

**MALAYSIAN SUSTAINABLE PALM OIL
– INITIAL ASSESSMENT /
Public Summary Report**

Sime Darby Plantation Berhad
Client company Address: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Chersonese Palm Oil Mill (SOU 2) & Plantations of SOU 2 including Pagoh Estate, Welch Estate, Lanadron Estate & Pengkalan Bukit Estate
Location of Certification Unit: 34350 Kuala Kurau Bagan Serai, Perak, Malaysia

Report prepared by:

Nicholas Cheong (Lead Auditor)

Report Number: 8845507**Assessment Conducted by:**BSI Services Malaysia Sdn Bhd,
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Mill: 533667104000 Holyrood Estate: 530733002000 Kalumpang Estate: 524392002000; 542021011000 Tali Ayer Estate: 508238502000 Chersonese Estate: 532370011000		
Company Name	Sime Darby Plantation Berhad (Chersonese Strategic Operating Unit 2 (SOU 2))		
Address	Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia		
Group name if applicable:	Sime Darby Plantation Berhad		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM)		
Website	www.simedarby.com	E-mail	kks.chersonese@simedarby.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682039 Plantations: MSPO 688334		
Issue Date		Expiry date	
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	25/10/2017 – 27/10/2017		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 590800	Roundtable Sustainable Palm Oil	BSI Services Malaysia	04/10/2021

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1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Chersonese Palm Oil Mill	Kilang Kelapa Sawit Chersonese, 34350 Kuala Kurau, Perak	4° 59' 24"	100° 27' 12"
Chersonese Estate	Ladang Chersonese, 34350 Kuala Kurau, Perak	4°57' 52"	100° 26' 53"
Holyrood Estate	Ladang Holyrood, 34100 Selama, Perak	5°10' 37"	100° 40' 60"
Tali Ayer Estate	Ladang Tali Ayer, 34300 Bagan Serai, Perak	5°04' 53"	100° 31' 35"
Kalumpong Estate	Ladang Kalumpong/Byram, 34300 Bagan Serai, Perak	4° 57' 26"	100° 34' 08"

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Chersonese Estate	716.87	865.08	661.71	839.76	0
Holyrood Estate	227.07	638.86	244.51	140.83	0
Tali Ayer Estate	885.02	929.59	1566.49	42.54	0
Kalumpong Estate	312.10	393.60	1827.89	0	0
TOTAL	2141.06	2827.08	4300.60	1034.15	0

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected from last audit	Actual production Jan – Dec 2016 or last 12 months	Projected production for next 12 months (Jan – Dec' 2017)
Chersonese Estate	N/A	N/A	52,786
Holyrood Estate	N/A	N/A	24,203
Tali Ayer Estate	N/A	N/A	63,876
Kalumpong Estate	N/A	N/A	60,368
TOTAL	N/A	N/A	201,233

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1.6 Certified CPO / PK Tonnage			
Mill	Estimated (Previous Year)	Actual (This Year)	Forecast (Jan 2018 – Dec 2018)
Chersonese Palm Oil Mill	CPO (OER: %)	CPO (OER: %)	CPO (OER: 20.98%)
	N/A	N/A	42,941.45mt
	PK (KER: %)	PK (KER: %)	PK (KER: 5.50 %)
	N/A	N/A	11,086.83mt

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Chersonese Estate	3083.37	25.87	179.76	3,289.00	94
Holyrood Estate	1251.27	12.19	69.66	1,333.12	93.86
Tali Ayer Estate	3423.64	24.24	535	3,982.88	86
Kalumpong Estate	2533.59	21.09	86.32	2,641.00	96
TOTAL	10,291.87	83.39	870.74	11,246.00	

1.8 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Sime Darby Chersonese Strategic Unit 2 (SOU 2) located in Kuala Kurau, 34350 Bagan Serai, Perak, Malaysia comprising 1 mill; 4 estates and infrastructures.</p> <p>The onsite assessment was conducted to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.</p> <p>The assessment is a combined assessment for the mill and the group of estates that is supplying to the mill. However the assessment criteria for the mill and the estates were separated following to the required standards. The certification assessment scope is Chersonese Palm Oil Mill SOU 2 and Chersonese Strategic Unit 2 (SOU 2) which acts as the group manager for Chersonese Estate, Holyrood Estate, Tali Ayer Estate and Kalumpong Estate. This report is the combine report for Chersonese Palm Oil Mill SOU 2 and Chersonese SOU 2 Estates.</p> <p>As part of the MSPO requirement, the Public Notification regarding this assessment was published in the BSI Services Malaysia Sdn Bhd website at https://www.bsigroup.com/en-MY/RSP0-MSPO-Certification/MSPO-clients-and-reports1/. The 30 days period of notification was conducted from 21/09/2017 – 23/10/2017. The notification was also made available at the operating units. The onsite assessment was conducted on 25/10/2017 – 27/10/2017.</p> <p>Based on the assessment result, Sime Darby Chersonese SOU 2 Estates had complied with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and Chersonese Palm Oil Mill SOU 2 had complied with MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill and recommended for certification.</p>

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 25/10/2017 – 27/10/2017. The audit programme is included as Appendix A. The approach to the audit was to treat the Chersones Palm Oil Mill as as a MSP0 Certification Unit and Chersonese SOU 2 Estates as another MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula $N = 1.0\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defers ro 1.2 and 1.4 depending on risk), where y is total number of group members and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

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

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

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

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 4)	Year 5 (ASA 5)
Chersonese Palm Oil Mill	√	√	√	√	√
Chersonese Estate		√		√	
Holyrood Estate	√		√		√
Tali Ayer Estate		√		√	
Kalumpong Estate	√		√		√

Tentative Date of Next Visit: December 11, 2017 - December 13, 2017

Total No. of Mandays: 6

BSI Assessment Team:

Nicholas Cheong - Lead Assessor

He holds Master of Environmental Management from the University Putra Malaysia and Bachelor of Science (Food Science) from Charles Sturt University Australia. He has more than 5 years of working experience in sustainability auditing and carbon emissions accounting. He has also 2 years of working experience in wastewater treatment construction and operations. He has completed the ISO9001, ISO14001, RSPO P&C Lead Auditor and RSPO SCC Lead Auditor course and MSPO Awareness Training (by MPOB). In his previous certification body experience, he was the Lead Assessor for Clean Development Mechanism, World Commission of Dam and ISCC. The CDM and WCD assessment focuses on social accountability. He had been involved in Sustainable Palm Oil auditing for more than 2 years. Able to communicate in Bahasa Malaysia and English.

Selvasingam T Kandiah – Team Member

He holds a Bachelor Degree in Science (Agriculture) from University of Agricultural Science Bangalore, India in 1973. He has been in the plantations industry for more than 30 years including managing rubber plantations, oil palm plantations and cocoa plantations. During the tenure of employment he has been trained in auditing skills on Environmental Management, Occupation Health and Safety and RSPO. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English.

Accompanying Persons: N/A

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO 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

During the Certification Assessment there were no nonconformities raised. However there were 4 Opportunity For Improvement was raised.

Major Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-M1	4.4.4.2 - Part 4
Requirements:	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented. 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).	
Statement of Nonconformity:	The occupational safety and health for the workers are not observed.	
Objective Evidence:	1. Both the oxygen and acetylene cylinders were not provided with flash back arrestors and the pressure gauges were damaged. 2. The employers observed doing grinding and welding were not using the appropriate PPE	
Corrections:	The flashback arrestor installed as required. Both technical supervisor and the workshop personnel were reprimanded and issued show cause letter	
Root cause analysis:	Low level of awareness by the workshop personnel and the technical supervisor (mechanical). No periodic inspection carried out by supervisor to ensure compliance.	
Corrective Actions:	Workers and supervisors were given refresher training and evaluation of the training.	
Assessment Conclusion:	The evidence submitted by are able to eliminate the root cause defined by the organization. Evidence submitted by the organization included appropriate photo to show the installation of the flash back arrestor.	

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	As the evidence submitted is sufficient to close the finding, no onsite assessment was required. Hence finding is closed. The continuous implementation will be verify in the next assessment.
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Major Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-M2	4.4.4.2 - Part 3
Requirements:	The occupational safety and health plan shall cover the following: 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). 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.	
Statement of Nonconformity:	The occupational safety and health for the workers are not observed.	
Objective Evidence:	1. At Kalumpong Estate, during racking using a blower, it was observed that the worker is not using the appropriate PPE. 2. At Holyrood Estate, there is no first aid kit provided to the field workers.	
Corrections:	First Aid Kit is now provided to the manuring gang during the activity.	
Root cause analysis:	Mandore in charge was on region's activity and being replaced by the head gang which is not communicated to Medical Assistant to provide the First Aid Kit.	
Corrective Actions:	1. To check during morning muster on the First Aid Kit to ensure responsible mandore brings the kit into the field. 2. Spot check in the field on the first aid kit to ensure they bring at all time. 3. To renew and update list of person's responsible to ensure no cases of overlook.	
Assessment Conclusion:	The evidence submitted by are able to eliminate the root cause defined by the organization. Evidence submitted by the organization included appropriate photo to show the first Aid Kit is provided. As the evidence submitted is sufficient to close the finding, no onsite assessment was required. Hence finding is closed. The continuous implementation will be verify in the next assessment.	

