

MALYSIAN SUSTAINABLE PALM OIL
MSPO OPMC Public Summary Report

- Initial Assessment
- Annual Surveillance Assessment (Choose an item.)
- Recertification Assessment (RA 1)
- Extension of Scope

SIME DARBY PLANTATION BERHAD
Client Company (HQ) Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7, 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 18) Diamond Jubilee Palm Oil Mill and Plantations: Diamond Jubilee Estate, Bukit Asahan Estate, and Welch Estate
Date of Final Report: 08/12/2022

Report prepared by:
Valence Shem (Lead Auditor)

Report Number: 3511612

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	Certification Unit	MPOB License No.	Expiry Date
	Diamond Jubilee POM	500288804000	30/09/2022
	Diamond Jubilee Estate	522967002000	31/08/2022
	Bukit Asahan Estate	527615002000	28/02/2023
	Welch Estate	522499002000	31/07/2022
Address	Head Office: Level 11, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia		
Management Representative	Shylaja Devi Vasudevan Nair (Headquarters) Syahrul Saramlah (SOU Chairman)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbplantation.com syahrul.saramlah@simedarbyplantation.com
Telephone	603-7848 4379 (Head Office) 606-5291 302 (Mill)	Facsimile	603-7848 4363 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSP0 682043 Estate: MSP0 688335	Certificate Start Date	10/01/2023
Date of First Certification	10/01/2018	Certificate Expiry Date	09/01/2028
Scope of Certification	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estate: Production of Sustainable Oil Palm Fruits		
Visit Objectives	1) Determination of the conformity of the client's management system, or parts of it, with audit criteria. 2) Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.		
Standard	<input type="checkbox"/> MSP0 MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSP0 MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSP0 MS 2530-4:2013 – General Principles for Palm Oil Mills		
Recertification Assessment Visit (RAV) 1	04 - 08/07/2022		
Continuous Assessment Visit Date (CAV) 1_1	-		

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Continuous Assessment Visit Date (CAV) 1_2	-
Continuous Assessment Visit Date (CAV) 1_3	-
Continuous Assessment Visit Date (CAV) 1_4	-

1.3 Other Certifications

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 591224	RSPO Principles & Criteria of Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	04/10/2026
MSPO 714120	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018	BSI Services Malaysia Sdn Bhd	11/07/2024

1.4 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
Diamond Jubilee POM	KM 8, Jasin-Simpang Bekoh Road, District of Jasin, 77100 Jasin, Melaka, Malaysia	2° 19' 28.02" N	102° 28' 56.21" E
Diamond Jubilee Estate	Ladang Diamond Jubilee, KM 8, Jasin-Simpang Bekoh Road, District of Jasin, 77100 Jasin, Melaka, Malaysia	2° 19' 29.50" N	102° 28' 59.12" E
Bukit Asahan Estate	Ladang Bukit Asahan, Jalan Asahan, 77100 Melaka, Malaysia	2° 24' 25.99" N	102° 33' 47.99" E
Welch Estate	Jalan Segamat-Jementah, 85200 Segamat, Johor, Malaysia	2° 27' 24.66" N	102° 39' 18.72" E

1.5 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Diamond Jubilee Estate	2,642.99	5.58	187.62	2,836.19	93.19
Bukit Asahan Estate	2,965.53	1.36	105.29	3,072.18	96.53
Welch Estate	576.20	0.95	870.67	1,447.82	39.80
Total (ha)	6,184.72	7.89	1,163.58	7,356.19	84.08

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1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Diamond Jubilee Estate	439.28	705.35	1,292.12	206.24	-	2,203.71	439.28
Bukit Asahan Estate	289.21	168.35	1,873.28	611.64	23.05	2,676.32	289.21
Welch Estate	-	-	417.26	158.94	-	576.20	-
Total (ha)	728.49	873.70	3,582.66	976.82	23.05	5,456.23	728.49

1.7 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Aug 21 - Sep 22)	Actual (Jul 21 - Jun 22)	Forecast (Aug 22 - Jul 23)
Diamond Jubilee Estate	51,311.00	43,977.53	35,915.00
Bukit Asahan Estate	52,000.00	28,035.72	40,000.00
Welch Estate	11,600.00	7,711.97	12,000.00
Pertang Estate	-	177.89	-
Tangkah Estate	-	1,865.50	-
Serkam Estate	-	126.47	-
Total (mt)	114,911.00	81,895.08	87,915.00

1.8 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Aug 21 - Sep 22)	Actual (Jul 21 - Jun 22)	Forecast (Aug 22 - Jul 23)
Nil	N/A	N/A	N/A
Total (mt)	N/A	N/A	N/A

1.9 Certified Tonnage			
Mill Capacity: 25 MT/hr	Estimated (Aug 21 - Sep 22)	Actual (Jul 21 - Jun 22)	Forecast (Aug 22 - Jul 23)
	FFB	FFB	FFB
	114,911.00	81,895.08	87,915.00
SCC Model: SG	CPO (OER: 21.66%)	CPO (OER: 22.17%)	CPO (OER: 22.00%)
	24,888.74	18,153.88	19,341.00
	PK (KER: 5.25%)	PK (KER: 4.75%)	PK (KER: 5.00%)

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	6,029.09	3,893.00	4,396.00
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1.10 Actual Sold Volume (CPO)

CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
18,153.88	-	-	13,441.08	4,662.80	18,103.88

1.11 Actual Sold Volume (PK)

PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
3,893.00	-	-	3,876.67	-	3,876.67

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 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 reassessment was conducted from 04-08/07/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the Diamond Jubilee POM, Diamond Jubilee Estate, Bukit Asahan Estate and Welch Estate as a MSPO Certification Unit. A public announcement was made at BSI website (<https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2022/06-1-mspo-public-notification-recertification-sime-darby-sou-18-diamond-jubilee-pom--supply-base-english.pdf>) prior to the assessment. 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 2530-2:2013, 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 Certification Unit was not using MSPO certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSPO Logo and related claims.

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 ($1\sqrt{3} = 2$). The sampled smallholder listed in Appendix B.

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 Section 3.6.

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.

All the previous nonconformities are remains closed. The assessment findings from the reassessment are detailed in Section 4.2. Major non-conformities closed offsite as documentation evidence submitted were sufficient.

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This report was externally reviewed by MSPO approved Peer Reviewer prior to certification and recertification decision by BSI. For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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 (Recertification)	Year 2 (ASA 1_1)	Year 3 (ASA 1_2)	Year 4 (ASA 1_3)	Year 5 (ASA 1_4)
Diamond Jubilee POM	✓	✓	✓	✓	✓
Diamond Jubilee Estate	-	✓	✓	-	✓
Bukit Asahan Estate	✓	-	✓	✓	-
Welch Estate	✓	✓	-	✓	✓

Tentative Date of Next Visit: July 3, 2023 - July 6, 2023

Total No. of Mandays: 11

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>
Valence Shem (VSH)	Team Leader	<p>Education: BTech (Hons) Bachelor’s Degree in Industrial Technology, University of Science Malaysia.</p> <p>Work Experience: 1) 9 years working experience in oil palm plantation industry; 2) Management system auditing since 2009 for various standards such as ISO 14001, RSPO P&C, RSPO SCCS, MSPO, and SMETA.</p> <p>Training attended: 1) ISO 14001 Lead Auditor Course 2) ISO 9001 Lead Auditor Course 3) Endorsed RSPO P&C Lead Auditor Course 4) Endorsed RSPO SCCS Lead Assessor Course 5) MSPO Awareness Training 6) ISO 45001 Lead Auditor Course 7) SMETA Auditor training 8) HCV-HCS training</p>

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		<p>9) RSPO-endorsed RSPO ISH Standard 2019 Lead Auditors Course</p> <p>Aspect covered in this audit: Legal requirements, natural and HCV conservation, water & wastes management, environmental aspects, occupational health and safety, GAP, mill best practices, training, and economic management plan.</p> <p>Language proficiency: English and Bahasa Malaysia.</p>
Hanafi bin Shufaat @ Mohd (HSM)	Team Member	<p>Education:</p> <ol style="list-style-type: none"> 1) Diploma in Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2001. 2) Executive Masters Plantation Technology and Management graduated from Asean E-University in 2012. <p>Work Experience: Has 17 years working experience at managerial level of oil palm in the plantation industry in Malaysia and abroad and working with giant plantation players. The last position was Senior Manager in Primula Gemilang Sdn Bhd, Sibul, Sarawak and responsible for 12,000 hectare of oil palm plantation with 100-hectare nursery. Also had accumulated more than 3 years of sustainability implementation experience. Also qualified Lead Auditor for MS 2530:2013 and has accumulated more than 250 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended:</p> <ol style="list-style-type: none"> 1) ISO 9001:2015 Lead Auditor Course 2) ISO IMS 9001 and 14001 Lead Auditor Course 3) MSPO 2530:2013 Lead Auditor Course <p>Aspect covered in this audit: Legal requirements, natural and HCV conservation, water & wastes management, environmental aspects, GAP, mill best practices, training, and economic management plan.</p> <p>Language proficiency: English and Bahasa Malaysia.</p>
Ismadi Ismail (IIS)	Team Member	<p>Education: Diploma in Planting Industry Management from MARA Institute of Technology.</p> <p>Work Experience: 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation.</p> <p>Training attended:</p> <ol style="list-style-type: none"> 1) ISO 9001:2015 Lead Auditor Course 2) OHSAS 18001 Lead Auditor Course 3) MSPO 2530:2013 Lead Auditor Course 4) MPOB Code of Practice

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		<p>Aspect covered in this audit: Legal requirements, natural and HCV conservation, water & wastes management, environmental aspects, GAP, mill best practices, training, and economic management plan.</p> <p>Language proficiency: English and Bahasa Malaysia.</p>
Mohd Sabre Salim	Peer Reviewer	<p>Education: Master’s in Business Administration (MBA) from UiTM in 2006 and Bachelor Science Agribusiness from UPM in 1986.</p> <p>Work Experience: He gained his working exposure in the plantation sector, serving as a Plantation Manager with Hap Seng Plantation Berhad and currently as consultant, free-lance lecturer, and trainer at MDV Management Sdn Bhd. He has more than 50 MSPO report that has been reviewed.</p> <p>Training attended: He has completed Endorsed Lead Auditor Course and Endorsed MSPO Lead Auditor Course and MSPO Peer Review certificate by MPOCC. He has attended MSPO Peer Reviewer 1 - 2017 by MPOCC.</p> <p>Expertise: General Management, Leadership & Financial Management, Occupational Safety & Health Management Plantation (Agriculture & Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).</p>
Muhammad Sufyan Azmi	Peer Reviewer	<p>Education: Master’s in Business Administration (MBA) from Open University Of Malaysia and Bachelor Degree in Bioindustry from UPM in 2006.</p> <p>Work Experience: He gained his working exposure in the plantation sector with 15 years’ experience, currently serving as a Plantation Manager with TSH Resources Berhad and previously as an Audit Executive with Kulim Malaysia Berhad.</p> <p>Training attended: He has attended MSPO Peer Reviewer 2 - 2017 by MPOCC.</p> <p>Expertise: General Management, Auditing, Environment and Plantation Management.</p>

2.2 Impartiality and conflict of interest

During this assessment there was no circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

2.3 Accompanying Persons

No.	Name	Role
	Nil	

2.4 Assessment Plan

The assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	VSH	IIS	HSM
Monday 04/07/2022	0830 - 0900	Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader. Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation). 	✓	✓	✓
	0900 - 1300	<u>Bukit Asahan Estate</u> 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, wastes management, workers housing, clinic, Landfill, etc. and stakeholder consultation	✓	✓	✓
	1300 - 1400	Lunch break	✓	✓	✓
	1400 - 1630	<u>Bukit Asahan Estate</u> Document review P1 – P7 (MSPO Part 3): General Documentation e.g., Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓	✓
	1630 - 1700	Interim closing briefing	✓	✓	✓
Tuesday 05/07/2022	0900 - 1300	<u>Diamond Jubilee POM</u> Site visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc. and stakeholder consultation	✓	✓	✓
	1300 - 1400	Lunch break	✓	✓	✓
	1400 - 1630	<u>Diamond Jubilee POM</u> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓	✓
	1630 - 1700	Interim closing briefing	✓	✓	✓

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Date	Time	Subjects	VSH	IIS	HSM
Wednesday 06/07/2022	0900 - 1300	Welch Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, wastes management, workers housing, clinic, Landfill, etc. and stakeholder consultation	MC	✓	✓
	1300 - 1400	Lunch break	MC	✓	✓
	1400 - 1630	Welch Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g., Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	MC	✓	✓
	1630 - 1700	Interim closing briefing	MC	✓	✓
Thursday 07/07/2022	0900 - 1300	Welch Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, wastes management, workers housing, clinic, Landfill, etc. and stakeholder consultation	MC	✓	✓
	1300 - 1400	Lunch break	MC	✓	✓
	1400 - 1630	Welch Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g., Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	MC	✓	✓
	1630 - 1700	Interim closing briefing	MC	✓	✓
Friday 08/07/2022	0900 - 1230	Bukit Asahan Continue with outstanding elements	MC	-	✓
	1230 - 1430	Lunch break and Friday prayer	-	-	✓
	1430 - 1600	Bukit Asahan Continue with outstanding elements	MC	-	✓

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Date	Time	Subjects	VSH	IIS	HSM
	1600 - 1630	Audit team discussion & preparation for closing meeting	✓	-	✓
	1630 - 1700	Closing meeting	✓	-	✓

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During the reassessment there were three (3) Major & three (3) Minor nonconformities and three (3) OFI raised. The Sime Darby SOU 18 Diamond Jubilee Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity Report			
NCR Ref #:	2219455-202207-M1	Issue Date:	08/07/2022
Due Date:	07/10/2022	Date of Closure:	04/10/2022
Area/Process:	Bukit Asahan and Welch Estates	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.5.11 Major
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.		
Statement of Nonconformity:	Compliance with Employee's Minimum Standards of Housing, Accommodations and Amenities Act 1990 and was not effectively demonstrated.		
Objective Evidence:	<p>Bukit Asahan Estate (BAE)</p> <p>Sighted at house No. block B #15 and block A #5, found petrol kept in a storage with fence and locked at the back of the house. Safe handling and storage of petrol was not in lined with Safe Handling and Storage of Petrol at Employees Housing Procedure, UM/HSE/OCP/06, version:0, effective date: 24/3/2021.</p> <p>Welch Estate (WE)</p> <p>Sighted during site visit at line site, parameter drain leading to sedimentation sump and discharge drain found to be clogged. Undergrowth was also found in the parameter drains which blocked the free flow of water.</p>		

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Corrections:	BAE: To remove the petrol can from housing area and briefed workers that the storage of petrol nearby housing area is against the SOP. WE: All the perimeter drain has been cleared off from debris/ undergrowth.
Root cause analysis:	BAE: The employees were not briefed on the SOP for safe storage of petrol since the employer has yet to decide on centralised storage for petrol as mentioned in the SOP. WE: The clogged in the sedimentation sump is due to uncleared debris out of slashing of overgrown near perimeter drain.
Corrective Actions:	BAE: To do regular briefing to workers on safekeeping of petrol. WE: To brief the workers to properly disposed trashes of overgrown slashing.
Assessment Conclusion:	Evidence verified: <u>Bukit Asahan Estate</u> 1) Pictures that show the petrol has been removed from the workers house to a designated safekeeping locked storage located at the operating unit's storage area. 2) Attendance records dated 03/08/2022 and 20/09/2022 that show the workers have been briefed about restriction of keeping petrol at home and safe handling of it. <u>Welch Estate</u> 1) Pictures that show the clogged drainage has been cleared off from debris/ undergrowth 2) Record that shows the workers have been briefed about how to properly dispose the residue from slashed vegetation The evidence was found to be adequate to close the NCR. Continuous effective implementation of the corrective actions shall be verified in the next assessment.

Non-Conformity Report			
NCR Ref #:	2219455-202207-M2	Issue Date:	08/07/2022
Due Date:	07/10/2022	Date of Closure:	04/10/2022
Area/Process:	Diamond Jubilee POM	Clause & Category: (Major / Minor)	MSPO Part 4: 4.4.5.11 Major
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.		
Statement of Nonconformity:	Compliance with Employee's Minimum Standards of Housing, Accommodations and Amenities Act 1990 and was not effectively demonstrated.		
Objective Evidence:	Diamond Jubilee POM Sighted at house #100, found petrol kept in a container. Safe handling and storage of petrol was not in lined with Safe Handling and Storage of Petrol at Employees Housing Procedure, UM/HSE/OCP/06, version:0, effective date: 24/3/2021.		

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Corrections:	To remove the petrol can from housing area and briefed workers that the storage of petrol nearby housing area is against the SOP.
Root cause analysis:	The employees were not briefed on the SOP for safe storage of petrol since the employer has yet to decide on centralised storage for petrol as mentioned in the SOP.
Corrective Actions:	To do regular briefing to workers on safekeeping of petrol.
Assessment Conclusion:	<p>Evidence verified:</p> <ol style="list-style-type: none"> 1) Pictures that show the petrol has been removed from the workers house to a designated safekeeping locked storage located at the mill's storage area. 2) Attendance records dated 16/07/2022 that show the workers have been briefed about restriction of keeping petrol at home and safe handling of it. Training material is also appended. <p>The evidence was found to be adequate to close the NCR. Continuous effective implementation of the corrective actions shall be verified in the next assessment.</p>

Non-Conformity Report			
NCR Ref #:	2219455-202207-M3	Issue Date:	08/07/2022
Due Date:	07/10/2022	Date of Closure:	04/10/2022
Area/Process:	Bukit Asahan Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.6.1.1 Major
Requirements:	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.		
Statement of Nonconformity:	Standard Operating Procedure for sprayers was not effectively demonstrated.		
Objective Evidence:	<p>Sighted during site visit at Bathing Room for Sprayer in Bukit Asahan Estate, all PPEs such as Apron, Face Mask, Safety Boots, Goggles, Nitrile Gloves were not found in the cabinet and hang for drying purpose while no spraying activity on the day. Thus, non-compliance to the following SOP:</p> <ul style="list-style-type: none"> • According to Safe Operating Procedure Version 1 (01/11/2021), Pesticides Spraying (After) Bathing, washing and changing cloth before going back home. • According to SOP/BAE/03/01-2009 Tatacara Kerja Selamat (Keselamatan Penggunaan Bahan Racun), PPE Required Breathing Mask, Apron, Gloves, Safety Boots and Goggles. Para 12 mentioned All Sprayer has to wash all PPEs with soap and keep neatly at the storage cabinet. All apron to be washed and hanged. 		
Corrections:	To brief sprayers on the function of bathing room and cabinet. To brief on the Safe Working Procedure.		
Root cause analysis:	Sprayers were not briefed on the function of bathing room and cabinet. Sprayers were not briefed on safe working procedure on to wash all PPEs with soap and keep neatly at the storage cabinet.		
Corrective Actions:	To do regular briefing to the sprayers to wash their PPE and cloths in bathing room and keep in neatly in the cabinet. To make all sprayers logged in their washing activity in Buku Log Mandi provided at Bathing Room.		

