyclable Waste – Empty pesticide Containers. <p>In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.</p>	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26/02/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>All the sampled estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Sighted the sampled scheduled waste disposal as below.</p> <p><u>Lanadron Estate</u></p> <ul style="list-style-type: none"> • SW404 – Clinical Waste; Date: 26/08/2021; Quantity: 0.0012 mt; Consignment Number: 20210826109NKAEL; Disposal Operator: Kualiti Alam Sdn Bhd. • SW305 – Engine Oil; Date: 08/07/2021; Quantity: 0.1600 mt; Consignment Number: 2021078120QREPA; Disposal Operator: Pentas Flora (Melaka) Sdn Bhd. • SW409 – Empty Containers; Date: 08/07/2021; Quantity: 0.0250 mt; Consignment Number: 20210708138H5Z9J; Disposal Operator: Pentas Flora (Melaka) Sdn Bhd. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> SW410 – Contaminated Filter & Rags; Date: 08/07/2021; Quantity: 0.0300 mt; Consignment Number: 2021070813CZMOXL; Disposal Operator: Pentas Flora (Melaka) Sdn Bhd. <p><u>Pagoh Estate</u></p> <ul style="list-style-type: none"> SW410 – Cotton Rag; Date: 12/10/2021; Quantity: 0.0050Mt; Consignment Number: 2021101216N1HF48; Facility Operator: Pentas Flora (Melaka) Sdn Bhd. SW410 – Machinery Filter; Date: 08/10/2021; Quantity: 0.0650Mt; Consignment Number: 2021101115PNAKE5; Facility Operator: Pentas Flora (Melaka) Sdn Bhd. SW305 – Lubricant Oil; Date: 08/10/2021; Quantity: 0.1500 Mt; Consignment Number: 2021101216N1HF48; Facility Operator: Pentas Flora (Melaka) Sdn Bhd. SW404 – Clinical Waste; Date: 27/09/2021; Quantity: 0.0057 Mt; Consignment Number: 20211092814KO5V87; Facility Operator: Pentas Flora (Melaka) Sdn Bhd. 	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Excess chemical containers that were not used for premixing have been triple rinsed and punctured was categorized under scheduled waste and disposed through scheduled waste contractor as below:</p> <p><u>Lanadron Estate</u> Date: 25/08/2021; Contractor: Pentas Flora (Melaka) Sdn Bhd; Quantity: 20L Chemical Containers – 35.50 Kgs.</p> <p><u>Pagoh Estate</u> Date: 15/02/2021; Contractor: SS Setia Teknologi Enterprise; Quantity: 20L Chemical Container – 30 pcs and Ally Bottles - 42kgs</p>	Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk	<u>Lanadron Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	of contamination of the environment and watercourses. - Minor compliance -	Disposal of domestic waste is via licensed 3 rd party contractor, MTJJ Enterprise. The contract between Lanadron Estate and MTJJ Enterprise dated 01/04/2021 was available for verification. The Contractor collects the domestic waste twice a week at the estate and disposes them at their designated landfills. The latest tax invoice for rubbish collection was verified dated 30/07/2021 (Invoice Number: MTJJ/LD/RC/07/21). <u>Pagoh Estate</u> Domestic Waste is disposed via 3 rd party Contractor, MTJJ Enterprise. The contract agreement between Sime Darby Plantation Berhad (Pagoh Estate) and MTTJ Enterprise dated 01/02/2021 was available for verification. The rubbish collection is done twice in a week. The weighbridge tickets were available for verification.	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	All the sampled estates have established Environmental Management Plan, Pollution Prevention Plan and Chemical Reduction Plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was reviewed on annual basis. In the plan stated the objectives on the environmental issue, mitigating measures and person responsible. The plan was monitored on monthly basis.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Sighted the implementation of Pollution Prevention Plan at all the sampled estates as follows: <ul style="list-style-type: none"> - To minimise soil erosion during replanting - To comply with EQA (Scheduled Waste) Reg 2005 - To ensure the activities does not pollute the environment. 	Complied

Criterion / Indicator		Assessment Findings	Compliance														
		<ul style="list-style-type: none"> - To ensure no open burning at the workers housing complex area. - To ensure pesticide/herbicide usage at optimum level. 															
Criterion 4.5.5: Natural water resources																	
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>The Water Management Plan for the estates has been established. This is compiled on Group basis and amended to meet demands of specific issue in Operating Units. It was reviewed annually for the 2021 plan.</p> <p>Water for domestic use is obtained from Syarikat Air Johor (SAJ) and provided to all houses for daily usage. Monitoring of water usage is done monthly and data is provided in indicator 4.5.2.1.</p> <p>Documented in Sime Darby Plantation Berhad Slope and River Protection Policy dated 15/01/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the riverbanks.</p> <table border="1"> <thead> <tr> <th>River Width</th> <th>Buffer Zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> <tr> <td>* > 3 meters</td> <td>20 meters</td> </tr> </tbody> </table> <p>* for Sabah Plantations Only</p> <p>The estates have established water management plans and the plans are reviewed annually. The management plan focuses on activities with impact to natural water sources, such as water contamination and action plans during water shortage. The action plan states no chemical interventions and manuring shall be carried out in the riparian</p>	River Width	Buffer Zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	* > 3 meters	20 meters	Minor Non Conformity
River Width	Buffer Zone																
> 40 meters	50 meters																
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* > 3 meters	20 meters																

Criterion / Indicator	Assessment Findings	Compliance
	<p>reserved. Only manual weeding/slashing is allowed. It also states to maintain terrace bund along the waterways.</p> <p>The quality of out-going water into rivers was monitored quarterly by carrying out water analysis. River water sampling for analysis was done for upstream, midstream, and downstream.</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. The water management plan states that: <ol style="list-style-type: none"> a. To monitor the quality of main water inlet/outlet for pollutants from estate’s operations. b. Contingency during water shortage c. To monitor the usage of water d. To reuse/recycle wastewater. 2. Water for domestic consumption is provided by Syarikat Air Johor (SAJ). 3. Incoming and Outgoing Water along Muar River is monitored on a quarterly basis where sample water is taken from the pre-determined sampling points and sent to the accredited lab for analysis. The latest test report dated 21/09/2021 (Test report number: IE884/2021) was available for verification. <p>The results indicated the DO* does not conform with Class IIA/IIB of NWQS for natural waterways. The estate has raised a Corrective/Preventive Action Report on 24/09/2021 that indicated the root cause was due to the sampling being done on a rainy day. Nevertheless, the resampling was not conducted simultaneously as per the water sampling procedure.</p> <p>Therefore, a minor non conformity was raised.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Pagoh Estate</u></p> <ol style="list-style-type: none"> 1. The water management plan states that: <ol style="list-style-type: none"> a. To monitor the quality of main water inlet/outlet for pollutants from estate’s operations. b. Contingency during water shortage c. To monitor the usage of water d. To reuse/recycle wastewater. 2. Water for domestic consumption is provided by Syarikat Air Johor (SAJ). 3. Pesticide Analysis Test Report and Water Analysis Report was done at the water stream that runs through the estate. Results were available as below: <ol style="list-style-type: none"> a. Pesticide Analysis Test Report (Test Report No: PL438/2021) <ul style="list-style-type: none"> - Date: 07/07/2021 - Results indicated that no pesticides were detected in all the samples. b. Water Analysis Test Report (Report Number: IE739/2021) <ul style="list-style-type: none"> - Date: 07/07/2021 <p>Results indicated that the DO* does not conform with Class IIA/IIB of NWQS for natural waterways. The estate has not raised a Corrective/Preventive Action Report and has not conducted resampling as per the Water Sampling Procedure.</p> <p>Therefore, a minor nonconformity was raised.</p>	

Criterion / Indicator		Assessment Findings	Compliance														
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	No bunds were sighted across main rivers and waterways in both estates. There was a total of 8 sampling points as verified with the Sampling Points map.	Complied														
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	The practice of water harvesting was evident in the Action plan to Reduce Fresh Water Usage for Financial Year 2021. The action plan was stated as below. Rainwater Collection 1. Large containers are to be placed at strategic locations to collect rainwater through rain gutter. 2. The rainwater shall be recycled for washing heavy machinery 3. Usage for chemical mixing and daily operation.	Complied														
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																	
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	A HCV Re-assessment for Strategic Operating Unit (SOU) 19 was conducted by PSQM Department, Sime Darby Plantation Sdn. Bhd. and available in a report dated August 2016. The report has identified the Biodiversity Values, Ecosystem Services and Social & Cultural Values available within the SOU 19 landscape. Among the HCV areas that have been identified are as below: <table border="1" data-bbox="1048 1145 1861 1358"> <thead> <tr> <th>Estate</th> <th>Assessment Area</th> <th>Ha</th> <th>Present HCV</th> </tr> </thead> <tbody> <tr> <td>Lanadron Estate</td> <td>River Reserve</td> <td>19.41</td> <td>HCV 4</td> </tr> <tr> <td rowspan="2">Pagoh Estate</td> <td>Water catchment</td> <td>5.10</td> <td rowspan="2">HCV 4</td> </tr> <tr> <td>Water catchment</td> <td>2.80</td> </tr> </tbody> </table>	Estate	Assessment Area	Ha	Present HCV	Lanadron Estate	River Reserve	19.41	HCV 4	Pagoh Estate	Water catchment	5.10	HCV 4	Water catchment	2.80	Complied
Estate	Assessment Area	Ha	Present HCV														
Lanadron Estate	River Reserve	19.41	HCV 4														
Pagoh Estate	Water catchment	5.10	HCV 4														
	Water catchment	2.80															