Major Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-M3	4.5.5.1 - Part 3
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: d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	

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Statement of Nonconformity:	Riparian zone management has not been carried out.
Objective Evidence:	Circle of palms at the riparian zone in Holyrood Estate had been sprayed with chemicals.
Corrections:	Refresher training to the sprayers prior spraying programme or whenever new sprayers join the group.
Root cause analysis:	<ol style="list-style-type: none"> 1. No regular training and refreshment to the sprayers on the spraying at the buffer zone. 2. Inadequate marking/signboards showing the border of buffer zone at the affected fields.
Corrective Actions:	<ol style="list-style-type: none"> 1. Tight supervision to be in place whenever conducting spraying at affected fields. 2. White band marking on the palms along the riparian buffer zone to indicate clear boundary of buffer zone. 3. Additional signages to be erected to show buffer zone area.
Assessment Conclusion:	<p>The evidence submitted by are able to eliminate the root cause defined by the organization.</p> <p>Evidence submitted by the organization included appropriate photo to show the new signages.</p> <p>As the evidence submitted is sufficient to close the finding, no onsite assessment was required. Hence finding is closed. The continuous implementation will be verify in the next assessment.</p>

Major Nonconformities:

Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-M4	4.4.5.11 - Part 4
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	
Statement of Nonconformity:	Housing inspection has not been conducted according to the Workers' Minimum Standards of Housing and Amenities Act 1990 section 23	
Objective Evidence:	<p>As according to the Workers' Minimum Standards of Housing and Amenities Act 1990 section 23, inspection shall be conducted once a week. It was found that, the following are the frequency of inspection carried out:</p> <ol style="list-style-type: none"> 1. July 2017 - 2 times 2. August 2017 - 2 times 3. September 2017 - 1 time 	
Corrections:	Mill already discuss with HCA and shall aid the HCA to carry out the required periodically inspection as per law regulation requirement.	
Root cause analysis:	No proper appointed person for line workers housing inspection	
Corrective Actions:	Mill already put it in the scheduled and will be monitored by Assistant and SQM	
Assessment Conclusion:	<p>The evidence submitted by are able to eliminate the root cause defined by the organization.</p> <p>Evidence submitted by the organization included appropriate schedule in the housing inspection.</p>	

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	As the evidence submitted is sufficient to close the finding, no onsite assessment was required. Hence finding is closed. The continuous implementation will be verify in the next assessment.
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Major Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-M5	4.5.3.4 - Part 3
Requirements:	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.	
Statement of Nonconformity:	The empty scheduled waste containers are not disposed according to the Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974.	
Objective Evidence:	In Kalumpong estate the following are found at the schedule waste stores 1. No proper identification of type of waste generated (e.g. pesticide containers, contaminated containers). 2. Waste that are not identified does not have first generation identification. 3. Pesticide containers are stored at stores that is not identified as scheduled waste.	
Corrections:	To put labelling of scheduled waste with the date of generate To keep maintenance and housekeeping the scheduled waste store	
Root cause analysis:	Store keeper is new worker and not aware regarding to Schedule waste issue.	
Corrective Actions:	To give scheduled waste training to store keeper, mandore and workshop attendent	
Assessment Conclusion:	The evidence submitted by are able to eliminate the root cause defined by the organization. Evidence submitted by the organization included appropriate training / re-training schedule. As the evidence submitted is sufficient to close the finding, no onsite assessment was required. Hence finding is closed. The continuous implementation will be verify in the next assessment.	

Opportunity For Improvement		
Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-I1	4.6.1.1 - Part 3
Requirements:	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	
Objective Evidence:	It was observed in during the field assessment, the circle racking program for some areas observed, is behind time.	

Opportunity For Improvement		
Ref	Area/Process	Clause
NC ID from eReport	1547210-201709-I2	4.1.4.2 - Part 4
Requirements:	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.	
Objective Evidence:	The implementation and evaluation of staff training plan and results of the training are not consistent.	

Noteworthy Positive Comments	
1	Good relationship being maintained with surrounding smallholder and villages.
2	Mill has continued maximized the use of renewable enegy by consuming fibre and shell which produced through internal process.
3	Allocation of capital expenditure budget for mill and estates showing the commitment of SOU2 towards continual improvement
4	Subsitution of chemical used for bagworm treatment, Acephate

3.3 Status of Nonconformities Previously Identified and OFI

This is the Initial Assessment. There is no previously raised nonconformities and OFI.

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: <u>Ketua Kampung SPS4</u> Estates have provided many assistance and donation especially during festival. There were no complains or social issues due to the activities of Sime Darby.</p>
	<p>Management Responses: Sime Darby-Pagoh POM will continue to give support and maintain a good relationship with them.</p>
	<p>Audit Team Findings: Managements effort is positive and satisfactory.</p>
2	<p>Issues: <u>Ketua Kampung M.Ting</u> No negative issued was raised. Sime Darby respect the villager surrounding the estates. Sime Darby always engage with the communities.</p>
	<p>Management Responses: Sime Darby-Pagoh POM will continue to maintain a good relationship with them.</p>
	<p>Audit Team Findings: Managements effort is positive and satisfactory.</p>
3	<p>Issues: <u>Medical Assistant</u> So far, no serious disease, accidents or dengue disease occurred inside the estate reported. Linesite inspection was conducted on weekly basis while VMO visit to linesite was conducted in every 2 weeks.</p>

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	Management Responses: Management will continue provide free and adequate medical care to employees.
	Audit Team Findings: Accepted
4	Issues: Gender Committee There is no any reported case of harassment in the operating units.
	Management Responses: Management will continue to maintain the mechanism in grievance and complaint regarding sexual harassment.
	Audit Team Findings: Managements effort is positive and satisfactory.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1547210-201709-M1	Major	27/10/2017	Closed on 03/01/2018
1547210-201709-M1	Major	27/10/2017	Closed on 03/01/2018
1547210-201709-M1	Major	27/10/2017	Closed on 03/01/2018
1547210-201709-M1	Major	27/10/2017	Closed on 03/01/2018
1547210-201709-M1	Major	27/10/2017	Closed on 03/01/2018