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Assessment Conclusion:	<p>Evidence verified:</p> <ol style="list-style-type: none"> 1) Pictures that show the PPE has been kept at the designated places (cloth line and safe cabinet). 2) Attendance records dated 17/08/2022 and 08/09/2022 that show the workers have been briefed about the PPE keeping and recording. 3) Logbook that shows the washing activities are registered. The records have the information about number of sprayers, PIC name, time-in & time-out, and type of PPE. <p>The evidence was found to be adequate to close the NCR. Continuous effective implementation of the corrective actions shall be verified in the next assessment.</p>
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Non-Conformity Report			
NCR Ref #:	2219455-202207-N1	Issue Date:	08/07/2022
Due Date:	Next assessment visit	Date of Closure:	Open
Area/Process:	Bukit Asahan Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.2.2 Minor
Requirements:	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.		
Statement of Nonconformity:	Process to keep parties to a grievance informed of its progress, including against agreed timeframe and the outcome was not effective and communicated to relevant stakeholders.		
Objective Evidence:	<p>Feedback raised by 2 (two) foreign workers at Bukit Asahan Estate with regards to leave application process. They have not been informed on the status of leave application (approved or denied) so far. Further check on the records for both workers:</p> <ol style="list-style-type: none"> 1) Bikas - leave application dated 13/5/22, apply for 2 months leave (25/9/22 - 25/11/22), leave approved but deferred to 1-3/2023. 2) Marsan - leave application letter was just submitted on 1/7/2022. Status of leave in still on-hold. <p>No evidence of attendance during meeting with workers (for leave application) in June 2022. No minute of meeting or information on the approval/deferment for the said workers. This is not in line with IOM (CEOUM/036/06/2022) Foreign Workers Management Process Flow, Leave Request Process - 06 Leave request process (Peninsular Malaysia).</p>		
Corrections:	The management has conducted meeting with workers and responded in written to their leave request via and to give response letter towards leave application and get acknowledged of receipt.		
Root cause analysis:	The PIC do not aware of the SOP to response to workers leave request. Hence the response is not as per IOM.		
Corrective Actions:	<p>Re-briefing on the SOP to Executive in Charge (EIC).</p> <p>EIC has been assigned to monitor on passport management including leave request.</p> <p>EIC to ensure the progress or update of leave request is communicated to respective workers.</p>		

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Assessment Conclusion:	The correction and corrective action are accepted. Evidence of effective implementation shall be verified in the next assessment visit.
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Non-Conformity Report			
NCR Ref #:	2219455-202207-N2	Issue Date:	08/07/2022
Due Date:	Next assessment visit	Date of Closure:	Open
Area/Process:	Welch Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.5.3.2 Minor
Requirements:	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products. 		
Statement of Nonconformity:	The monitoring of sources of waste and pollution was not effectively implemented.		
Objective Evidence:	During site visit to field 02C1, Welch Estate, it was found two empty chemical containers, one with blue colour (no label was found) and another one green color with a label name "Hextar" that stuck in estate drain.		
Corrections:	To conduct drain desilting at the outlet, drain. To clear the container from the field, drain and to arrange for disposal.		
Root cause analysis:	The containers were washed off from nearby villagers during heavy rainfall.		
Corrective Actions:	To consult with villagers on the waste management including on storage of waste. To do periodic monitoring for wastes in estate and to dispose it accordingly.		
Assessment Conclusion:	The correction and corrective action are accepted. Evidence of effective implementation shall be verified in the next assessment visit.		

Non-Conformity Report			
NCR Ref #:	2219455-202207-N3	Issue Date:	08/07/2022
Due Date:	Next assessment visit	Date of Closure:	Open
Area/Process:	Bukit Asahan Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.5.5.1 Minor
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: <ul style="list-style-type: none"> b) 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:	The Water Quality Monitoring SOP was not adequately implemented.		
Objective Evidence:	Referred to Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; Date: 01/06/2016; 5.5 Evaluation of Laboratory Test Results.		

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	<ul style="list-style-type: none"> - Upon receiving the complete results, the Head of Operating Unit shall check whether it exceeds, or no not meet the related requirement. If the results are off limit, an investigation shall be initiated to solve the issue. - Arrangement for a re-sampling and analysis of the parameter of concern shall be done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results. <p>Bukit Asahan Estate monitors the water quality (River Water) for the stream that flows adjacent to the estate as per the Water Management Plan. Water Analysis Test Report were received with non-conforming results and the implementation there after was not in accordance with the SOP.</p> <ol style="list-style-type: none"> 1) The corrective/preventive action report for non-conforming water analysis results were not done for Water Analysis Test Report dated 08/01/2022 (Report Number: PL121/2022) and 06/07/2021 (Report Number:IE738/2021). 2) Resampling was not done within a week of receiving the off-spec results for Water Analysis Test Report dated 14/03/2022 (Report Number: IE349/2022), 08/01/2022 (Report Number: PL121/2022), 29/11/2021 (report Number: IE1170/2021) and 06/07/2021 (Report Number:IE738/2021).
Corrections:	<ol style="list-style-type: none"> 1) To arrange for investigation for off spec in parameters. 2) To arrange for resampling if required upon investigation within the stipulated time.
Root cause analysis:	The PIC did not follow the procedure as per in SOP.
Corrective Actions:	PIC is briefed on the follow up procedure for water analysis. PIC is responsible to arrange for investigation and resampling.
Assessment Conclusion:	The correction and corrective action are accepted. Evidence of effective implementation shall be verified in the next assessment visit.

Opportunity For Improvement			
Ref:	2219455-202207-I1	Clause:	MSPO 2530 Part 3: 4.4.4.2
Area/Process:	Bukit Asahan Estates and Welch Estates		
Objective Evidence:	The Hazard Identification Risk Analysis Risk Control (HIRARC) in OSH Risk Assessment Register to be further reviewed and enhanced to provide better details of information for reference of Estates.		

Opportunity For Improvement			
Ref:	2219455-202207-I2	Clause:	MSPO 2530 Part 4: 4.4.4.2
Area/Process:	Diamond Jubilee POM		
Objective Evidence:	The Hazard Identification Risk Analysis Risk Control (HIRARC) in OSH Risk Assessment Register to be further reviewed and enhanced to provide better details of information for reference of mill.		

Opportunity For Improvement			
Ref:	2219455-202207-I3	Clause:	MSPO 2530 Part 3: 4.5.1.5
Area/Process:	Welch Estate		

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Objective Evidence:	Policies SDP Briefing was done on 25th June 2022 and HCV awareness Briefing was done on 27th June 2022 at the muster ground. Verified the notes of the briefing and the attendance list sighted. The attendance list prepared can be further improved by requesting the participants to sign or thumbprint the attendance list.
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Noteworthy Positive Comments	
1	Good cooperation by management team/staff/sustainability team.
2	Good documentation upkeep and retrieval.
3	Good housekeeping at working places e.g., workshop, storage, mill operation areas, etc.

3.3 Status of Nonconformities Previously Identified and OFI

Non-Conformity Report			
NCR Ref #:	N/A	Issue Date:	N/A
Due Date:	N/A	Date of Closure:	N/A
Area/Process:	N/A	Clause & Category: (Major / Minor)	N/A
Requirements:	N/A		
Statement of Nonconformity:	N/A		
Objective Evidence:	N/A		
Corrections:	N/A		
Root cause analysis:	N/A		
Corrective Actions:	N/A		
Assessment Conclusion:	N/A		

Opportunity For Improvement			
Ref:	2081063-202107-I1	Clause:	MSPO 2530 Part 4: 4.4.2.4
Area/Process:	Diamond Jubilee Palm Oil Mill		
Objective Evidence:	Management could improve on employee awareness on complaint and grievances procedure as per SOP established.		
Verification Statement:	SDPB has established a few on-line complaints and grievances channels i.e., PalmPal, Suara Kami to name a few. Workers have been briefed on how to utilize all the channels and records of communication were made available for verification. Based on interview with the workers, it was revealed that the establishment of the channels was positively accepted. The workers seemed to be happy with the channels which to them is very convenient. Verification of some sampled records of complaints lodged with regards to housing maintenance, the complaints were well addressed in timely manner.		

3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
2219455-202207-M1	4.4.5.11 Part 3- Major	07/07/2022	Closed on 04/10/2022
2219455-202207-M2	4.4.5.11 Part 4- Major	07/07/2022	Closed on 04/10/2022
2219455-202207-M3	4.6.1.1 Part 3- Major	07/07/2022	Closed on 04/10/2022
2219455-202207-N1	4.4.2.2 Part 3- Minor	07/07/2022	Open
2219455-202207-N2	4.5.3.2 Part 3- Minor	07/07/2022	Open
2219455-202207-N3	4.5.5.1 Part 3- Minor	07/07/2022	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: <u>SK Ladang Welch and SK Bukit Keledang</u> Relationship with the company has been good so far. The company has also regularly invited to attend stakeholder meeting as a channel to discuss any issues. The schools were also made to understand the mechanism to lodge complaint or grievance should there be any. Nonetheless, there has been no issue so far. In term of social contribution, the company has been generous. Among the contribution made were monetary donation for school activities, maintenance, and repair some of the school facilities, transport provision for school children, to name a few.</p>
	<p>Management Responses: No further issue.</p>
	<p>Audit Team Findings: No further issue.</p>
2	<p>Issues: <u>Kampung Bukit Keledang</u> The villagers have a very good relationship with the company and has been transparent to the villagers should there be any issues of concern. There has been no undissolved issue so far. The company has also always invited the village representative to attend meetings as a channel to discuss any social issues. They were also made to understand the mechanism to lodge complaint or grievance should there be any. In term of contribution, the company has allowed them to use the estates' internal roads to reach their destination. There are also several villagers who are working for the company.</p>
	<p>Management Responses: No further issue.</p>
	<p>Audit Team Findings: No further issue.</p>
3	<p>Issues: <u>Field workers (estates and mill)</u></p>



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	<p>The management has been very accommodative to the workers in term of welfare. Safety at the workplace is a top priority imposed by the management. Adequate trainings and free PPE were among the main needs given by the management. With regards to welfare, housing facilities, water & electricity supply were always maintained in good conditions. Workers were also made to understand the mechanism to lodge complaint or grievance should there be any. There has been no issue with regards to delivering the terms & conditions stipulated in the employment contract so far.</p>
	<p>Management Responses: No further issue.</p>
	<p>Audit Team Findings: No further issue.</p>
<p>4</p>	<p>Issues: <u>Gender committee representatives</u> Each of the operating unit has their own gender committee. Among the main objectives of the committee are: - To raise awareness, identify and address issues of concerns, opportunities and areas for improvement for workers especially women - To create a safe community within operations where women can raise issues and concerns at work and in their lives with a focus on zero tolerance to sexual harassment and gender-biased violence The committee is required to plan annual activities to achieve the objectives. Among the important activity planned were briefing/training to female workers/employees on understanding the meaning of sexual harassment and domestic violence and method of reporting should it happen. The management has also been very supportive with the programmes in term of financial, facilities and other resources. Since the last audit, there has been no sexual harassment case reported.</p>
	<p>Management Responses: No further issue.</p>
	<p>Audit Team Findings: No further issue.</p>

3.6 List of Stakeholders Contacted

<p>Government Officer: SK Ladang Welch SK Bukit Keledang</p>	<p>Community/neighbouring village: Kampung Bukit Keledang</p>
<p>Suppliers/Contractors/Vendors: -</p>	<p>Worker’s Representative/Gender Committee: Estates and Mill’s workers Gender committee representatives</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 Sime Darby SOU 18 Diamond Jubilee Certification Unit complies with the MS 2530-2:2013 or MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of Sime Darby SOU 18 Diamond Jubilee Certification Unit is approved and/or continued.	
Report Prepared by	Acknowledgement of Assessment Findings
Name: Valence Shem	Name: Syahrul Bin Saramlah
Company name: BSI Services (Malaysia) Sdn Bhd	Company name: Bukit Asahan Estate
Title: Lead Auditor	Title: Manager
Signature: 	Signature:  THE CHINA ENGINEERS (MALAYSIA) SDN BHD, BUKIT ASAHAN ESTATE (7338-K) SYAHRUL BIN SARAMLAH Manager
Date: 03/11/2022	Date: 21/11/2022

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	A policy for the implementation of MSPO shall be established. - Major compliance -	<p>SDPB commitments towards MSPO compliance being established through Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha, Group Managing Director dated 2/12/2019.</p> <p>MSPO Briefing has been conducted to all internal and external stakeholders through the following medium:</p> <p>In view of Internal Stakeholder communication, the details as below:</p> <ol style="list-style-type: none"> 1. At Bukit Asahan Estate, the Policies and Procedures being communicated to 157 workers during Morning Muster dated 18/2/2022. The meeting chaired by Estate Executives 2. Welch Estate, the briefing being conducted on 18/6/2022 attended by 116 workers. The briefing chaired by Estate Assistant Manager <p>As for External Stakeholders, the session as following:</p> <ol style="list-style-type: none"> 1. External Stakeholders meeting was held on 12/2/2022 at Bukit Asahan Estate and 26/5/2022 at Welch Estate involving 15 and 18 stakeholders respectively comprising Government Agencies, Contractors, School, Supplier and Neighbouring Communities. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance									
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The sustainability goals are in line with United Nations Sustainable Development Goals (UNSDG) 2030, which committed to: 1. Promoting good governance and transparency 2. Contributing to a better society 3. Minimising environmental harm 4. Delivering sustainability quality This policy being guided by the commitments spelt out in the Company's: 1. Responsible Agriculture Charter (RAC) 2. Human Rights Charter (HRC) 3. Innovation and 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. - Major compliance -	SDPB, Plantation Sustainability and Quality Management (PSQM), Internal Audit Procedures, Doc No: SD/SDP/PSQM/IAP Revision 2 Date 1/11/2017. The internal audit being conducted annually to implement and maintain the respective standard requirements effectively within the Group. The Management had drawn an Internal Audit Plan and it being carried out once a year to the Estate. The Internal audit conducted by Sustainability Unit, Group Sustainability Department. Sighted Internal Audit Plan and conducted as below: <table border="1" data-bbox="1048 1252 1868 1353"> <thead> <tr> <th>Estate</th> <th>Date Planned</th> <th>Date Audited</th> </tr> </thead> <tbody> <tr> <td>Bukit Asahan</td> <td>9/5/2022</td> <td>9/5/2022</td> </tr> <tr> <td>Welch</td> <td>10/5/2022</td> <td>10/5/2022</td> </tr> </tbody> </table>	Estate	Date Planned	Date Audited	Bukit Asahan	9/5/2022	9/5/2022	Welch	10/5/2022	10/5/2022	Complied
Estate	Date Planned	Date Audited										
Bukit Asahan	9/5/2022	9/5/2022										
Welch	10/5/2022	10/5/2022										

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Criterion / Indicator		Assessment Findings	Compliance																				
<p>4.1.2.2</p> <p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>The Internal Audit was planned to be conducted annually. The MSPO Internal Audit was conducted by Sustainability Compliance Unit, Group Sustainability Department.</p> <p>The team Lead Auditor is Mr. Mohd Saiful Bari bin Munir and assisted by Co-Auditor, Vinodran Ramachandran, Wan Qistina Shaza Za'aba and Nur Zulaikha Mohamad. The NC's raised as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Bukit Asahan</th> <th>Welch</th> </tr> </thead> <tbody> <tr> <td>Date report send by GSQM</td> <td>17/5/2022</td> <td>18/5/2022</td> </tr> <tr> <td>Major</td> <td>3</td> <td>4</td> </tr> <tr> <td>Minor</td> <td>1</td> <td>2</td> </tr> <tr> <td>OFI</td> <td>1</td> <td>0</td> </tr> <tr> <td>Deadline to response GSD</td> <td>40 days @ 27/6/2022</td> <td>40 days @ 27/6/2022</td> </tr> <tr> <td>Date Response to GSD</td> <td>25/6/2022</td> <td>23/6/2022</td> </tr> </tbody> </table> <p>All the findings were closed within stipulated timeframe of 40 days and the auditee has responded by including the root cause analysis and corrective action plan. Evidence, all the Non – conformities submitted being verified onsite by the Lead Auditor as per date response to GSD.</p>		Bukit Asahan	Welch	Date report send by GSQM	17/5/2022	18/5/2022	Major	3	4	Minor	1	2	OFI	1	0	Deadline to response GSD	40 days @ 27/6/2022	40 days @ 27/6/2022	Date Response to GSD	25/6/2022	23/6/2022	<p>Complied</p>
	Bukit Asahan	Welch																					
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Date Response to GSD	25/6/2022	23/6/2022																					
<p>4.1.2.3</p> <p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report was documented and made available for management review. As evidence, all findings from internal audit were responded by all Estate's Management within the timeframe of 40 days.</p>	<p>Complied</p>																					
Criterion 4.1.3 – Management Review																							
<p>4.1.3.1</p> <p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes,</p>	<p>The procedure for Management Review, Standard Operation Manual, Sub-Section 5.6, dated: 25/5/2015 was established. The frequency for management review needs to be carried out at least once a year.</p>	<p>Complied</p>																					

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Criterion / Indicator		Assessment Findings				Compliance															
	improvement and modification. - Major compliance -	<p>The Management Review meeting is on Operating Unit basis. The actual meeting date as below: -</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date of Meeting</th> <th>No of Participants</th> <th colspan="2">Venue</th> </tr> </thead> <tbody> <tr> <td>Bukit Asahan</td> <td>10/5/2022</td> <td>9</td> <td colspan="2">Main Office</td> </tr> <tr> <td>Welch</td> <td>25/5/2022</td> <td>8</td> <td colspan="2">Meeting Room</td> </tr> </tbody> </table> <p>The agendas discussed in the meeting are the following:</p> <ol style="list-style-type: none"> 1. Review of last meeting and confirmation of the minutes 2. Review of status / issue of Input and Output 3. Sustainability Management 4. Resource evaluation, needs and plan 5. Results from system audit 6. Changes that could affect the Management Systems 7. Recommendation for Improvement 8. Other matters 				Estate	Date of Meeting	No of Participants	Venue		Bukit Asahan	10/5/2022	9	Main Office		Welch	25/5/2022	8	Meeting Room		
Estate	Date of Meeting	No of Participants	Venue																		
Bukit Asahan	10/5/2022	9	Main Office																		
Welch	25/5/2022	8	Meeting Room																		
Criterion 4.1.4 – Continual Improvement																					
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	<p>Estate has developed Continuous Improvement Plan year 2022. The plans are:</p> <p>a. Bukit Asahan Estate:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Objective</th> <th>Timeline / PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mechanisation for spraying at mature.</td> <td>On-going/Asst Manager</td> </tr> <tr> <td>2</td> <td>Mechanisation for spraying at mature.</td> <td>On-going/Asst Manager</td> </tr> </tbody> </table>				No	Objective	Timeline / PIC	1	Mechanisation for spraying at mature.	On-going/Asst Manager	2	Mechanisation for spraying at mature.	On-going/Asst Manager	Complied						
No	Objective	Timeline / PIC																			
1	Mechanisation for spraying at mature.	On-going/Asst Manager																			
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Criterion / Indicator		Assessment Findings	Compliance									
		b. Welch Estate: <table border="1"> <thead> <tr> <th>No</th> <th>Objective</th> <th>Timeline / PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mechanisation spraying using MIST Blower for circle spraying</td> <td>On-going/Asst Manager</td> </tr> <tr> <td>2</td> <td>Change from ramp to bin system</td> <td>On-going/Asst Manager</td> </tr> </tbody> </table>	No	Objective	Timeline / PIC	1	Mechanisation spraying using MIST Blower for circle spraying	On-going/Asst Manager	2	Change from ramp to bin system	On-going/Asst Manager	
No	Objective	Timeline / PIC										
1	Mechanisation spraying using MIST Blower for circle spraying	On-going/Asst Manager										
2	Change from ramp to bin system	On-going/Asst Manager										
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	The latest technology at Bukit Asahan Estate is Hasrul Fertilizer Lift c/w Mechanical Terrace Fertilizer Application. The objective is to reduce manuring cost by less dependency on labor and higher productivity by mechanize. No new technology at Welch Estate.	Complied									
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 new technology or system are introduced, awareness briefing is provided to the employees at all levels prior to the implementation. Evidence, training on Hasrul Fertilizer Lift c/w Mechanical Terrace Fertilizer Application was conducted by the Assistant Manager of Bukit Asahan on 25/4/2022 attended by 24 participants.	Complied									
4.2 Principle 2: Transparency												
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements												
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Managers are responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied									