Criterion / Indicator		Assessment Findings			Compliance
			Water catchment	1.20	
		<p><u>Lanadron Estate</u> Visit to the buffer zone along the Muar River adjacent to the estate indicated that the buffer zone has been well established with natural vegetation. Necessary Signages have been erected to create awareness on the prohibited activities along the buffer zone. There were no traces of chemical or fertilizer application along the buffer zone. Interview with the sprayers indicated that they are aware of the restrictions to apply chemicals along the buffer zones.</p> <p><u>Pagoh Estate</u> Visit to the buffer zone along Pond (water Catchments) in the estate indicated that the buffer zone has been well established with natural vegetation. Necessary Signages have been erected to create awareness on the prohibited activities along the buffer zone. There were no traces of chemical or fertilizer application along the buffer zone. Interview with the sprayers indicated that they are aware of the restrictions to apply chemicals along the buffer zones.</p>			
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>The high biodiversity is included in the HCV Re-assessment report dated August 2016. Birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report. For example, vulnerable animal; bearded pig (mammals) under category totally protected.</p> <p>There is no RTE recorded. Evidence during site verification, discourage illegal or hunting, fishing or collecting activities signboard were maintained and implemented.</p>			Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires.</p> <p>Interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.</p> <p>Sime Darby Plantation Berhad 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. On-going monitoring for HCV areas for all three Estates has been verified. The monitoring was conducted on monthly basis.</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>Zero Open Burning Policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.</p> <p>No open burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.</p>	Complied
4.5.7.2	<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>There is no areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. Thus, this indicator was not applicable.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. Thus this indicator was not applicable.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at sampled estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	SOP was established for the Estates. & Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc. Sime Darby Plantation Berhad has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep. Also sighted the latest addition of SOP Communicable Disease (COVID-19) Prevention & Control Procedure available.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Interview with workers and stakeholders confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	Sime Darby Plantation Berhad has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly. All estates had complied with this policy to not plant on slopes above 25° and Buffer Zone. The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Estates audited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on signboards as sighted in the fields.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2021 to 2026 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO/MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha. CAPEX - capital	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
		expenditure mainly for buildings, furniture and others asset related expenses																			
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	<p>All estates established a replanting program spanned over a 5-year period till 2025. All programs were available for verification:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Lanadron Estate</th> <th>Pagoh Estate</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>-</td> <td>-</td> </tr> <tr> <td>2023</td> <td>-</td> <td>139.45</td> </tr> <tr> <td>2024</td> <td>43.75</td> <td>-</td> </tr> <tr> <td>2025</td> <td>58.94</td> <td>147.33</td> </tr> <tr> <td>2026</td> <td>99.70</td> <td>98.33</td> </tr> </tbody> </table>	Year	Lanadron Estate	Pagoh Estate	2022	-	-	2023	-	139.45	2024	43.75	-	2025	58.94	147.33	2026	99.70	98.33	Complied
Year	Lanadron Estate	Pagoh Estate																			
2022	-	-																			
2023	-	139.45																			
2024	43.75	-																			
2025	58.94	147.33																			
2026	99.70	98.33																			
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance -	The business and management plans were available in the annual budget. The annual budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO & MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.	Complied																		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the monthly progress report. a. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. b. The management also provides variance report on the performance and reviewed on a monthly basis.	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance
		<p>c. The supervisory personnel maintained a daily cost for the field operations.</p> <p>d. The SOU meeting involving the Managers sits monthly with the Regional CEO for the performance review.</p>	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The contract documents template was included with the provision for contractors to comply with all Sime Darby Plantation Berhad requirements including vendor integrity pledge where the contractor to adhere with integrity, transparency, responsibility, anti-bribery, etc. Pricing mechanism is stated in the appendix and agreed by both parties.</p> <p>Lanadron Estate and Pagoh Estate has engaged contractors for varieties of works such as replanting, FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below:</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. Agreement between Sime Darby Plantation Berhad with Diyana Trading (Kim Soon Lee Transport) dated 01/09/2021 for Transportation Of FFB For Diyana Trading and Services 2. Agreement between Sime Darby Plantation Berhad with Gunalabur (M) Sdn Bhd dated 05/01/2021 for Land Preparation For Replanting Oil Palm To Oil Palm Lanadron Estate Field P00N 38.70 ha. <p><u>Pagoh Estate</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>1. Agreement between Sime Darby Plantation Berhad with Kim Soon Lee Transport Sdn Bhd dated 01/09/2021 for FFB Transport valid until 31/12/2021.</p> <p>Pricing of the works/ services and mechanism were clearly stated in the appendix of the agreement and agreed by the contractors. Terms and conditions for progress payment has clearly outlined in the Appendix of the agreement signed by the contractors.</p>	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Payment for FFB purchased has been stated in the contract agreement under section 9. Payment and set out in Section 5 of the First Schedule.</p> <p>Sighted the sampled payment made as per contract agreement as follows:</p> <p>Diyana Trading And Services Sdn. Bhd. for the month of September 2021. Payment Invoice DTSB/INV/2117 dated 30/09/2021.</p> <p>Gunalabur (M) Sdn. Bhd. for the month of July 2021. Payment Invoice IV-00535 dated 31/07/2021.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors engaged by the estates' management has signed on a letter regarding the compliance of RSPO/ MSPO/ SCCS. All the contractors need to follow the RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system.</p> <p>Briefing of RSPO & MSPO was given to the contractors for SOU 19 on 11/10/2021. Seen the training attendance list and training materials. Interviewed with the contractors confirmed that they were provided with training and have signed on the letter.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	<p>Lanadron Estate and Pagoh Estate has engaged contractors for varieties of works such as replanting, FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below:</p> <p><u>Lanadron Estate</u></p> <ol style="list-style-type: none"> 1. Agreement between Sime Darby Plantation Berhad with Diyana Trading (Kim Soon Lee Transport) dated 01/09/2021 for Transportation of FFB For Diyana Trading and Services 2. Agreement between Sime Darby Plantation Berhad with Gunalabur (M) Sdn Bhd dated 05/01/2021 for Land Preparation For Replanting Oil Palm To Oil Palm Lanadron Estate Field P00N 38.70 ha. <p><u>Pagoh Estate</u></p> <ol style="list-style-type: none"> 1. Agreement between Sime Darby Plantation Berhad with Kim Soon Lee Transport Sdn Bhd dated 01/09/2021 for FFB Transport valid until 31/12/2021. 	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Contractors have signed on the letter on RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system which mentioned all contractors shall ensure to reserve the right of the certification bodies (CBs) to audit the activities when it is announce in advance. Sampled the letters signed by contractors on 11/10/2021 for Diyana Trading and Services Sdn Bhd and 11/10/2021 for Kim Soon Lee Transport Sdn Bhd.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the	The contractors engaged by the estates' management has signed on a letter regarding the compliance of RSPO/ MSPO/ SCCS. All the	Complied

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	contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	contractors need to follow the RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system. Briefing of RSPO & MSPO was given to the contractors for SOU 19 on 11/10/2021. Seen the training attendance list and training materials. Interviewed with the contractors confirmed that they were provided with training and have signed on the letter.	
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	No development of new planting at the visited estates.	N/A
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	No development of new planting at the visited estates.	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	No development of new planting at the visited estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	No development of new planting at the visited estates.	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. - Major compliance -	No development of new planting at the visited estates.	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. - Major compliance -	No development of new planting at the visited estates.	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. - Minor compliance -	No development of new planting at the visited estates.	N/A
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the	No development of new planting at the visited estates.	N/A

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

Criterion / Indicator		Assessment Findings	Compliance
	indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	No development of new planting at the visited estates.	N/A
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	No development of new planting at the visited estates.	N/A
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	No development of new planting at the visited estates.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	No development of new planting at the visited estates.	N/A
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	No development of new planting at the visited estates.	N/A

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4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	No development of new planting at the visited estates.	N/A
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	No development of new planting at the visited estates.	N/A