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator	Assessment Findings	Compliance	
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 -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: <ol style="list-style-type: none"> 1. Quality Management Policy dated January 2015 2. Lean Six Sigma Policy dated January 2015 3. Quality Policy dated January 2015 The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad.	Yes
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/05/2015 documented the process to conduct internal audit. The internal audit checklist is available to cover all the required MSPO requirements. This is the initial certification of MSPO. The internal audit schedule for 2017 has been planned and communicated by Regional SQM to all central west region Estates and Mills. The last internal audit for sustainable palm oil was conducted on 21/09/2017. The internal audit had covered all the MSPO MS2530 Part 3 elements.	Yes
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audit report dated 21/09/2017 had included root cause analysis and corrective action plan. One sample on the finding closure from the last internal audit was verified. The finding raised was on indicator 4.4.5.8 regarding workers' insurance and revised employment contract. The insurance policies copy has been forwarded by HQ and kept by estate. The workers employment contract has been revised using the new employment contract template under "berhad".	Yes
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the POM management and Sime Darby Plantation HQ management. There is a month SQM meeting at HQ level to review the treading of findings raised in both internal and external audit.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for	Sime Darby is RSPO certified. On annual basis management review is conducted on Regional level. The last management review was	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>conducted on 07/08/2017. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed.</p> <p>Sample of management review in Operating Unit level, was conducted on 28/09/2017. The meeting was chaired by the Estate Manager En Mageswaran a/l Subramonie. The minutes of the meeting and review presentation was sighted.</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>There is no one Continual Improvement Plan which document the total operations of the estates. However there improvement plan is documented as below:</p> <ol style="list-style-type: none"> 1. For environment – 2. For social – Action Plan on Social Impact Assessment for Holyrood Estate dated 12/10/2017. 3. For HCV – Action Plan on Biodiversity for Holyrood Estate dated 22/09/2017. 4. For OHS - <p>The operating units also adopted the Lean Six Sigma continual improvement. The improvement projects for 2017 has sighted.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 was established. The training identified including operations, understanding of MSP0/RSP0 requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings are provided by company on regular basis.</p>	Yes
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>Please refer to 4.1.4.1 for the list of action plans. Action plans are available and training program are identified according to the action plans.</p>	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	communication and request for documentations that could be made available to public/stakeholders.	
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>Sime Darby Plantations Bhd 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 Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p>	Yes
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>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The Estate Manager is responsible to deal with the external communication.	Yes
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	<p>Holyrood</p> <p>The latest stakeholders list was updated on 14/08/2017.</p> <p>The external stakeholder consultation is conduct on a regular basis. The last meeting was conducted for Holyrood Estate on 28/08/2017. There were no issues raised with regards to the estate operation in the stakeholder consultation. Hence no action plan was required.</p> <p>Kalumpong</p> <p>The latest stakeholders list was updated on 25/09/2017.</p> <p>The external stakeholder consultation is conduct once a year. The last meeting was conducted for Kalumpong Estate on 13/10/2017. There were no issues raised with regards to the estate operation in the stakeholder consultation. Hence no action plan was required.</p>	Yes
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	<p>Holyrood Estate and Kalumpong Estate is sending the FFB to Chersonese POM.</p> <p>The weighbridge ticket provided the following details:</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Product (FFB or Loose fruit) 2. Delivery note from estates stating the weight and fruit grade (A or B). 3. D.O Number 4. Date of the shipment <p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Estate Manager.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The internal audit conducted on 21/09/2017 for Holyrood and 20/09/2017 for Kalumpong. The Internal audit conducted has included the traceability elements.</p> <p>The internal audit schedule is available until 2017.</p>	Yes
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The overall personal in charge for the traceability is the Estate Manager. The responsibility is stated in the job description. Hence there is no required to have a formal letter of appointment.</p> <p>The responsible person for traceability in Holyrood estate is the weighbridge clerk Ms Nurliyana Syarniza bt Abdul Ghani was appointed</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>on 02/10/2017. The training on the traceability was provided by PSQM on 03/10/2017.</p> <p>The responsible person for traceability in Kalumpang estate is the weighbridge clerk Mr. Aidilfitri b Abd Hamid and Mr. Anandan a/l Gopal was appointed on 02/10/2017. The training on the traceability was provided by PSQM on 03/10/2017.</p>	
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>There is no sales of the FFB per say as Holyrood estate and Kalumpang estate is the identified supply base to Chesonese Mill and Chersonese Mill, Holyrood estate and Kalumpang estate belongs to the Sime Darby Plantation Bhd.</p> <p>The delivery note of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents</p>	Yes
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>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 SOU4. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. Sample of licenses or permit viewed were:</p> <p>Holyrood</p> <ul style="list-style-type: none"> • MPOB sell and transport FFB license: 530733002000 (validity period 21/09/2017 – 30/06/2018). • Weighbridge License: B1304502 (validity of 1 year from 18/05/2017). • Diesel Storage license: A 033046 (validity period 16/05/2017 – 15/08/2018). • Air compressor license for Air Receiver Tank: PMT-PK/1704191 (validity of 1 year from 08/05/2017) <p>Kalumpong</p> <ul style="list-style-type: none"> • MPOB sell and transport FFB license: 524392002000 (validity period 01/11/2017 – 31/10/2018). • MPOB sell and transport FFB license: 542021011000 (validity period 21/09/2017 – 31/08/2018). • Weighbridge License: 4249503 (validity of 1 year from 04/01/2017). • Diesel Storage permit: A034781 (validity period 20/01/2017 – 19/01/2018). 	
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 and complied in the QSHE/04/5.2.4 folder. Documented procedure has been established and implemented refer to Estate/Mill Quality Management System, Level 2: Standard</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was reviewed on 25/10/2017 for Holyrood and 24/10/2017 for Kalumpang.</p>	
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>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. The latest change in regulation applicable to the POM operation is the Labour Law.</p> <p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was reviewed on 25/10/2017 for Holyrood and 24/10/2017 for Kalumpang.</p> <p>The latest change in regulation applicable to the POM operation is the Labour Law.</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p>	Yes
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance																																																																				
<p>4.3.2.1</p> <p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Holyrood</p> <p>There is no land dispute received in Holyrood estate. The land developed by under Holyrood operating unit was given by the Perak State Government. There are 13 land titles under Holyrood:</p> <table border="1"> <thead> <tr> <th>Lot Number</th> <th>Size (ha)</th> <th>Approved Usage</th> <th>Land grant no.</th> </tr> </thead> <tbody> <tr><td>781</td><td>476.012</td><td>Agriculture</td><td>85423</td></tr> <tr><td>803</td><td>84.4663</td><td>Agriculture</td><td>48656</td></tr> <tr><td>1457</td><td>31.9069</td><td>Agriculture</td><td>48660</td></tr> <tr><td>2044</td><td>335.08</td><td>Agriculture</td><td>85424</td></tr> <tr><td>2330</td><td>125.9456</td><td>Agriculture</td><td>58413</td></tr> <tr><td>2332</td><td>10.471</td><td>Agriculture</td><td>66906</td></tr> <tr><td>2333</td><td>15.061</td><td>Agriculture</td><td>66907</td></tr> <tr><td>2334</td><td>5.8679</td><td>Agriculture</td><td>58415</td></tr> <tr><td>2815</td><td>169.9677</td><td>Agriculture</td><td>58416</td></tr> <tr><td>3046</td><td>7.1655</td><td>Agriculture</td><td>46761</td></tr> <tr><td>46364</td><td>79.66</td><td>Agriculture</td><td>164514</td></tr> <tr><td>46365</td><td>0.8781</td><td>Agriculture</td><td>164515</td></tr> <tr><td>46366</td><td>0.5229</td><td>Agriculture</td><td>164516</td></tr> </tbody> </table> <p>The quit rent for these land portions were made on 22/03/2017 to the Land Authority of Perak State.</p> <p>The sample of land titles verified for Kalumpong Estate:</p> <table border="1"> <thead> <tr> <th>Lot Number</th> <th>Size (ha)</th> <th>Approved Usage</th> <th>Land grant no.</th> </tr> </thead> <tbody> <tr><td>3026</td><td>366.9515</td><td>Agriculture</td><td>52824</td></tr> <tr><td>7658</td><td>0.5531</td><td>Agriculture</td><td>6887</td></tr> </tbody> </table>		Lot Number	Size (ha)	Approved Usage	Land grant no.	781	476.012	Agriculture	85423	803	84.4663	Agriculture	48656	1457	31.9069	Agriculture	48660	2044	335.08	Agriculture	85424	2330	125.9456	Agriculture	58413	2332	10.471	Agriculture	66906	2333	15.061	Agriculture	66907	2334	5.8679	Agriculture	58415	2815	169.9677	Agriculture	58416	3046	7.1655	Agriculture	46761	46364	79.66	Agriculture	164514	46365	0.8781	Agriculture	164515	46366	0.5229	Agriculture	164516	Lot Number	Size (ha)	Approved Usage	Land grant no.	3026	366.9515	Agriculture	52824	7658	0.5531	Agriculture	6887	<p>Yes</p>
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Criterion / Indicator		Assessment Findings				Compliance
		9159	397.5	Agriculture	81187	
		5822	21.36	Agriculture	316701	
		9158	614.4	Agriculture	81186	
		1883	10.2183	Agriculture	60010	
		3293	0.3191	Agriculture	25431	
		3295	0.2534	Agriculture	25433	
		5961	51.96	Agriculture	135780	
		2458	250.7024	Agriculture	59943	
		3294	0.4245	Agriculture	25432	
		3296	0.7025	Agriculture	25434	
		5962	961.9	Agriculture	135781	
		The quit rent for these land portions were made on 19/04/2017 to the Land Authority of Perak State. At the moment Sime Darby is undergoing changes of the land use purpose.				
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 -	Refer to 4.3.2.1 The perimeter survey map of the land portion is provided together with the land title. The map is has provided the coordinated demarcation.				Yes
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.				Yes

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 is not land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Yes
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land for the portion of land.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	There is no customary land for the portion of land.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>The Social assessment for SOU2 Chersonese Oil Mill was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team. The last SIA was conducted in June 2015.</p> <p>However for Holyrood Estate, the SIA was conducted under SOU1. The assessment was conducted by the Plantation Sustainable and Quality Management (PSQM) Team. The last SIA was conducted in March 2015.</p> <p>The recommendation from the SIA report was transferred to action plan. The latest action plan dated 12/10/2017 (for Holyrood) and 20/10/2016 (for Kalumpong). The latest review for Kalumpong has not been conducted as the stakeholder meeting was just completed on 13/10/2017. The action plan identified the issues & strategies, action plan, responsible person and time frame.</p>	Yes
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>Under the sustainable plantation management system Appendix 5, procedure on handling social issue (version 1; year 2008) has been implemented.</p> <p>Under Group policies and authorities GPA No 85 Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrong doing.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint form is made available in the mill office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.	Yes
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded for the pass one year. Only request for maintenance housing are made by workers.	Yes
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Holyrood estate employs workers from surrounding villages. Approximately 7% workers are from surrounding village. Holyrood estate also contribute Corporate Social Responsibility. The latest	Yes

Criterion / Indicator		Assessment Findings	Compliance
		contribution was given to SJK (T) Ladang Holyrood for school's signage.	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	<p>The OSH policy signed by the managing director dated January 2015 was in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The policy and plan had been communicated and implemented.</p> <p>The plan 2017/2018 covered awareness of safe working & living environment and legal compliance.</p> <p>In both Holyrood and Kalumpung Estates the policy was displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy was implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office. The latest ESH plan objective FY2017/2018 was made available during this assessment. The plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc.</p> <p>Chemical Health Risk Assessment (CHRA) on Holyrood Estate was done on 5/04/17-JKKP HIE 127/1717-2(124).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		Chemical Health Risk Assessment (CHRA) on Kalumpong Estate was done on 27/04/17-JKKP HIE 127/1717-2(124).	
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <ul 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: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 	<ul style="list-style-type: none"> a. The OSH policy dated January 2015 signed by Managing Director was available. The OSH plan 2017/2018 was combined with the Environmental plan on Holyrood Estate. It had been communicated and implemented. b. Holyrood Estate had a committee head by an Assistant manager and 8 staff to assesses risk of operations. Risk of operations had been assessed and HIRARC document produced. It was updated on 11.04.2017 after a tractor was involved in an accident. For use of chemicals a CHRA was done dated 5th April by 2017 by Hj Shaari Chin JKKP HIE 127/171/-2(124). On kalumpong Estate the HIRARC was reviewed on 23/09/2017 after a front stacker was hit by an oil palm frond. The CHRA was 27th April 2017 also by Hj Shaari Chin JKKP HIE 127/171/-2(124). c. Training program planned for year 2016/2017 had been implemented. The program included training for all categories of employees and carried out by the qualified Safety & Health Officer, Estate Managers and Assistant Managers and training records maintained. 	.Refer to NC 1547210-201709-M2

