

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

Sime Darby Plantation Berhad
Head Office: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: West Palm Oil Mill & West Estate
Location of Certification Unit: Strategic Operating Unit (SOU) 9 West Palm Oil Mill Carey Island Selangor 42960 Malaysia

Report prepared by:
Mohamed Hidhir Zainal Abidin (Lead Auditor)

Report Number: 8846844

Assessment Conducted by:
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TABLE of CONTENTS	Page No
Section 1: Executive Summary	4
1.1 Organizational Information and Contact Person	4
1.2 Certification Information.....	4
1.3 Location of Certification Unit.....	5
1.4 Plantings & Cycle.....	5
1.5 FFB Production (Actual) and Projected (tonnage).....	5
1.6 Certified CPO / PK Tonnage	5
1.7 Details of Certification Assessment Scope and Certification Recommendation:.....	6
Section 2: Assessment Process	7
1. Assessment Program.....	8
Section 3: Assessment Findings	9
3.1 Details of audit results.....	9
3.2 Summary of the findings by Principles and Criteria	9
Compliance.....	9
4.1 Principle 1: Management commitment & responsibility	9
Criterion 4.1.3 – Management Review	11
Criterion 4.1.4 – Continual Improvement.....	11
4.2 Principle 2: Transparency	12
Compliance.....	15
Compliance.....	46
4.1 Principle 1: Management commitment & responsibility	46
Criterion 4.1.3 – Management Review	47
Criterion 4.1.4 – Continual Improvement.....	48
4.2 Principle 2: Transparency	49
3.3 Details of Nonconformities and Opportunity for improvement.....	82
3.4 Status of Nonconformities Previously Identified and OFI	84
-Not Applicable-	84
3.5 Issues Raised by Stakeholders	84
3.6 Summary of the Nonconformities and Status.....	86
4.0 Assessment Conclusion and Recommendation:	86

**MSPO Public Summary Report
Revision 0 (Aug 2017)**

Appendix A: Assessment Plan 87
Appendix B: List of Stakeholders Contacted 88
Appendix C: Smallholder Member Details..... 89
Appendix D: Location and Field Map 90
Appendix E: List of Abbreviations Used..... 91

Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	West POM – MPOB license no.: 533238004000 West Estate – MPON license no. : 522968002000		
Company Name	Sime Darby Plantation Berhad (SOU9 West Palm Oil Mill)		
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) Mr Mazlan Abdullah (Mill manager)		
Website	www.simedarby.com	E-mail	Shylaja.vasudevan@simedarby.com
Telephone	+603-78484379 (Head Office) +603 3122 0346/48 (Mill)	Facsimile	+603-78484356 (Head Office) +603 – 3122 0375 (Mill)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682052 Plantations: MSPO XXXXXX		
Issue Date	Xx/12/2017	Expiry date	Xx/12/2022
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)	5-6 December 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 543594	RSPO	BSI Services (M) Sdn Bhd	18/5/2020

MSP0 Public Summary Report
Revision 0 (Aug 2017)

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
West Palm Oil Mill (Capacity : 50Mt/Hr)	KKS West, Carey Island, 42960, Selangor	101° 21' 40.7"	02° 54' 18.0"
West Estate	Ladang West, Carey Island, 42960, Selangor	101° 21' 43.7"	02° 53' 22.7"

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
West Estate	325.25	1468.36	2771.37	499.66	-

1.5 FFB Production (Actual) and Projected (tonnage)		
Producer Group	Actual (previous 12 month) Dec 17 – Oct 18	Forecast (next 12 month) Dec 17 – Oct 18
West Estate	75,748.44	129,788.61
Total	75,748.44	129,788.61

1.6 Certified CPO / PK Tonnage						
Mill	Estimated		Actual (previous 12 month) Dec 17 – Oct 18		Forecast (next 12 month) Dec 17 – Oct 18	
	CPO	PK	CPO	PK	CPO	PK
West Palm Oil Mill	N/A	N/A	25,517.44	5,459.95	26,928.70	6,871.78

*Forecast OER: 20.75%, KER: 5.29%

1.7 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Strategic Operating Unit (SOU 9) – West Palm Oil Mill, Carey Island, Selangor, 42960 Malaysia comprising 1 mill; 1 estate and infrastructures.

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.

The assessment is a combined assessment for the mill and estate 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 West Palm Oil Mill SOU 9 and West Estate. This report is the combine report for West Palm Oil Mill and Estate.

The onsite assessment was conducted on 5-6 December 2017.

Based on the assessment result, Sime Darby West SOU9 complies with 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 and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
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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 5-6 December 2017. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula $N = 1.0\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defer to 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. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on through BSI website.