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The policy established mention that Sime Darby Plantation Berhad are committed to making: 1. Promoting Good Governance and Transparency 2. Contributing to a better society 3. Minimizing environmental harm 4. Delivering sustainability quality This policy shall be guided by the commitment spelt out in the company's: 1. Responsible Agriculture Charter (RAC) 2. Human Right Charter (HRC) 3. Innovation & Productivity Charter (IPC)	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	RSPO + MSPO Internal Audit for SOU 19 Pagoh was carried out on 06/08/2021 in Pagoh POM by GSQM & RSQM. The audit was carried out based on the reference of MS 2530-4:2013.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Total 3 major, 0 minor non-conformity and 0 Opportunity for Improvement raised. Seen the Internal Audit Report with root cause identified for the non-conformities and OFIs raised. All the non-conformities and OFIs were closed accordingly.	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Sime Darby Plantation Berhad has developed Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 1/9/2017. The frequency of the internal audit shall be carried out at least once a year and when is required. Total 3 major, 0 minor non-conformity and 0 Opportunity for Improvement raised. Seen the Internal Audit Report with root cause identified for the non-conformities and OFIs raised. All the non-conformities and OFIs were closed accordingly.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the mill's management. The Management Representative has acknowledged on the acceptance of the Internal Audit Report on 07/08/2021 at Pagoh POM. Management review meeting was conducted to review the findings of the internal audit.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Sime Darby Plantations Berhad has established SOP for Management Review documented in Standard Operation Manual, Sub-Section 5.6, dated: 25/5/2015. Based on the SOP established, the frequency for management review needs to be carried out at least once a year.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The latest management review meeting was carried out on 07/08/2021 at Pagoh POM where the agenda that discussed as below:</p> <ol style="list-style-type: none"> 1. Opening by Chairman 2. Previous Meeting Minutes Review 3. Matters Arising from Previous Minutes of Meeting 4. Objective/ Management Program 5. Training Plan 6. Results from Internal Audits: RSPO & MSPO 7. Nonconformity, Corrective and Preventive Actions 8. Customers/ Stakeholders Feedback/ Complaints 9. Resource Needs 10. Changes that could affect the management systems 11. Recommendations for Improvement 12. Other matters 13. Conclusion 	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The continual improvement plan includes environmental, occupational health and safety and operation improvement.</p> <p>Sighted the Continual Improvement Plan for Pagoh POM, established on 01/09/2021 which includes items such as:</p> <ol style="list-style-type: none"> 1. Improvement of workers living condition: <ul style="list-style-type: none"> • Installation of ceiling fan, bed and steel cabinet 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Continuous repairing job for estate quarters • Installation of board (evacuation plan, emergency contact number) <ol style="list-style-type: none"> 2. Bund heightening at waste recovery pressing pit to avoid oil spillage into monsoon drain. 3. Improvise on digester control level by installation of censor to reduce human error. 4. Planted vertiver grass at stabilization pond to prevent soil erosion. 5. Bund heightening at sterilizer condensate pit to prevent spill from sterilizer. 6. To sell empty bunch to potential buyer. To reduce EFB stock at yard to avoid over than allowable capacity. 	
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the weekly briefings. The management team will be informed of such development during the monthly management meetings. Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

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

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		Besides, the company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Assistant Mill Engineer, Mr Ahmad Junaidy Jaafar of the Pagoh POM has been appointed as Social Officer to handle any issue related to social in the mill. Seen the appointment letter dated 15/01/2020 issued by the Manager.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Sighted List of stakeholders for the year of 2021. The list was updated on 01/08/2021. Stakeholder meeting for Pagoh POM has been conducted on via feedback form dated 06/10/2021 through email requisition due to Pandemic COVID-19 to all stakeholders. Sighted sample of feedback from Temis (M) Sdn Bhd, Kelapa Sawit Tai Hwa Sdn Bhd, Tay Scientific Instruments Sdn Bhd and Koperasi membeli Tanah Grisek Ledang Berhad. There is no complaint gain from the stakeholder's feedback.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Ref.: Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, 2018; issue no. 5, April 2019. Pagoh POM is receiving FFB mainly from its certified supply base – Lanadron Estate, Pengkalan Bukit Estate and Pagoh Estate. The mill also receives crop diverted from its sister estates such as Welch Estate, Kempas Estate, Kemuning Estate and Tangkak Estate. Non-certified third party FFB is also received from OCP such as Eng Juat,	Complied

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	<p>PPMSB, Impressive Transform Sdn Bhd, Sin Chin Joo Sdn Bhd, Koperasi Membeli Tanah Grisek, Ledang Bhd, Tai Hwa and Tiong Oil Palm. Among the relevant documents to ensure traceability are were sampled as follows:</p> <p>For own supply base and diverted sister estates: The weighbridge ticket provided the following details: <u>For own supply base and diverted sister estates:</u></p> <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment - Date of the shipment <p><u>For External Supply Base (OCP):</u></p> <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment - Date of the shipment <p><u>For despatch of CPO & PK, the weighbridge ticket includes the following information to ensure traceability:</u></p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Customer Name - Destination of the CPO /PK - Product - DO number - PO number - Weight of the product. 	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by conducting MSPO internal audit. The last audits were conducted on 06/08/2021. Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the mill managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Stock movement of CSPO & CSPK is recorded Mass Balancing Records for Oil Mill and available for verification. Details of the production and sales of crude palm oil and palm kernel is detailed out in the summary report above.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Sime Darby Plantation Berhad have established a mechanism to ensure compliance to legal and other requirement and documented in EQMS & MQMS (Estate & Mill Quality Management System) under	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Standard Operation Manual distributed to all operating units under SOU19.</p> <p>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. Refer to Sime Darby Plantation, ESH Management System Manual, ESH Legal & Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision: 0. Date: 01/07/2012.</p> <p>As to date, Pagoh POM comply with all the applicable local, state, national and ratified international laws and regulations.</p> <p>Among the Permits and License sampled were:</p> <ol style="list-style-type: none"> 1. DOE Compliance Schedule; License Number: 002366; Reference Number: AS(B)J31/152/000/090; License Validity Period: 01/07/2021 – 30/06/2022; Effluent Discharge Method: discharged through Water Way. 2. MPOB License; License Number: 565809104000; Allowed Processing Capacity: 180,000 Mt/year; License Validity Period: 01/11/2021 – 31/10/2022. 3. River Water Diversion and Extraction License; License Number: 08/A/Muar/020; File Number: BAKAJ:334/300/05/03/08/2; Maximum Abstraction: 600m³/day; License Expiry Date: 31/12/2021. 4. Energy Commission – Private Installation License; Serial Number: 005325/2021; Installation Number: ST(SJB)P/S/JHR/01967; License valid for 2 years from 22/07/2021. 	

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Criterion / Indicator		Assessment Findings	Compliance
		5. Fire Certificate (BOMBA); Serial Number: 320900; Certificate Number: JBPM: JH/7/561/2020; License Validity Period: 22/10/2020 – 21/10/2021.	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Documented Procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008. All legal requirements were documented in Legal and Other Requirement Register available at the estates. The register is reviewed regularly and updated as and when there are new or amended legal requirements that are applicable to the estate operations. The latest review was conducted on 05/07/2021.	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Documented procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008. All legal requirements were documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the mill. The legal register at the mill were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the mill undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management. All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities	Complied

Criterion / Indicator		Assessment Findings	Compliance
		(Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented. The mill management has appointed the Assistant Engineer, Mr. Ahmad Junaidy bin Jaapar on 15/01/2021 as the PIC to monitor any changes on the LORR and update the register as and when necessary as stated in the job functions as RSPO/MSPO/SCCS Representative undersigned by the Mill Manager.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The management ensure that their oil palm cultivation activities do not diminish the land use rights of other users by ensuring the legal boundary is correct through land survey during the development.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Pagoh POM is located within Pagoh Estate. Pagoh Estate has been established since 1963/1964. The land title applicable to Pagoh POM with Grant number 93881 (lot 2159) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 03/07/2013. The usage of land is not stated. The land was granted by the Johor State. Hence it is applicable for any usage. The original land title was registered on 25/11/2002.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The mill area is within the area of Pagoh Estate’s land title. The permanent fence had been constructed to demarcate the vicinity of the mill milling area.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	At time of visit, there was no evidence to show of any land disputes in mill.	N/A
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>The mill has conducted Social Impact Assessment (SIA) conducted in June 2013. The assessment conducted was include the feedbacks from the stakeholder engagement meeting. Besides providing socio-economic baseline data, the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of mill.</p> <p>The mill has established action plan for Social Assessment year 2021 dated 01/09/2021. The action plan taking consideration issue such as issue from Workers, surrounding communities, government agencies, suppliers, contractors, staff and management.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Consultation and communication were conducted through written reports and meetings.</p> <p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook or complaints form for stakeholders.</p> <p>Government Agencies such as DOSH and DOE recorded their visit reports in the logbook. Sighted the latest visit report from DOSH dated 21/9/2021 and DOE dated 04/07/2021.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair form with latest report dated 01/04/2021. All complaints have been satisfactorily addressed by the estate.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>The mill has established communication book/form for internal and external complaint. The communication log book/forms is available at mill office.</p> <p>In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail.</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>Interview with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting. "Talian Bantuan Pekerja" under Ulula was the latest system for workers to make any complaint and grievances, Awareness training has been conducted 04/09/2021.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Record review found that previous complaints and requests for the past 24 months were still available.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Since the last assessment, among the contributions from the mill were: 1. "Communal Work at Surau" dated 10/04/2021 2. "Iftar" with workers and management dated 12/05/2021	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill. The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. Pagoh POM has established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2021. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring and Health monitoring.	Complied

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<p>4.4.4.2 The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> ii. All employees involved are adequately trained on safe working practices; iii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business 	<p>The occupational safety and health plan cover the following:</p> <ul style="list-style-type: none"> a) Sime Darby Plantation Berhad have established the Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The policy has been briefed to all workers on 01/03/2021. b) HIRARC was available for all operations within the Mill to identify the hazards, assess and recommended control measures to minimize the risks. Among the HIRARC sampled were Weighbridge, Ramp, Sterilization, Threshing Station and Pressing. HIRARCs have been recently reviewed due to accidents that occur in regard to the related activity. Sighted the HIRARC for Ramp – FFB Grading reviewed on 29/09/2021 due to a related incident that occurred on 20/09/2021. The reviewed HIRARC stated the recommended risk control as – wear safety goggles. Based on the interview with the workers and the worker involved with the incident, they have not been provided with the goggles for the activity. Thus, Minor NC was raised. <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 10-30/04/2018 by DOSH Registered Assessor, Tan Tiong Ping (HQ/03/ASS/00/160) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/03/ASS/00/160-2018/057) was available for verification.</p>	<p>Minor Non Conformity</p>