Criterion / Indicator	Assessment Findings	Compliance
<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>All staff and employees attended the training as indicated in the records maintained.</p> <p>On Holyrood Estate records of some of the trainings verified were:</p> <ul style="list-style-type: none"> • Harvesting on 5.5.2016 -for 12 workers and staff by Supplier Palm King. • Spraying on 16.03.17 for 2 workers by Alion supplier. <p>On Kalumpong Estate:</p> <ul style="list-style-type: none"> • Harvesting for 16 staff & workers on 24/05/2017 by the supplier Palm King. • Manuring on 7/03/2017 for 8 workers by Assistant Manager • PPE on 16/03/2016 for 18 workers by Assistant Manager. <p>Precautions taken were in line with MSDS of the chemicals, CHRA and Sime Darby's Pictorial Safety Standard Manual (PSS).</p> <p>d. 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) was observed to be complied with. PPE issues records were sighted.</p> <p>e. SOPs for handling of chemicals to ensure proper and safe handling and storage were available in the SPO manual of SDPSB. In addition, both estates had established their own SSOP for operations inclusive of handling and storage of chemicals. In both estates visited the SOPs had been complied with.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>f. Both Holyrood and Kalumpong Estates had established OSH committees which were headed by Manager, Secretary HA. To assist them on Holyrood Estate there 9 Workers, 4 Contractors and 6 Management representatives while on Kalumpong Estate there were 9 workers & 9 management representatives. Appointment letters available.</p> <p>g. The management of both estates had conducted regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare were discussed openly at OSH meetings. Records of OSH meeting was kept and the concerns of the employees and any remedial actions taken were recorded. Work place inspections had been carried before these meetings.</p> <p>In 2017 on Holyrood Estate meetings were held on 10/10/17, 11/07/17 and on 27/03/17 and while on Kalumpong Estate they were held on 28/08/17, 05/05/17 and on 27/01/17</p> <p>h. Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. ERP for Accident, Chemical Spillage, Diesel spillage, fertilise spillage, Wild animal attack, Fire, flood & riot were available.</p> <p>i. Workers trained in First Aid were present in field operations. Holyrood Estate had 4 trained First Aiders while Kalumpong had 12.</p> <p>First aid boxes were not available at all work site on Holyrood Estate for which a Major NCR was issued.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		j. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety & Health (OSH). Both Estates maintained accident records and reported to DOSH using JKKP 6 & JKKP 8 forms. On Holyrood reported in JKKP 8 for 2016 – 7 cases with 13 days lost – sent on 18.01.17. On Kalumpang Estate JKKP 8 for 2016 – 13 cases with 9 days lost.	
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 -	SOU 2 has implemented Social Policy since January 2015. Human rights is one of the elements under the Social Policy. The management is treated the workers with respect and fair. Awareness training on human rights has been conducted on 13/10/2016 to all the workers	Yes
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	Migrant workers are recruited with 2+1 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electric supplier (connect to national water and electricity supply) and medical care are given to all employees without discrimination.	Yes
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.	All the estates workers are under direct employment and estates consisted of direct and contract employment of workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. The payroll for the following	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>sampled workers for July 2017 – September 2017 was verified to be consistent with the Minimum Wage Act 2012.</p> <ol style="list-style-type: none"> 1. Muhammad Charis Ali (ID 96199) – Holyrood 2. Sharipah bt Mat Lazim (ID 26237) – Holyrood 3. Mohamad b Bakar (ID 26266) – Holyrood 4. Mohd Khairul b Ahmad (ID 126774) – Holyrood 5. Alamin (ID 117341) – Kalumpong 6. Mondal Raju (ID 122950) – Kalumpong 7. Sahran (ID 130283) – Kalumpong <p>There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/day.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There is no permanent contract workers in the estate. There is only temporary contract workers at Holyrood for replanting purposed. Payslip of the excavator drivers has been sighted that it is according to the employment contract. The records are documented in Holyrood estate.</p>	Yes
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The management is keeping employee master list which provide names, gender, are, DOB etc.</p> <p>The wages list is in the Sime Darby SPA system and the entry of price is control by HQ.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <ol style="list-style-type: none"> 1. Muhammad Charis Ali (ID 96199) – Holyrood 2. Sharipah bt Mat Lazim (ID 26237) – Holyrood 3. Mohamad b Bakar (ID 26266) – Holyrood 4. Mohd Khairul b Ahmad (ID 126774) – Holyrood 5. Alamin (ID 117341) – Kalumpang 6. Mondal Raju (ID 122950) – Kalumpang 7. Sahran (ID 130283) – Kalumpang <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	Yes
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>The working hours are recorded using “calling muster” system. The supervisor will input the code in the “Daily Input Form” (e.g. Normal Full Day, rest day work, paid holiday work etc) for the payroll clerk to compile the monthly salary.</p> <p>In case the worker is on leave or absence, it is recorded in the “Daily Input Form”.</p>	Yes
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p>	<p>The payslip and Daily input form has been reviewed to confirm that the working time of sample workers are according to their contract and collective bargaining agreement. The overtime working conditions and payments are per the collective bargaining agreement.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements the MAPA/NUPW regulations.</p>	Yes
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <ol style="list-style-type: none"> 1. 5kg rice and 5kg cooking oil to all workers once every 2 months 2. RM5 mobile subsidy to all workers. 3. Free medical benefit to workers dependent at the estates clinics. 4. Renewal for driving license for local workers 5. Sending worker's children to schools 6. Once a year festival token to all workers 7. Yearly schooling assistance 8. Sime Darby scholarship <p>The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<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 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 basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is bared by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 2-3 each people per house.</p> <p>Linesite inspection is conducted on weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990. The results of the inspection is being discussed with the estate manager for actions.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basic amenities (e.g. mattress, cooking utilises).</p>	<p>Yes</p>
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.</p> <p>The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively.</p> <p>The workers union representative for the Holyrood is Ismail Hisham while for Kalumpang is Sahibol Fadilah.</p>	Yes
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>The Social Policy and Social & Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p> <p>Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.</p>	Yes
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Records showed that all employees and contractors had been appropriately trained. A Formal training program for the year 2016/2017 was available and implemented. Regular assessment of training conducted to ensure understanding among the employees.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards.</p> <p>The various trainings conducted and the training records maintained to be acceptable.</p> <p>Some of the trainings verified:</p> <ul style="list-style-type: none"> • Harvesting on 5.5.2016 & 16.03.2017 -for 12 & 16 workers and staff by Supplier Palm King. • Spraying on 16.03.17 for 2 workers by Alion supplier. • Manuring on 7/03/2017 for 8 workers by Assistant Manager • PPE on 16/03/2016 for 18 workers by Assistant Manager. • Town hall training on 11/10/17for 47 staff and workers by GM. • Chemical handling on 12/05/2017 for 9 workers by R&D dept. 	
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>Training needs of individual employees had been 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. The training matrix for 2017/2018 made available had 32 types of training to be conducted.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>It was evident that from the training matrix for 2016/2017 and 2017/2018 and training records for 2016/2017 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.</p>	Yes
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>The Environmental Management Policy was established since January 2015. The Policy covers the commitment of the company towards complying with statutory, legal and other regulatory requirements. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	Yes
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>There is no specific EIA conducted. However the Environmental Aspect and Impact identification and Environmental Impact Evaluation for the mill has been conducted and documented. The identification and evaluation has included all the operations within the estate. The latest review conducted on the EIA/EIE is on 25/09/2017.</p> <p>After this review, there is no management plan required. However, monitoring is in place to ensure the environmental impact are under control. SDP uses the Sustainability Management System Incident Tracking to monitor the performance and will be used for management review.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Please refer to 4.5.1.2	Yes
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Please refer to 4.5.1.2	Yes
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Training records and interview with the workers confirmed that SDP had implemented the environmental plans. The training to the workers are normally conducted during muster call and one a year Townhall.	Yes
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Training records and interview with the workers confirmed that SDP had implemented the environmental plans. The training to the workers are normally conducted during muster call and one a year Townhall.	Yes
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	Consumption of non-renewable energy and plan to assess them was by recording and monitoring of energy consumption for both renewable and non-renewable sources. It was monitored to optimize use of renewable energy. Data was compiled for comparison and control for future improvement.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	operations over the base period. - Major compliance -	For both Estates electricity supply was from TNB.	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. On Holyrood Estate records showed: Electricity used in 2016/2017 was 176,493 KWH. Average of 7.60 KWH/Ton FFB- Range 8.76 to 6.25 KWH/Ton FFB. Diesel used was 45,467 Litres Average 1.96 litre/Ton FFB – Range 2.46 to 1.47 litres/Ton FFB. On Kalumpong Estate records showed: Electricity used in 2016/2017 was 827,677 KWH – Average of 15.61 KWH/Ton FFB. Diesel used was 53021.84 Litres as against the budget of 400226 litres – Average used 4.08 litre/Ton FFB – Range 7.19 to 1.73 litres/Ton FFB.	Yes
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no opportunity to use renewable energy in both Estates.	Yes

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 -	The waste sources identified in both estates includes, scheduled wastes, industrial waste and domestic waste. The waste source is documented in the waste management review and monitoring.	Yes
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	The pollution prevention plan has been reviewed. Mitigation measures has been identified and the responsible person for the actions has been identified.	Yes
4.5.3.3	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. - Major compliance -	The Procedure for Handling of Domestic Waste, Scheduled Waste and Energy Conservation (under Plantation Quality Management System – Sustainable Plantation Management System) dated 01/11/2008 details the procedures on how to handle wastes generated from the operating units. The procedure is referring to Section VII – Handling of Environmental Impact, Level 3 – SOP of the Estate Quality Management System (EQMS)	Yes