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>SDPB continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through SDPB website at https://simedarbyplantation.com/sustainability/reports-policies-and-statements/</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management.</p>	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p>	<p>List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																								
	- Major compliance -	The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 12/05/2022 (Bukit Asahan), and 26/05/2022 (Welch). Minutes of meeting were available for verification. The objective of the meeting to discuss the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety.																									
Criterion 4.2.3 – Traceability																											
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>The company has established Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability version 2 Issue # 5 dated April 2019. The objective of the SOP is to provide guidelines for estates and POM to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (FFB, CPO & PK).</p> <p>Verified the implementation of this SOP and sufficient information is stated on the weighbridge ticket or consignment note of all FFB transactions as below:</p> <p>a. Despatch</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Bukit Asahan</th> <th>Welch</th> </tr> </thead> <tbody> <tr> <td>FFB Consignment Note</td> <td>9846</td> <td>3217</td> </tr> <tr> <td>Date</td> <td>30/6/2022</td> <td>2/6/2022</td> </tr> <tr> <td>Field</td> <td>2010A, 2014B</td> <td>02A,02A1</td> </tr> <tr> <td>No of Bunches</td> <td>1,515</td> <td>686</td> </tr> <tr> <td>Date Harvested</td> <td>29/6/2022 & 30/6/2022</td> <td>2/6/2022</td> </tr> <tr> <td>Estimated Tonnage</td> <td>13,060 kg</td> <td>13,310</td> </tr> <tr> <td>Vehicle No</td> <td>MBW 4322</td> <td>JNE 1742</td> </tr> </tbody> </table>	Estate	Bukit Asahan	Welch	FFB Consignment Note	9846	3217	Date	30/6/2022	2/6/2022	Field	2010A, 2014B	02A,02A1	No of Bunches	1,515	686	Date Harvested	29/6/2022 & 30/6/2022	2/6/2022	Estimated Tonnage	13,060 kg	13,310	Vehicle No	MBW 4322	JNE 1742	Complied
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Criterion / Indicator		Assessment Findings	Compliance																																	
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4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The Estate Management team holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Internal Audit visit, HQ Level visit or Agronomist. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.	Complied																																	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	All the Estates have appointed their person in charge to monitor Traceability System. The list of the names as below: - 1. Bukit Asahan Estate is Puan Nurul Atiqah Johari, Assistant Manager through appointment letter dated 1/1/2020 signed by En. Syahrul bin Saramlah, Estate Manager.	Complied																																	

Criterion / Indicator		Assessment Findings	Compliance
		2. Welch Estate is Mr Muhammad Amin Hussin, Assistant Manager through appointment letter dated 30/4/2019 signed by En.Shahrin bin Luqman Hakim, Estate Manager.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	FFB being sell to Diamond Jubilee POM, own mill and being monitored by Marketing Department. Sighted the records of sales, delivery, or transportation of FFB. This record being maintained, and the documents are kept by both Estates as well the Mill.	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 -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU18. 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. The lists of permits/licenses which has to be monitored and updated periodically include. 1. Bukit Asahan Estate: <ul style="list-style-type: none"> - MPOB License No. 527615002000 for Bukit Asahan Estate with size of 2,965.53 Ha. Valid from 01/03/2022-28/02/23 - Diesel Permit under Regulation 18 Control of Supply (Amendment) Regulations 2021, Reference No. SK(M)051/2005(D) for 18,200 litres and valid from 25/01/22-24/01/25. 	Complied

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	<ul style="list-style-type: none"> - "Permit Khas Barang Kawalan Berjadual – Petrol 60lt", valid until 28/01/2023 - Water Abstraction License, under Section 15, Water Resources Enactment 2014, BKSAM 01023, Rate at RM0.20 metre cubic. Valid from 1/1/2022 until 31/12/2022 - Perakuan Kelayakan Pengandung Tekanan Tak Berapi Perihal Air Receiver, No Pendaftaran: MK PMT 4942 valid until 16/8/2023 - Perakuan Kelayakan Pengandung Tekanan Tak Berapi Perihal, Bekas Udara No Pendaftaran: PMT 64001 valid until 2/6/2023 - Calibration of weighing machine by Metrology Corporation Malaysia Sdn Bhd, 60,000 kg, reference no: D045107, expired on 14/10/2022 - "Surat kebenaran memotong upah bagi Bayaran Penggunaan Kemudahan Elektrik (TNB) berkuatkuasa Ogos 2016 diluluskan", reference: JTK/M/(PMT)10401/2016/0050, dated on 15/08/2016. <p>2. Welch Estate:</p> <ul style="list-style-type: none"> - MPOB license no: 522499002000, valid until 31/07/2022 for 576.20 hectare - Perakuan Kelayakan Pengandung Tekanan Tak Berapi Perihal Air Receiver Tank, No Pendaftaran: JH PMT 22626 valid until 10/2/2023 - "Permit Khas Barang Kawalan Berjadual – Diesel 54600 L dan 270 L Petrol", Ref No: JH(SGT)0168/11PSK valid until 11/8/2024. 	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - "Surat kebenaran memotong upah bagi tujuan pembayaran bil elektrik", reference: BHG.PU/9/129 JLD33(53), dated on 06/07/2017. - "Surat kebenaran memotong upah bagi tujuan pembayaran Tabung Surau RM5.00 sebulan bagi pekerja-pekerja yang memohon", reference: TK(NJ)U-24 dated on 21/07/2016. 	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment. The documented procedure has been established and implemented as per 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>The list of applicable laws and regulations which consist of documents/laws that covers the requirements related to MSPO compliance at both Estate are: -</p> <ol style="list-style-type: none"> 1. Occupational Safety and Health Act 1994 (Act514) 2. Environmental Quality Act 1974 (Act 127) 3. Factories and Machinery Act with regulations 1967 (Act 139) 4. Pesticides Act 1974 (Act 149) 5. MPOB Act 1998 (Act 582) 	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>Changes to legal requirements are monitored and updated by company's Group Sustainability & Quality Management (GSQM). The SOP 2.0 (Legal Compliance) has specified any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Head Office Assignee to identify and register all applicable laws & regulations pertaining to estate / palm oil mill operation. 2. Head Office Assignee to arrange the purchase of the applicable laws & regulations books where possible. Otherwise, downloaded/ soft copy would be used. <p>The latest up-date for 2022 are:</p> <ol style="list-style-type: none"> 1. Minimum Wages Order 2022 – May 2022 2. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan – peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Langkah-langkah di dalam kawasan Tempatan Jangkitan) (Pelan Pemulihan Negara) Fasa Peralihan Endemik 2022 – April 2022 3. Akta Levi Keuntungan Luar Biasa 1998 – Perintah levi keuntungan luar biasa (Buah Kelapa Sawit) (Pindaan) 2021- 23/3/2022 	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>All the Estates have appointed their person in charge to monitor Legal Requirements. The list of the names as below:</p> <ol style="list-style-type: none"> 1. Bukit Asahan Estate is Puan Nurul Atiqah Johari, Assistant Manager through appointment letter dated 1/1/2020 signed by En. Syahrul bin Saramlah, Estate Manager. 2. Welch Estate is Mr Muhammad Amin Hussin, Assistant Manager through appointment letter dated 30/4/2019 signed by En. Shahrin bin Luqman Hakim. 	Complied
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The 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. There is no land dispute raised by any stakeholders at the point of this assessment.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	The sampled managed to show their land titles as evidence of right to use the land. Bukit Asahan Estate has 44 land titles with a total area of 3,072.18 Ha. Whereas, Welch Estate has 45 land titles with a total area of 1,447.82 Ha. The copies of land titles were made available for verification.	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	<p><u>Bukit Asahan Estate</u></p> <p>Verified legal boundaries are clearly demarcated and visibly maintained in the block 00J. Boundaries with jungle was demarcated with boundary peg while boundaries with smallholders and villages demarcated with boundary pegs/poles and physical trenches and security fences.</p> <p>Boundary stones are clearly demarcated and visibly maintained with red and white GI Pipes. Additionally, estate legal boundary demarcated with Security Drain Trenches and Fences.</p> <p><u>Welch Estate</u></p> <p>Verified legal boundaries are clearly demarcated and visibly maintained in the block 99. Boundaries with jungle was demarcated with boundary peg while boundaries with smallholders and villages demarcated with boundary pegs/poles and physical trenches and security fences.</p> <p>Boundary stones are clearly demarcated and visibly maintained with red and white GI Pipes. Additionally, estate legal boundary demarcated with Security Drain Trenches and Fences.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute at all visited estates. The company has the legal ownership documents as demonstrated by possessing land titles.	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 -	There is no land encumbered by customary rights at all the sampled estates.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no land encumbered by customary rights at all the sampled estates.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no land encumbered by customary rights at all the sampled estates.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SDPB has conducted a Social Impact Assessment for SOU 18 by the Sustainability Strategy Unit, PSQM. The assessment covers Diamond Jubilee POM, Diamond Jubilee Estate and Bukit Asahan Estate. SIA report dated 12–15/07/2016 done by the Sustainability Strategy Unit,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>PSQM was well maintained and made available for verification. The objectives of the assessment are to identify the existing social issues and to develop social management plan. The assessment has involved the participation of stakeholders and attendance list of stakeholders was sighted. The issues raised by the stakeholders were recorded in the SIA report.</p> <p>Social Management Plan Year 2022 (Bukit Asahan Estate & Diamond Jubilee Estate) has included both operational unit level and individual site level such as issues derived from the worker’s complaint, housing complex area and management.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>System for dealing with complaints and grievances has been established and documented through:</p> <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority’s GPA No 85, Whistleblowing provides an internal mechanism for reporting, investigating, and remedying any wrongdoing. <p>Since January 2022, SOU 18 has implemented Social Dialogue Online Tracking. It is a system to register various social issues raised from the Social Dialogue session which is conducted fortnightly by each operating unit. Action plans for each issue will then be established and the system will alert the status of the progress. Among the information available in the system is:</p> <ul style="list-style-type: none"> - Issue ID - Region 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - OU - Dialogue date - Reported by - Report date - Reported to - Issue description - Category (e.g. forced labour, contracts & entitlement, housing amenities, safety, others, etc.) - Targeted completion date - Issue closed date - Status <p>Verification of the tracking system showed that all issues have been addressed in timely manner.</p>	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>It was noted that the estates managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.</p> <p>However, process to keep parties to a grievance informed of its progress, including against agreed timeframe and the outcome was not effective and communicated to relevant stakeholders. It was found that feedback raised by 2 (two) foreign workers at Bukit Asahan Estate with regards to leave application process. They have not been informed on the status of leave application (approved or denied) so far. Further check on the records for both workers:</p>	Minor non-conformity

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Criterion / Indicator		Assessment Findings	Compliance
		<p>1) Bikas - leave application dated 13/5/22, apply for 2 months leave (25/9/22 - 25/11/22), leave approved but deferred to 1-3/2023.</p> <p>2) Marsan - leave application letter was just submitted on 1/7/2022. Status of leave is still on-hold.</p> <p>No evidence of attendance during meeting with workers (for leave application) in June 2022. No minute of meeting or information on the approval/deferment for the said workers. This is not in line with IOM (CEOUM/036/06/2022) Foreign Workers Management Process Flow, Leave Request Process - 06 Leave request process (Peninsular Malaysia). Thus, a minor non-conformity report was assigned.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>All the visited estates are using the Sime Darby's online system called PalmPal to record any defects or issues related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by external stakeholders.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Based on interview with the stakeholders such as contractors, local communities, and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions to the management. There was no grievance recorded since the last assessment. Nonetheless, records of request for housing maintenance by workers were available at all the visited estates.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>The previous complaints and requests records for the past 24 months were still available at all the visited estates.</p>	Complied
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>Since the last assessment, among the contribution to local development were:</p> <p><u>Bukit Asahan Estate</u></p> <ul style="list-style-type: none"> - Facility loan such as football field to nearby schools - Maintenance of nearby schools e.g., drainage, shelter for students, permission to use estate’s road, food donation during MCO <p><u>Welch Estate</u></p> <ul style="list-style-type: none"> - Providing machinery for upkeeping graveyard at Kg Bukit Keledang - Permitting the estate area to be used as cross-country activity for SK Ladang Welch - Assisting the SK Ladang Welch to clear the bush surrounding the school - Donating display shelf to Sekolah Agama Bukit Keledang 	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>SDPB Group Occupational Health, Safety and Environment Policy was established on 5/5/2022 approved by Group Managing Director, Mohamad Helmy Othman Basha.</p> <p>The policy reflected the company’s commitment to provide safe & healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia.</p> <p>SDPB has developed Health, Safety and Environmental Management System (HSEMS) Manual year 2021 by Upstream Malaysia.</p> <p>MSPO Briefing has been conducted to all internal and external stakeholders through the following medium:</p>	Complied

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		<p>In view of Internal Stakeholder communication, the details as below:</p> <ol style="list-style-type: none"> 1. At Bukit Asahan Estate, the Policies and Procedures being communicated to 157 workers during Morning Muster dated 18/2/2022. The meeting chaired by Estate Executives 2. Welch Estate, the briefing being conducted on 18/6/2022 attended by 116 workers. The briefing chaired by Estate Assistant Manager <p>As for External Stakeholders, the session as following: External Stakeholders meeting was held on 12/2/2022 at Bukit Asahan Estate and 26/5/2022 at Welch Estate involving 15 and 18 stakeholders respectively comprising Government Agencies, Contractors, School, Supplier and Neighbouring Communities. Safety Health Plan for 2022 is available. The policy being displayed prominently on notice boards in English and local language Bahasa Malaysia.</p>	
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <ol style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ol 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 	<ol style="list-style-type: none"> a) SDPB Group Occupational Health, Safety and Environment Policy was established on 5/5/2022 approved by Group Managing Director, Mohamad Helmy Othman Basha. SDPB has developed Health, Safety and Environmental Management System (HSEMS) Manual year 2021 by Upstream Malaysia. b) The Estates have conducted risk assessments for all the operations and documented in the OSH Risk Assessment Register. <u>Bukit Asahan Estate</u> - Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk 	OFI

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<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>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>analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC being reviewed on periodical basis or if any occurrence of accidents. HIRARC sighted for the 107 work operations and reviewed on 1/2/2022.</p> <ul style="list-style-type: none"> - Chemical Health Risk Assessment (CHRA) was conducted to assess the hazards associated with the hazardous chemicals used in the estate. The latest CHRA review for Bukit Asahan Estate was completed on 7/8/2020 by Nisafety Consultancy (DOSH Registration: HQ/15/ASS/00/363-2020-109). The CHRA Report (Report Number: HQ/15/ASS/00/363 being verified). - Medical Surveillance was conducted for 17 sprayer, chemical mixer, foreman and workshop attendant workers on 2/07/2021 and 6 manurers dated 28/3/2021 as per OSHA USECHH 2000 requirements. The medical surveillance was conducted by One Medic Healthcare Sdn Bhd (Occupational Health Doctor: HQ/20/DOC/00/00519). The Medical Surveillance Report stated that all 23 workers passed the medical program and were fit to work. - Medical Surveillance was conducted for 12 rat baiters as per OSHA USECHH 2000 requirements. The medical surveillance was conducted by TTMC Ayer Keroh Clinic Sdn Bhd (Occupational Health Doctor: HQ/OHD/17/00164). The Medical Surveillance Report stated that all 12 workers passed the medical program and were fit to work. - In 2022, merely 4 workers comprising fogger, foreman, chemical mixer being examined for medical surveillance as per CHRA 	

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	<p>Recommendations dated 21/6/2022. The result yet to obtain from the Appointed Clinic,</p> <ul style="list-style-type: none"> - Noise Risk Assessment Report (NRA) was conducted on 13/8/2020 in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019 in the estates. The NRA was conducted by Emrest (M) Sdn Bhd. The Baseline Noise Risk Assessment Report (Report Number: HQ/LPROYKPEB/20/ 00271) was available for verification. - Audiometric Test was conducted for 30 workers at Specialist Mobile Safety Supplies Sdn Bhd on 11/4/2022. The result yet to obtain from appointed provider. <p><u>Welch Estate</u></p> <ul style="list-style-type: none"> - Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC being reviewed on periodical basis or if any occurrence of accidents. HIRARC sighted for the 107 work operations and reviewed on 24/6/2022. - Chemical Health Risk Assessment (CHRA) was conducted to assess the hazards associated with the hazardous chemicals used in the estate. The latest CHRA review for Welch Estate was completed on 10/6/2020 by Nisafety Consultancy (DOSH Registration: AS(B)JH/123/000/077. The CHRA Report (Report Number: HQ/15/ASS/00/363-2020-084 being verified. 	