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<p>such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to particular hazards such a Manganese. The Mill has conducted the medical surveillance on 15, 17 & 18/03/2021 for 10 of the workers at Klinik Kuan Sdn Bhd where 3 workers had normal results and 7 workers had abnormal results. Nevertheless, no workers were recommended for removal.</p> <p>Noise Risk Assessment was conducted by PAC Testing & Consulting Sdn Bhd on 19/05/2021 for Pagoh POM by a Noise Risk Assessor, Pauzer Bin Ahmad (NRA Reg: HQ/09/PEB/00/67). The NRA Report (Ref. No: HQ/09/PEB/00/67-2020/014) was available for verification.</p> <p>Annual & Baseline Audiometric Testing was conducted for all workers exposed to excessive noise in the mill. A total of 56 workers were examined and the results indicated that 35 workers had normal hearing and 21 workers had abnormal hearing. Out of the 21 workers with abnormal hearing, 12 workers were diagnosed with Standards Threshold Shift. The mill has planned for a retest for the 12 workers on 25 – 28/10/2021.</p> <p>c) The mill has established a training and awareness program for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators.</p> <p>d) The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated</p>	

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		<p>17/03/2008. Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26/02/2015.</p> <p>Nevertheless, the storage of Petronas Diesel Euro 5 (B7) was not in accordance with the Mill Quality Management System under the Occupational Safety Health Manual, Chapter 9 (Chemical Safety Management) states under No. 6.0 Procedures for Handling, iii. <i>Ensure that containers is properly labelled, not damaged and no spillage during handling.</i> During the site visit to the Lubricant Store it was noticed that the diesel and lubricants were stored in containers with that were not labelled accordingly.</p> <p>f) The Mill Manager, Mr. Mohd Fadzli Bin Hasbullah was appointed to be the Chairman of OSH Committee at the Mill as stated in the appointment letter dated 01/01/2020 undersigned by the Regional General Manager (Central West). Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The Mill Management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by</p>	

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	<p>contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated 28/04/2021 and 04/02/2021 available for verification.</p> <p>h) Accident and emergency procedures are available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision: 0; Date 01/07/2012.</p> <p>The mill has established Emergency Response Team lead by the Mill Engineer. Fire Drill was conducted on 04/10/2021 at the mill. Chemical Spill Drill was conducted on 15/02/2021</p> <p>i) First aiders were present at various workstations at the mill such as ramp, boiler station and workshop. The first aiders were responsible for first aid box at each workstation assigned to them by the management. The first aid box was recently replenished with records of monthly monitoring available for verification. The latest First Aid Training was conducted on 08/10/2021 and 08/02/2021.</p> <p>j) Accident records are recorded and maintained in the mill and discussed during the quarterly held JKKP Meetings. There were 1 reported accident for the year 2020 in the workplace. The accident investigation report was available for verification. Sighted the JKKP 8 form submission to JKKP for the year 2020 as well, submitted on 07/01/2021. 4 accident cases were reported for the year 2021 as of to date with a total of 23 LTA. The JKKP6 forms have been submitted to DOSH accordingly and were available for verification.</p>	
<p>Criterion 4.4.5:Employment conditions</p>		

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has established Group Sustainability & Quality Policy Statement dated 2/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, and business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees during induction training for new employees and morning muster. Latest Policy Briefing was conducted at Pagoh POM on 01/03/2021.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership,</p>	Complied

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		political affiliation or age. The policy has been briefed to all the employees and stakeholders.	
4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p> <p>Sampled of agreement pay slips for February 2021, May 2021 and August 2021 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 147827 2. Employee ID: 086593 3. Employee ID: 086597 4. Employee ID: 160234 5. Employee ID: 155419 6. Employee ID: 155443 7. Employee ID: 126703 8. Employee ID: 126325 	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Reviewed the payslips and employment contract for contractor’s workers found that the workers were paid accordingly with Minimum Wages Order 2020. Deduction of EPF, SOCSO and EIS found in order. Verified pay slip month of February 2021, May 2021 and August 2021. Sample were taken as below:</p> <p>Contractor: Lotus Two Enterprise (Supply Skill Labor for Mill Maintenance Work)</p> <ol style="list-style-type: none"> 1. Romel, Passport Number: BT0369XXX 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. Sheikh Mohamed Suruz: BT0296XXX	
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The mill management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The mill management has employed local and foreign workers from Indonesia. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.</p> <p>Sampled of agreement pay slips for February 2021, May 2021 and August 2021 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 147827 2. Employee ID: 086593 3. Employee ID: 086597 4. Employee ID: 160234 5. Employee ID: 155419 6. Employee ID: 155443 7. Employee ID: 126703 8. Employee ID: 126325 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month was developed and maintained as well.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the individual card. Sime Darby Plantation Berhad has obtain permit for overtime work not more than 130 hours per month from Peninsular Malaysia Labour Office as per letter dated 27/3/2017. Refer letter ref. no. BHG.PU/9/134 JLD 9 (11).	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime were paid according to the "Punch card system". Total hours of overtime and daily attendance has recorded in the individual card. All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2020 i.e. RM1200/month or RM46.15/day. Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements. Sampled of agreement pay slips for February 2021, May 2021 and August 2021 as below: 1. Employee ID: 147827 2. Employee ID: 086593 3. Employee ID: 086597 4. Employee ID: 160234 5. Employee ID: 155419	Complied

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		6. Employee ID: 155443 7. Employee ID: 126703 8. Employee ID: 126325	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	The management has contributed 10kg of rice once every 2 months for all their workers. Apart from that, all the workers are provided with free medical facilities. In addition, all the workers are entitled with the phone allowance of RM5 for every month. Free housing facilities were provided to all the workers and their families.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The mill's management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. The mill workers are using SAJ water. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. The last inspection for August 2021 and July 2021 was conducted on 09/10/2021, 02/10/2021, 24/09/2021 and 18/09/2021 at Pagoh POM.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Latest Policy Briefing was conducted at Pagoh POM on 01/03/2021.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Gender Committee was established in Pagoh POM to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 17/07/2021. Issues reported were recorded in the minutes. Interviewed with the female workers found that no sexual harassment or violence case reported so far.	
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. The mill management allowed their workers to form or join any association such as NUPW. Document reviewed on their payslip found that they are deducted for the UNION subscription fees of RM 8 monthly.</p> <p>UNION meeting was conducted on 28/04/2021 with the members and management representatives to discuss issues related to workers. The minutes of meeting were available for verification and found properly documented. Interview with the workers confirmed that they are allowed to join any trade union freely.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.</p>	Complied
Criterion 4.4.6: Training and competency			

Criterion / Indicator		Assessment Findings	Compliance												
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Pagoh POM have established a training program for all workers based on the training need analysis conducted on a yearly basis. COVID-19 training and briefings were sighted for the mill. Interview with the sampled workers and staff indicated that they were aware on the SOP during the MCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>SOP & 5S Housekeeping Training</td> <td>04/10/2021</td> </tr> <tr> <td>Oil Room Equipment Training</td> <td>24/09/2021</td> </tr> <tr> <td>Boiler Stack Monitoring Records</td> <td>24/09/2021</td> </tr> <tr> <td>Hearing Conservation Training</td> <td>19/09/2021</td> </tr> <tr> <td>Sexual Harassment Briefing</td> <td>23/07/2021</td> </tr> </tbody> </table>	Training	Date	SOP & 5S Housekeeping Training	04/10/2021	Oil Room Equipment Training	24/09/2021	Boiler Stack Monitoring Records	24/09/2021	Hearing Conservation Training	19/09/2021	Sexual Harassment Briefing	23/07/2021	Complied
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4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Pagoh POM has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Requirement for Strategic Operating Units (Mill – SOU 19) for the year 2021 for verification.</p>	Complied												
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A training programme has been developed and available in the Training Requirement for Pagoh POM ESH Activities for 2021. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.</p>	Complied												
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>															