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

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

MSPO Public Summary Report
Revision 0 (Aug 2017)

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

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

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

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 3)	Year 5 (ASA 4)
West Palm Oil Mill	√	√	√	√	√
West Estate	√	√	√	√	√

Tentative Date of Next Visit: December 3, 2018 - December 4, 2018

Total No. of Mandays: 4

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin – Lead Auditor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Elzy Ovktafia Cairul – Team Member

She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP from the Incorporated Society of Planters. She held the position of Certifier cum Auditor with Control Union and involved in various audits globally for RSPO P&C and RSPO SCC for 11 countries in almost 2 years. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO SCC, ISO 9001:2015 and Social Compliance Audit by Verite. She had 5 years experience in oil palm plantations.

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 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.	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

<p>4.1.1.2</p>	<p>The policy shall also emphasize commitment to continual improvement.</p> <p>- Major compliance -</p>	<p>The continual improvement commitment is documented in the following Management & Operation Policies:</p> <p>Quality Management Policy dated January 2015</p> <p>Lean Six Sigma Policy dated January 2015</p> <p>Quality Policy dated January 2015</p> <p>The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad..</p>	<p>Compliance</p>
<p>Criterion 4.1.2 – Internal Audit</p>			
<p>4.1.2.1</p>	<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, rev:2 dated 1/11/17 documented the process to conduct internal audit. The internal audit checklist is available to cover all the required MSPO requirements.</p> <p>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. Audit notification was sent out on 9/10/17.</p>	<p>Compliance</p>
<p>4.1.2.2</p>	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>West Estate</p> <p>The internal audit report dated 11/10/2017 had included root cause analysis and corrective action plan. Total of 1 major, 6 minor NC and 1 OFI raised by the audit team. All NC raised was close out by the lead auditor on 30/11/17 based documented evidence provided by the auditee implemented for improvement. Refer to OFI, 1552403-201709-12</p>	<p>Compliance</p>
<p>4.1.2.3</p>	<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. There is a month SQM meeting at HQ level to review the treading of findings raised in both</p>	<p>Compliance</p>

		internal and external audit.	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Sime Darby is RSPO certified. On annual basis management review is conducted on Regional level. The last management review was conducted on 13/10/2017. 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>In Operating Unit level, the last management review was conducted on 13/10/2017. The meeting was chaired by the Senior Manager Mohd Idzaruddin. The minutes of the meeting and review presentation was sighted.</p>	Compliance
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>The latest Continual Improvement Plan for FY 2017/2018 was adopting the RSPO CIP. The improvement plan includes occupational health and safety, operation improvement and training.</p> <p>The operating units also adopted the Lean Six Sigma continual improvement. The improvement projects for 2017 has sighted.</p> <p>i) To reduce operationcost for chemical issuing ad mixing form RM115.38/day to RM76.92/day in West Estate – in progress</p> <p>ii) To reduce numer of bunches from falling into the drain from average 19 bunches/month to 0 bunches/month in West Estate – in progress</p>	Compliance

<p>4.1.4.2</p>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 was established. The training identified including operations, understanding of MSPO/RSPO 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>	<p>Compliance</p>
<p>4.1.4.3</p>	<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>The action plan is included in the CIP for FY 2017/2018 and the Lean Six Sigma.</p>	<p>Compliance</p>
<p>4.2 Principle 2: Transparency</p>			
<p>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</p>			
<p>4.2.1.1</p>	<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>- Major compliance -</p>	<p>The estate implemented the procedure for responding to all communications as outlined in their Estate Quality Management System documents. The system required response to all communication within a certain time frame. Requests from workers and management’s responses were recorded and maintained. Action may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were logged and registered in a log book. The record included types of complaints and the dates when they were made and attended to and remarks. Most records were mainly</p>	<p>Compliance</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

		for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.	
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Management documents were publicly available, except those which was prevented by commercial confidentiality and those which when disclosed would result in negative environmental and social outcomes. Information was published in SDPB annual reports - latest sighted was Dec 2016. Information relating to land titles and relating to safety and health plans were available at the SDPB website at http://plantation.simedarby.com .	Compliance
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	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	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 Senior Assistant Manager is responsible to deal with the external communication and social issue as per appointment letter dated 02.10.17	Compliance
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.	The latest stakeholders list was updated as for FY 2017/18 covering contractors, vendor/suppliers, local community heads and other interested parties. The external stakeholder consultation is conduct once a year. The last	Compliance

	<p>- Major compliance -</p>	<p>meeting was conducted for West Estate on 26/10/2017. There were suggestions and recommendation comes from school, local head village and contractors in the stakeholder consultation with the action taken by West Estate.</p>	
<p>Criterion 4.2.3 – Traceability</p>			
<p>4.2.3.1</p>	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>West Oil Mill is receiving FFB mainly from West Estate and no outside FFB supplier.</p> <p>The weighbridge ticket provided the following details:</p> <p>Product: FFB or Loose fruit Supplier: E152-E-West Ticket Number: 221966 Date: 03.11.2017</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 current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Senior Assistant Manager as for letter of appointment dated 02.10.17.</p>	<p>Compliance</p>
<p>4.2.3.2</p>	<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, SOP for Sustainable Supply Chain and Traceability Version 2, 2016, dated Oct 2016 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of RSPO/ISCC/MSPO.</p>	<p>Compliance</p>