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	<ul style="list-style-type: none"> - Medical Surveillance was conducted for 4 workers comprising chemical mixer, foreman, fogger and workshop attendant on 23/06/2022 as per OSHA USECHH 2000 requirements. The medical surveillance was conducted by Dr Ling Kay Kwong, Segamat Clinic (Occupational Health Doctor: HQ/08/DOC/00/545). The Medical Surveillance Report stated that all 4 workers passed the medical program and were fit to work. - Noise Risk Assessment Report (NRA) was conducted on 15/7/2020 in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019. The NRA was conducted by Emrest (M) Sdn Bhd. The Baseline Noise Risk Assessment Report (Report Number: HQ/LPROYKPEB/20/00272) was available for verification. - Audiometric Test was conducted for 10 workers identified to be exposed to excessive noise in the estate at Specialist Mobile Safety Supplies Sdn Bhd on 12/4/2022. The results showed that 1 worker had Standard Threshold Shift and re-test was conducted on 4/7/2022. <p>c) The estates have established training programs for management team, workers and contractors including pesticides applicator, programmed throughout the year. The trainings were conducted by those with knowledge in chemical handling.</p> <ol style="list-style-type: none"> 1. Bukit Asahan Estate <ul style="list-style-type: none"> - OSH Training – 13/06/2022 - SCH & Workers Engagement HIRARC – 28/01/2022 - Emergency Respond Plan – 25/2/2022 	

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Refresher briefing harvester on Compulsory Used of Eye Protection – 18/1/2022 - Hearing Conservation Awareness Training – 7/2/2022 <p>2. Welch Estate</p> <ul style="list-style-type: none"> - 1st Aid and ERT Training – 1/07/2022 - PPE Training – 18/6/2022 - Panduan Keselamatan Pemanduan Tractor – 15/6/2022 - Fire Drill – 22/3/2022 - COVID-19 Briefing – 17/3/2022 - Briefing on Payslip Native Language – 10/1/2022 <p>d) Appropriate PPE is provided by the estate’s management based on the job scope to the workers without any charges. Verified the PPE Record Book from April 2019 until to date.</p> <p>e) The company has developed SOP: Chemical Safety Management, doc no: SD/SDP/PSQM(ESH)/202-OH4, revision no 0, dated on 02/02/2015. The SOP has provided a requirement and procedure which involved the following:</p> <ul style="list-style-type: none"> i. Procurement of chemicals ii. Transportation of chemicals iii. Receiving of chemicals iv. Storage of chemicals v. Handling of chemicals vi. Disposal of chemicals 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>vii. Training viii. Maintenance of equipment</p> <p>Furthermore, the Estate did develop Safe Work Procedure under SOP/BAE/03/01-2009</p> <p>e) The management has appointed Mr. Sharin bin Luqman Hashim, Welch Estate Manager on 23/10/2021 and Mr. Syahrul Saramlah, Bukit Asahan Estate Manager on 01/07/2019 as the person in charge for the worker’s safety and health signed by Mr Rozli Alwi, RCEO Central West.</p> <p>f) The Estates have conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees’ safety, health and welfare such as operational risks and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated as follows:</p> <ol style="list-style-type: none"> 1. Bukit Asahan Estate <ul style="list-style-type: none"> - Year 2022 – 25/02/2022, 25/05/2022 - Year 2021 - 29/11/2021, 24/12/2021 2. Welch Estate <ul style="list-style-type: none"> - Year 2022 – 21/06/2022, 15/03/2022 - Year 2021 - 8/10/2021, 28/12/2021 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>g) Accident and emergency procedures were available and made visible to the workforce. During the interview session with the spraying gang, the workers were able to demonstrate a fair understanding regarding on the emergency incident. Emergency Response Plan Flow Charts were available to address emergencies such as Chemical Spillage (Field), Vehicle Accident, Fire Outbreak at Office/Store/Housing, Fire in Field/Peat Areas in Own or Neighbouring Estate, Storekeeper/Bagworm Treatment Workers/ Other Workers and Control & Prevention of COVID-19 Infection at the estates.</p> <p>The estates have established Emergency Response Team lead by the Estate Managers. The ERT chart and Fire Extinguisher Map were available for verification. Sighted the ERP trainings as below:</p> <ul style="list-style-type: none"> - Bukit Asahan Estate; – 25/02/2022 - Welch Estate; – 01/07/2022 <p>h) First aiders were stationed at all workstation/operations at the estates. The first aiders were responsible for first aid box at each workstation/operation assigned to them by the management. The first aid boxes are frequently replenished with to replace used items and expired items. The first aid box holders are regularly trained, and the training records were verified as below:</p> <ol style="list-style-type: none"> 1. Bukit Asahan Estate: 28/6/2022 2. Welch Estate; 1/7/2022 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>i) Records of accidents were maintained by all estates and updated to the HQ on a monthly basis. Accidents that occur are also discussed in the quarterly held JKPP Meetings.</p> <p>1. Bukit Asahan Estate</p> <ul style="list-style-type: none"> - The estate management has submitted the JKPP 8 form for the year ending 2021 to the Department of Safety & Health on 26/01/2022. Reference No: JKPP8/108534/2021. There was a total of 7 major accident cases reported for the year with a loss of 99 days. - There were 5 accident cases reported for the year 2022 as of the audit date. <p>2. Welch Estate</p> <ul style="list-style-type: none"> - The estate management has submitted the JKPP 8 form for the year ending 2021 to the Department of Safety & Health on 15/01/2022. Reference No: JKPP8/101904/2021. There was a total of 11 minor accident cases reported for the year with a loss of 14 days. 	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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. - Major compliance -	SDPB has incorporated its policy on good social practices regarding human rights in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to respect, support and uphold fundamental human rights. It was communicated to the employees through various methods such as training, meeting and briefing.	Complied
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,	SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to treat all employees	Complied

Criterion / Indicator		Assessment Findings	Compliance
	nationality, social origin or any other distinguishing characteristics. - Major compliance -	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. Interview with the workers showed that there was no evidence of discrimination among the employees.	
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Employment contracts are available and explained in language that understood by workers and signed by the workers 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). Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.	Complied
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 -	The management obtains the payslip from the contractors and check the pay against the minimum standard. Starting from May 2022, the minimum wage is RM1500/month or RM57.69/day is implemented according to the latest Minimum Wage order. Pay slip/cash voucher of the workers were verified that it is according to the employment contract. The records are documented and available for review. Sampled contractors record were also checked: <u>Bukit Asahan</u> 1) Diyana Trading & Services Sdn Bhd – FFB transportation, which it sub-contracted to Kim Soon Lee Transport Sdn Bhd – 4 local workers sampled 2) Sri Yogaletchumi Kali Enterprise – Backhoe rental – 1 local worker sampled	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	Employees have been provided with employment contract which referred to the collective agreement between MAPA and NUPW. The collective agreement for estates were available for verification.	Complied
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 -	Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	The working hours and breaks of the individual worker indicated in the time records were in-line with the legal regulations and collective agreements. Based on check roll records, overtime and breaks were recorded and consistent with the pay slip. There was no evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.	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 -	Interview with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer	Among the benefits provided by the company are as follows:	Complied

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	<p>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>	<ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance • motorcycle allowance • Estate’s clinic manned by qualified MA/HA • Social dialogue turnout incentive 	
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 estate workers are provided with free housing facilities which includes water and electricity supply. Based on the visit to the labour quarters, it was noted that the housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Each house has a living room, 3 bedrooms, 1 bathroom, 1 toilet and a kitchen. The visits by Visiting Medical Office (VMO) to the housing were also well organised by the management, where records of visits were maintained for reference.</p> <p>However, the following lapses were found:</p> <p><u>Bukit Asahan Estate</u></p> <p>Sighted at house No. block B #15 and block A #5, found petrol kept in a storage with fence and locked at the back of the house. Safe handling and storage of petrol was not in lined with Safe Handling and Storage of Petrol at Employees Housing Procedure, UM/HSE/OCP/06, version:0, effective date: 24/3/2021</p> <p><u>Welch Estate</u></p> <p>Sighted during site visit at line site, parameter drain leading to sedimentation sump and discharge drain found to be clogged.</p>	Major non-conformity

Criterion / Indicator		Assessment Findings	Compliance
		Undergrowth was also found in the parameter drains which blocked the free flow of water. Thus, a major non-conformity report was assigned.	
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mentioned 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. Interview with the workers confirmed that they are allowed to join any trade union freely.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. 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. - Major compliance -	SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mentioned 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.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.6: Training and competency			
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>SDPB has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1st Nov 2008. Under clause 6.2.2 stated the Competency, Awareness and Training procedures. The process of training includes: -</p> <ul style="list-style-type: none"> a. Determining competency requirements of each function. b. Identify training needs and provide appropriate trainings. c. Evaluating the effectiveness of training at defined intervals. d. Maintaining appropriate records of employees’ training, skills and experience <p>Both Estates has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file. The training programme has been determined and programmed by SQM. Sample Training Plan at Bukit Asahan Estate and Welch Estate as listed herein:-:</p> <ol style="list-style-type: none"> 1. Bukit Asahan Estate <ul style="list-style-type: none"> - OSH Training – 13/06/2022 - SCH & Workers Engagement HIRARC – 28/01/2022 - Emergency Respond Plan – 25/2/2022 - Refresher briefing harvester on Compulsory Used of Eye Protection – 18/1/2022 - Hearing Conservation Awareness Training – 7/2/2022 2. Welch Estate 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - 1st Aid and ERT Training – 1/07/2022 - PPE Training – 18/6/2022 - Panduan Keselamatan Pemanduan Tractor – 15/6/2022 - Fire Drill – 22/3/2022 - COVID-19 Briefing – 17/3/2022 - Briefing on Payslip Native Language – 10/1/2022 	
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>Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.</p> <p>Sighted the Training Need Analysis of all workers which are based on their competencies and job description.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>This is in compliance with 4.4.6.1. Training program are planned on annual basis and subject for a review during the financial year. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the estate along with the MSPO certification standards.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate & Welch Estate</u></p> <p>Environmental policy was developed and made available to the audit team. it was endorsed by Group Managing Director on 05/5/2022. the company committed to minimising environmental harm by:</p>	Complied

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	<ul style="list-style-type: none"> • Complying with statutory requirements, relevant standards, guidelines and code of business conduct (COBC) in the countries we operate. • Formulating, establishing, communicating, implementing and maintaining occupational safety and health system and continually improving sustainable plantation management. • Inculcating the culture of safety and health among employees. • Equipping employees with adequate knowledge, training and experience to enhance their alertness and competency in performing their work. • Continually improving the management of occupational safety, health-related and environmental matters. • Eliminating or minimizing any potential adverse effect on the environment arising from our business activities. • Value the importance of river and ecosystem functions. • Educate and encourage stakeholders in maintaining and enhancing the quality of the health, safety, & environment. <p>Environmental management plan was made available to the audit team. the main objective of this plan was to adhere with the relevant regulation authorized by the government and to ensure the operating unit to follow the guidelines.</p> <p>The plan consists of 4 type which are water management plan, waste management plan, HCV management plan and GHG management plan.</p> <p>The communication of the policy and plan was made to the employees on 18/2/2022 at 6:30am, venue at muster ground. The brief was done by Assistant Manager Bukit Asahan Estate on HRCH & HRDP to</p>	

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		<p>employee. Verified the attendance complete with sign of 18 workers from Gang no 6.</p> <p>The communication of the policy and plan was made to the employees on 1/6/2022 at 6:30am, venue at muster ground. The brief was done by Assistant Manager Welch Estate on Safety and health & Environment, New Wages, Policy to employee. Verified the attendance complete with sign of 24 workers from harvesting gang, 3 workers from loader gang, 4 workers from harvester 2 gang harvester and 32 workers from tappers gang.</p>										
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate.</u></p> <p>a) The environmental management plan covers the aspect and impact of the operation as follow:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Aspect</th> <th style="text-align: left;">Impact</th> <th style="text-align: left;">Action Plan</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Waste</td> <td style="vertical-align: top;">Domestic waste, Industrial waste, Schedule waste,</td> <td style="vertical-align: top;">To segregate recyclable materials and to dispose through recycling contractor/collectors. To collect other domestic waste from office and workers housing complex in black bin and send to land fill.</td> </tr> <tr> <td></td> <td style="vertical-align: top;">Land pollution, air pollution, workers health deteriorated.</td> <td style="vertical-align: top;">To instil awareness on recycling among workers through training and recycling campaign. Monitoring of housing complex cleanliness.</td> </tr> </tbody> </table>	Aspect	Impact	Action Plan	Waste	Domestic waste, Industrial waste, Schedule waste,	To segregate recyclable materials and to dispose through recycling contractor/collectors. To collect other domestic waste from office and workers housing complex in black bin and send to land fill.		Land pollution, air pollution, workers health deteriorated.	To instil awareness on recycling among workers through training and recycling campaign. Monitoring of housing complex cleanliness.	Complied
Aspect	Impact	Action Plan										
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Criterion / Indicator		Assessment Findings			Compliance
				<p>To monitor during housing inspection.</p> <p>To dispose waste to landfill.</p> <p>To dispose schedule waste to a licensed contractor.</p> <p>Maintain inventory for SW not more than 180 days.</p> <p>To store SW under lock and key.</p>	
		Water Management	Stream, Consumption of water, daily consumption and wastewater	<p>To educate drivers regarding on the importance of reducing emission.</p> <p>To conduct regular maintenance</p> <p>To ensure the engine is turn off during the idle time.</p>	
		Chemical spillage	Land pollution	<p>To place metal tray to prevent spillage while doing the mixing activities.</p>	
		<p>b) The aspects and impacts analysis of all operations has been done in the File No: EE/5.2/EIE Serial No. EIE/20219/06-01A, reference no: EAI/2019/06-01. As at in 27/4/2022 the management Bukit Asahan Estate has declare there was no changes on Environmental Impact Evaluation and Environment Aspect Identification.</p>			
		<p><u>Welch Estate</u></p>			

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Criterion / Indicator		Assessment Findings			Compliance									
		<p>a) The environmental management plan covers the aspect and impact of the operation as follow:</p> <table border="1"> <thead> <tr> <th>Aspect</th> <th>Impact</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Waste</td> <td> <p>Domestic waste, Industrial waste, Schedule waste,</p> <p>Land pollution, air pollution, workers health deteriorated.</p> </td> <td> <p>To segregate recyclable materials and to dispose through recycling contractor/collectors. To collect other domestic waste from office and workers housing complex in black bin and send to land fill. To instil awareness on recycling among workers through training and recycling campaign. Monitoring of housing complex cleanliness. To monitor during housing inspection. To dispose waste to landfill. To dispose schedule waste to a licensed contractor. Maintain inventory for SW not more than 180 days. To store SW under lock and key.</p> </td> </tr> <tr> <td>Water Management</td> <td> <p>Stream, Consumption of water, daily consumption,</p> </td> <td> <p>To educate drivers regarding on the importance of reducing emission. To conduct regular maintenance</p> </td> </tr> </tbody> </table>			Aspect	Impact	Action Plan	Waste	<p>Domestic waste, Industrial waste, Schedule waste,</p> <p>Land pollution, air pollution, workers health deteriorated.</p>	<p>To segregate recyclable materials and to dispose through recycling contractor/collectors. To collect other domestic waste from office and workers housing complex in black bin and send to land fill. To instil awareness on recycling among workers through training and recycling campaign. Monitoring of housing complex cleanliness. To monitor during housing inspection. To dispose waste to landfill. To dispose schedule waste to a licensed contractor. Maintain inventory for SW not more than 180 days. To store SW under lock and key.</p>	Water Management	<p>Stream, Consumption of water, daily consumption,</p>	<p>To educate drivers regarding on the importance of reducing emission. To conduct regular maintenance</p>	
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Criterion / Indicator		Assessment Findings			Compliance
			Daily consumption and wastewater	To ensure the engine is turn off during the idle time.	
		Chemical spillage	Land pollution	To place metal tray to prevent spillage while doing the mixing activities.	
		<p>The aspects and impacts analysis of all operations has been done in the File No: EIE &EIA Review Team – Welch Estate FY 2021, As at in 8/11/2021 the management Welch Estate has declared there was no changes on Environmental Impact Evaluation and Environment Aspect Identification.</p>			
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate</u> Training records to ensure the awareness among the employees were made available to the audit team.</p> <p><u>Welch Estate</u> Training records to ensure the awareness among the employees were made available to the audit team.</p>			Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p><u>Bukit Asahan Estate</u> The plan to promote positive impact was documented in the environmental management plan. Sighted some of the plan as follow:</p> <ol style="list-style-type: none"> 1. Domestic waste collection done by tractors and dumped in trash bin before dispose by contractors. 2. To update inventory records. 3. Recycle scrap metal or sell them to potential buyers. 4. Monitor the EFB production and disposal. 			Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>5. Continuous awareness campaign to the workers for year 2022 as below:</p> <ul style="list-style-type: none"> i) Water Management ii) High Conservation value area/biodiversity iii) Waste Management iv) Integrated pest management v) Energy Management vi) Pollution prevention <p><u>Welch Estate</u></p> <p>The plan to promote positive impact was documented in the environmental management plan. Sighted some of the plan as follow:</p> <ul style="list-style-type: none"> 1) Introduction of mechanical spraying using MIST BLOWER for circle spraying in mature field to reduce labour dependency at frequency 3 rounds per year. 2) Allocated trained machine operator for mist blower. 3) Change from ramp to bin system. 	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate</u></p> <p>Series of awareness and training were conducted by the estate management in order to equip necessary knowledge to the workers. Sighted the training records such as schedule waste awareness briefing, hearing conversation awareness briefing and MSPO SCCS training was conducted to the contractors and estate personnel.</p> <p><u>Welch Estate</u></p>	OFI

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Series of awareness and training were conducted by the estate management in order to equip necessary knowledge to the workers. Sighted the training records such as schedule waste awareness briefing, hearing conversation awareness briefing and MSPO SCCS training was conducted to the contractors and estate personnel.</p> <p>Policies SDP Briefing was done on 25/6/2022 and HCV awareness Briefing was done on 27/6/2022 at the muster ground. Verified the notes of the briefing and the attendance list sighted. The attendance list prepared can be further improved by requesting the participants to sign or thumbprint the attendance list (OFI).</p>	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate</u></p> <p>2 meetings related to the environment has been conducted by the mill management on 25/2//2022 (first meeting) and 27/5/2022 (second meeting). The agenda of the meeting were as follow:</p> <ol style="list-style-type: none"> 1. Sample water was sent on 13/6/2022 to check on the compliance on the water. 2. All clinical waste collection is at 1.5kg were disposed on 11/3/2022. 3. All the schedule waste (SW305.SW410) collected at 1kg to be disposed until 3/3/2022. 4. Replanting area at 128.22 hectare starting. <p><u>Welch Estate</u></p> <p>2 meetings related to the environment has been conducted by the mill management on 25/2/2022 (first meeting) and 27/5/2022 (second meeting). The agenda of the meeting were as follow:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																												
		1. Sample water was sent on 13/6/2022 to check on the compliance on the water. 2. All clinical waste collection is at 1.5kg were disposed on 11/3/2022. 3. All the schedule waste (SW305.SW410) collected at 1kg to be disposed until 3/3/2022. 4. Replanting area at 128.22hectare starting.																													
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 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. - Major compliance -	<u>Bukit Asahan Estate.</u> The mill management has monitored the consumption of diesel, electricity and water and developed a baseline from 2020 until June 2022. The yearly records are as follow: <table border="1" data-bbox="1048 879 1865 1209"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">FFB (MT)</th> <th colspan="3">Baseline</th> </tr> <tr> <th>Diesel</th> <th>Electricity</th> <th>Water</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>59,004.16</td> <td>1.40</td> <td>8.40</td> <td>1.50</td> </tr> <tr> <td>2021</td> <td>39,866.82</td> <td>1.70</td> <td>12.2</td> <td>2.20</td> </tr> <tr> <td>2022</td> <td>15,200.80</td> <td>1.90</td> <td>15.7</td> <td>2.90</td> </tr> <tr> <td>Average 3 Year</td> <td>38,023.90</td> <td>1.70</td> <td>12.1</td> <td>2.20</td> </tr> </tbody> </table> <u>Welch Estate</u>	Year	FFB (MT)	Baseline			Diesel	Electricity	Water	2020	59,004.16	1.40	8.40	1.50	2021	39,866.82	1.70	12.2	2.20	2022	15,200.80	1.90	15.7	2.90	Average 3 Year	38,023.90	1.70	12.1	2.20	Complied
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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><u>Bukit Asahan Estate & Welch Estate</u></p> <p>The Bukit Asahan Estate management has estimated the direct usage of non-renewables energy for their operation which is reflected in their annual budget. This included the diesel budget estimation from the contractors. Refer the table in the 4.5.2.1.</p>	Complied																												
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p><u>Bukit Asahan</u></p> <p>There was usage of solar for 2 units straight light in the manager bungalow and junction crossing road at Ayer Tekah Division. Estate also implement rainwater harvesting at the Main Office for cleaning purpose.</p> <p><u>Welch Estate</u></p> <p>Estate has implemented rainwater harvesting at the workshop and the water for cleaning tractor purpose.</p>	Complied																												