Criterion / Indicator		Assessment Findings	Compliance
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>The SOP on Scheduled Waste disposal is established and implemented. The inventory of the waste generated is recorded using the "eswis" inventory system.</p> <p>Pesticide containers are disposed as schedule waste. The containers are also collected by licensed pesticide container collectors. The approval letter issued by the Department of Environment for the collectors are available on site.</p>	Refer to NC 1547210-201709-M5
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>Domestic disposal for Holyrood is internal landfill while Kalumpong is disposed through city council.</p> <p>During the field assessment at Holyrood, it is observed that the landfill is being managed well.</p>	Yes
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>The pollutant sources have been identified both estates mainly are fertilized usage emission and diesel consumption. The pollutant source is documented in the management review and monitoring.</p>	Yes
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>Mitigation actions and monitoring plan to manage the identified pollutants are available.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.5: Natural water resources			
<p>4.5.5.1</p>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<ul style="list-style-type: none"> a. Both Estates used water supplied by Lembaga Air Perak. Monitoring of consumption/usage was on going. Records showed that in 2016/2017 Kalumpong Estate had used 173137 m3. b. The quality of out-going water into rivers was monitored quaterly by carrying out water analysis. River water sampling for analysis was done for upstream, midstream and downstream. Holyrood Estate implemented the monitoring of river water flowing along Sungai Segar. Samples were taken from 3 sampling points [upstream (field 2014C0, mid-stream (field 06M) and downstream (2014A)] of streams running across Holyrood Estate. Sample analysis done every 3 months by Sime Darby Research Sdn. Bhd. R&D Centre Carey Island. Analysis report ref# IE129/2107 dated 16/01/17, ref # IE569/2017 dated 17/04/2017, ref# IE768/2017 dated 10/7/17 were verified. For Kalumpong estate, discharged water samples were taken from upstream, midstream and downstream points of Sungai Kurau and Sungai Kalumpong. Additional monitoring taken at nursery drain. The latest sampled analysis report (report # IE937/2017 dated 28/07/2017 for rivers & IE938/2017 for nursery) done by Sime Darby Research Sdn. Bhd. Lab Services Laboratories R&D Centre Carey Island- Downstream. Bunds constructed along the rivers Sg Kurau , Sg Kurau and sea were monitored on a daily basis. 2 persons in charge was assigned to do patrolling along sea and river bund distance of 7.2 km. Verified the latest daily inspection book and no issue recorded. 	<p>Refer to 1547210-201709-M3</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Kalumpang Estate being a coastal estate and prone to flooding and sea water encroachment, water management was monitored using bunds and water level markers. Water levels in drains were maintained between 60 and 90 cm from ground level. The estate had 7 diesel and 2 electric static pumps and 2 mobile pumps to pump out water during wet spells and to pump in water during dry spells.</p> <p>Water management being complex in Kalumpang Estate, it had a Water Management Team headed by the manager at assisted by 2 assistant managers, 2 foremen and 2 staffs.</p> <p>Furthermore, flushing out of saline was carried whenever possible and water salinity and PH were monitored on a weekly basis.</p> <p>c. Water usage was optimised and wastage reduced on both estates by advising workers to conserve water, checks carried to identify and repair leakages from pipes and equipment, having road side pits, etc. The water management plan 2017/2018 also had contingency plan during water shortage.</p> <ul style="list-style-type: none"> • Water shortage/dry spell <ol style="list-style-type: none"> 1) Train staff/workers to conserve water 2) Revise demand and supply conditions 3) Monitor water supply • Severe water pollution <ol style="list-style-type: none"> 1) Purchase more water from LAP 2) Perform treatment of polluted water 3) Reusing/recycling/rationing 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>d. Both estates had identified and maintained riparian zones along the rivers; Sungai Segar in Holyrood Estate and Sungai Kurau and Sungai Kalumpong in Kalumpong Estate.</p> <p>However, on Holyrood Estate it was observed during the visit palm circles in the riparian area had been sprayed. A Major NCR was thus issued.</p> <p>e. During the visit, no natural vegetation was observed to have been removed in riparian areas of both estates.</p> <p>f. Both estates visited had no bore wells.</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 were sighted across main rivers and waterways in both estates.	Yes
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>	The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates.	Yes
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>The High Conservation Value Assessment for SOU 2 was conducted in June 2016. The HCV assessment has covered biodiversity on a landscape area and wildlife in the plantations.</p> <p>During the site assessment, the HCV signage are observed. The signage are deemed sufficiently displaced to inform workers/stakeholders regarding the protected areas.</p> <p>Both the Holyrood and Kalumpong HCV action plan and monitoring records are verified. The recent action plan for Holyrood was reviewed on 22/09/2017 while Kalumpong was reviewed in October 2017.</p> <p>The animal sighting records very verified to confirm that there is no RTE in both Holyrood and Kalumpong.</p>	<p>Yes</p>
<p>4.5.6.2 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>There are no RTE species (according to IUCN classification) sighted at the operating units.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	Management and action plans are in place to manage the biodiversity present in SOU2. Periodic monitoring plan records are in place to monitor the action plans are taken accordingly.	Yes
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 -	There is no open burning allowed in SDP for replanting activities. The method permitted is felling method. The practice is observed during field assessment. Referring to the Estate Quality Management System Section B2 dated 01/11/2008, stated the procedure to perform replanting and land preparation. SDP has made commitment to Zero Burning and this is stated in the corporate website.	Yes
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 -	There is no open burning allowed in SDP. All replanting activities are using the felling method. The practice is observed during field assessment.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	There is no open burning allowed in SDP. All replanting activities are using the felling method. The practice is observed during field assessment.	Yes
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	There is no open burning allowed in SDP. All replanting activities are using the felling method. The practice is observed during field assessment.	Yes
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 -	The estates like all Sime darby Estates had the following documented manuals <ul style="list-style-type: none"> - Estate Quality Management (EQMM) Manual - Standard Operating Manual and Procedures (SOP) - Sustainable Plantation Management System (SPMS) Manual, - RSPO Supply Chain Manual, - ESH Management System Manual, - Occupational Safety and Health Manual, - Pictorial Safety Standards, and - Security Guidelines. In addition to the EQMS, technical guidelines as listed in the Agricultural Reference Manual (ARM) were also used. Contents of the Manual were disseminated to the workers through morning roll call.	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>The ARM manual included operation activities in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and dispatch of CPO & PK and security in the CU.</p> <p>In both estates best agricultural practices, had been implemented and monitored via work programs, visits by General Managers, Plantation Advisors and Agronomist.</p>	
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>SDPSB had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was in Slope & River Protection Policy – Buffer Zone & 25degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual.</p> <p>Both estates had topography maps. On Holyrood Estate was mainly flat and undulating with only a small area terraced while Kalupong Estate was completely flat with no sloping land.</p> <p>It was observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, avoidance of blanket spraying, construction terraces (on Holyrood Estate), road maintenance, road side slit pits and maintenance of soft vegetation in interlines.</p> <p>Cover crop was observed planted in the replants. No bare ground was sighted during the visit.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectarage were marked on palms and in some areas on concrete slaps.	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2017/2018 to 2020/2021 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.	Yes
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 -	The long-range replanting programmes (LRRP) until 2038 were sighted for both estates. This programme is reviewed once a year and is incorporated in their annual financial budget. The program for the next 5 years are as follows: Holyrood Estate: 2017/2018 – 65.01 Ha 2018/2019 - 94.43 Ha 2020 - 59.60 Ha 2021 - Nil 2022 – Nil Kalupong Estate: 2017/2018 – Nil 2018/2019 - 173.42 Ha	Yes

Criterion / Indicator		Assessment Findings	Compliance																																				
		2020 - 117.85 Ha 2021 - 130.85 Ha 2013 - 138.85 Ha																																					
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.</p> <p>Holyrood Estate</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>FFB Yld/Ha</td> <td>18.52</td> <td>22.62</td> <td>21.64</td> <td>21.70</td> <td>22.97</td> </tr> <tr> <td>Cost/ton (RM)</td> <td>275.20</td> <td>256.03</td> <td>263.11</td> <td>201.48</td> <td>202.25</td> </tr> </tbody> </table> <p>Kalupong Estate</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>FFB Yld/Ha</td> <td>23.50</td> <td>24.08</td> <td>24.31</td> <td>25.44</td> <td>26.38</td> </tr> <tr> <td>Cost/ton (RM)</td> <td>271.28</td> <td>275.22</td> <td>267.56</td> <td>245.99</td> <td>248.85</td> </tr> </tbody> </table>		2015/16	2016/17	2017/18	2018/19	2019/20	FFB Yld/Ha	18.52	22.62	21.64	21.70	22.97	Cost/ton (RM)	275.20	256.03	263.11	201.48	202.25		2015/16	2016/17	2017/18	2018/19	2019/20	FFB Yld/Ha	23.50	24.08	24.31	25.44	26.38	Cost/ton (RM)	271.28	275.22	267.56	245.99	248.85	Yes
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Criterion / Indicator		Assessment Findings	Compliance
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 be regularly monitored, documented and reviewed through monthly progress reports, monthly accounts reports and annual financial reports.	Yes
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 -	NA as the Estates sent their only product, FFB to SBPSB mills.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	On both Estates visited all contracts were legal, transparent and agreed upon and signed by both contractor and management. On completion of work, payment was effected by SDPSD headquarters. Contracts verified were: FFB transport: Resam Enterprise dated 1/03/2015 valid from 1/03/2015 to 28/02/2018. Replanting: Rajan Excavator Contractors Sdn Bhd dated 1/7/2015 valid from 1/7/2015 to 30/06/2018	Yes
Criterion 4.6.4: Contractor			

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Awareness training has been provided to the contractor on 12/10/2017.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Samples of contracts have been revised to include the MSPO requirements.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors has been briefed by the Regional SQM on 12/10/2017.	Yes
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 -	The contractors are being evaluated for the KPI. Example of evaluation observed is FFB Transporter at Kalumpong Estate.	Yes
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.	There is no new planting.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.1.2	<p>No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p>	There is no new planting.	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p> <p>- Major compliance -</p>	There is no new planting.	N/A
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	<p>A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.</p> <p>- Major compliance -</p>	There is no new planting.	N/A
4.7.3.2	<p>SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes</p>	There is no new planting.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	external stakeholders. - Major compliance -		
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 -	There is no new planting.	N/A
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no new planting.	N/A
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 -	There is no new planting.	N/A
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 -	There is no new planting.	N/A

Criterion / Indicator		Assessment Findings	Compliance
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 -	There is no new planting.	N/A
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no new planting.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no new planting.	N/A
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There is no new planting.	N/A

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

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no new planting.	N/A
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no new planting.	N/A

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

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 -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Yes
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 continual improvement commitment is documented in the following Management & Operation Policies: 4. Quality Management Policy dated January 2015 5. Lean Six Sigma Policy dated January 2015 6. Quality Policy dated January 2015 The commitments are made by Dato Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad.	Yes
Criterion 4.1.2 – Internal Audit			