<p>4.2.3.3</p>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The responsible personal for the traceability is the Senior Assistant Manager as for letter of appointment dated 02.10.17.</p> <p>The training on the traceability was provided by PSQM through the MSPO awareness training on 3rd October 2017 which combined with West Oil Mill in Townhall Meeting 5.0 while for divisional basis, it was conducted in morning muster on 25.10.17 by Assistant Manager.</p>	<p>Compliance</p>
<p>4.2.3.4</p>	<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 as West estate is the only supply base to West Oil Mill, and 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>	<p>Compliance</p>
<p>4.3 Principle 3: Compliance to legal requirements</p>			
<p>Criterion 4.3.1 – Regulatory requirements</p>			
<p>4.3.1.1</p>	<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 SOU9. 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>West Estate</p> <p>Sample of licenses or permit viewed were:</p> <p>MPOB sell and transport FFB license: 522968002000 (validity period</p>	<p>Compliance</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

		<p>1/9/17 – 31/8/17).</p> <p>Diesel Storage license: B 80523 (validity of 1 year from 23/02/2017).</p> <p>Diesel and petrol purchase license: B025312, B.PGK.SEL/5875 (validity period 28/08/2017 – 27/08/2018). Diesel: 20,000 liter, petrol; 10,000 liter</p> <p>Air compressor license for Air Receiver Tank: SL PMT 37321 (validity until 18/1/18)</p> <p>Salary deduction approval from Labour Department dated 15/5/14, ref# JTKS€ 6/115 Jld VII-22(4)</p>	
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 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 11/08/2017 for West estate</p>	Compliance
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 for Welch was reviewed on 16/08/2017 for Welch and 28/08/2017 for Lanadron.</p> <p>The latest change in regulation applicable to the POM operation is the</p>	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

		Labour Law.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and 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.	Compliance
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The land title, Grant number 46219 (Lot 2601) for area of 5012 Acre, registered to Sime Darby Plantation (Peninsular) Sdn Bhd (now Sime Darby Plantation Berhad) on 27/08/02. The usage of land is not stated. The land was granted by Kanun Tanah Negara. Hence it is applicable for any usage. The quit rent for this portion was made on 22/03/2017 to the Land Authority of Selangor State (PTD Kuala Langat).	Compliance
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 provided with the coordinated demarcation	Compliance
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.	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;	There is not land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

	shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	
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 -	At time of visit, there was no evidence to show that any land was encumbered by customary rights in West Estate	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	At time of visit, there was no evidence to show that any land was encumbered by customary rights in West Estate	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	At time of visit, there was no evidence to show that any land was encumbered by customary rights in West Estate	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social & Environment Projects Unit, was conducted for West Oil Mill internally by the PSQM Department. The last SIA was conducted in 27 th – 28 th March 2014. Key areas identified in the SIA were on good practices/findings, issues, complaints, suggestions by workers and other stakeholders. The recommendation from the SIA report was transferred to action plan. The latest action plan for SOU 9 FY 2017/2018. The action plan identified the issues & strategies, action plan, responsible person and	Compliance

		time frame.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. For Internal employee, there is complaint book keep in office and suggestion box located in front of office and the respond time is 2 weeks. Normally in West Estate, the complaints received for repairs work for internal. For external, the complainant can write in directly to Estate and keep the record in the CSR file.	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 form is made available in the estate office (example is Rekod Aduan dan Tindakan Kerosakan Rumah,. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint in whistleblowing e-form. This information is available in Sime Darby Website and suggestion box in mill office.	Compliance
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 -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no critical grievance recorded for the pass one year. Only request for maintenance and repairing housing, machine, etc are made by workers.	Compliance
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	The complaint record for request for maintenance are available and kept for 5 years (communications file (internal) according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

	- Minor compliance -	Documents.	
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 and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. For Internal employee, there is complaint book keep in office and suggestion box located in front of office and the respond time is 2 weeks. Normally in West Estate, the complaints received for repairs work for internal. For external, the complainant can write in directly to Estate and keep the record in the CSR file.	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Mill management have made contribution to the internal and external stakeholders. For example: The management has organized activities related to religion to the workers, sport day for SMK Pulau Carey, blood donation, contribution to school for school event (Hari Sukan Negara, Kejohanan Merentas Desa, etc.)	Compliance
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 -	The Group Occupational Safety & Health Management Policy had been established and implemented for all mill and estates. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and 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. Included in the policy is the commitment of the Company to provide	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