Criterion / Indicator		Assessment Findings	Compliance																				
Criterion 4.5.3: Waste management and disposal																							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p><u>Bukit Asahan Estate</u> Bukit Asahan Estate has established waste management plan and made available to the audit team. The objective of the plan was to ensure proper disposal of waste in accordance to SOP and legal requirements. The plan has categorized 4 types of waste which are domestic waste, industrial waste, scheduled waste and recyclable waste.</p> <p>List of identified waste products was documented in the Fifth Schedule (Regulation 11) Environmental Quality Act 1974, Environmental Quality (Schedule Wastes) Regulations 2005, Inventory of Scheduled Wastes: File Reference No: ASMK(B)11/123/000/004</p> <p>(i) Premise Name: Ladang Bukit Asahan Premise Address: The China Engineers (Malaysia) Sdn Bhd Ladang Bukit Asahan 77100 Asahan, Melaka. Status: Submit Month: June 2022</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Waste Code</th> <th>Waste Name</th> <th>Balance b/f(mt)</th> <th>Quantity Generated</th> </tr> </thead> <tbody> <tr> <td>2/6/2022</td> <td>SW 305</td> <td>Waste Lubricant Oil</td> <td>0.0500</td> <td>0.0500</td> </tr> <tr> <td></td> <td>SW 409</td> <td>Use PPE and Rags</td> <td>0.0000</td> <td>0.0000</td> </tr> <tr> <td>2/6/2022</td> <td></td> <td>Use PPE and Rags</td> <td>0.0010</td> <td>0.0010</td> </tr> </tbody> </table>	Date	Waste Code	Waste Name	Balance b/f(mt)	Quantity Generated	2/6/2022	SW 305	Waste Lubricant Oil	0.0500	0.0500		SW 409	Use PPE and Rags	0.0000	0.0000	2/6/2022		Use PPE and Rags	0.0010	0.0010	Complied
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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Welch Estate</u></p> <p>Welch estate has established waste management plan, and made available to the audit team. The objective of the plan was to ensure proper disposal of waste in accordance to SOP and legal requirements. The plan has categorized 4 type of waste which are domestic waste, industrial waste, scheduled waste and recyclable waste.</p> <p>Welch Estate has appointed Kualiti Alam Sdn Bhd as contractor to disposed the Schedule Waste. Verified the Certificate of Destruction. S/N: 2017990010007 and 2017990010006. The category code: SW 404 (Pathogenic, clinical or quarantined waste, date of issue 10/1/2022 and 17/2/2022. The quantity waste received at 0.008mt. The treatment facility incineration at the same quantity amount at 14/2/2022.</p> <p>Pentas Flora Sdn Bhd has hold license No. 003701 for them to stay on the premise.</p> <p>Verified estate has latest disposed by SS Setia Teknologi Enterprise on 28t June 2022 at amount about RM25.20</p> <p>List of identified waste products was documented in the Fifth Schedule (Regulation 11) Environmental Quality Act 1974, Environmental Quality (Schedule Wastes) Regulations 2005, Inventory of Scheduled Wastes: File Reference No: AS(B)11/123/000/077</p> <p>(i) Premise Name: Welch Premise Address: Sime Darby Plantation Bhd (Malaysia) Sdn Bhd Ladang Welch</p>	

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4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate.</u> Waste management plan has been reviewed by the audit team. Among the action plan taken to reduce or avoid pollution are as below:</p> <ol style="list-style-type: none"> 1. To collect other domestic waste from office and worker housing complex in black bins and send to the landfill. 2. To segregate recyclable materials and to dispose thru recycling contractors. 3. To educate and instil awareness on recycling among workers. 4. To engage licensed contractors for schedule waste management. 					Minor non-conformity																																							

Criterion / Indicator	Assessment Findings	Compliance
	<p>5. To maintain inventory for storage as SW (manual & eswiss). Schedule waste inventory records (spent oil, spent hydraulic oil, used oil filter) were kept UpToDate and well maintained by the estate management. Latest inventory was recorded in July 2022 and consignment note for schedule waste disposal was recorded on July 2022, by Pentas Flora (Melaka) Sdn Bhd.</p> <p><u>Welch Estate</u> Waste management plan has been reviewed by the audit team. Among the action plan taken to reduce or avoid pollution are as below:</p> <ol style="list-style-type: none"> 1. To collect other domestic waste from office and worker housing complex in black bins and send to the landfill. 2. To segregate recyclable materials and to dispose thru recycling contractors. 3. To educate and instil awareness on recycling among workers. 4. To engage licensed contractors for schedule waste management. 5. To maintain inventory for storage as SW (manual & eswiss). <p>Schedule waste inventory records (spent oil, spent hydraulic oil, used oil filter) were kept UpToDate and well maintained by the estate management. Latest inventory was recorded on July 2022 and consignment note for schedule waste disposal was recorded on July 2022, by Kualiti Alam Sdn Bhd.</p> <p>During site visit to field 02C1 at the harvesting area, it was found two empty chemical containers, one with blue colour (no label was found)</p>	

Criterion / Indicator		Assessment Findings	Compliance																								
		and another one green colour with a bold name "Hextar" that stuck into estate drain for a quit long time not attended. Thus, a non-conformity report was assigned.																									
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><u>Bukit Asahan & Welch Estate.</u></p> <p>SDPB has developed Chemical Safety Management with the objective to define the requirement for the procurement, transportation, receiving, handling, storage, disposal and training on the handling or use of chemicals.</p> <p>All estates have proper schedule waste store and the wastes are disposed thru the licensed contractors. Store for schedule waste inspected by the estate management on regular basis.</p>	Complied																								
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate.</u></p> <p>Empty chemical containers were triple rinsed with clean water, punctured, labelled and stored at the waste store. The container was used as chemical mixing container for spraying at replanting area 2021A & 2021B. The rest to be disposed to SS Setia Teknologi Enterprise. Verified from the Sales Cash No 2128 dated 13/6/2022.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Quantity</th> <th>Unit/price</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Fertilizer Bag</td> <td>1,230 pcs</td> <td>RM0.095</td> <td>RM116.85</td> </tr> <tr> <td>Chemical Container (20L)</td> <td>45 pcs</td> <td>RM0.50</td> <td>RM22.50</td> </tr> <tr> <td>Chemical Container (4L)</td> <td>5 pcs</td> <td>RM0.30</td> <td>RM30.30</td> </tr> <tr> <td>Chemical Container (250g)</td> <td>20kg</td> <td>RM0.30</td> <td>RM6.00</td> </tr> <tr> <td></td> <td></td> <td>Total</td> <td>RM177.15</td> </tr> </tbody> </table> <p><u>Welch Estate</u></p>	Item	Quantity	Unit/price	Total	Fertilizer Bag	1,230 pcs	RM0.095	RM116.85	Chemical Container (20L)	45 pcs	RM0.50	RM22.50	Chemical Container (4L)	5 pcs	RM0.30	RM30.30	Chemical Container (250g)	20kg	RM0.30	RM6.00			Total	RM177.15	Complied
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		<p>Empty chemical containers were triple rinsed with clean water, punctured, labelled and stored at the waste store. The container was used as chemical mixing container for spraying at mature area. The rest to be disposed to SS Setia Teknologi Enterprise. Verified from the Sales Cash No 2137 dated 28/6/2022.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Quantity</th> <th>Unit/price</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Fertilizer Bag</td> <td>- pcs</td> <td>RM0.095</td> <td>RM-</td> </tr> <tr> <td>Chemical Container (20L)</td> <td>39 pcs</td> <td>RM0.50</td> <td>RM19.50</td> </tr> <tr> <td>Chemical Container (4L)</td> <td>9 pcs</td> <td>RM0.30</td> <td>RM2.70</td> </tr> <tr> <td>Chemical Container (250g)</td> <td>10kg</td> <td>RM0.30</td> <td>RM3.00</td> </tr> <tr> <td></td> <td></td> <td>Total</td> <td>RM25.20</td> </tr> </tbody> </table>	Item	Quantity	Unit/price	Total	Fertilizer Bag	- pcs	RM0.095	RM-	Chemical Container (20L)	39 pcs	RM0.50	RM19.50	Chemical Container (4L)	9 pcs	RM0.30	RM2.70	Chemical Container (250g)	10kg	RM0.30	RM3.00			Total	RM25.20	
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4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p><u>Bukit Asahan and Welch Estate.</u></p> <p>Bukit Asahan Estate disposed domestic waste by awarding third party contractor MTJJ Enterprise (Company No. MA 0245462-P) since 1/5/2022 until 31/12/2022.</p> <p>As for this both Estate, the domestic waste was disposed to the Jasin Municipal landfill.</p>	Complied																								
Criterion 4.5.4: Reduction of pollution and emission																											
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate.</u></p> <p>Assessment of the polluting activities has been integrated in the environmental aspect impact identification and environmental impact evaluation. The assessment was reviewed on an annual basis which includes GHG, schedule waste, recycle waste and domestic waste.</p>	Complied																								

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Welch Estate.</u> Assessment of the polluting activities has been integrated in the environmental aspect impact identification and environmental impact evaluation. The assessment was reviewed on an annual basis which includes GHG, schedule waste, recycle waste and domestic waste.</p> <ol style="list-style-type: none"> 1) Minimize soil erosion during replanting 2) Management of scheduled waste 3) To ensure the activity do not pollute the environment. 4) To ensure no open burning at the workers housing complex area. 	
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><u>Bukit Asahan Estate.</u> Action plan to reduce the significant identified pollutants has been documented. Sighted the action plan as follow:</p> <ol style="list-style-type: none"> 1. Management of schedule waste – to comply with the EQA (Scheduled Waste) Regulations 2005. 2. Action plan: to ensure all scheduled waste is stored and disposed as per legal requirement, to provide regular inspection for estate vehicle for operation purposes and to maintain oil trap as to prevent oil spillage. 3. Mixing activity – premix area <p>Action plan: to conduct regular inspection and maintenance of premix area sump and to collect the wastewater and reused for spraying activity.</p> <p><u>Welch Estate.</u> Action plan to reduce the significant identified pollutants has been documented. Sighted the action plan as follow:</p>	Complied

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		<ol style="list-style-type: none"> 1. Management of schedule waste – to comply with the EQA (Scheduled Waste) Regulations 2005. 2. Action plan: to ensure all scheduled waste is stored and disposed as per legal requirement, to provide regular inspection for estate vehicle for operation purposes and to maintain oil trap as to prevent oil spillage. 3. Mixing activity – premix area Action plan: to conduct regular inspection and maintenance of premix area sump and to collect the wastewater and reused for spraying activity. 	
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> <ol 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 	<p><u>Bukit Asahan Estate.</u> Water management plan year 2022 was made available to the audit team and reviewed. The plan has classified 5 action plans which are monitoring of</p> <ol style="list-style-type: none"> 1) River/stream, 2) Consumption monitoring of water pond for nursery, 3) Monitoring of daily water consumption 4) Harvesting rainwater. 5) Wastewater from the pre-mixing area. <p>Water supply for the Bukit Asahan Estate comes from Syarikat Air Melaka Berhad and the estate management has been monitoring the water consumption since the last 2018.</p> <p>Water samples were sent to Sime Darby Research Sdn Bhd for water analysis report and pesticide in water analysis. The results were</p>	Minor non-conformity

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Criterion / Indicator	Assessment Findings	Compliance
<p>or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>obtained on 10/2/2022 (pesticide analysis) and 26/1/2022 (water analysis).</p> <p>According to the result, pesticide was not detected in the upstream, midstream and downstream waterways. Same goes with the water analysis results where the results complied with the standard specifications.</p> <p>Bukit Asahan Estate monitors the water quality (River Water) for the stream that flows adjacent to the estate as per the Water Management Plan. Water Analysis Test Report were received with non-conforming results and the implementation there after was not in accordance with the SOP. 1. The corrective/preventive action report for non-conforming water analysis results were not done for Water Analysis Test Report dated 08/01/2022 (Report Number: PL121/2022) and 06/07/2021 (Report Number:IE738/2021) 2. Resampling was not done within a week of receiving the off-spec results for Water Analysis Test Report dated 14/03/2022 (Report Number: IE349/2022), 08/01/2022 (Report Number: PL121/2022), 29/11/2021 (report Number: IE1170/2021) and 06/07/2021 (Report Number:IE738/2021). Thus, a minor non-conformity report was raised.</p> <p><u>Welch Estate</u></p> <p>Water management plan year 2022 was made available to the audit team and reviewed. The plan has classified 2 action plans which are monitoring of</p> <ol style="list-style-type: none"> 1) The instil awareness to workers on water consumption 2) Wastewater from the premixing area – to collect wastewater in sump for reuse for pre-mixing. 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Water supply for the Welch Estate comes from Ranhill Syarikat Air Johor and the estate management has been monitoring the water consumption since the last 2018.</p> <p>Estate currently has water catchment area used for pervious before SAJ supply water to estate. The water catchment area was taking care properly and it was under HCV management plan.</p> <p>No water sampling point required.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	No bunds built across the estate compound.	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p><u>Bukit Asahan Estate</u></p> <p>No rainwater harvesting techniques been practices in the estate field. Technique such as roadside drain was implemented to divert the water from the rain to the oil palm field. From the field visit verified that estate has implemented the silt pit as roadside drain in the block 00J.</p> <p><u>Welch Estate</u></p> <p>No rainwater harvesting techniques been practices in the estate field. Technique such as roadside drain was implemented to divert the water from the rain to the oil palm field. From the field visit verified that estate has implemented the silt pit as roadside drain in the block 02C.</p>	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p>	<p><u>Bukit Asahan Estate</u></p> <p>Assessment report for Estate Reservoir Project (HCV) related for Diamond Jubilee Estate was prepared by PSQM Department of SDPB.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>The report covers the whole complex of SOU 18 Diamond Jubilee. In summary, the assessment team has reported there are 3 area to be classified as the HCV area:</p> <p>The HCV Awareness and Training was made on 10/5/2022. The briefing on the training was done by Puan Nur Atiqah binti Johari, Assistant Manager for Home Division and by En. Shaiful Ihsan, Assistant Manager, Division Ayer Tekah.</p> <p>The attendance:</p> <p>Gang 62 – 9 participants Gang 62B – 1 participant Gang no 21 – 4 participants Gang no 29A – 1 participant Gang 61 – 10 participants Gang 61B – 3 participants Gang no 22 – 9 participants Gang no 23 – 19 participants Gang no 24B – 5 participants Home Division - 51participants</p> <p><u>Estate</u> Total HCV Area SOU 18 (Diamond Jubilee estate and Bukit Asahan Estate) was 6.94 ha.</p> <p>The HCV management plan year 2022 are:</p> <p>i) Protection of erosion prone area ii) Management of human wildlife conflict</p>	

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Criterion / Indicator	Assessment Findings	Compliance															
	<p>iii) Enhancement and management of HCV areas. iv) Management of RTE species if present of affecting estate. Wildlife monitoring is consistently being implemented by recording the species found roaming in estate compound. Latest monthly monitoring record dated on 03/6/2022 was made available to the audit team and verified. From the visit to the area water catchment area (Ayer Tekah Division) HC4 in the block 10A and 02H.</p> <p><u>Welch Estate</u> Assessment report for Estate Reservoir Project (HCV) related for Diamond Jubilee Estate was prepared by PSQM Department of SDPB on August 2016. The report covers the whole complex of SOU 19 Pagoh and 20 Chaah.</p> <p>In summary, the assessment team has reported there are 3 area to be classified as the HCV area, as follow:</p> <table border="1" data-bbox="1050 1061 1868 1195"> <thead> <tr> <th>Estate</th> <th>No.</th> <th>Assessment area</th> <th>(HA)</th> <th>Present HCV</th> </tr> </thead> <tbody> <tr> <td>Welch</td> <td>1</td> <td>Water catchment area</td> <td>0.95</td> <td>HCV 4</td> </tr> <tr> <td>Lanadron</td> <td>1</td> <td>River reserve (Muar River)</td> <td>19.41</td> <td>HCV 4</td> </tr> </tbody> </table> <p>The HCV Awareness and Training was made on 27/6/2022. The briefing on the training was done by En. Amin bin Husin, Assistant Manager for Home Division Verified the attendance:</p>	Estate	No.	Assessment area	(HA)	Present HCV	Welch	1	Water catchment area	0.95	HCV 4	Lanadron	1	River reserve (Muar River)	19.41	HCV 4	
Estate	No.	Assessment area	(HA)	Present HCV													
Welch	1	Water catchment area	0.95	HCV 4													
Lanadron	1	River reserve (Muar River)	19.41	HCV 4													

Criterion / Indicator		Assessment Findings	Compliance
		<p>Home Division – 60 participants</p> <p>Total HCV Area SOU 19 (Pagoh and Chaah) was Welch Estate-0.95ha, Lanadron Estate – 19.41ha.</p> <p>The HCV management plan year 2022 are:</p> <ul style="list-style-type: none"> i) Protection of erosion prone area ii) Management of human wildlife conflict. iii) Enhancement and management of HCV areas. <p>Latest monthly monitoring record dated on 27/6/2022 was made available to the audit team and verified.</p> <p>From the visit to the area water catchment area (Welch) HCV4 in the block P02C.</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> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p><u>Bukit Asahan Estate</u></p> <p>The estate management has consistently monitored if there any encroachment by the wildlife or spotted while the workers carry out their duties in the field. Though no RTE identified roaming the estate compound, the management has taken necessary action such as education their workers on the discouragement of wildlife hunting, erecting the necessary signages and parameter patrolling.</p> <p><u>Welch Estate</u></p> <p>The estate management has consistently monitored if there any encroachment by the wildlife or spotted while the workers carry out their duties in the field.</p> <p>Though no RTE identified roaming the estate compound, the management has taken necessary action such as education their</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		workers on the discouragement of wildlife hunting, erecting the necessary signages and parameter patrolling.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	<p><u>Bukit Asahan Estate</u> The management plan to comply with the indicator 1 has been made available to the audit team and verified. From the visit to site field 00J and the interview with 4 manuring gang workers showing their understanding on RTE and there was one incident reporting from one of the manuring gangs on the observed <i>Ophiophagus Hannah</i> while working. She was reporting the incidents to the in-charge mandore, estate has complied the report in HCV monitoring form, sighted the monitoring and patrolling report on 28/6/2022 record of wildlife sightings in the field 00M at 10.00am.</p> <p><u>Welch Estate</u> The management plan to comply with the indicator 1 has been made available to the audit team and verified. From the visit to site field 00J estate has comply the report in HCV monitoring form, sighted the monitoring and patrolling report on 1/6/2022 record of patrolling HCV 4 area in the field 02C at 10.00am by field supervisor.</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Zero burning policy was documented in the SOP Section B2 – Felling/Land Clearing & Land Preparation dated November 2008. The estates have been practicing the zero-burning policy during in their replanting programs.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	Not applicable since the management has adopted zero-burning policy.	Not applicable
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 -	Not applicable since the management has adopted zero-burning policy.	Not applicable
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	All palms were felled, shredded, windrowed and left to decompose. The estate did not implement open burning practices.	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 -	SDPB has established a few numbers of SOP's. Among the documents are: - <ul style="list-style-type: none"> • Estate Quality Management System (EQMS) Manual • Standard of Procedure (Plantation) • Agricultural Reference Manual • Sustainable Plantation Management System (SPMS) Manual • Occupational Safety and Health Manual • ESH Management System Manual • Pictorial Safety System Standards 	Major non-conformity