Criterion / Indicator		Assessment Findings	Compliance
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>The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/05/2015 documented the process to conduct internal audit.</p> <p>This is the initial certification of MSPO. The internal audit schedule for 2017 has been planned and communicated by Regional SQM to the Managers of SOU 2. The memo was communicated on 13/09/2017.</p> <p>The last internal audit for sustainable palm oil was conducted from 20/09/2017 till 27/09/2017 for entire SOU 2. The internal audit had covered all the MSPO MS2530 elements. The checklists were reviewed.</p>	Yes
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 report dated 27th September had included root cause analysis and corrective action plan. One sample on the finding closure from the last internal audit was verified. The finding raised was on indicator 4.3.1.1 regarding testing of gas at confined space prior start work. The corrective action taken is to purchase a gas tester however it was rejected in previous budget. The issue has been tabled at the Regional SQM meeting. At the moment the POM is borrowing the gas tester from nearby mill.</p>	Yes
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 has distributed to the POM management and Sime Darby Plantation HQ management.</p> <p>There is a monthly Regional meeting held between the Regional CEO with SOUs Manager to review operations issues and non-compliances.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSP0 and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Sime Darby is RSPO certified. On annual basis management review is conducted on regional level. The last management review was conducted on 23/10/2017. The management review had included internal sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed.</p> <p>The management review was conducted on Operating Unit level. The meeting was chaired by the Mill Manager En Zulaffandi Samad.</p>	<p>Yes</p>
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The latest Continual Improvement Plan for FY 2017/2018 was adopting the RSPO CIP. The improvement plans includes workers welfare, waste management occupational health and safety and operation improvement.</p> <p>For 2017 environmental improvement plan, the reviewed was conducted on 02/01/2017.</p> <p>For 2017 energy management plan, the reviewed was conducted on 01/07/2017.</p> <p>The overall management plan for FY2017/2018 that includes Quality, Heath & Safety and Environmental was reviewed.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 was established. The training identified including operations, understanding of MSPO requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings are provided by company on regular basis.</p>	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- 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). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p>	Yes
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or</p>	<p>Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	social outcomes. - Major compliance -	Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the mill. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx	
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). 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	Yes
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 -	The Mill Manager is responsible to deal with the external communication.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>The latest stakeholders list was updated on 02/10/2017.</p> <p>POM will conduct once a year external stakeholder consultation. The last meeting was conducted on 13/02/2017. There were no issues raised in the stakeholder consultation. Hence no action plan was required.</p>	Yes
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Chersonese POM is receiving FFB mainly from its supply base - Chersonese Estate, Holyrood Estate, Kalumpong Estate and Tali Ayer Estate. Chersonese POM also received crop from its' sister POM supply base including Kamunting Estate and estate from SOU 1.</p> <p>The weighbridge ticket provided the following details:</p> <ol style="list-style-type: none"> 1. Supplied from which estate 2. Product (FFB or Loose fruit) 3. Delivery note from estates stating the weight and fruit grade (A or B). 4. D.O Number 5. Weight of the shipment 6. Date of the shipment <p>During the MSP0 assessment, the estates supplying to Chersonese POM are not yet MSP0 certified.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>For despatch of CPO, the weigh bridge ticket includes the following information to enable the customer to trace the CPO source</p> <ol style="list-style-type: none"> 1. Customer Name 2. Destination of the CPO 3. Product 4. DO number 5. PO number 6. Weigh of the product. <p>There is no external FFB processed in the POM. All fruits are within Sime Darby's estates.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Assistant Manager.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description. Hence there is no required to have a formal letter of appointment. The responsible person for traceability includes (weighbridge operators) 1. Ms Komala A/P Kokilanathan appointed on 02/10/2017. The training on the traceability was provided by PSQM on 03/10/2017. 2. Ms Rokiah Bt Redawan appointed on 02/10/2017. The training on the traceability was provided by PSQM on 03/10/2017.	Yes
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 has been verified. The dispatch of the CPO are determine by HQ Sales & Marketing and will be entered into the Sime Weigh System. The weigh bridge operator will check the system before releasing the dispatch. The sample dispatch documentation sighted was – ticket 009626 dispatch to SDP Jomalina dated 23/10/2017.	Yes
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.	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	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>distributed to all operating units under SOU2. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Sample of licenses or permit viewed were:</p> <ul style="list-style-type: none"> • MPOB license: 533667104000 (validity period 1/11/2017 - 31/10/2018) for 192,000MT. • DOE License: JPKKS 004229 (validity period 1/7/2017 - 30/6/2018) for 45MT/hr and method of POME discharge is water course. • Energy commission license: 2017/00139 (validity period 12/01/2017 – 11/01/2018) for 2799.9kW installation capacity. 	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 14/10/2017.</p> <p>List of applicable legal and other requirements was made available during the assessment and complied in the QSHE/04/5.2.4 folder. Documented procedure has been established and implemented refer to Estate/Mill Quality Management System, Level 2: Standard</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 14/10/2017. Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. The latest change in regulation applicable to the POM operation is the Labour Law.	Yes
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.	Yes
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The land title applicable to Chersonese POM with Grant number 71380 (lot 4647) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 26/04/1993. The usage of land is not stated. The land was granted by the Perak State. Hence it is applicable for any usage. The quit rent for this portion was made on 10/01/2017 to the Land Authority of Perak State.	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 -	Refer to 4.3.2.1 The perimeter survey map of the land portion is provided together with the land title. The map is has provided the coordinated demarcation.	Yes
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.	Yes
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is not land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Yes
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land for the portion of land.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	There is no customary land for the portion of land.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	Yes
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 -	The Social assessment for SOU2 Chersonese Oil Mill was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team. The last SIA was conducted in June 2015. The recommendation from the SIA report was transferred to action plan. The action plan identified the issues & strategies, action plan, responsible person and time frame.	Yes
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Under the sustainable plantation management system Appendix 5, procedure on handling social issue (version 1; year 2008) has been implemented. Under Group policies and authorities GPA No 85 Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint form is made available in the mill office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.	Yes
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded for the pass one year. Only request for maintenance housing are made by workers.	Yes
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of	Chersonese Mill had no contribution records made to local communities. All CSR contributions was handled Chersonese Estate.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -		
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	<p>The OSH policy signed by the managing director dated January 2015 was in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The policy and plan had been communicated and implemented.</p> <p>The plan 2017/2018 covered awareness of safe working & living environment and legal compliance.</p> <p>The policy was displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office. The latest ESH plan objective FY2017/2018 was made available during this assessment. The plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc.</p> <p>Chemical Health Risk Assessment (CHRA) done on 7/08/15-JKKP HIE 127/1717-2(124). Positive Noise Monitoring done on 22/09/2016.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>LEV –Inspection, Examination & testing of Engineering Control Equipment report date 17/02/2017 by Renzo Venture - JKPP HIE 127/171-3/2(187). Medical surveillance was conducted for 3 laboratory workers on and medical checkup for 18 workers between 10 to 13 April 2017.</p>	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 	<ul style="list-style-type: none"> a. The policy had been communicated to employees. The store helper, boilerman and foreman interviewed were aware of safety. However, the plan had not been fully implemented as during the audit it was observed that the Oxygen & Acetylene cylinders did not have 'Flash back arresters' and the pressures gauges were damaged for which a Major NCR was issued. b. Risk assessment had been carried out on all operations where health and safety were of concern by the HIRARC committee and documented in the HIRARC document. The HIRARC was reviewed on 20/08/2107 on 'Activity for bunch press maintenance'. c. Training program planned for year 2016/2017 had been implemented. The program included training for all categories of employees and carried out by the qualified Safety & Health Officer and training records maintained. <p>All staff and mill employees attended the training as indicated in the records maintained. The content of the training included the said provisions of the regulations, purpose and explanation of audiometric test, proper usage of ear plugs and ear muffers, and consequence of hearing loss.</p>	Refer to NC 1547210-201709-M1