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	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. - Major compliance -	Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill. The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. The policy has been briefed to all workers on 01/03/2021.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Last reviewed was done on 11/02/2020.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The Continual Improvement Plan has incorporated various programmes to promote the positive impacts towards the environment and was available in the Environment Management Plan that had been subcategorized to Waste Management, Water Management, HCV Area / Biodiversity, Energy Management, GHG Reductions and Pollution Preventions.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The mill management has established annual ESH Training Plan from FY 2021 which covers the environmental awareness and compliance related trainings to the executives, staffs and workers. Among the awareness and trainings verified were: 1. HCV Training – 27/07/2021 2. Zero Burning Policy Training – 01/03/2021 3. Schedule Waste Handling Training – 02/11/2020	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Pagoh POM conducts quarterly Environment Performance Monitoring Committee (EPMC) Meetings to address the environment quality, issues and opportunity for improvements. The EPMC Meeting Minutes were available for verification dated 05/05/2021	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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 - Major compliance -	Pagoh POM maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																																								
		<p>Pagoh POM has established baseline for non-renewable energy base on average of last 3 years usage/FFB produce. The monitoring of non-renewable energy usage was conducted annually.</p> <p>Sighted the sampled monitoring records for diesel, electricity and water usage at Pagoh POM for 2021 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel (L)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr> <td>Jan 21</td> <td>1,260</td> <td>119,707</td> <td>8,389</td> </tr> <tr> <td>Feb 21</td> <td>1,260</td> <td>97,495</td> <td>10,741</td> </tr> <tr> <td>Mar 21</td> <td>1,240</td> <td>79,980</td> <td>14,981</td> </tr> <tr> <td>Apr 21</td> <td>1,260</td> <td>102,029</td> <td>16,247</td> </tr> <tr> <td>May 21</td> <td>1,730</td> <td>91,016</td> <td>14,589</td> </tr> <tr> <td>Jun 21</td> <td>1,260</td> <td>102,029</td> <td>15,302</td> </tr> <tr> <td>Jul 21</td> <td>1,260</td> <td>110,543</td> <td>12,169</td> </tr> <tr> <td>Aug 21</td> <td>420</td> <td>95,549</td> <td>8,122</td> </tr> <tr> <td>Sept 21</td> <td>911</td> <td>135,636</td> <td>14,898</td> </tr> </tbody> </table>	Month	Diesel (L)	Electricity (kWh)	Water (m ³)	Jan 21	1,260	119,707	8,389	Feb 21	1,260	97,495	10,741	Mar 21	1,240	79,980	14,981	Apr 21	1,260	102,029	16,247	May 21	1,730	91,016	14,589	Jun 21	1,260	102,029	15,302	Jul 21	1,260	110,543	12,169	Aug 21	420	95,549	8,122	Sept 21	911	135,636	14,898	
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Pagoh POM has estimation of total energy required. This estimation was compared to the actual usage on a monthly basis and reported to the head office for monitoring purposes. The estimation of total energy required is available in the annual budget prepared by the management of Pagoh POM.</p>	Complied																																								
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fiber and shells were also used to generate electricity through steam turbine and boiler.</p>	Complied																																								

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Criterion / Indicator		Assessment Findings	Compliance																														
		<p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel. Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available.</p> <p><u>Renewable Energy Summary</u></p> <table border="1"> <thead> <tr> <th>Month</th> <th>Fibre</th> <th>Shell</th> </tr> </thead> <tbody> <tr> <td>Jan 2021</td> <td>4948.72</td> <td>2120.88</td> </tr> <tr> <td>Feb 2021</td> <td>5944.68</td> <td>2547.72</td> </tr> <tr> <td>Mar 2021</td> <td>8624.71</td> <td>3542.02</td> </tr> <tr> <td>Apr 2021</td> <td>9200.58</td> <td>3943.11</td> </tr> <tr> <td>May 2021</td> <td>8697.47</td> <td>3727.49</td> </tr> <tr> <td>Jun 2021</td> <td>9161.00</td> <td>3926.14</td> </tr> <tr> <td>Jul 2021</td> <td>6406.65</td> <td>2745.71</td> </tr> <tr> <td>Aug 2021</td> <td>6556.30</td> <td>2809.84</td> </tr> <tr> <td>Sept 2021</td> <td>8597.36</td> <td>3684.58</td> </tr> </tbody> </table>	Month	Fibre	Shell	Jan 2021	4948.72	2120.88	Feb 2021	5944.68	2547.72	Mar 2021	8624.71	3542.02	Apr 2021	9200.58	3943.11	May 2021	8697.47	3727.49	Jun 2021	9161.00	3926.14	Jul 2021	6406.65	2745.71	Aug 2021	6556.30	2809.84	Sept 2021	8597.36	3684.58	
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Criterion 4.5.3:Waste management and disposal																																	
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Pagoh POM has identified the waste products and source pollution and documented in the Waste Management Plan 2021. The waste has been identified as follows:</p> <ol style="list-style-type: none"> 1. Domestic Waste – Household waste, Organic Waste, Sewage 2. Industrial Waste – Scrap Metal 	Complied																														

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Criterion / Indicator		Assessment Findings	Compliance
		<p>3. Scheduled Waste from Mill Operation – Used Hydraulic, Lubricant, Used chemical Containers, Electric Waste, used chemical Waste, cotton Rag from workshop and process.</p> <p>4. Recyclable Waste – POME, EFB</p> <p>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be well maintained.</p>	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>Pagoh POM has established the waste management plan and the plan was reviewed on an annual basis.</p> <p>The mill has identified the waste products and source pollution and documented in Waste Management Plan 2021. The waste has been identified as follows:</p> <ol style="list-style-type: none"> 1. Domestic Waste – Household waste, Organic Waste, Sewage 2. Industrial Waste – Scrap Metal 3. Scheduled Waste from Mill Operation – Used Hydraulic, Lubricant, Used chemical Containers, Electric Waste, used chemical Waste, cotton Rag from workshop and process. 4. Recyclable Waste – POME, EFB <p>In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.</p>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations,</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/02/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers staffs and executives.</p>	Complied

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<p>2005 - Major compliance -</p>	<p>Pagoh POM also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during interview with storekeeper shows the understanding of the proper disposal of waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area prior to disposal.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> • Consignment Number: 2021090311FIAY5C; Date Submitted: 03/09/2021; Waste Code: SW109; Waste Name: Spent Lighting Component; Quantity: 0.0440 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. • Consignment Number: 2021090312DEKYM1; Date Submitted: 03/09/2021; Waste Code: SW110; Waste Name: Waste From Electrical; Quantity: 0.0940 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. • Consignment Number: 20210730132N64XE; Date Submitted: 30/07/2021; Waste Code: SW324; Waste Name: Spent Hexane; Quantity: 0.0691 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. • Consignment Number: 20210730136IC17W; Date Submitted: 30/07/2021; Waste Code: SW322; Waste Name: Spent IPA; Quantity: 0.0778 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. 	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Consignment Number: 2021073013UECNK1; Date Submitted: 30/07/2021; Waste Code: SW410; Waste Name: Rop Cotton & Pad Filter; Quantity: 0.0268 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. • Consignment Number: 2021073013IHJTLU; Date Submitted: 30/07/2021; Waste Code: SW409; Waste Name: Chemical Drum; Quantity: 0.2376 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. • Consignment Number: 20210730134FNVGO; Date Submitted: 30/07/2021; Waste Code: SW306; Waste Name: Spent Hydraulic Oil; Quantity: 0.0372 Mt; Name of Contractor: Kualiti Alam Sdn Bhd. 	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic Waste is disposed via 3 rd party Contractor, MTJJ Enterprise. The contract agreement between Sime Darby Plantation Berhad (Pagoh Estate) and MTTJ Enterprise dated 01/02/2021 was available for verification. The rubbish collection is done twice in a week. The weighbridge tickets were available for verification.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	An assessment plan for all identified polluting activities was established based on the Environment Aspect and Impact assessment. Polluting activities were monitored based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. Besides that, the mill also monitors the Green House Gas emission and recyclable waste.	Complied

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Criterion / Indicator		Assessment Findings	Compliance															
		<p>Observed the dust emission monitoring report conducted by Procoma Environmental (M) Sdn. Bhd. as follows:</p> <table border="1"> <thead> <tr> <th>Descriptions</th> <th>Boiler No.1</th> <th>Boiler No.1</th> </tr> </thead> <tbody> <tr> <td>Period</td> <td>1st Half 2021</td> <td>2nd Half 2020</td> </tr> <tr> <td>Date of Measurement</td> <td>22/06/2021</td> <td>20/10/2020</td> </tr> <tr> <td>Dust Emission Load (mg/Nm³, dry, @ 12% CO₂)</td> <td>0.79</td> <td>5.12</td> </tr> <tr> <td>Dust Emission Limit (mg/Nm³, dry, @ 12% CO₂)</td> <td>150</td> <td>150</td> </tr> </tbody> </table> <p>The emission level of Total Particulate matter @ 12% CO₂ for the boilers monitored were within the Malaysian Environmental Quality (Clean Air) Regulations 2014.</p>	Descriptions	Boiler No.1	Boiler No.1	Period	1 st Half 2021	2 nd Half 2020	Date of Measurement	22/06/2021	20/10/2020	Dust Emission Load (mg/Nm ³ , dry, @ 12% CO ₂)	0.79	5.12	Dust Emission Limit (mg/Nm ³ , dry, @ 12% CO ₂)	150	150	
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4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Pagoh POM have established a GHG Reduction Plan for the year 2021. The plan has identified the possible issues within the mill that may lead towards pollution. The plan consists of the issues, action plan to be taken, person in charge to monitor the action plan, time frame and status of compliance.</p> <p>Among the pollution issues identified are as follows:</p> <ol style="list-style-type: none"> 1. Diesel - Optimization of diesel usage for the tractors available. 2. Diesel - Monitoring on the usage of diesel use. 3. Electricity - To optimize the usage of electricity and reduce wastage 4. Reduction of GHG emission - To monitor and control the potential source gaseous. 	Complied															

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Criterion / Indicator		Assessment Findings	Compliance												
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Pagoh POM applies the biological system with 14 ponds in series for its treatment of effluent. The mill is disposing its effluent to the water ways.</p> <p>The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. DOE standards. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Analysis Test Report Results as follows:</p> <ul style="list-style-type: none"> • Test Report Number: EP440/2021 • Date Sampled: 02/09/2021 • Lab Code: C-W-EP-202109-001934 • Results <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>pH</th> <th>BOD</th> <th>SS</th> <th>TN</th> <th>AN</th> <th>O&G</th> </tr> </thead> <tbody> <tr> <td>9.5</td> <td>6</td> <td>150</td> <td>18</td> <td>2</td> <td>5</td> </tr> </tbody> </table> <p>The results indicated that the pH does not conform with the parameter limits for watercourse discharge.</p> <p>It was observed that the pH recorded levels slightly higher than the standard parameter at the Final Discharge Point for the month July 2021 – Sept 2021. The mill has justified that the levels does not affect the environment negatively. Nevertheless, the mill can conduct further monitoring and methods to ensure the pH levels are brought below the standard parameters. Therefore, an OFI was raised.</p>	pH	BOD	SS	TN	AN	O&G	9.5	6	150	18	2	5	OFI
pH	BOD	SS	TN	AN	O&G										
9.5	6	150	18	2	5										
Criterion 4.5.5: Natural water resources															
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources</p>	<p>1. Water Management was established and verified to state the following:</p>	Complied												