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> • Security Guidelines Sime Darby Plantation Berhad • Primary Healthcare Services in Plantation <p>The best agricultural practices which had been implemented being monitored via work programs, visits by General Managers, Plantation Advisors and Agronomist.</p> <p>1. Bukit Asahan Estate</p> <ul style="list-style-type: none"> - OSH Training – 13/06/2022 - SCH & Workers Engagement HIRARC – 28/01/2022 - Emergency Respond Plan – 25/2/2022 - Refresher briefing harvester on Compulsory Used of Eye Protection – 18/1/2022 - Hearing Conservation Awareness Training – 7/2/2022 <p>2. Welch Estate</p> <ul style="list-style-type: none"> - 1st Aid and ERT Training – 1/07/2022 - PPE Training – 18/6/2022 - Panduan Keselamatan Pemanduan Tractor – 15/6/2022 - Fire Drill – 22/3/2022 - COVID-19 Briefing – 17/3/2022 - Briefing on Payslip Native Language – 10/1/2022 <p><u>Non – Conformity</u></p> <p>Sighted during site visit at Bathing Room for Sprayer in Bukit Asahan Estate, all PPEs such as Apron, Face Mask, Safety Boots, Goggles, Nitrile Gloves were not found in the cabinet and hang for drying</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>purpose while no spraying activity on the day. Thus, major non-compliance to the following SOP:</p> <ul style="list-style-type: none"> • According to Safe Operating Procedure Version 1 (01/11/2021), Pesticides Spraying (After) Bathing, washing and changing cloth before going back home. • According to SOP/BAE/03/01-2009 Tatacara Kerja Selamat (Keselamatan Penggunaan Bahan Racun), PPE Required Breathing Mask, Apron, Gloves, Safety Boots and Goggles. Para 12 mentioned All Sprayer has to wash all PPEs with soap and keep neatly at the storage cabinet. All apron to be washed and hanged. 	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>SDPB has established Responsible Agriculture Charter and this Charter has been endorsed by the Sustainability Committee of the Main Board. The Charter covering the aspects of Social, Environmental and Corporate Integrity Commitments.</p> <p>The Charter has superseded the Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.</p> <p>The estate has a visual reference system to identify each field or block. Each field has the signboard with block number/ year of planting & hectare only.</p>	Complied
Criterion 4.6.2: Economic and financial viability plan			

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Criterion / Indicator		Assessment Findings	Compliance																							
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2022 - 2026 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha	Complied																							
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 -	SDPB has established Long Range Replanting Program (LRRP) for all estates. The replanting programme was review yearly at the head office level and details as below: <table border="1" data-bbox="1048 756 1872 890"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="5">Hectare</th> </tr> <tr> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Bukit Asahan</td> <td>128.22</td> <td>154.78</td> <td>192.83</td> <td>173.14</td> <td>211.67</td> </tr> <tr> <td>Welch</td> <td></td> <td></td> <td>73.04</td> <td>85.90</td> <td>79.65</td> </tr> </tbody> </table>	Estate	Hectare					2022	2023	2024	2025	2026	Bukit Asahan	128.22	154.78	192.83	173.14	211.67	Welch			73.04	85.90	79.65	Complied
Estate	Hectare																									
	2022	2023	2024	2025	2026																					
Bukit Asahan	128.22	154.78	192.83	173.14	211.67																					
Welch			73.04	85.90	79.65																					
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, 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 management plan was effectively implemented, and the achievement of the goals and objectives were regularly monitored, documented and reviewed through Monthly Progress Reports, Monthly	Complied																							

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Criterion / Indicator		Assessment Findings	Compliance
		Accounts Reports, Annual Financial Reports, General Manager’s Visit, Plantation Advisor Visit Reports and Performance Unit Report.	
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 -	Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units’ personnel and also representatives from HQ for major projects.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contract agreements between the management and the contractors (e.g., Diyana Trading & Services) were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	This requirements on adhering the RSPO/ISCC/MSPO standards in accordance with the Sime Darby Plantation of Estate Quality Management System had been specified in the contract agreement to all the contractors upon commencing their contracts. The standards requirements were explained to the contractors mainly through meetings. Records of meeting were maintained and available for verification.	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 -	Awarded contractors are provided with Letter of Offer (LOA) (contract agreement) which the conditions such as commencement, service contract, bank guarantee, insurance policies, failure to provide service, responsibility and indemnity, termination, governing laws, transportation rate and rate adjustment mechanism are spelt out.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	SDPB has spelt out the requirement to accept MSPO approved auditor to verify assessments through a physical inspection to the contractors under Clause 5.5 (b) of the LOA. For those awarded contracts through Memorandum of Agreement, an addendum is provided where this requirement is included.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed by the contractors at the estates are checked and verified by the estate's personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the	Not applicable as there is no new planting at all the sampled estates.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
	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 -		
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable

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

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
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.	Not applicable as there is no new planting at all the sampled estates.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	Not applicable as there is no new planting at all the sampled estates.	Not applicable

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 -	SDPB commitments towards MSPO compliance being established through Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha, Group Managing Director dated 2/12/2019. MSPO Briefing has been conducted to all internal and external stakeholders through the following medium: - 1. The Policies and Procedures being communicated to 60 workers during Morning Muster dated 19/5/2022 and 24/6/2022. The briefing chaired by QA Supervisor. 2. As for External Stakeholders, the session was held on 23/5/2022 collaborated with Diamond Jubilee Estate involving 34 stakeholders respectively comprising Government Agencies, Contractors, School, Supplier and Neighbouring Communities.	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 sustainability goals are in line with United Nations Sustainable Development Goals (UNSDG) 2030, which committed to: 1. Promoting good governance and transparency 2. Contributing to a better society 3. Minimising environmental harm 4. Delivering sustainability quality	Complied

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Criterion / Indicator		Assessment Findings	Compliance						
		<p>This policy being guided by the commitments spelt out in the Company's: -</p> <ol style="list-style-type: none"> 1. Responsible Agriculture Charter (RAC) 2. Human Rights Charter (HRC) 3. Innovation and Productivity Charter (IPC) 							
Criterion 4.1.2 – Internal Audit									
4.1.2.1	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p>SDPB, Plantation Sustainability and Quality Management (PSQM), Internal Audit Procedures, Doc No: SD/SDP/PSQM/IAP Revision 2 Date 1/11/2017. The internal audit being conducted annually to implement and maintain the respective standard requirements effectively within the Group.</p> <p>The Management had drawn an Internal Audit Plan and it being carried out once a year to the Mill. The Internal audit conducted by Sustainability Unit, Group Sustainability Department. Sighted Internal Audit Plan and conducted as below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Mill</th> <th>Date Planned</th> <th>Date Audited</th> </tr> </thead> <tbody> <tr> <td>Diamond Jubilee</td> <td>10/5/2022</td> <td>10/5/2022</td> </tr> </tbody> </table>	Mill	Date Planned	Date Audited	Diamond Jubilee	10/5/2022	10/5/2022	Complied
Mill	Date Planned	Date Audited							
Diamond Jubilee	10/5/2022	10/5/2022							
4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>The Internal Audit was planned to be conducted annually. The MSPO Internal Audit was conducted by Sustainability Compliance Unit, Group Sustainability Department.</p> <p>The team Lead Auditor is Ms. Fatini Abd Wahid and assisted by Co-Auditor, Nor Atikah Mohd Hassan, Amirul Irfan Ainul Azam and Wafa Abdul Aziz.</p> <p>The NC's raised as follows:</p>	Complied						

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Criterion / Indicator		Assessment Findings		Compliance												
		<table border="1"> <tr> <td>Date report send by GSD</td> <td>10/5/2022</td> </tr> <tr> <td>Major</td> <td>2</td> </tr> <tr> <td>Minor</td> <td>3</td> </tr> <tr> <td>OFI</td> <td>1</td> </tr> <tr> <td>Deadline to response GSD</td> <td>40 days @ 28/6/2022</td> </tr> <tr> <td>Date Response to GSD</td> <td>22/6/2022</td> </tr> </table> <p>All the findings were closed within stipulated timeframe and the auditee has responded by including the root cause analysis and corrective action plan.</p>	Date report send by GSD	10/5/2022	Major	2	Minor	3	OFI	1	Deadline to response GSD	40 days @ 28/6/2022	Date Response to GSD	22/6/2022		
Date report send by GSD	10/5/2022															
Major	2															
Minor	3															
OFI	1															
Deadline to response GSD	40 days @ 28/6/2022															
Date Response to GSD	22/6/2022															
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report was documented and made available for management review. As evidence, all findings from internal audit were responded by Mill Management within the timeframe of 40 days.</p>		Complied												
Criterion 4.1.3 – Management Review																
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The procedure for Management Review, Standard Operation Manual, Sub-Section 5.6, dated: 25/5/2015 was established. The frequency for management review needs to be carried out at least once a year.</p> <p>The Management Review meeting is on Operating Unit basis. The actual meeting date as below: -</p> <table border="1"> <thead> <tr> <th>Mill</th> <th>Date of Meeting</th> <th>No of Participants</th> <th>Venue</th> </tr> </thead> <tbody> <tr> <td>Diamond Jubilee</td> <td>17/6/2022</td> <td>6</td> <td>Main Office</td> </tr> </tbody> </table> <p>The agendas discussed in the meeting are the following:</p> <ol style="list-style-type: none"> 1. Review of last meeting and confirmation of the minutes 2. Review of status / issue of Input and Output 3. Sustainability Management 		Mill	Date of Meeting	No of Participants	Venue	Diamond Jubilee	17/6/2022	6	Main Office	Complied				
Mill	Date of Meeting	No of Participants	Venue													
Diamond Jubilee	17/6/2022	6	Main Office													

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Criterion / Indicator		Assessment Findings	Compliance												
		4. Resource evaluation, needs and plan 5. Results from system audit 6. Changes that could affect the Management Systems 7. Recommendation for Improvement 8. Other matters													
Criterion 4.1.4 – Continual Improvement															
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	The Mill has developed Continuous Improvement Programme as follows: - <table border="1" data-bbox="1048 783 1868 1177"> <thead> <tr> <th>CIP</th> <th>Objective</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Process</td> <td>Insufficient retention time of empty bunch inside EB Press</td> <td>Inverter installation at EB Press to control motor speed at optimum oil loss in EB</td> </tr> <tr> <td>OSH</td> <td>To provide safe condition during working at height at OH Water Tank</td> <td>OH Water Tank Safety Platform Installation</td> </tr> <tr> <td>Environmental</td> <td>To increase awareness on Domestic Waste Management among the residences.</td> <td>To conduct Domestic Waste Management Campaign.</td> </tr> </tbody> </table>	CIP	Objective	Action Plan	Process	Insufficient retention time of empty bunch inside EB Press	Inverter installation at EB Press to control motor speed at optimum oil loss in EB	OSH	To provide safe condition during working at height at OH Water Tank	OH Water Tank Safety Platform Installation	Environmental	To increase awareness on Domestic Waste Management among the residences.	To conduct Domestic Waste Management Campaign.	Complied
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Environmental	To increase awareness on Domestic Waste Management among the residences.	To conduct Domestic Waste Management Campaign.													
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	The Mill in the progress of installing Fuel Retrieval System in order to improve the boiler efficiency.	Complied												

Criterion / Indicator	Assessment Findings	Compliance	
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 -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Managers are responsible to address all communication and request for documentations that could be made available to public/stakeholders.	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 -	SDPB continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through SDPB website at https://simedarbyplantation.com/sustainability/reports-policies-and-statements/	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 -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	
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 -	As stated in the procedure, the Mill Manager is responsible to deal with the external communication for the respective estates under their management.	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 -	List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 23/05/2022. Minutes of meeting were available for verification. The objective of the meeting to discuss the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety.	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 -	Standard Operating Procedures for Sustainable Supply Chain & Traceability, SD/SDP/GSD/SCCS/0522/01-year 2022 was established and to ensure effective implementation on sustainable supply chain and traceability of FFB. The Standard Operating Procedures also specifies the identified CCPs of which the risk of mixing of certified and non-certified FFB is possible as well as the control of the flow and transportation of the FFB from the harvesting block to the weighbridge and subsequently to the POM.	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>Verified the implementation of this SOP and sufficient information is stated on the weighbridge ticket or consignment note of all FFB, CPO & PK transactions as sample below:</p> <p>a. FFB Supplier</p> <p>1. FFB Delivery Ticket</p> <ul style="list-style-type: none"> - Weighbridge Ticket : 133391 - Supplier : Diamond Jubilee Estate - Delivery Order No : 545856 Date : 23/6/2022 - Vehicle No : JQS88842D11 - Driver : Moorthy Driver - 1st Weight : 22,270 kg - 2nd weight : 14,260 kg - Nett weight : 8,010 kg - Supplier Weight : 8,070 kg - Variance : 60 kg <p>b. KERNEL Despatch</p> <ul style="list-style-type: none"> - Mill Weighbridge Ticket : 011079 - Supplier : Diamond Jubilee POM - Transporter : Green Vision Trading and Services Sdn Bhd - Product – 0008 Palm Kernel - Vehicle No : VGF 5913 Date : 4/7/2022 - 1st Weight : 18,230 kg - 2nd weight : 45,870 kg - Nett weight : 27,640 kg 	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Contract No.: S/PSD/2206/PKO162 c. CPO Despatch <ul style="list-style-type: none"> - Mill Weighbridge Ticket: 011077 - Supplier : Diamond Jubilee POM - Transporter : Mekar Angkut Sdn Bhd - Product – 0007 Crude Palm Oil - Vehicle No : DEE 4455 - PO Number : 0049 - Date : 1/7/2022 - 1st Weight : 19,530 kg - 2nd weight : 60,020 kg - Nett weight : 40,490 kg - Contract No : S/PSD/2206/CPO0084K 	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place through Central Reporting System (CRS). Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. In Diamond Jubilee POM, sighted the FFB Receive Summary Report by Supplier with each estate code numbers.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The Mill have appointed En. Hanif Bin Ab. Talib, Assistant Engineer as their person in charge to monitor Traceability through appointment letter dated 1/5/2019 signed by En. Muhammad Mukhtarul Ariffin bin Salimin, Mill Manager.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The records of CPO sales have been verified. The dispatch of the CPO is determined by HQ Sales & Marketing and will be entered into the CXC (online system for contracting) and SIME-WEIGH for producing the dispatch ticket. The weigh bridge operator will check the system before releasing the dispatch.	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 -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU18. 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. The lists of permits/licenses which has to be monitored and updated periodically include; 1. Calibration of weighing machine by Metrology Corporation Malaysia Sdn Bhd, 60,000 kg X 10 kg, reference no: D045235, expired on 09/01/2023. 2. Energy Commission, Akta Bekalan Elektrik 1990, Form B, Pepasangan No ST(MLK)P/S/MLK/00832 for 1054.85KV valid until 16/3/2023. 3. Water Abstraction License, Sungai Chogong, 20.68m ³ per hour, 496.30m ³ per day, 14,889.08m ³ per month, BKSAM Serial No:0753,	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>License No: 293/56/05.2021 valid until 30/4/2022. Mill in the process of renewing license.</p> <p>4. Lesen menggunakan dan menduduki premis yang ditetapkan, Serial 004043 valid until 30/6/2022.</p> <p>5. MPOB license, No. 50028804000, permits milling capacity valid until 30/9/2022 for 192,000 Mt.</p> <p>6. Majlis Perbandaran Jasin, - Account No: L-0007430-05</p> <ul style="list-style-type: none"> - Lesen Kilang Hasil Pertanian (Kelapa Sawit) > 360MP- RM3,933.00 - Lesen Iklan Tidak Bercahaya < 1MP, RM80.00 - Lesen Stor Menyimpan Kelapa Sawit > 360 MP, RM303.10 - Lesen Pejabat Urusniaga >70MP – RM280.00 - Renewal – RM3.00 - Patil/Pelit – RM5.00 <p>Perlesenan Tred (Pindaan)(MPJ)2014 valid until 31/12/2022</p> <p>7. "Surat kebenaran memotong upah bagi tujuan pembayaran bil elektrik", reference: BHG.PU/9/129 JLD33(53), dated on 06/07/2017.</p> <p>8. "Surat permohonan had kerja lebih masa", reference BHG.PU/9/134JLD9(11), dated on 27/03/2017. Maximum allowable extra hours are up to 130 hours and with condition normal working hours not more than 7 hours per day.</p> <p>9. "Surat kebenaran memotong upah bagi tujuan bayaran pinjaman Pendidikan PTPTN dan simpanan Tabung Haji", reference: JTKS€6/115. Jld 36-20(2), dated on 30/05/2018.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> 10. Audiometric Report was conducted as reported September 2021 by Klinik TTMC Ayer Keroh. 39 workers send for test. 11. Mill Manager is registered CePSWaM effective date 29/06/21 as certificate serial No. CePSWaM/04698. 12. Environmental Audit was conducted by NISAFETY Consultancy (Salasiah Bt. Abd Rahman EA 0057) dated 17/06/22. Z1st yeur conducted by Ahmad Azuan b. Sheikh Omar EA 0087) dated 09/12/21. 1. Fire Certificate expiry date on 26/05/22, in the process of renewal as letter sent to JBPM Melaka as FC4 and email from AE Eequitas Sdn Bhd dated 18/06/22 on status of application for renewal pending Bomba’s inspection. Lesen Perakuan BOMBA, License No: JBPM:MK/7/078/2021. 2. Fume Cupboard Exhaust (Chimney No. 3) as stated in Written Notification dated 22/02/22 as submitted by NISAFETY Consultancy Sdn Bhd dated 25/01/22 (Ref. No. NC/WN/KKSDJ/1221). 3. Genset with capacity of 1,054 KW have permit under Section 21 of Electrical Services Act 1990 under Suruhanjaya Tenaga. Valid 1 year from 16/03/22. 	
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>List of applicable legal and other requirements was made available during the assessment. The documented procedure has been established and implemented as per Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p>	Complied

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		<p>The list of applicable laws and regulations which consist of documents/laws that covers the requirements related to MSPO compliance at Mill are: -</p> <ol style="list-style-type: none"> 1. Occupational Safety and Health Act 1994 (Act514) 2. Environmental Quality Act 1974 (Act 127) 3. Factories and Machinery Act with regulations 1967 (Act 139) 4. Pesticides Act 1974 (Act 149) 5. MPOB Act 1998 (Act 582) 6. Etc 	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Changes to legal requirements are monitored and updated by Group Sustainability Department. The SOP 2.0 (Legal Compliance) has specified any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:</p> <ol style="list-style-type: none"> 1. Head Office Assignee to identify and register all applicable laws & regulations pertaining to estate / palm oil mill operation. 2. Head Office Assignee to arrange the purchase of the applicable laws & regulations books where possible. Otherwise, downloaded/soft copy would be used. <p>The latest up-date for 2022 are:</p> <ol style="list-style-type: none"> 1. Minimum Wages Order 2022 – May 2022 2. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan – peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Langkah-langkah di dalam kawasan Tempatan 	Complied

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		Jangkitan) (Pelan Pemulihan Negara) Fasa Peralihan Endemik 2022 – April 2022 3. Akta Levi Keuntungan Luar Biasa 1998 – Perintah levi keuntungan luar biasa (Buah Kelapa Sawit)(Pindaan) 2021 – 23/3/2022	
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 -	The mill has appointed En. Hanif Bin Ab. Talib, Assistant Engineer as their person in charge to monitor Legal Requirements through appointment letter dated 1/5/2019 signed by En. Muhammad Mukhtarul Ariffin bin Salimin, 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 -	SDPB did not acquire land from any landowners but leased it directly from the government. There was no evidence that the oil palm milling activities diminish the land use rights of other users.	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 -	Diamond Jubilee POM is situated on a freehold land - Grant #20102 Lot 228 which is under Diamond Jubilee Estate. The Land title (Grant) was held by Sime Darby Headquarters and copy of the land title was made available for verification.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The Palm Oil Mill being inside the Grant #20102 Lot 228 which is shared with Diamond Jubilee Estate has its boundary visibly demarcated with a fence surrounding its premises.	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).	NA. Land issue is under the management of Diamond Jubilee Estate.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	No land is encumbered by customary rights.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	No land is encumbered by customary rights.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	No land is encumbered by customary rights.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SDPB has conducted Social Impact Assessment for SOU 18 Diamond Jubilee on 12-15/07/2016 by the Sustainability Strategy Unit, PSQM. The assessment covers Diamond Jubilee POM, Diamond Jubilee Estate and Bukit Asahan Estate. The objectives of the assessment are to identify the existing social issues and to develop social management plan. The assessment has involved the participation of stakeholders and attendance list of stakeholders was made available for verification. The issues raised by the stakeholders were recorded in the SIA report. The recommendation from the SIA report was then transferred to	Complied