Criterion / Indicator	Assessment Findings	Compliance
<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>d. Appropriate PPE had been provided to all workers at the place of work to cover all potentially hazardous operations. However, employees observed were not observing safety requirements as they were not using proper PPE while welding and grinding for which the same the non-conformance was included in the above mentioned Major NCR.</p> <p>e. Chemicals were handled as per guidance given in the MSDS and CHRA and stored in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. The chemical store was well ventilated and secured.</p> <p>f. The management had appointed the 2017/2018 OSH committee to be responsible for the safety and health of employees. The committee was headed by the Mill manager assisted by the Secretary, Quality Assurance Supervisor and 12 management and 12 workers representatives. All had appointment letters.</p> <p>g. The management conduced regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare were discussed. This was by conducting work place inspections and OSH committee meetings. Records showed that for 2017 OSH meetings had been conducted on 10/08/2017, 11/05/2017 and 11/02/2017.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>h. Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.</p> <p>i. Workers trained in First Aid and First Aid equipment were present and available at worksites in the mill.</p> <p>j. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety & Health (OSH). Both JKPP 6 & 8 were verified.</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>SOU 2 has implemented Social Policy since January 2015. Human rights is one of the elements under the Social Policy. The management is treated the workers with respect and fair. Awareness training on human rights has been conducted on 13/10/2016 to all the workers</p>	Yes
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>Migrant workers are recruited with 2+1 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electric supplier (connect to national water and electricity supply) and medical care are given to all employees without discrimination.</p>	Yes
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements.</p>	<p>All the workers are under direct employment. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. The payroll for the following sampled</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>workers for June 2017 – September 2017 was verified to be consistent with the Minimum Wage Act 2012.</p> <ol style="list-style-type: none"> Ahmad Sahli (ID 124301) Muhamed Hisyam (ID 26705) <p>There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/day.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There is no contract workers in the mill. There is only transporter workers.</p>	Yes
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The workers master list was reviewed. The list includes date of birth, date joined, gender etc.</p> <p>The wages list is in the Sime Darby SPA system and the entry of price is control by HQ.</p>	Yes
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment</p>	<p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <ol style="list-style-type: none"> Ahmad Sahli (ID 124301) 	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	<p>contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>2. Muhamed Hisyam (ID 26705)</p> <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The working hours are recorded using "punch card" system. The punch card will be verified by supervisor daily. The supervisor will input the code in the "Daily Input Form" (e.g. Normal Full Day, rest day work, paid holiday work etc) for the payroll clerk to compile the monthly salary.</p> <p>In case the worker is on leave or absence, it is recorded in the "Daily Input Form".</p>	Yes
4.4.5.8	<p>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.</p> <p>- Major compliance -</p>	<p>The payslip and Daily input form has been reviewed to confirm that the working time of sample workers are according to their contract and collective bargaining agreement. The overtime working conditions and payments are per the collective bargaining agreement.</p>	Yes
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Overtime is paid 1.5 times; Rest day work is paid 2 times and Public Holiday is paid 3 times.</p> <p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements the MAPA/NUPW regulations.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <ol style="list-style-type: none"> 1. 5kg rice and 5kg cooking oil to all workers once every 2 months 2. RM5 mobile subsidy to all workers. 3. Free medical benefit to workers dependent at the estates clinics. 4. Renewal for driving license for local workers 5. Sending worker's children to schools 6. Once a year festival token to all workers 7. Yearly schooling assistance 8. Sime Darby scholarship <p>The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</p>	<p>Yes</p>
<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 basic amenities and facilities at the quarters provided by the company to it workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is bared by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 3 each per house.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basis amenities (e.g. mattress, cooking utilises).</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	Yes
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.</p> <p>The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively.</p> <p>The workers union representative for the mill is Mohd Ridzuan Saat.</p>	Yes
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>The Social Policy and Social & Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p> <p>Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.</p>	Yes
<p>Criterion 4.4.6: Training and competency</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Records showed that all employees and contractors had been appropriately trained. A Formal training program for the year 2016/2017 was available and implemented. Regular assessment of training conducted to ensure understanding among the employees. The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards.</p> <p>The various trainings conducted and the training records maintained to be acceptable</p>	Yes
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>Training needs of individual employees had been 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. The training matrix for 2017/2018 made available had 32 types of training to be conducted.</p>	Yes
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>It was evident that from the training matrix for 2016/2017 and 2017/2018 and training records for 2016/2017 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.</p>	Yes
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	The Environmental Management Policy was established since January 2015. The Policy covers the commitment of the company towards complying with statutory, legal and other regulatory requirements. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.	Yes
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	There is no specific EIA conducted. However the Environmental Aspect and Impact identification and Environmental Impact Evaluation for the mill has been conducted and documented. The identification and evaluation has included all the operations within the mill. The latest review conducted on the EIA/EIE is on 18/10/2017.	Yes
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The management plan for FY2017/2018 was reviewed. The environmental improvement plan and mitigation measures for 2017 is in place and reviewed on 02/01/2017.	Yes
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The positive impacts is included in the continual improvement plans. The improvement plans and actions includes i. Kaizen (Lean Six Sigma) improvement plan. ii. Environmental improvement plan and mitigation measures for 2017.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The training program for 2017/2018 has been established. Example of environmental training identified are Scheduled waste management and environmental responsibility.	Yes
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The organization organized periodic weekly briefing and yearly Townhall meetings with workers. The last Townhall was conducted on 09/01/2017.	Yes
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	Consumption of non-renewable energy and plan to assess them was by recording and monitoring of energy consumption for both renewable and non-renewable sources. It was monitored to optimize use of renewable energy. Data was compiled for comparison and control for future improvement. Apart from getting electricity supply from TNB, palm fiber and shells were also used to generate electricity through boiler & steam turbines. The use of energy was monitored monthly to compare the energy usage against the production of CPO.	Yes
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the mill's yearly budgets.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell used in the mill.</p> <p>The long term planning for biogas implementation was reviewed. The recovered biogas will be used for energy generation (e.g. steam & electricity).</p>	Yes
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The type of waste generated due the mill operation is incorporated in the Pollution Prevention Plan 2017.</p>	Yes
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The waste management plan for the generated waste due to the mill operation is provided in the Pollution Prevention Plan 2017. The prevention plan includes the improvement plan.</p> <p>The EFB that is produced is use to produce bio-compost. Kernel shell and fibre will be combusted in biomass boiler to generate to produce steam.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The SOP on Scheduled Waste disposal is established and implemented. The inventory of the waste generated is recorded using the "eswis" inventory system. The last update on the eswis was on September 2017.</p>	Yes
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Domestic waste is disposed through city council.</p>	Yes
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, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact and any impact will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
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>The pollution prevention plan dated 02/01/2017 has been reviewed. Mitigation plan, actions and time frame has been identified. On top of that the Environmental Management Plan for FY2017/2018 is available. The monitoring of the plan is available.</p> <p>The action plan to reduce emission from POME is to install a biogas plant for co-firing in boiler. The plan is expected to be executed in Q3 of 2018. This plan is documented in the Biogas Masterplan dated March 2016.</p>	Yes
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The POME is treated with open anaerobic, aerobic and stabilization lagoon. Monthly monitoring on the final discharge is conducted. The effluent at the final discharge is tested to ensure it compliance to the DOE Licence discharge limits. The POME lab analysis record (EP470/2017 for Sept 2017, EP407/2017 for Aug 2017 EP345/2017 for July 2017).</p> <p>The BOD level of treated POME at the final discharge is below the threshold allowed by the Department of Environmental.</p>	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources.</p>	<p>The Mill uses water supplied by Lembaga Air Perak and raw water from a pond. The pond water is from a river from Bukit Merah.</p> <p>Monitoring of consumption/usage was on going. The quality of out-going water was monitored monthly by carrying out water analysis.</p>	Yes


Criterion / Indicator		Assessment Findings	Compliance
	<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<p>The latest analysis (7/09/2017) for out-going water/effluent showed that the BOD was 31mg/litre as against the permitted level of 50mg/litre.</p> <p>Records showed that the average amount of out out-going water for September 2017 was 263.10m³/day as against the permitted 288m³/day.</p> <p>The water management plan 2017/2018 also had contingency plan during water shortage.</p> <ul style="list-style-type: none"> • Water shortage/dry spell <ol style="list-style-type: none"> 1) Purchase water from Lembaga Air Perak LAP 2) Train staff/workers to conserve water 3) Revise demand and supply conditions 4) Monitor water supply • Severe water pollution <ol style="list-style-type: none"> 1) Purchase more water from LAP 2) Perform treatment of polluted water 3) Reusing/recycling/rationing 	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>The action plan to reduce emission from POME is to install a biogas plant for co-firing in boiler. The plan is expected to be executed in Q3 of 2018. This plan is documented in the Biogas Masterplan dated March 2016.</p>	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Like all Sime Darby mills, this mill too used SPMS, MQMS, SOP, generic SOM and its own SSOP. The mill also used "Guidelines on Security Plantation Upstream" Reference Manual (2008) & Financial Manual.	Yes
4.6.1.2	All palm oil mills shall implement best practices.. - Major compliance -	Best practices in this mill had been implemented and monitored via 'Structured oil recovery assessments' (SORA) carried out quarterly by PSQM department. The scores the 3 completed quarters of 2017 were 79.30%, 83.57% and 89.01% - average 89%	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The documented business plan covered all processing cost from reception to EFB disposal. The total mill cost for 2017/2018 was RM39.68/ton FFB	Yes
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 -	This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ	Yes

Criterion / Indicator		Assessment Findings	Compliance
		through system named MEX. This is made upon job verification by the mill personnel	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Chersonese POM has one contractor Mayang Bayumas Sdn Bhd (contract ref: T/PEN/CPO/0215/001 DATED 31/03/2016– it was for CPO transport and valid from 01.05.2016 for 3 years. The contract was awarded by Sime Darby headquarters and payment effected by them.	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Awareness training has been provided to the contractor on 12/10/2017.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Samples of contracts have been revised to include the MSPO requirements.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors has been briefed by the Regional SQM management on 12/10/2017.	Yes

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Chersonese Palm Oil Mill and Chersonese SOU 2 Estates Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Chersonese Palm Oil Mill and Chersonese SOU 2 Estates Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Shuhaimi bin Dollah.	Name: Nicholas Cheong
Company name: Sime Darby Plantation Bhd.	Company name: BSI Services Malaysia Sdn. Bhd.
Title: SOU 2 chairman	Title: Lead Auditor
Signature: 	Signature: 
Date: 3/1/2018	Date: 03/01/2018

Appendix A: Assessment Plan

Date	Time	Subjects	(NC)	(SK)
Tuesday 24/10/2017	23:20 – 06:00	Travel to Muar, Johor	√	√
Wednesday, 25/10/2017	08:30 – 09:00	Opening Meeting (Chersonese Palm Oil Mill) <ul style="list-style-type: none"> • Presentation by Sime Darby Team • Presentation by BSI Lead Auditor -introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	√	√
	09:00 – 11:00	Chersonese Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	11:00 – 12:00	Stakeholder consultation	√	
	11:00 – 12:30	Document Review (MS2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices		√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√
	Thursday, 26/10/2017	07:30 – 08:30	Travel to Holyrood Estate	√
08:30- 11:00		Holyrood 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, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
11:00 – 12:00		Stakeholder consultation	√	
11:00 – 12:30		Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting		√
12:30 – 13:30		Lunch / Break	√	√
13:30 – 16:30		Continue with Document review and site verification if deemed necessary.	√	√

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Date	Time	Subjects	(NC)	(SK)
	16:30 – 17:00	Interim closing meeting	√	√
Friday, 27/10/2017	07:30 – 08:30	Travel to Kalumpong Estate	√	√
	08:30-11:00	Kalumpong 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, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 15:30	Continue with Document review and site verification if deemed necessary.	√	√
	15:30 – 16:30	Preparation for closing meeting	√	√
	16:30 – 17:30	Closing meeting	√	√