		<p>and maintain a safe and healthy working environment of its employees & contractors & visitors.</p> <p>In interviews with the workers and staff during the site visit revealed that the employees has been briefed and has understood the policy.</p>													
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p>i. all employees involved shall be adequately trained on safe working practices</p>	<p>a. The OSH policy dated January 2015 signed by Managing Director was available. The OSH plan 2017/2018 had been communicated and implemented.</p> <p>b. Risk of operations had been assessed and HIRARC document produced. It was updated on 9.09.2017 to add risk for Grass cutting operation, and heat stress risk for replanting operations, For use of chemicals a CHRA was conducted on 13/07/2015 by registered assessor JKPP HIE 127/171-2(353). Based on the CHRA, a total of 08 findings/recommendations reported.</p> <p>c. Training program planned for year 2017/2018 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.</p> <p>All staff and employees attended the training as indicated in the records maintained.</p> <p>Records of some of the trainings verified were:</p> <table border="1" data-bbox="1037 1187 1854 1402"> <tr> <td>10/8/17</td> <td>P&D training : Bagworm and Trunk Injection training</td> <td>PSQM-ESH</td> </tr> <tr> <td>17/4/17</td> <td>Dengue Fever Prevention</td> <td>Ministry of Health</td> </tr> <tr> <td>25/10/17</td> <td>MSPO awareness training</td> <td>PSQM</td> </tr> <tr> <td>27/4/17</td> <td>Chemical Training</td> <td>Supplier –Alion</td> </tr> </table>	10/8/17	P&D training : Bagworm and Trunk Injection training	PSQM-ESH	17/4/17	Dengue Fever Prevention	Ministry of Health	25/10/17	MSPO awareness training	PSQM	27/4/17	Chemical Training	Supplier –Alion	<p>Compliance</p>
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27/4/17	Chemical Training	Supplier –Alion													

	<p>ii. all precautions attached to products shall be properly observed and applied</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way</p>	<p>25/10/17</p>	<p>First Aid Training</p>	<p>HA</p>	<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. The spraying & power spray team in Field P00H and harvesters in Field P09G observed during the visit were sighted using all appropriate PPEs.</p> <p>PPE issues records were verified; records of issues from 2009 and the latest issue was on 26.11.2017.</p> <p>e. SOPs for handling of chemicals to ensure proper and safe handling and storage were available in the SPO manual of SDPB. In addition, the estate had established it's own SSOP for operations inclusive of handling and storage of chemicals. The SOPs for spraying and manuring were observed to be complied with.</p> <p>f. Bagan Datoh Estate had established an OSH committee which were headed by head by the Manager with the secretary HA. Appointment letters dated 02.01.2017 were verified.</p>
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MSPO Public Summary Report
Revision 0 (Aug 2017)

	<p>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>g. The estate 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>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 (Mandors) trained in First Aid were present in field operations. All operating gangs visited had First aid boxes at work site.</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). West Estate maintained accident records and reported to DOSH using JKKP 6 & JKKP 8 forms. 2016 : 48 cases, 349 LTI, 2017: 50 cases, 312 LTI.</p>	
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Criterion 4.4.5: Employment conditions

<p>4.4.5.1</p>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management</p>	<p>West Estate 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</p>	<p>Compliance</p>
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MSPO Public Summary Report
Revision 0 (Aug 2017)

	and effectively communicated to the employees. - Major compliance -	human rights has been conducted on 14/01/2017 through safety briefing on about MSPO & RSPO Policy.	
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. Foreign migrant workers. Refer to Letter of Employment, Employment Contract para" 17 – Annual leave : 14 days for < 5 years, 16 days for > 5 years India/ Indonesia – 3 years + 1 contract extension (maximum of 10 years). Overtime paid as per Employment Act 1995 (EA). a. Estate worker ID (Malaysian): 0000006262 b. Estate worker ID (Indonesian): 0000006626 c. Estate worker ID (Nepal): 0000100281 d. Estate worker ID (Malaysian): 0000006325 e. Estate worker ID (Bangladesh): 0000006351 f. Estate worker ID (Indonesian): 0000057738 g. Estate worker ID (Myanmar): 0000096419	Compliance
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	All the workers are under direct employment and some workshops are under contracts workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc as per employment contract. The payroll for the following sampled workers for March, July and November 2017 were verified to be consistent with the Minimum Wages Order 2016. a. Estate worker ID (Malaysian): 0000006262 b. Estate worker ID (Indonesian): 0000006626	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