Criterion / Indicator		Assessment Findings	Compliance
		action plan. The latest Social Management Plan Jan 2022 was made available for verification. The action plan identified the objectives, actions to be taken, responsible person and time frame.	
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>System for dealing with complaints and grievances has been established and documented through:</p> <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority’s GPA No 85, Whistleblowing provides an internal mechanism for reporting, investigating, and remedying any wrongdoing. <p>Since January 2022, SOU 18 has implemented Social Dialogue Online Tracking. It is a system to register various social issues raised from the Social Dialogue session which is conducted fortnightly by each operating unit. Action plans for each issue will then be established and the system will alert the status of the progress. Among the information available in the system is:</p> <ul style="list-style-type: none"> - Issue ID - Region - OU - Dialogue date - Reported by - Report date - Reported to - Issue description 	Complied

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		<ul style="list-style-type: none"> - Category (e.g. forced labour, contracts & entitlement, housing amenities, safety, others, etc.) - Targeted completion date - Issue closed date - Status <p>Verification of the tracking system showed that all issues have been addressed in timely manner.</p>	
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>It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.</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 is using the Sime Darby's online system called PalmPal to record any defects or issues related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by external stakeholders.</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>Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions to the management. There was no grievance recorded since the last assessment. Nonetheless, records of request for housing maintenance by workers were available at the mill.</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 previous complaints and requests records for the past 24 months were still available at the mill.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>The mill continues to contribute to local development upon request. Among the contributions made since the last audit were:</p> <ul style="list-style-type: none"> - Donation of sundry goods to surrounding communities on 19/07/2022 due to COVID-19 situation - Permission to use the community hall to Tabika Kemas DUN Rim between 21/06 to 28/07/2022 	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>SDPB Group Occupational Health, Safety and Environment Policy was established on 5/5/2022 approved by Group Managing Director, Mohamad Helmy Othman Basha.</p> <p>The policy reflected the company's commitment to provide safe & healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia.</p> <p>SDPB has developed Health, Safety and Environmental Management System (HSEMS) Manual year 2021 by Upstream Malaysia.</p> <p>MSPO Briefing has been conducted to all internal and external stakeholders through the following medium: -</p> <ol style="list-style-type: none"> 1. The Policies and Procedures being communicated to 60 workers during Morning Muster dated 19/5/2022 and 24/6/2022. The briefing chaired by QA Supervisor. 2. As for External Stakeholders, the session was held on 23/5/2022 collaborated with Diamond Jubilee Estate involving 34 stakeholders 	Complied

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		<p>respectively comprising Government Agencies, Contractors, School, Supplier and Neighbouring Communities</p> <p>Safety Health Plan for 2022 is available. The policy being displayed prominently on notice boards in English and local language Bahasa Malaysia.</p>	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should 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 Labelling) Regulation 1997 Occupational Safety Health (Use and</p>	<p>a) SDPB Group Occupational Health, Safety and Environment Policy was established on 5/5/2022 approved by Group Managing Director, Mohamad Helmy Othman Basha.</p> <p>The policy reflected the company’s commitment to provide safe & healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia.</p> <p>SDPB has developed Health, Safety and Environmental Management System (HSEMS) Manual year 2021 by Upstream Malaysia.</p> <p>b) The Mill have conducted risk assessments for all the operations and documented in the OSH Risk Assessment Register.</p> <ul style="list-style-type: none"> - Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC being reviewed on periodical basis or if any occurrence of accidents. HIRARC sighted for the 29 work operations and latest reviewed on 20/6/2022. - Chemical Health Risk Assessment (CHRA) was conducted to assess the hazards associated with the hazardous chemicals 	OFI

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Criterion / Indicator	Assessment Findings	Compliance
<p>Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers’ safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees’ safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>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>used in the mill. The latest CHRA review was completed on 7/7/2020 by Nisafety Consultancy (DOSH Registration: HQ/15/ASS/00/363-2020-107). The CHRA Report (Report Number: HQ/15/ASS/00/363 have been verified.</p> <ul style="list-style-type: none"> - Medical Surveillance was conducted for 15 workers on 14/2/2022 as per OSHA USECHH 2000 requirements. The medical surveillance was conducted by TTMC Ayer Keroh clinic (Occupational Health Doctor: HQ/17/OHD/00/00094). The Medical Surveillance Report stated that all 13 workers passed the medical program and 2 were unfit to work. Re-test have been conducted in March 2022 and still awaiting the result. - Noise Risk Assessment Report (NRA) was conducted on 4/2/2020 in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019. The NRA was conducted by ETOSH Consult & Engineering Plt. The Baseline Noise Risk Assessment Report (Report Number: HQ/LPROYKPEB/20/00078) was available for verification. - Audiometric Test was conducted for 39 workers through TTMC Ayer Keroh Clinic dated 24/9/2021. The results showed that all the workers are fit to work. - On 17/2/2022, 5 workers undergone audiometric test at TTMC Ayer Keroh Clinic and all are fit to work. <p>c) The Mill have established training programs throughout the year. Training conducted as follows: -</p> <ul style="list-style-type: none"> - Chemical Management and PPE Handling – 17/06/2022 - Mass Balance Accounting Template – 14/06/2022 	

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Emergency Respond Plan – 20/6/2022 - Emergency Eye Wash Training– 19/4/2022 - Safety Briefing – 9/4/2022 - Sexual Harassment Awareness – 10/3/2022 <p>d) Appropriate PPE is provided by the Mill management based on the job scope to the workers without any charges. Verified the PPE Record Book from April 2019 until to date.</p> <p>e) The company has developed SOP: Chemical Safety Management Procedure, Doc No : UM/HSE/OCP/04 dated 2021. The SOP has provided a requirement and procedure which involved the following:</p> <ul style="list-style-type: none"> i. Procurement of chemicals ii. Transportation of chemicals iii. Receiving of chemicals iv. Storage of chemicals v. Handling of chemicals vi. Disposal of chemicals. vii. Training viii. Maintenance of equipment. <p>f) The management has appointed Mr. Muhammad Muhratul Ariffin bin Salimin, Diamond Jubilee Mill Manager on 23/11/2021 as the person in charge for the worker’s safety and health signed by Mr Rozli Alwi, RCEO Central West.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>g) The mill has 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, security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated as follows:</p> <ul style="list-style-type: none"> - Year 2022 – 13/06/2022, 17/03/2022 - Year 2021 - 14/12/2021, 30/09/2021 <p>h) Accident and emergency procedures were available and made visible to the workforce. Emergency Response Plan Flow Charts, Revision date 15/6/2021 were available to address emergencies such as Effluent Spillage, Accident while working, fire, chemical spillage and etc.</p> <p>The Mill have established Emergency Response Team lead by the Mill Manager. The ERT chart and Fire Extinguisher Map were available for verification. Sighted the Fire drill training dated 20/6/2022 lead by Jabatan BOMBA and Penyelamat Malaysia. The training attended by 59 participants.</p> <p>i) First aiders were stationed at 7 workstation/operations at the Mill. The first aiders were responsible for first aid box at each workstation/operation assigned to them by the management. The first aid boxes are frequently replenished with to replace used items and expired items.</p>	

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		<p>j) Records of accidents were maintained by Mill Office and updated to the HQ on a monthly basis. Accidents that occur are also discussed in the quarterly held JKKP Meetings.</p> <p>The Mill management has submitted the JKPP 8 form for the year ending 2021 to the Department of Safety & Health on 18/01/2022. Reference No: JKKP8/93109/2021. There was a total of 4 major accident cases reported for the year with a loss of 107 days. There were 3 minor accident cases reported for the year 2022 as of the audit date.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on good social practices regarding human rights in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to respect, support and uphold fundamental human rights. It was communicated to the employees through various methods such as training, meeting and briefing.</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>SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 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. Interview with the workers showed that there was no evidence of discrimination among the employees.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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>Collective agreement between MAPA and NUPW was available. The latest agreement was available for verification and signed by the related representatives (i.e., Head, Plantation Upstream, Malaysia, Head of HR Operations, Director Industrial Relations). Based on the agreement, the living wage in the CA was found to be sufficient to meet basic needs for the employees.</p> <p>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the workers. Sampled workers ID number whose payslips for December 2019 and June 2020 were verified is as follows: 10544, 80763, 90606, 124351, 120303, 169591</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The CPO & PK transportation contractors have signed on the contract agreement prior commencement of work in the mill area. In the agreement, it was clearly stated that the contractors shall be responsible to comply any applicable legal requirements including the labour law. With regards to mill operations, there was no contractor hired to carry out any job on behalf of the mill.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	Employees have been provided with employment contract which referred to the collective agreement between MAPA and NUPW. The collective agreement for estates were available for verification.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Time recording at the mill was implemented through recording of punch card system, which records the time-in and time-out of an employee. The records were updated on daily basis and attendance of workers was monitored regularly through site supervision.	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 -	Working time found to be in accordance to Article 24 of the collective agreement i.e. 8 hours per day and minimum of half an hour break. There are multiple working shifts at the mill. Based on verification of time recording, the total working hours per day is 8 hours with 1 hour break.	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 -	Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Among the benefits offered by the company: <ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance • Estate’s clinic manned by qualified MA/HA • Social dialogue turnout incentive 	Complied

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<p>4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The mill workers are provided with free housing facilities which includes water and electricity supply. Based on the visit to the labour quarters, it was noted that the housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Each house has a living room, 3 bedrooms, 1 bathroom, 1 toilet and a kitchen.</p> <p>However, the following lapse was found: Sighted at house #100, found petrol kept in a container. Safe handling and storage of petrol was not in lined with Safe Handling and Storage of Petrol at Employees Housing Procedure, UM/HSE/OCP/06, version:0, effective date: 24/3/2021.</p> <p>Thus, a major non-conformity report was assigned.</p>	<p>Major non-conformity</p>
<p>4.4.5.12 The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Flowchart or mechanism to report any cases related to sexual harassment and violence is communicated to the workers in various methods such as display on notice boards, briefing during morning muster, and worker helpline call centre. There is no report with regards to sexual harassment or violence since the last assessment.</p>	<p>Complied</p>
<p>4.4.5.13 The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this</p>	<p>SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mentioned 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. Interview with the workers confirmed that they can join any trade union freely.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	right should not be discriminated against or suffer repercussions. - Major compliance -		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mentioned 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.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	SDPB has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1/11/2008. Under clause 6.2.2 stated the Competency, Awareness and Training procedures. The process of training includes: e. Determining competency requirements of each function. f. Identify training needs and provide appropriate trainings. g. Evaluating the effectiveness of training at defined intervals. h. Maintaining appropriate records of employees' training, skills and experience. The Mill has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file. The training programme has been determined and programmed by SQM. Sample Training Plan at as listed herein: 1. Chemical Management and PPE Handling – 17/06/2022 2. Mass Balance Accounting Template – 14/06/2022 3. Emergency Respond Plan – 20/6/2022	Complied

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		4. Emergency Eye Wash Training– 19/4/2022 5. Safety Briefing – 9/4/2022 6. Sexual Harassment Awareness – 10/3/2022	
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 -	Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers which are based on their competencies and job description.	Complied
4.4.6.3	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. - Minor compliance -	This is in compliance with 4.4.6.1. Training program are planned on annual basis and subject for a review during the financial year. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the Mill along with the MSPO certification standards.	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 shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Environmental policy was developed and made available to the audit team. it was endorsed by Group Managing Director (Mohamad Helmy Othman Basha) on 02/12/2019. the company committed to minimising environmental harm by: <ol style="list-style-type: none"> Protecting and enhancing biodiversity and the ecosystem. No deforestation and no new development on peat land. Enhancing resilience against climate change impact. Adopting responsible consumption and production. 	Complied

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		<p>Environmental management plan was made available to the audit team. the main objective of this plan was to adhere with the relevant regulation authorized by the government and to ensure the operating unit to follow the guidelines.</p> <p>The plan consists of 4 types which are water management plan, waste management plan, HCV management plan and GHG management plan.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The plans and impact assessments relating to environmental impacts based on documents for both estates and the mill are elaborated in the following records:</p> <p>a) Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, (<i>version 1; year 2008 Issue no. 1; dated 1 April 2009 Register</i>)</p> <p>b) Appendix 5.4.1c - Environmental Aspect and Impact Identification form (<i>version 1; year 2008 Issue no. 1; dated 1 April 2009; MR-01/EAI</i>)</p> <p>c) Appendix 5.4.1d – Environmental Impacts Evaluation form (<i>version 1; year 2008 issue no. 1; dated 1 April 2009; MR-02/EIE</i>)</p> <p>The environmental aspects for the mill are tabulated in the EAI master list (<i>EAI/MOM/2013/001—1ME to EAI/2015/MOM/020</i>) updated annually. Among others the EIAs are divided into all stations in the mill processing as listed below. The newest added being ESP at the boiler station.</p> <p>a) the boiler stack emission, black smoke.</p> <p>b) palm oil mill effluent (POME) discharge and water contamination,</p>	Complied

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		c) Activities related to managing of scheduled wastes and general wastes. d) Activities of all operations beginning from the mill entrance ending to the effluent, EFB operations. e) Movement of vehicles/transportation tractors. f) Water treatment Plant/Power station. g) ESP/ Effluent belt press operations. Documents are maintained, sighted, and verified.	
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 -	Training records to ensure the awareness among the employees were made available to the audit team.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The plan to promote positive impact was documented in the environmental management plan. Sighted some of the plan as follow: <ol style="list-style-type: none"> 1. Domestic waste collection done by tractors and dumped in trash bin before dispose by contractors. 2. To update inventory records. 3. Recycle scrap metal or sell them to potential buyers. 4. Monitor the EFB production and disposal. 5. Continuous awareness campaign to the workers. Installation of VORSEP to reduce dust particulate and black smoke emission.	Complied

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		The EFB production recorded as of June 2022 was at 7.958mt. Current disposal EFB as at June 2022 was at 7,903mt. The FFB processed was at 41,771mt. The EFB ratio were recorded at 0.191mt.	
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 -	Series of awareness and training were conducted by the mill management in order to equip necessary knowledge to the workers. Sighted the training records such as schedule waste awareness briefing, hearing conversation awareness briefing and MSPO SCCS training was conducted to the contractors and mill personnel.	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 -	2 meetings related to the environment has been conducted by the mill management on 17/3/2022 (first meeting) and 16/6/2022 (second meeting). The agenda of the meeting were as follow: 1. Kawalan Pencemaran udara 2. Pemasangan kebuk wasap 3. Pematuhan terhadap bahan buangan berjadual 4. Penyimpanan, pembungkusan dan perlabelan bahan buangan. 5. Kemas kini e-swiss dan inventori. 6. Pelupusan bahan buangan berjadual 7. Kemudahan alam sekitar. The second meeting was attended by 7 participants and the first meeting was attend by 10 participants. Verified the attendant from the minute meeting prepared by the management. Puan Siti Norsolihah binti Rasimun has been appointed as an Environment officer effective 1/1/2021.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

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Criterion / Indicator		Assessment Findings					Compliance																																																					
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>The mill management has monitored the consumption of diesel, electricity and water and developed a baseline from 2020 until June 2022. The yearly records are as follow.</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">FFB (mt)</th> <th colspan="3">Baseline</th> </tr> <tr> <th>Diesel (litre) & (litre/FFB)</th> <th>Electricity (kwh) & (kwh/FFB)</th> <th>Water (m3) & (m3/FFB)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>99,680.18</td> <td>7,890 0.079</td> <td>953,995 9.570</td> <td>164,484 0.0017</td> </tr> <tr> <td>2021</td> <td>90,564.97</td> <td>7,407 0.082</td> <td>886,471 9.788</td> <td>134,795 0.0015</td> </tr> <tr> <td>2022 (as at June)</td> <td>41,770.94</td> <td>3,527 0.0084</td> <td>437,462 10.473</td> <td>54,709 0.0013</td> </tr> </tbody> </table> <p>Diesel Usage for transportation PK (Contractor)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Trip</th> <th>Distance Travel (km)</th> <th>Fuel Usage (liter)</th> <th>Fuel Usage (M³)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>160</td> <td>56,960</td> <td>11,120</td> <td>13.08</td> </tr> <tr> <td>2022</td> <td>65</td> <td>23,140</td> <td>4,517.50</td> <td>5.31</td> </tr> </tbody> </table> <p>Diesel Usage for transportation CPO (Contractor)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Trip</th> <th>Distance Travel (km)</th> <th>Fuel Usage (liter)</th> <th>Fuel Usage (M³)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>475</td> <td>184,376</td> <td>35,862.50</td> <td>42.19</td> </tr> <tr> <td>2022</td> <td>153</td> <td>80,598</td> <td>15,508.50</td> <td>18.25</td> </tr> </tbody> </table>					Year	FFB (mt)	Baseline			Diesel (litre) & (litre/FFB)	Electricity (kwh) & (kwh/FFB)	Water (m3) & (m3/FFB)	2020	99,680.18	7,890 0.079	953,995 9.570	164,484 0.0017	2021	90,564.97	7,407 0.082	886,471 9.788	134,795 0.0015	2022 (as at June)	41,770.94	3,527 0.0084	437,462 10.473	54,709 0.0013	Year	Trip	Distance Travel (km)	Fuel Usage (liter)	Fuel Usage (M³)	2021	160	56,960	11,120	13.08	2022	65	23,140	4,517.50	5.31	Year	Trip	Distance Travel (km)	Fuel Usage (liter)	Fuel Usage (M³)	2021	475	184,376	35,862.50	42.19	2022	153	80,598	15,508.50	18.25	Complied
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4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and	The mill management has estimated the direct usage of non-renewable energy for their operation which is reflected in their annual					Complied																																																					

Criterion / Indicator		Assessment Findings	Compliance
	electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	budget. This included the diesel budget estimation from the contractors.	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Fibre and shell were used to fuel up boiler station.	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 -	The company has developed SOP: Landfill Management in Estate, doc no SD/SDP/PSQM(ESH)/203-EN7, revision 00, dated on 13/03/2017. The SOP have identified the potential product wastes in the estates and mills. Sighted the list as below. List of general wastes are as follow: a. Ash b. Metal waste c. Paper waste d. Glasses, plastic waste e. Operational waste. f. Organic waste g. Domestic waste h. Sewage (Septic Tank at workers Housing Complex and office) i. EFB j. Boiler ash k. ETP Black soil	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>I. POME</p> <p>Listed of scheduled waste are as follow:</p> <ul style="list-style-type: none"> a. Used batteries b. Light bulb c. Used hydraulic oil. d. Used lubricant e. Chemical container 	
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> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<p>Waste management plan has been reviewed by the audit team. Among the action plan taken to reduce or avoid pollution are as below:</p> <ul style="list-style-type: none"> a. Recycle scrap metal or sell to potential buyers. b. Monitor EFB production and disposal. c. Monitoring of POME BOD level at final discharge point. d. To monitor housing inspection and to attend their complaints. e. To ensure good working condition of SW store. <p>"Laporan Inventori Pelupusan Tandan Kosong Kelapa Sawit Dari Tempoh 1/1/2022 sehingga 30/6/2022" was made available to the audit team. This report records the EFB disposal activity from the mill to the estate compound. Sighted 7,958 Mt of EFB was disposed to the Diamond Jubilee Estate through mulching application. The report was acknowledged by the mill manager, Mr. Muhammad Mukhtarul Ariffin on 30/6/2022.</p>	Complied