Criterion / Indicator		Assessment Findings	Compliance
	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<ul style="list-style-type: none"> a. Protection of watercourse <ul style="list-style-type: none"> • To monitor the water quality by sending water sampling for analysis by R&D. b. Contingency during water shortage <ul style="list-style-type: none"> • To record water usage level to be capped at the volume permitted in license. • To renew license for abstracting of water from water bodies • Treated water to process <p>2. Water Quality for Domestic use is provided by Syarikat Air Johor (SAJ). Water Analysis Test Report (IE928/2021) sampled on 02/09/2021 was available for verification. The results dated 01/10/2021 indicated that samples taken at 4 sampling points (Hulu – Parit Jono Muar, Hilir – Parit Jono Muar, Hulu – 300 Meter From Final Discharge and Hilir – 300 Meter From Final Discharge) does conform with the Class IIA/IIB of NWQS for natural Waterways.</p>	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>As of now there are no plans to gradually phase out the discharge of POME into the water course. Nevertheless, the mill ensures all environmental requirements that have been detailed out in the DOE Compliance schedule are complied to.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Pagoh POM processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the Mill Advisor scheduled on a 6-monthly basis. In addition, there are audits by Regional 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 RSQM internal audit report were sighted, and system adopted is effective.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year 2020/ PY2/ PY3/ PY4/ PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK. Component of operating expenditure includes process labour,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		maintenance external, maintenance parts, consumable, EVIT, admin cost, labour overhead. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement/ upgrading of building/machinery, workers amenities for the mill.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The pricing mechanism was conducted as per contract agreement between the FFB Supplier and Sime Darby Plantation Berhad. Stated in the agreement under section 8. Pricing of the FFB shown in the Third Schedule in the contract agreement. Sighted sampled contract between FFB Supplier and Sime Darby Plantation Berhad as follows: 1. Eng Huat Latex Concentrate Sdn. Bhd, Agreement no. P/P/1220/FFB02593L dated 01/01/2021 until 31/12/2021 2. Sin Chin Joo Sdn. Bhd., Agreement no. P/P/1220/FFB02596L dated 01/01/2021 until 31/12/2021	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sighted sampled contract between FFB Supplier and Sime Darby Plantation Berhad as follows: 1. Eng Huat Latex Concentrate Sdn. Bhd, Agreement no. P/P/1220/FFB02593L dated 01/01/2021 until 31/12/2021 2. Sin Chin Joo Sdn. Bhd., Agreement no. P/P/1220/FFB02596L dated 01/01/2021 until 31/12/2021 Payment for FFB purchased has been stated in the contract agreement under section 9. Payment and set out in Section 5 of the First Schedule. Sighted the sampled payment made as per contract agreement as follows:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Payment for Eng Huat Latex and Sin Chin Joo Sdn Bhd dated 30/09/2021 for both for the month of September 2021 as per Self Bill Invoice no. P/AFVCH-201125 and P/AFVCH-201129 respectively.	
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors were made to understand the MSPO requirements and shall provide the required documentation and information through meetings and trainings. Records of attendance of the meetings were available for verification. All contracted parties/vendors were required to signed Vendor Integrity Pledge (VIP) and to comply with para - a (i); Vendor Code of Business Conduct (VCOBC) - a (ii); all applicable laws and regulations related anti-bribery, fraud and corruption. Sighted the sampled contracts as follows: Contracts between Sime Darby Plantation Berhad with Teo Tuan Kwee Sdn. Bhd. dated 12/12/2020. Contract period from 01/11/2020 to 31/10/2023 for Transportation of CPO Services For Sime Darby Plantation Berhad’s Peninsular Malaysia Oil Mills.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers’ welfare, safety and environmental issues.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	A letter dated 17/06/2019 on RSPO/ MSPO/ SCCS awareness issued to all the contractors and suppliers in the mill. The letter has stated that all Contractors need to follow RSPO/ MSPO/ SCCS guideline in	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance -</p>	<p>accordance with the Sime Darby Plantation of Mill Quality Management System. All contractors shall ensure to reserve the right of the certification bodies (CBs) to audit the operation if an audit is deemed necessary.</p>	

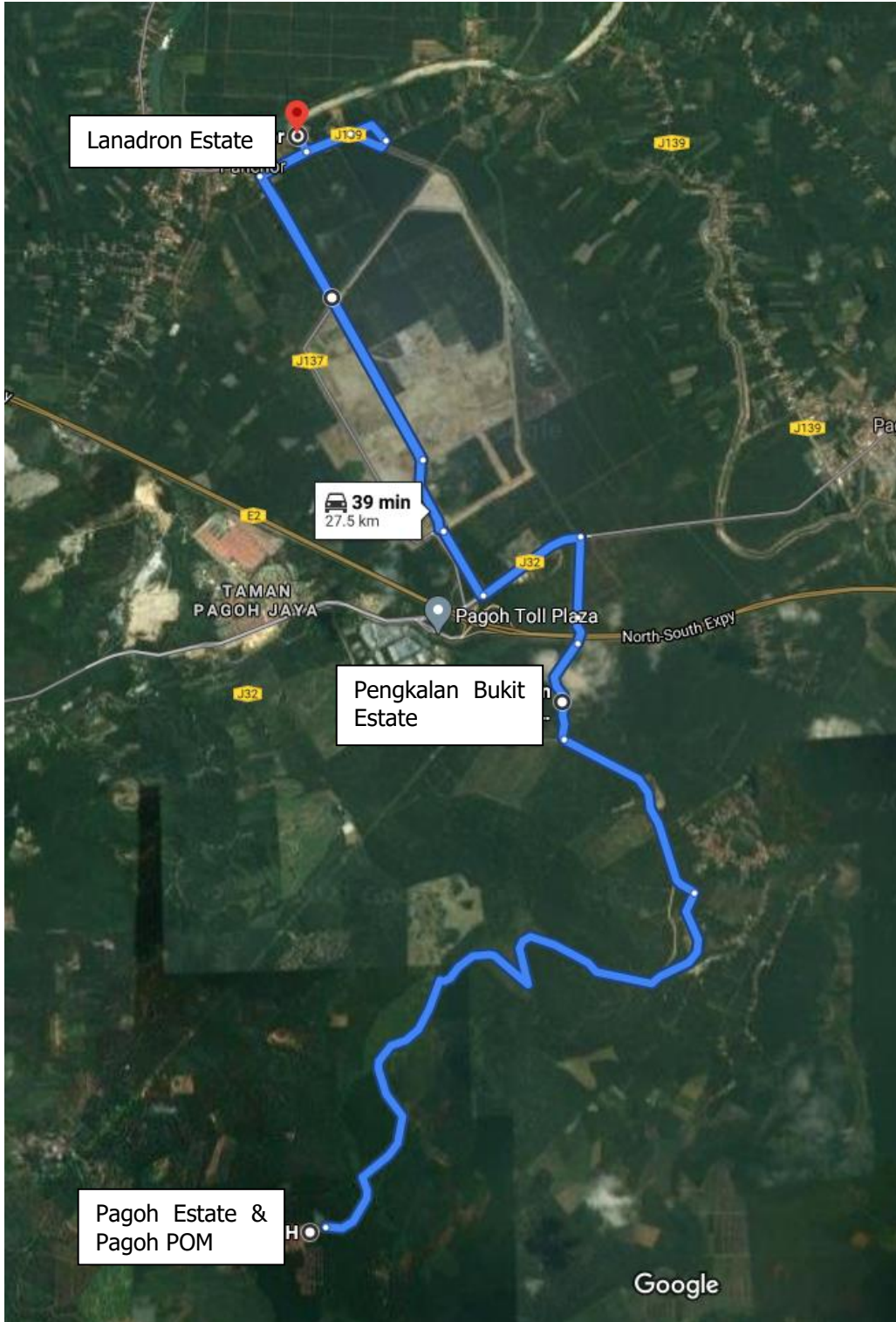
Appendix B: List of Stakeholders Contacted

<p>Government Officer: -</p>	<p>Community/neighbouring village: JPKK Head Village</p>
<p>Suppliers/Contractors/Vendors: Sin Chin Joo Sdn Bhd Eng Huat</p>	<p>Worker’s Representative/Gender Committee: Gender Committee Representatives Foreign & local workers NUPW Representatives</p>