		<p>c. Estate worker ID (Nepal): 0000100281 d. Estate worker ID (Malaysian): 0000006325 e. Estate worker ID (Bangladesh): 0000006351 f. Estate worker ID (Indonesian): 0000057738 g. Estate worker ID (Myanmar): 0000096419</p> <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 920/ month or RM 35.38/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 are contract workers in the estate for varioud types of works, which are FFB harvesting, excavator works Sampled below contractors and their worker’s pay slip are comply with the Minimum Wages 2016:</p> <p>a. Estate worker ID (Malaysian): 0000006262 b. Estate worker ID (Indonesian): 0000006626 c. Estate worker ID (Nepal): 0000100281 d. Estate worker ID (Malaysian): 0000006325 e. Estate worker ID (Bangladesh): 0000006351 f. Estate worker ID (Indonesian): 0000057738 g. Estate worker ID (Myanmar): 0000096419</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>	Compliance
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,</p>	<p>The workers master list was reviewed. The list includes date of birth, date joined, gender etc.</p>	Compliance

	a job description, wage and the period of employment. - Major compliance -		
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	The following contracts has been verified to confirm that workers have binding working agreement with the company: a. Estate worker ID (Malaysian): 0000006262 b. Estate worker ID (Indonesian): 0000006626 c. Estate worker ID (Nepal): 0000100281 d. Estate worker ID (Malaysian): 0000006325 e. Estate worker ID (Bangladesh): 0000006351 f. Estate worker ID (Indonesian): 0000057738 g. Estate worker ID (Myanmar): 0000096419 Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.	Compliance
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	The recording of work attendance is being done during muster call. Any overtime will be monitored and recorded by mandos and will be verified by Estate Assistant Manager/Manager. During the muster call, the previous day overtime will be verified by asking workers if they have any dispute.	
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Overtime is paid 1.5 times; Rest day work is paid 2 times and Public Holiday is paid 3 times. The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements the MAPA/NUPW regulations.	Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

<p>4.4.5.9</p>	<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>	<p>Compliance</p>
<p>4.4.5.10</p>	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <p>5kg rice and 5kg cooking oil to all workers once every 2 months</p> <p>RM5 mobile subsidy to all workers.</p> <p>Free medical benefit to workers dependent at the estates clinics.</p> <p>Sending worker's children to schools</p> <p>Once a year festival token to all workers</p> <p>Yearly children Education Allowance</p> <p>Sime Darby scholarship for workers</p> <p>The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</p>	<p>Compliance</p>
<p>4.4.5.11</p>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</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 free with subsidize rate as per employment contract.</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'</p>	<p>Compliance</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

		<p>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 basis amenities (e.g. mattress, cooking utilises).</p>	
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>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>	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. The workers union representative for the West Estate is Mr Saravanan as chairman as per letter dated 06.10.17 titled 'Election of NUPW Committee Members'.</p>	Compliance
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>	Compliance

Criterion 4.4.6: Training and competency																											
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>West Estate organised trainings for their employees. There were also sessions organised with presence of contractors and neighbouring community.</p> <p>In West Estate the following training records were sighted;</p> <table border="1" data-bbox="1037 786 1854 1249"> <thead> <tr> <th>Date</th> <th>Training Subject</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>20/9/17</td> <td>Safe Driving Technique</td> <td>Sime Kubota</td> </tr> <tr> <td>14/2/17</td> <td>Latihan kebakaran & cara penggunaan alat pemadam api</td> <td>Senior Assistant</td> </tr> <tr> <td>10/8/17</td> <td>P&D training : Bagworm and Trunk Injection training</td> <td>PSQM-ESH</td> </tr> <tr> <td>17/4/17</td> <td>Dengue Fever Prevention</td> <td>Ministry of Health</td> </tr> <tr> <td>25/10/17</td> <td>MSPO awareness training</td> <td>PSQM</td> </tr> <tr> <td>27/4/17</td> <td>Chemical Training</td> <td>Supplier –Alion</td> </tr> <tr> <td>25/10/17</td> <td>First Aid Training</td> <td>HA</td> </tr> </tbody> </table> <p>Training for the SOU both estates and the mill is an on-going activities and held along with the annual program.</p>	Date	Training Subject	Trainer	20/9/17	Safe Driving Technique	Sime Kubota	14/2/17	Latihan kebakaran & cara penggunaan alat pemadam api	Senior Assistant	10/8/17	P&D training : Bagworm and Trunk Injection training	PSQM-ESH	17/4/17	Dengue Fever Prevention	Ministry of Health	25/10/17	MSPO awareness training	PSQM	27/4/17	Chemical Training	Supplier –Alion	25/10/17	First Aid Training	HA	<p>Compliance</p>
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<p>4.4.6.2</p>	<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>Similar method for identifying the training needs are used in SOU operating units both estates and the mill. The training needs for both Welch & Lanadron Estates for the FY 2017/18 training program has been established. The details of the training needs include categories of job descriptions, sections, and employees group.</p> <p>Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, field activities, equipment handling, vehicles maintenance etc.</p>	<p>Compliance</p>
<p>4.4.6.3</p>	<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>Training details are planned and summarised in the OSH program. This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition it is subject for a review during the financial year should need arises.</p>	<p>Compliance</p>
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>			
<p>Criterion 4.5.1: Environmental Management Plan</p>			
<p>4.5.1.1</p>	<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>There is an environmental management policy issued on Group level signed by the Managing Director in Jan 2015. Communications to the employees were through training session and briefing at muster grounds. Sighted training dated 03/10/17 in Lanadron Estate on MSPO briefing which includes the environmental attended by 17 employees. Subjects on environmental are included the annual training program titled "environmental responsibility 7 biodiversity-environmental aspect impact assessment".</p>	<p>Compliance</p>
<p>4.5.1.2</p>	<p>The environmental management plan shall cover the following:</p>	<p>The EMP policy is available as specified in 4.5.1.1 above.</p> <p>Objectives, target and duration are shown in the Environmental</p>	<p>Compliance</p>