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<p>4.5.3.3 The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The company has established standard operating procedure for chemical safety management, doc no: UM/HSE/OCP/04, revision no 00, dated on 9/3/2022.</p> <p>Document tittle: Chemical Safety management Procedure Confidentially: Internal Business Unit: Sime Darby Plantation Berhad Process Owner: Health Safety Environment. Author: Syah Faizal Hafizullah Ahmad, Senior Executive Health Safety Environment, Upstream Malaysia Type of document: Procedure Version: 0 Document status: Final Approved Date: 9/3/2021 Approved by: Iqmal Fajri Danial W.e.f: 9/3/2021</p> <p>Glossary</p> <table border="1" data-bbox="1048 1061 1865 1385"> <thead> <tr> <th>Terms</th> <th>Descriptions</th> </tr> </thead> <tbody> <tr> <td>Chemicals</td> <td>Chemical elements or compounds or mixtures thereof, whether natural or synthetic, but does not include micro-organisms.</td> </tr> <tr> <td>Safety Data Sheet (SDS)</td> <td>A document which contains relevant information on a chemical</td> </tr> <tr> <td>Supplier</td> <td>A person who supplies and include a formulator, a manufacturer, an importer or a distributor.</td> </tr> </tbody> </table>	Terms	Descriptions	Chemicals	Chemical elements or compounds or mixtures thereof, whether natural or synthetic, but does not include micro-organisms.	Safety Data Sheet (SDS)	A document which contains relevant information on a chemical	Supplier	A person who supplies and include a formulator, a manufacturer, an importer or a distributor.	<p>Complied</p>
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Criterion / Indicator		Assessment Findings		Compliance																																										
		Use	Production, processing, purchase, handling, storage, transport, disposal and treatment.																																											
		<p>Consignment notes to disposed schedule waste was made available to the audit team. Wastes as below:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Code waste</th> <th>Name</th> <th>Bal b/f (mt)</th> <th>Quantity (mt)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>30/6/2022</td> <td>SW 305</td> <td>Spent Lubricant</td> <td>0.0000</td> <td>0.1134</td> <td></td> </tr> <tr> <td>30/6/2022</td> <td>SW 306</td> <td>Spent Hydraulic Oil</td> <td>0.0000</td> <td>0.0000</td> <td></td> </tr> <tr> <td>30/6/2022</td> <td>SW 322</td> <td>Spent Hexane</td> <td>0.0258</td> <td>0.0286</td> <td></td> </tr> <tr> <td>30/6/2022</td> <td>SW 322</td> <td>Spent IPA</td> <td>0.0428</td> <td>0.0490</td> <td></td> </tr> <tr> <td>30/6/230/6/202022</td> <td>SW 409</td> <td>Empty Chemical Container</td> <td>0.02373</td> <td>0.0317</td> <td>Reused at 0.0170mt</td> </tr> <tr> <td>30/6/2022</td> <td>SW 410</td> <td>Used Rags</td> <td>0.02030</td> <td>0.0993</td> <td></td> </tr> </tbody> </table> <p>such as SW305 (spent lubricant), SW322 (spent hexane, spent IPA), SW409 (empty chemical container) and SW410 (plastic bags) was collected by Pentas Flora Sdn Bhd on 11/3/2022.</p>			Date	Code waste	Name	Bal b/f (mt)	Quantity (mt)	Remarks	30/6/2022	SW 305	Spent Lubricant	0.0000	0.1134		30/6/2022	SW 306	Spent Hydraulic Oil	0.0000	0.0000		30/6/2022	SW 322	Spent Hexane	0.0258	0.0286		30/6/2022	SW 322	Spent IPA	0.0428	0.0490		30/6/230/6/202022	SW 409	Empty Chemical Container	0.02373	0.0317	Reused at 0.0170mt	30/6/2022	SW 410	Used Rags	0.02030	0.0993	
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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 disposed were handle by estate Diamond Jubilee Estate. The domestic waste was sent to the Jasin Municipal landfill. The DJ estate has engaged a contractor for waste collection to the landfill.		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.	The mill management has established an assessment on the polluting activities such as greenhouse gas emission, particulate & soot emissions, scheduled waste, solid waste and effluent under Energy Management Plan.		Complied																																										

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	- Major compliance -	To reduce emission, the mill management has plan to install VORSEP to reduce dust particulate and black smoke emission. This will be monitored on daily basis.																
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	<p>Action plan to reduce identified significant pollutant was documented in the environmental management plan. Sighted some of the plan as follow:</p> <p>Air Emission Prevention: - To reduce emission</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Actions</th> <th>Remarks</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Boiler Operation</td> <td>Installation of VORSEP to reduce dust particulate & black smoke emission.</td> <td></td> <td>Fixing at boiler number 2 use for both boilers.</td> </tr> <tr> <td>Laboratory Analysis</td> <td>Installation of fume hood for laboratory.</td> <td>Appointing Nisafety Consultancy Sdn Bhd for fume hood installation.</td> <td>In progress to be check by DOE verification.</td> </tr> </tbody> </table> <p>Pollution Prevention: -</p> <ol style="list-style-type: none"> To comply with Jadual Pematuhan for Prescribed Premise (Crude Palm Oil) To ensure no open burning at the workers housing area. 				Item	Actions	Remarks	Status	Boiler Operation	Installation of VORSEP to reduce dust particulate & black smoke emission.		Fixing at boiler number 2 use for both boilers.	Laboratory Analysis	Installation of fume hood for laboratory.	Appointing Nisafety Consultancy Sdn Bhd for fume hood installation.	In progress to be check by DOE verification.	Complied
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Criterion / Indicator		Assessment Findings							Compliance																														
<p>4.5.4.3</p> <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>The POME discharged to the land application at the nearby estates. Prior to discharge, the mill management conducted an analysis to ensure the parameter reading follow the guidelines by Department of Environment.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Intake (mt)</th> <th>Uptake (mt)</th> </tr> </thead> <tbody> <tr> <td>Jan 22</td> <td>3,495.06</td> <td>3,500.21</td> </tr> <tr> <td>Feb 22</td> <td>4,819.49</td> <td>4,159.73</td> </tr> <tr> <td>Mar 22</td> <td>4,930.55</td> <td>5,086.26</td> </tr> <tr> <td>Apr 22</td> <td>4,647.48</td> <td>4,468.55</td> </tr> <tr> <td>May 22</td> <td>4,114.47</td> <td>4,158.79</td> </tr> <tr> <td>Jun 22</td> <td>4,769.57</td> <td>4,968.68</td> </tr> </tbody> </table> <p>The latest Effluent analysis was sent to Sime Darby Research Center Sdn Bhd received on 12/6/2022 and attached with Effluent test Report No. EP290/2022.</p> <p>Test Report No: EP290/2022 Client: KKS Diamond Jubilee Date Received: 14/6/2022 Date Sampled: 8/6/ 2022 Date tested: 14/6/ 2022 Date issued: 22/6/ 2022</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Ref</th> <th>pH (25°C)</th> <th>BOD (mg/l)</th> <th>SS(mg /L)</th> <th>TN(mg /L)</th> <th>AN(mg /L)</th> <th>)&G(m g/L)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Month	Intake (mt)	Uptake (mt)	Jan 22	3,495.06	3,500.21	Feb 22	4,819.49	4,159.73	Mar 22	4,930.55	5,086.26	Apr 22	4,647.48	4,468.55	May 22	4,114.47	4,158.79	Jun 22	4,769.57	4,968.68	Code	Ref	pH (25°C)	BOD (mg/l)	SS(mg /L)	TN(mg /L)	AN(mg /L))&G(m g/L)									<p>Complied</p>
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Criterion / Indicator		Assessment Findings							Compliance																
		C-W-EP-202206-001295	Final Application	7.2	1900	36,000	290	226	7																
		DOE allowed released of effluent's BOD level 5000 mg/L. Based on the effluent analysis rest report dated on 22/6/2022, the mill management manage to get BOD level at 1,900 mg/L.																							
Criterion 4.5.5: Natural water resources																									
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <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>	<p>a) Water management plan for year 2022 was made available to the audit team. The objective of this plan was to monitor</p> <ul style="list-style-type: none"> 1) The contingency during shortage of water 2) Monitor usage of treated water in monthly basis 3) To provide clean drinking water to communities. 4) Protection of watercourse and wetland 5) To reuse/recycle wastewater. <p>b) The usage of water for DJPOM are as per table below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022 (as at June)</th> </tr> </thead> <tbody> <tr> <td>Cubic meter</td> <td>164,484</td> <td>134,795</td> <td>54,709</td> </tr> </tbody> </table> <p>The monitoring of water has two types of sources. The Syarikat Air Melaka Berhad (SAMB) water are mainly to supply for domestic use for workers and communities. For the treated water are used for processing.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022 (as at June)</th> </tr> </thead> <tbody> <tr> <td>Cubic meter</td> <td>164,484</td> <td>134,795</td> <td>54,709</td> </tr> </tbody> </table>							Year	2020	2021	2022 (as at June)	Cubic meter	164,484	134,795	54,709	Year	2020	2021	2022 (as at June)	Cubic meter	164,484	134,795	54,709	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		Domestic water	42,196	41,500	35,631	
		Water consumption for processing	164,484	128,885	54,709	
		c) From the water management plan, DJPOM has implemented to reuse/recycle wastewater and also planned to harvest rainwater using existing tank in the mill.				
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Not applicable. Compliance schedule has indicated that the POME to be disposed thru land application.				Not applicable
4.6 Principle 6: Best Practices						
Criterion 4.6.1: Mill Management						
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Standard Operating Procedures on Best Management Practices for Sime Darby Mill is available in Mill Quality Management System (Ver.1; Year:2008 Issue No:1 dated 1/11/2008). Furthermore, CEO Upstream Malaysia Tuan Roslin Azmy Hassan has distributed a compilation of Mill Best Practices paper dated 20/1/2022. The SOP includes: a. Reception Station b. Fruit Handling station c. Sterilization Station d. Threshing Station e. Pressing Station f. Clarification Station				Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 report being submitted to Estate and Regional Office on daily basis. In addition, there are audits by Performance Monitoring Unit. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH etc.	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 management plan with 5 years projection from 2022 until 2026 was made available to the audit team. The plan was covers the following; FFB intake (own estate or outside supplier), CPO production, PK production, PKO production, CAPEX and OPEX.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The pricing method for services such as desilting of ETP ponds, CPO/PK transportation, has been clearly stated in the Letter of Offer (LOA) and contract agreement.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	This requirements on adhering the RSPO/ISCC/MSPO standards in accordance with the Sime Darby Plantation of Mill Quality Management System had been specified in the contract agreement to all the	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	contractors upon commencing their contracts. The standards requirements were explained to the contractors mainly through meetings. Records of meeting were maintained and available for verification.	
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. Contracts between SDPB and Mekar Angkut Sdn Bhd and Teo Tuan Kwee Sdn Bhd, were verified.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	SDPB has spelt out the requirement to accept MSPO approved auditor to verify assessments through a physical inspection to the contractors under Clause 5.5 (b) of the LOA. For those awarded contracts through Memorandum of Agreement, an addendum is provided where this requirement is included.	Complied

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Appendix B: Smallholder Member Details

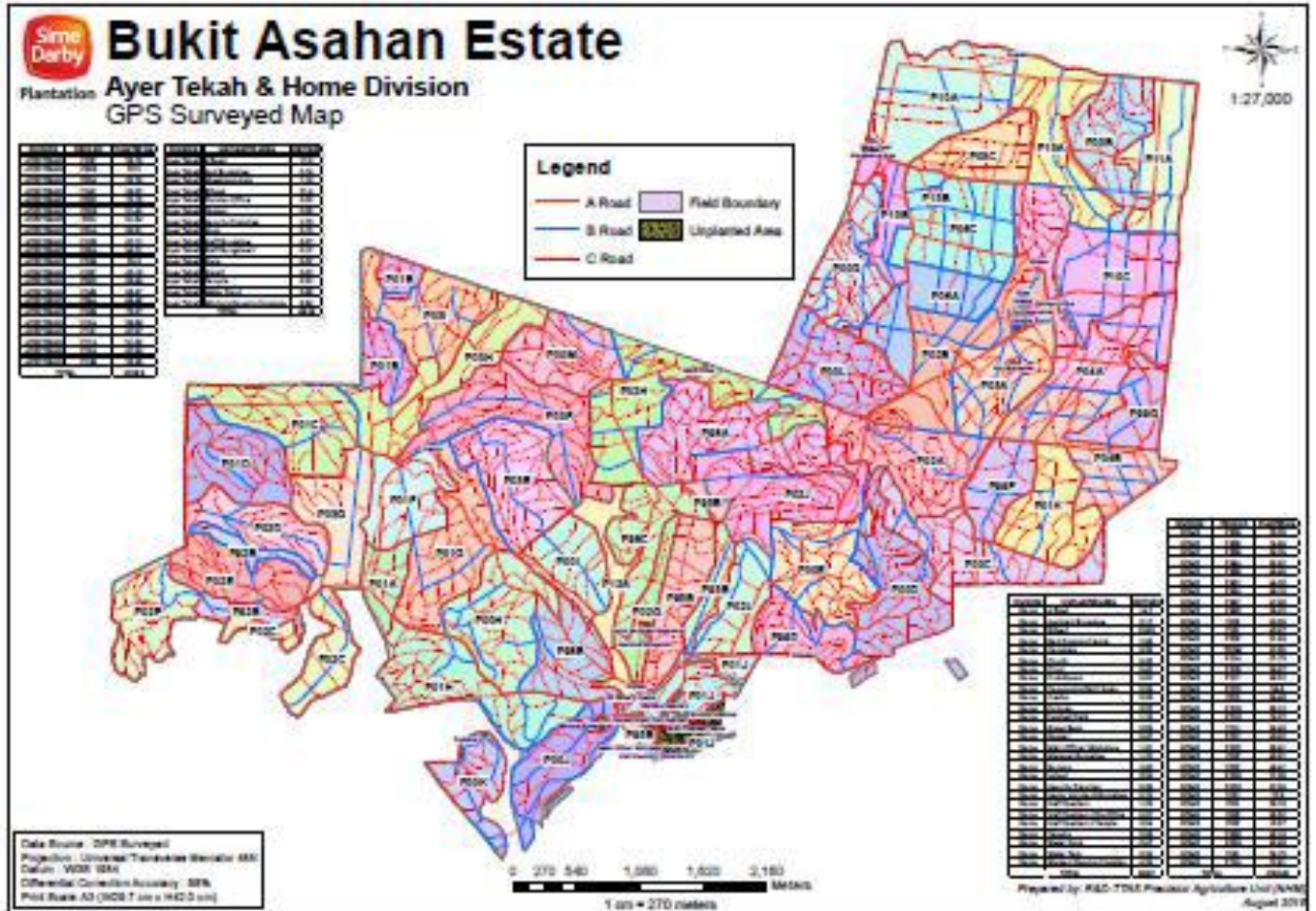
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates		Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number		Latitude	Longitude		
	NA						

Appendix C: Location and Field Map

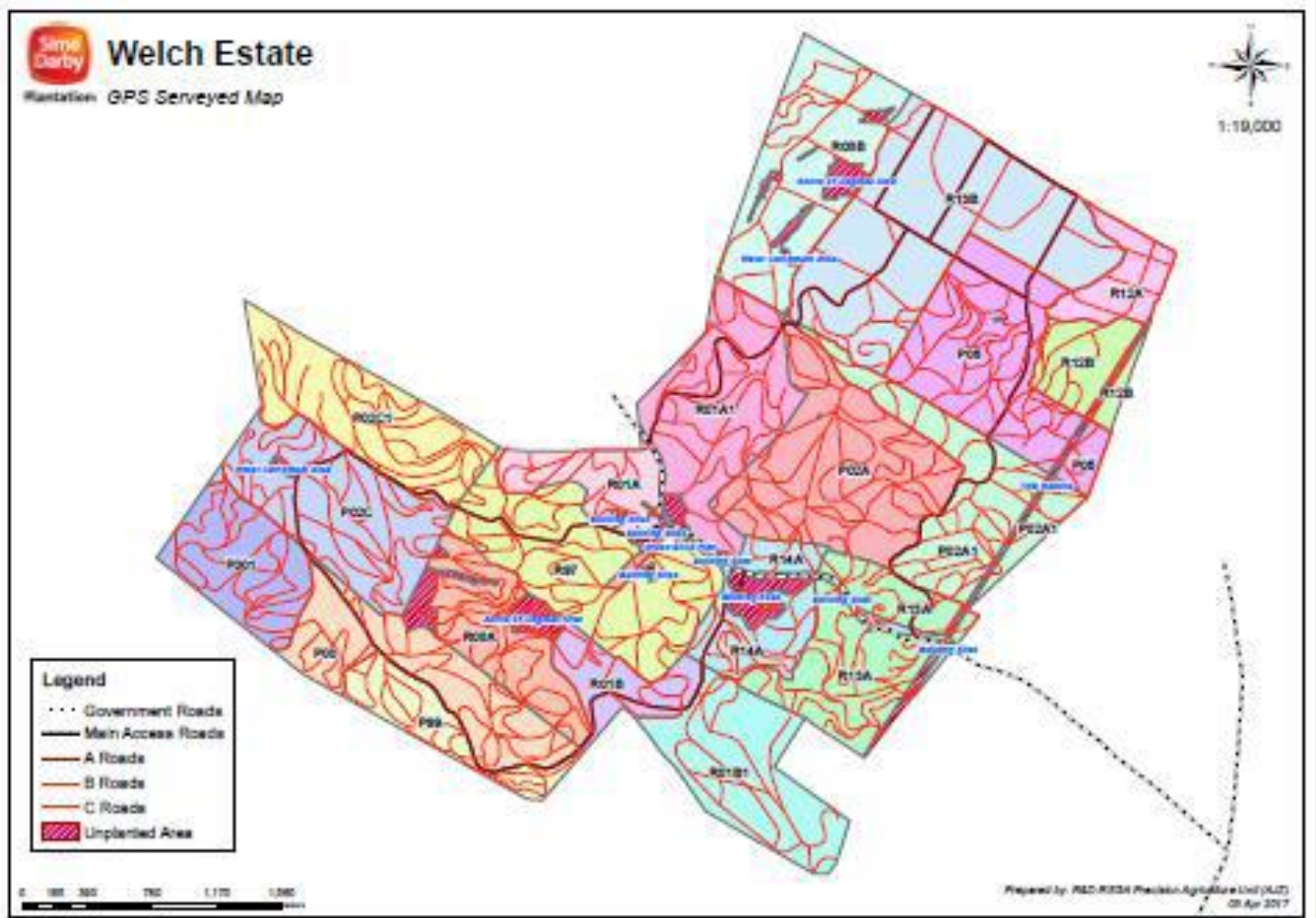
Diamond Jubilee Palm Oil Mill



Bukit Asahan Estate



Welch Estate



Appendix D: 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