Appendix B: List of Stakeholders Contacted

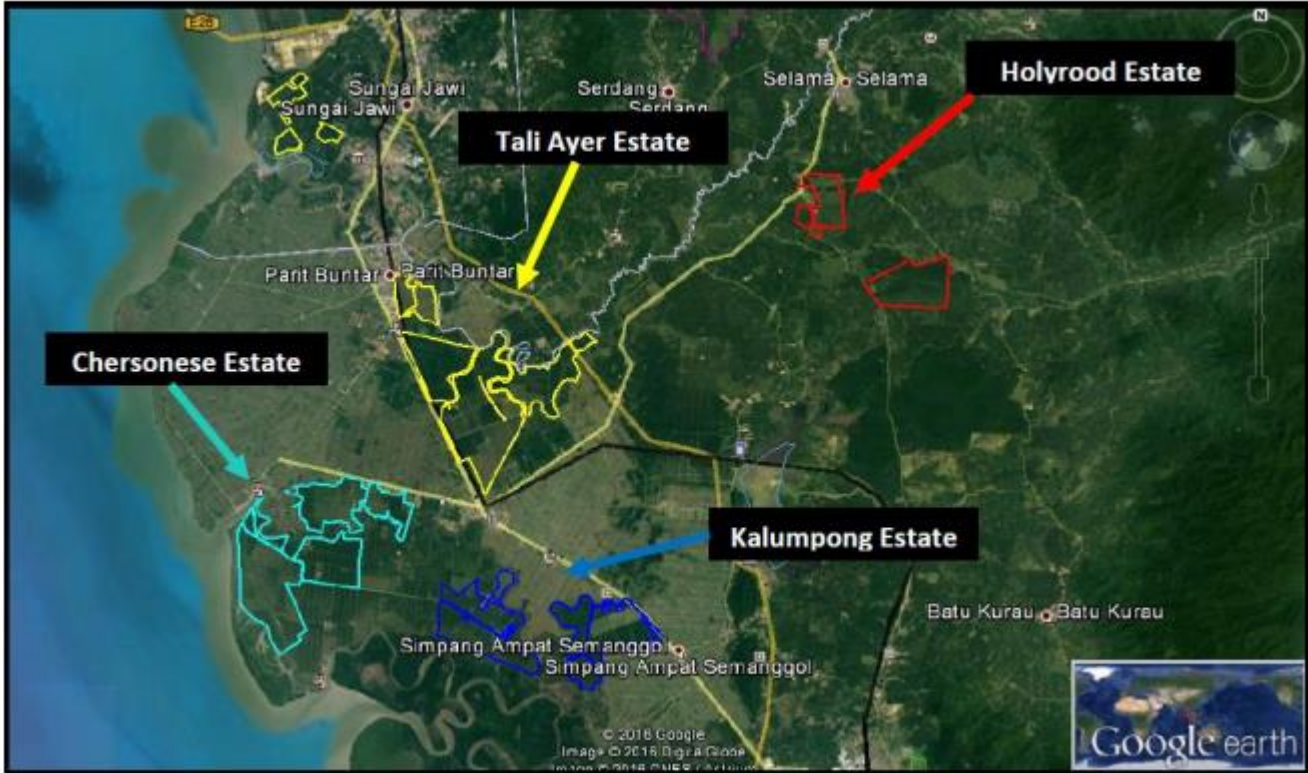
Internal Stakeholders	External Stakeholders
<ol style="list-style-type: none"> 1. Medical Assistant 2. Workers 3. Gender Committee 4. Joint Consultative Committee 5. Workers Union Representatives 6. AMESU Representative 7. Hospital Assistant 	<ol style="list-style-type: none"> 1. Village Head of Kampung SPS4 2. Village Head of M.Ting

Appendix C: Smallholder Member Details

N/A

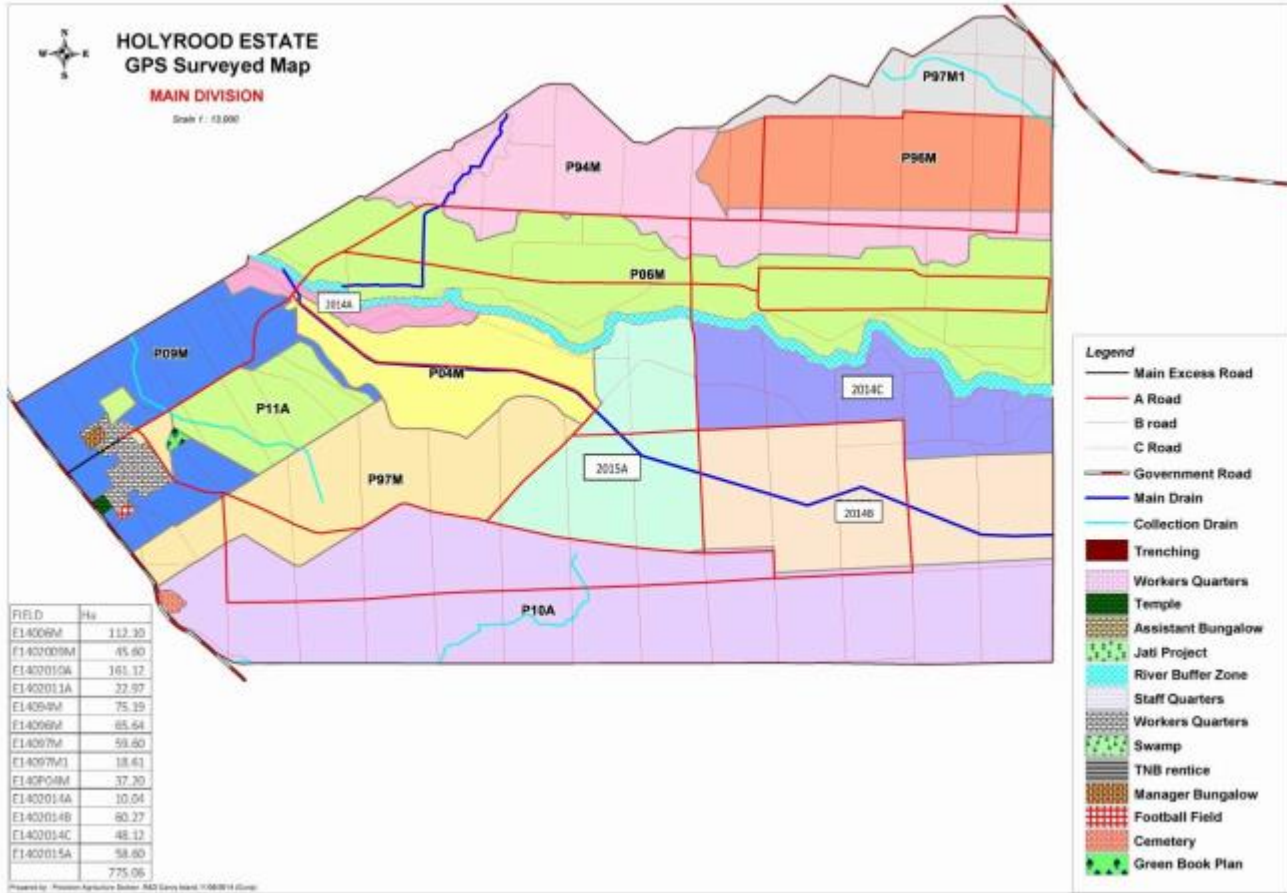
Appendix D: Location and Field Map

Location Map of Chersonese Palm Oil Mill

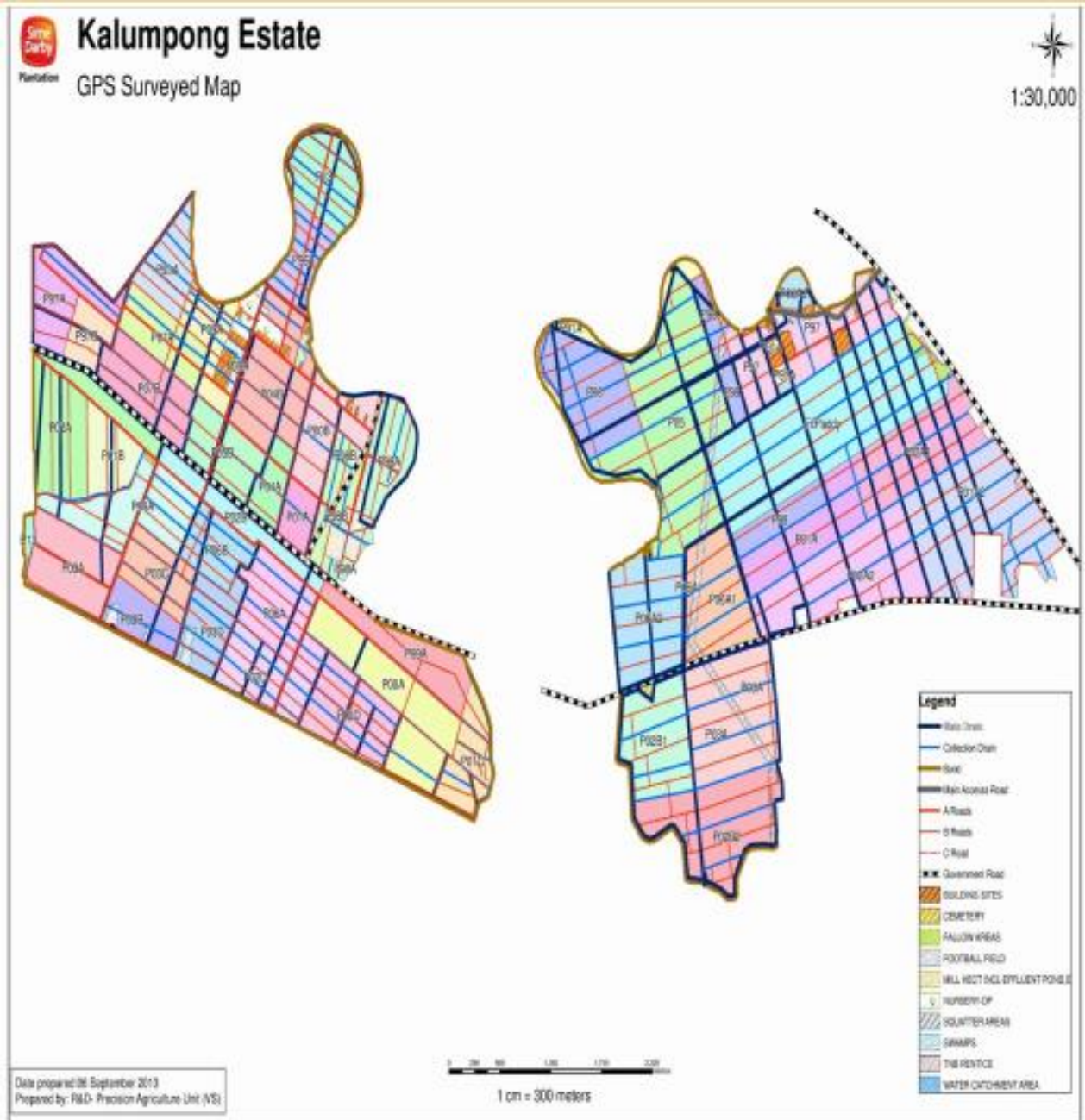


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Holyrood Estate Field Map



Kalumpong Estate Field Map



Appendix E: List of Abbreviations

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