	<p>a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>Management program (EMP) incorporating the action plan to be initiated by the estates. The EMP for both Lanadron & Welch were sighted. Details of the objectives were also mentioned in 4.5.4.1.</p> <p>The estates identified the aspects and impacts analysis of its operations. Areas are activities at main entrance / compound / petrol / dispensary / store / scheduled waste / workshop / weeding / spraying / FFB transportation / manuring / harvesting and collection. Findings were discussed in OSH meetings.</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The improvement plans were sighted. The estates identified the following activities and areas for Improvement plan;</p> <p>Reduce diesel usage at refill bay, PMV planned maintenance vehicle.</p> <p>Reduce herbicide & pesticide usage through nepholepis establishment, LCC establishment and growth of beneficial plant.</p> <p>Monitoring is made through data analysis and the daily field supervision.</p>	Compliance
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>This is available in the SIA action plan. Activities/areas identified at working area, induction program for new workers & housing facilities.</p>	Compliance
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>A training program is available in the SOU Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.</p>	Compliance

<p>4.5.1.6</p>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Similar forum are used by the mill and the estates in discussing concerns on environmental quality A management review meeting is held annually to discuss issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact, HIRARC. Minutes of meeting for West Estate held on 9/10/17 was sighted and verified.</p>	<p>Compliance</p>
<p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p>			
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Monitored diesel/mt FFB, commentary given target 1.5 ratio.</p> <p>Range if diesel usge per FFB is from 1.29 to 2.61 m3/FFB</p>	<p>Compliance</p>
<p>4.5.2.2</p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.</p>	<p>Compliance</p>
<p>4.5.2.3</p>	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>There was no opportunity to use renewable energy in West Estate.</p>	<p>Compliance</p>
<p>Criterion 4.5.3: Waste management and disposal</p>			

<p>4.5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste Management Action Plan. The compilation for Financial Year 2017/2018 was made at SOU level. Details of waste generated from the estates and mill operations among others are shown below;</p> <table border="1" data-bbox="1041 550 1870 1388"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Linesites, office, workshop, store,</td> <td>Collection/disposal 2 to 3x /week at designated landfill</td> </tr> <tr> <td>Industrial waste-fertiliser bags</td> <td>Empty bags store</td> <td>Inventory of bags, reuse for LF collection, sell to appointed contractor</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> <td>Inventory maintained, tender at zone level for sale to licensed contractor.</td> </tr> <tr> <td>SW 404 Clinical waste</td> <td>clinic</td> <td>Inventory maintained. Storage in sharp bin in clinic. Disposal through VMO clinic.</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>workshop</td> <td>Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.</td> </tr> <tr> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> <td>Collection by SDI upon completion of maintenance.</td> </tr> <tr> <td>Disposed containers,</td> <td>Scheduled</td> <td>Inventory maintained. Storage in SW store. All containers are</td> </tr> </tbody> </table>	Type of waste	Location	Action to be taken	Domestic waste rubbish	Linesites, office, workshop, store,	Collection/disposal 2 to 3x /week at designated landfill	Industrial waste-fertiliser bags	Empty bags store	Inventory of bags, reuse for LF collection, sell to appointed contractor	Scrap metal	workshop	Inventory maintained, tender at zone level for sale to licensed contractor.	SW 404 Clinical waste	clinic	Inventory maintained. Storage in sharp bin in clinic. Disposal through VMO clinic.	SW rags, plastics, filters	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.	Spent lubricant & hydraulic oil	workshop	Collection by SDI upon completion of maintenance.	Disposed containers,	Scheduled	Inventory maintained. Storage in SW store. All containers are	<p>Compliance</p>
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MSPO Public Summary Report
Revision 0 (Aug 2017)