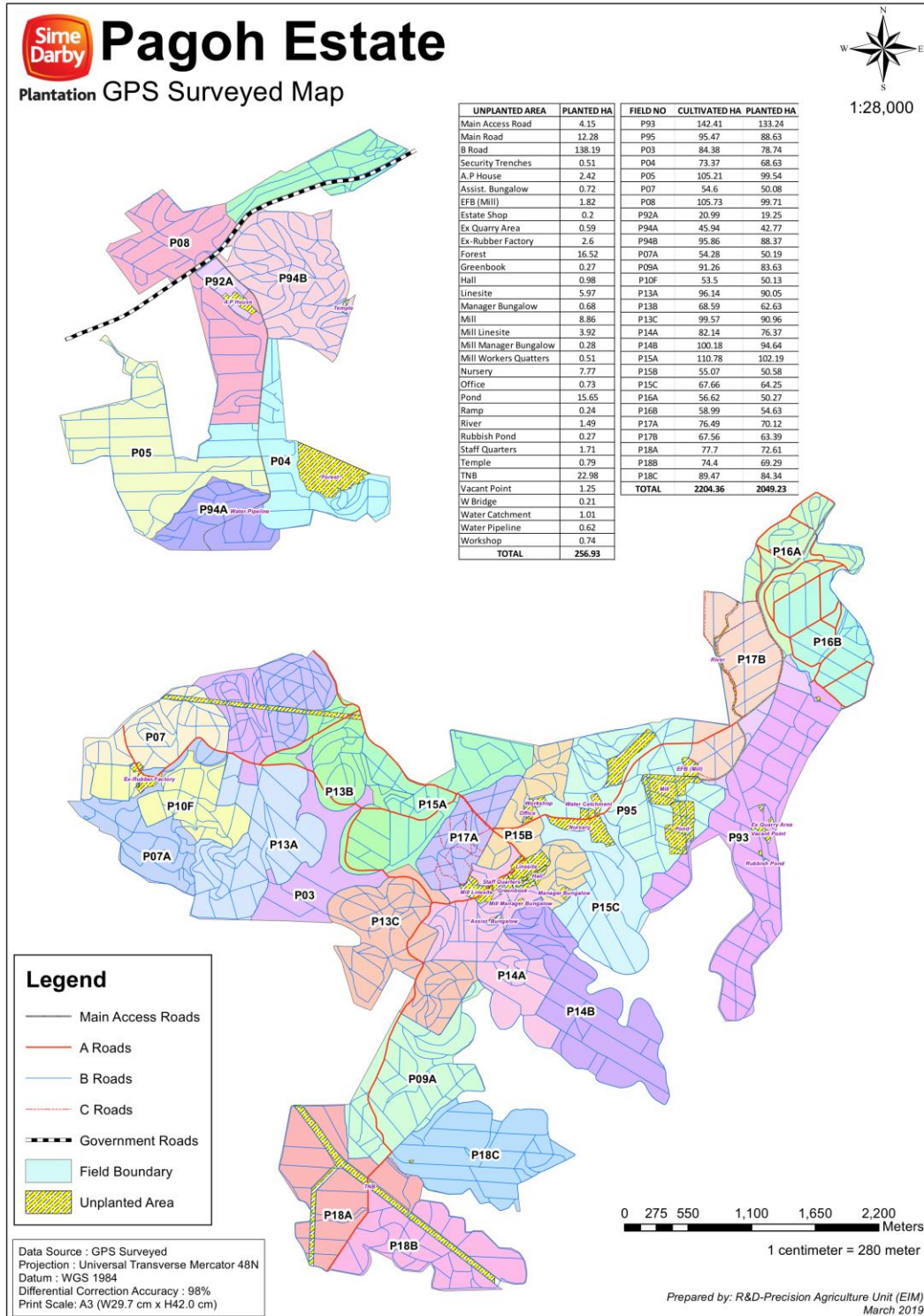
Appendix C: Smallholder Member Details

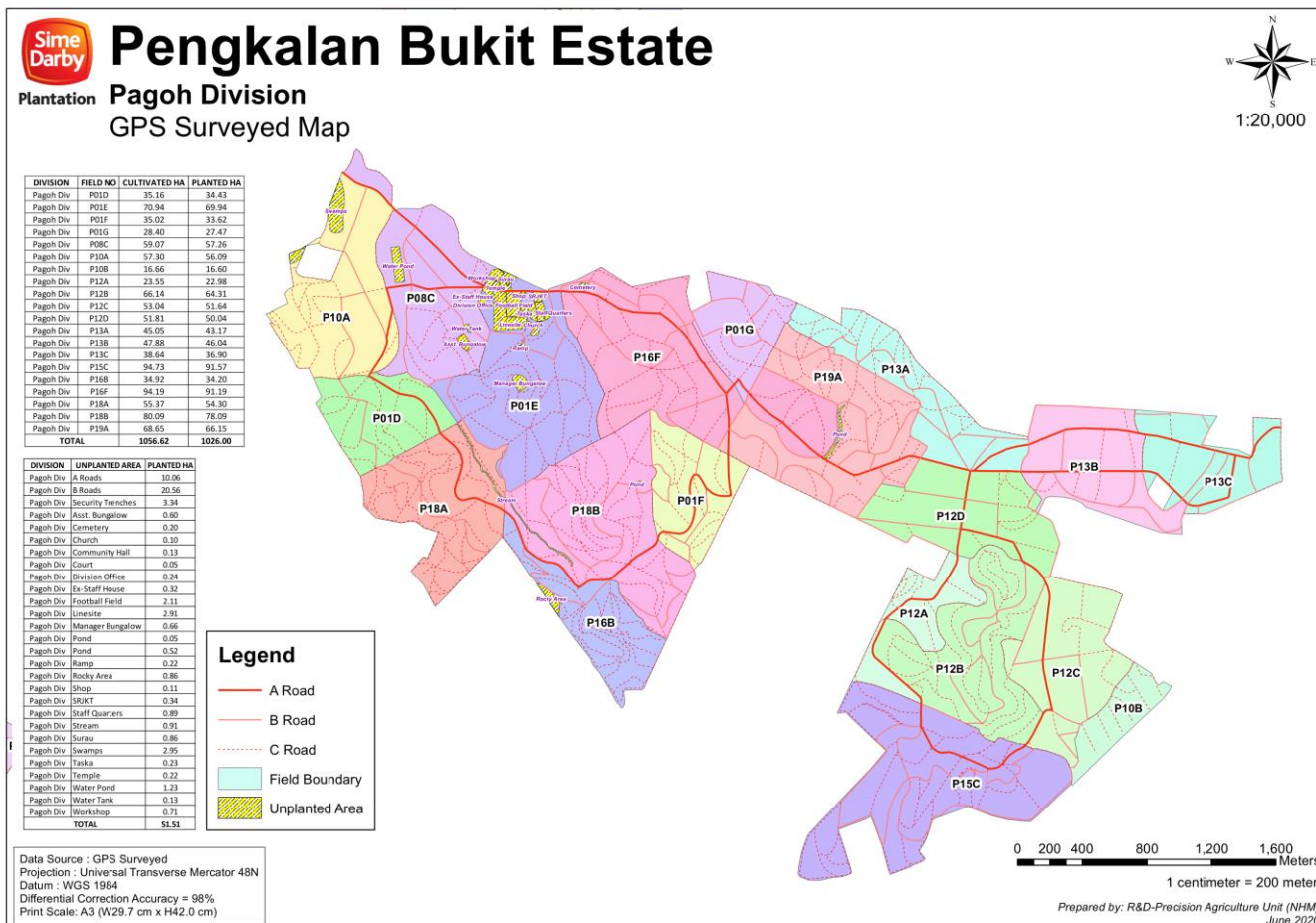
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