		bags, equipment contaminated with chemicals, pesticides, SW,	waste store	labeled. Empty containers collected by authorized vendor.	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	Details of the types and management plan is shown in 4.5.3.1 above.			Compliance
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by PSQM and implemented in all estates and mills for all the applicable practices. The operational control procedures for the scheduled wastes management provides guidelines as follows;</p> <p>Management of class 1 chemical containers</p> <p>Management of class 2 (and higher) chemical containers.</p> <p>Management of fertiliser bags</p> <p>This document was established on 28/2/2015 and remain effective for</p>			Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

		practice in all estates and mills.	
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>Under the operational control procedure established as given in 4.5.3.3 above the guideline and practice for handling empty pesticides are as follows;</p> <p>All class 2 and above containers are tripled rinsed and holes punctured at the bottom only if the waste generator is to dispose as non-scheduled waste.</p> <p>Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process.</p> <p>These guidelines are based on Dept Of Agriculture ref 91/120/038/014 dated 7/11/2002. During the site visit this has been adhered mainly containers are tripled rinsed and holes punctured at the container base.</p> <p>Recycling option : triple rinsed empty chemical containe classification, refer to DOE letter As91/10/619/161 Jld 19(24) dated 5/3/17.</p> <p>Agriculture Department (national recycling programme), appointment of SS Setia Technology Enterprise, refer to letter JP KRP 2017/12/471 Jld VI dated 7/12/15.</p> <p>Latest collection: 1/11/17 – 20L (glyphosate, KENLON), 250ml (Ally)</p>	Compliance
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>Under the action plan of the waste management plan, collection and disposal of domestic waste is handled by Municipal Council under Kuala Langat District. Collection is 2 to 3x/week. Monitoring is made by</p>	Compliance

		an Executive/staff.	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Details of the types and management plan is shown in 4.5.3.1 above.	Compliance
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance –	The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by PSQM and implemented in all estates and mills for all the applicable practices. The operational control procedures for the scheduled wastes management provides guidelines as follows; Management of class 1 chemical containers Management of class 2 (and higher) chemical containers. Management of fertiliser bags This document was established on 28/2/2015 and remain effective for practice in all estates and mills.	Compliance
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	The Water Management /Reduction Plan for the estates has been established. This is compiled on Group basis and amended to meet demands of specific issue in an operating units. It was last reviewed on 11/7/2016 for the FY 2017/2018 plan. Included therein are inspection of reservoir, water treatment, monitoring of processed	Compliance

	<p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<table border="1" data-bbox="1077 363 1774 549"> <tr> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 - 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </table> <p>West Estate monitors the water quality through water sampling: Monitoring of upstream, midstream and downstream at tide gate 2, 12 and 14, report ref PL702/2017 dated 19/10/17 was sighted. No pesticides in water detected based on the report.</p>	20 - 40 meters	40 meters	10 - 20 meters	20 meters	5 - 10 meters	10 meters	< 5 meters	5 meters	
20 - 40 meters	40 meters										
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<p>4.5.5.2</p>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Based on site visit, no construction of bunds, weirs and dams across main rivers or waterways passing through the estate.</p>	<p>Compliance</p>								
<p>4.5.5.3</p>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>The practice water harvesting of water from road-side drains being directed and stored in main drains with sand bunds was observed.</p>	<p>Compliance</p>								
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>											
<p>4.5.6.1</p>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p>	<p>The high biodiversity is included in the HCV re-assessment report dated February 2015.</p> <p>Birds, mammals, reptiles, (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest</p>	<p>Compliance</p>								

MSPO Public Summary Report
Revision 0 (Aug 2017)

	<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>HCV report. For example vulnerable animal; King Cobra under category protected wildlife. The established management plan has been incorporated the biodiversity action plan FY 2017/2018 for those identified animals/area for proper monitoring.</p>	
<p>4.5.6.2</p>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>There is no RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.</p>	<p>Compliance</p>
<p>4.5.6.3</p>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires. Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge</p>	<p>Compliance</p>

		for the respective area.	
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 -	The Group policy of "Zero open burning" is established on January 2015.. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. West Estate has a replanting program OP conversion from coffee plantation as per the management crop program. Furthermore Sime Darby Plantation assigned 1 person based in HQ being in charge to detect any open fire in the Company's fields using the Global Spot Watch. Daily patrolling by Estate Team (VMO, Medical Assistant, Auxillary Police, Assistant and Staff).	Compliance
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	N/A. Details in 4.5.7.1 above	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 -	N/A. Details in 4.5.7.1 above	Compliance
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	As per contractor's agreement with West Estate, there is company's guidelines stated that Chip Huat Excavator Works (3 years validity starting 1 st July 2015) has to adhere to: a. SOP for Replanting Land Preparation Works (Annexure 8)	Compliance