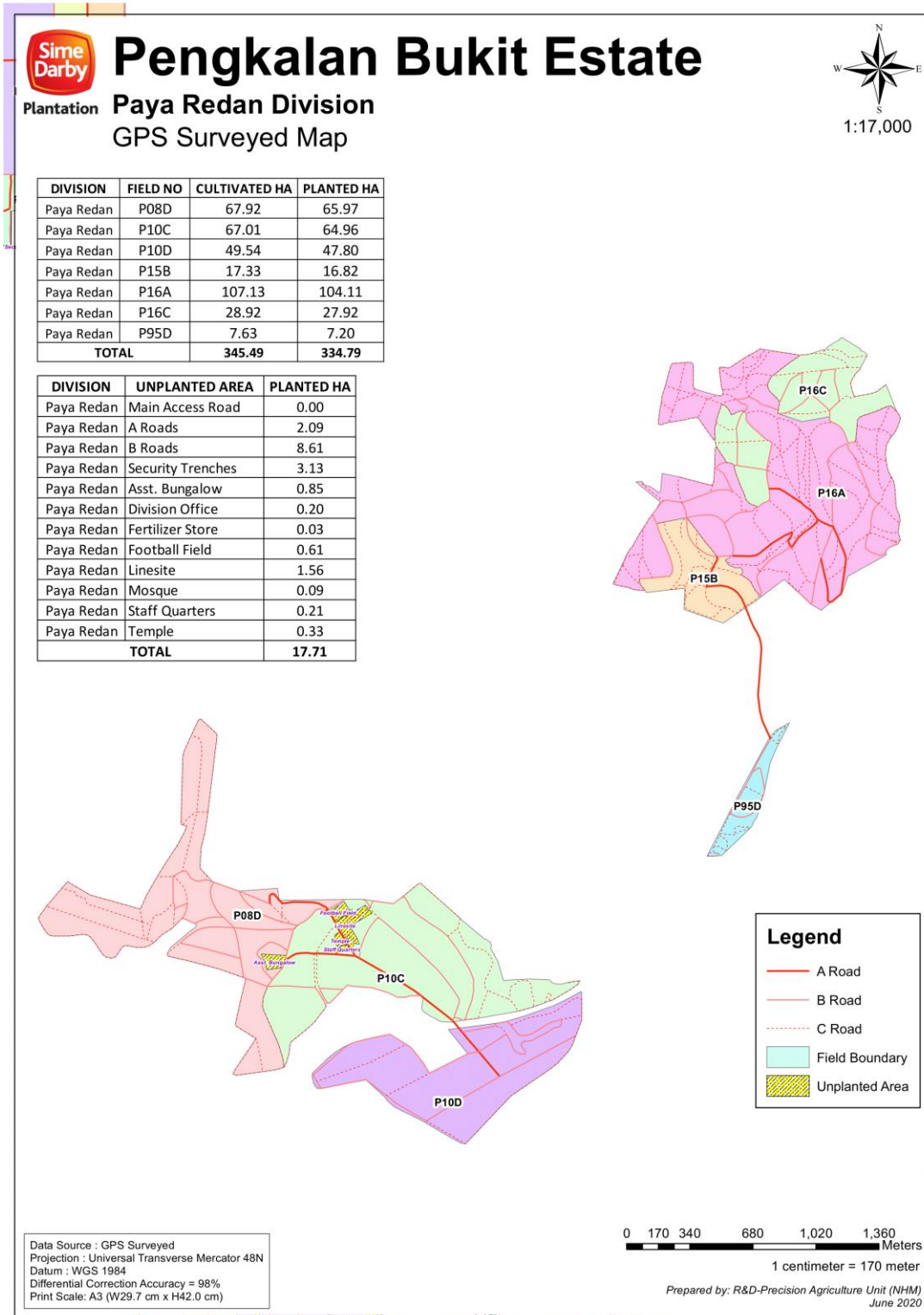
Appendix D: Location and Field Map

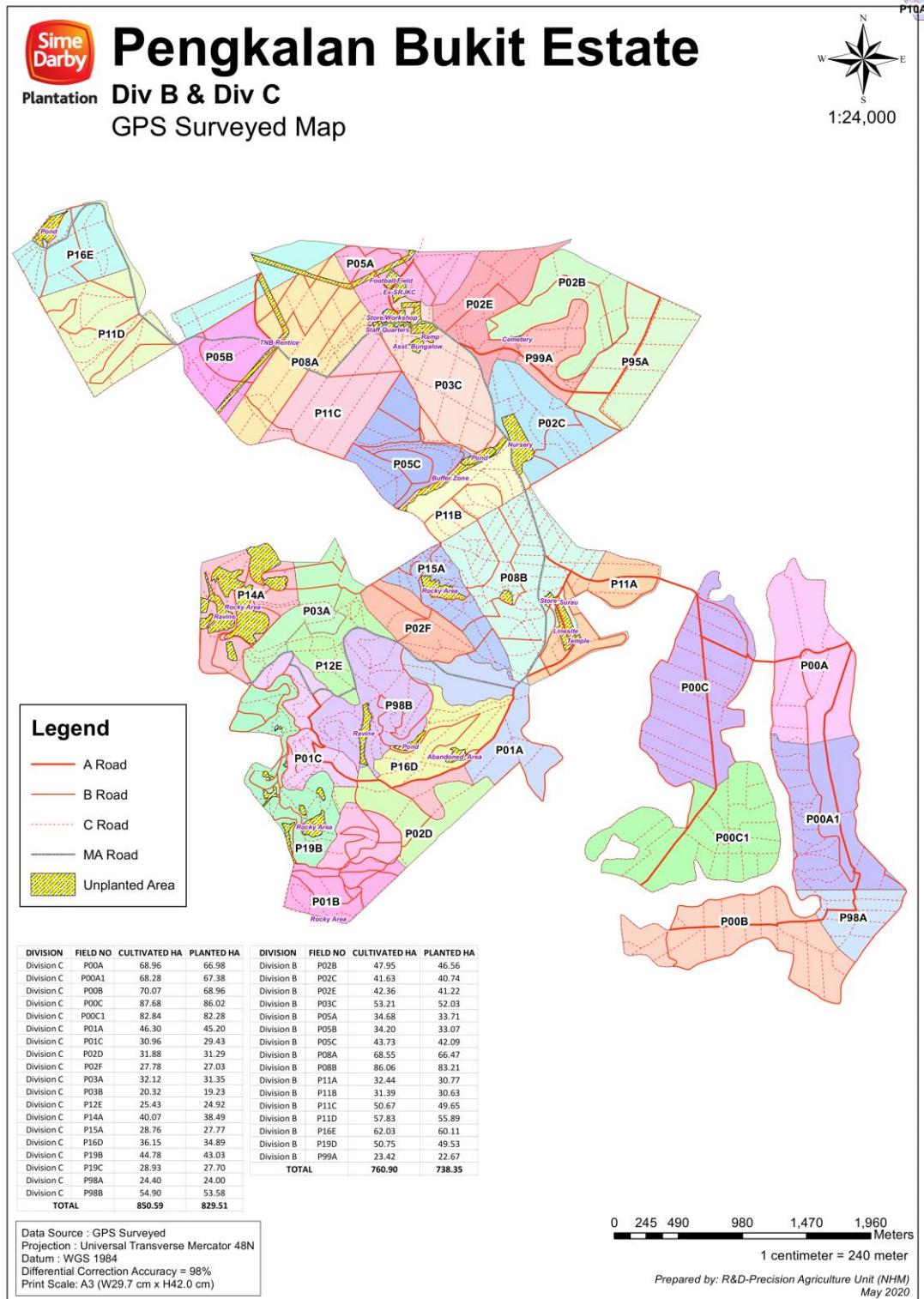


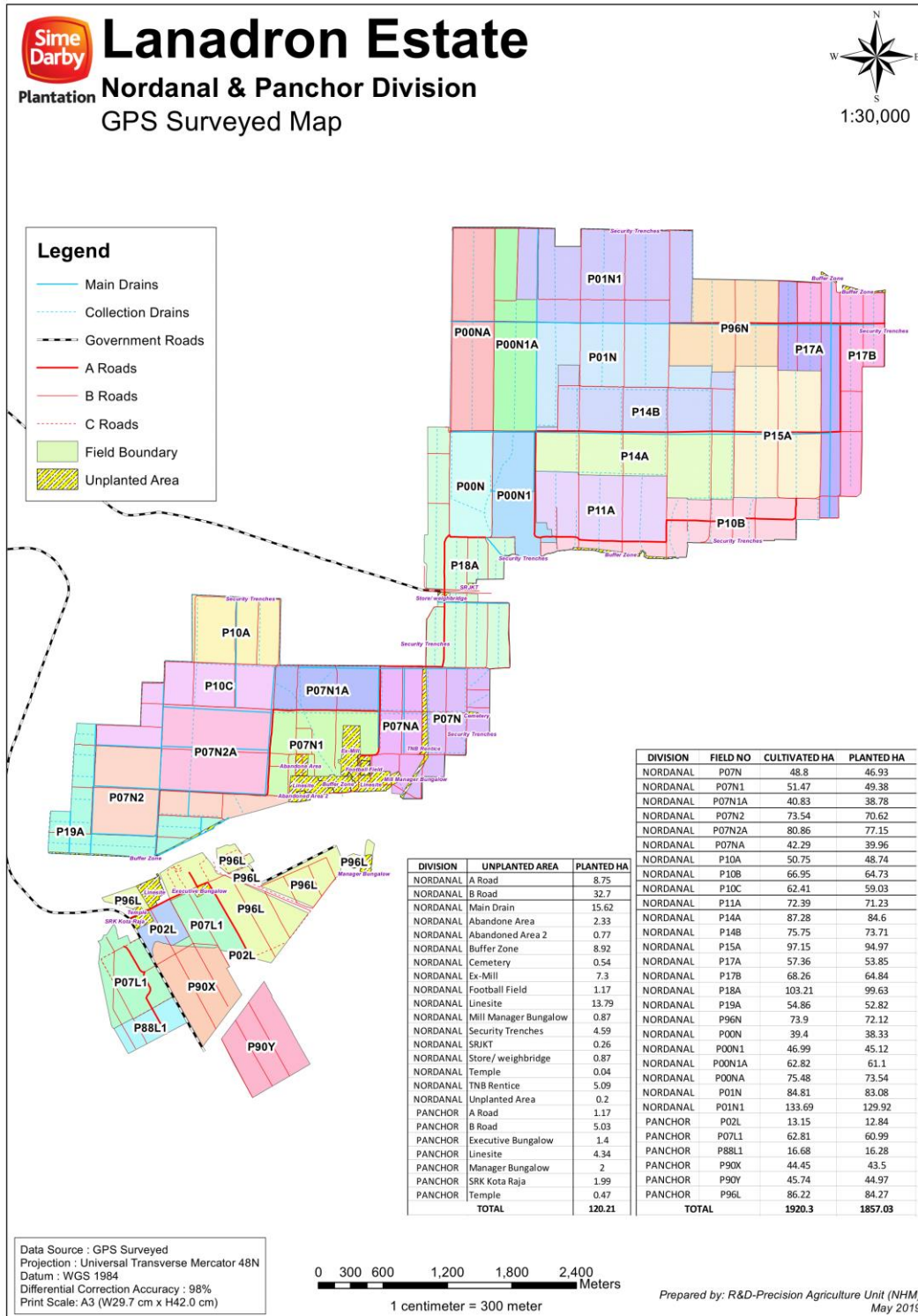
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Appendix E: List of Abbreviations

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