	- Minor compliance -	Inland Field & 8A (Coastal Field). b. Guidelines for RSPO (Annex 9). Contract Agreement on EHS regulation for replanting contractors (Annex 10).	
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 SOP for the estates are available which is prepared on Group and Estate basis. 1. Established from R&D department for operation (example is Trunk Injection using Acephate 75% Sp Insecticide for Leaf Eating Caterpillar Control in OP Plantation, Ref No: CP-SOP-M-21 2. Established from West Estate for internal routine work (example is Prosedur Kerja Selamat, tatakerja pemandu selamat). Established from HQ, example is Sustainable Plantation Management System, SOP for Taking Water Samples from stream/rivers date 01.04.2008.	Compliance
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	The estates is 100% flat area which was observed during field visit and as per Digital Slope & Contour Map. Planting of cover crop, EFB, POME are made to retain the soil structure and conservation.	Compliance

<p>4.6.1.3</p>	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signages at the boundary/corners of every fields. This is observed during the field visit in West Estate.</p>	<p>Compliance</p>
<p>Criterion 4.6.2: Economic and financial viability plan</p>			
<p>4.6.2.1</p>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available. West estate had an annual budget with a 20 year projection as stated in West Estate LRRP. This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.</p> <p>Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles replacement, workers amenities etc. the budget for 2017/18 for estate was sighted and verified.</p>	<p>Compliance</p>
<p>4.6.2.2</p>	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>There is replanting program for West estates for the forthcoming 5 years as per West Estate LRRP. Details as per item 4.5.7.1 above.</p>	<p>Compliance</p>

<p>4.6.2.3</p>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance –</p>	<p>This requirement i.e crop material, crop projection, yield, production cost are available. It is provided in the business management plan shown in item 4.6.2.1 above.</p>	<p>Compliance</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis. The supervisory personnel maintained a daily cost for the field operations. The SOU meeting involving the Managers sits monthly with the Head Zone for the performance review.	Compliance
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)-Tender Preparation Guideline as at August 2017 and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management and also tender by Estate for budget below RM10K. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the estate personnel.	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and estates.	Compliance
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required	West Estate had informed its contractors regarding the need to follow the MSPO requirements through Townhall 5.0 & MSPO on 28.10.17.	

	documentation and information. - Major compliance -	Awareness briefing was done the stakeholders including contractors on the MSPO requirements.	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	This is in compliance. West Estate maintain the contract with the vendors as specified in the financial procedure. A contract between Chip Huat Excavator Works and West Estate was sighted. Transaction dated 02/6/2017 sighted as per agreed RM 380 price/unit. Further sampled the tax invoice between YGNT Enterprise and West Estate on agreed price per unit L. Inclusive in the contract, is a clause for compliance with all the relevant governing law.	Compliance
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 are being mentioned in the Townhall 5.0 & MSPO on 28.10.17 in the slideshow presented.	Compliance
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Compliance
4.7 Principle 7: Development of new planting – West Estate did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.			

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.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: Quality Management Policy dated January 2015 Lean Six Sigma Policy dated January 2015 Quality Policy dated January 2015 The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for	Internal audit was carried by RSPO & Certifications Unit, PSQM on 12/7/17 for Wesr Palm Oil Mill. Audit covered both	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	further improvement. - Major compliance -	documentation and field operation for the mill.	
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 -	West POM The internal audit report dated 12/10/2017 had included root cause analysis and corrective action plan. Total of 3 major, 5 minor NC and 3 OFI raised by the audit team. All NC raised was close out by the lead auditor on 30/11/17 based documented evidence provided by the auditee.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the 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.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Sime Darby is RSPO certified. On annual basis management review is conducted on Regional level. The last management review was conducted on 13/10/2017. 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. In Operating Unit level, the last management review was conducted on 13/10/2017. The meeting was chaired by the Senior Manager Mohd Idzaruddin. The minutes of the meeting	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		and review presentation was sighted.	
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>KAIZEN PROJECT initiated FY2016/2017 at West POM:</p> <ul style="list-style-type: none"> i) Reduce electricity usage ii) Reduce oil loss in MRE (mixed raw effluent) iii) Improve FFB recovery <p>The mill and estate’s management have developed continuous improvement plan for Y2016/2017 as below:</p> <ul style="list-style-type: none"> a. To construct cement/ tar road outside oil mill compound till the end of estate to prevent dust pollution at mill entrance vehicle moment. The targeted complete date is December 2017. b. Isolate machinery with high oil losses ad rectify before it is re-operated to maintain monthly OER at or above 21.50% for F2016/2017. c. To collect rainwater in order to reduce the usage of fresh water by placing suitable tank at strategic location. d. To beautify the surrounding of school by planting ornamental plant along the road side upon request from the stakeholder. 	Complied
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/RSPO requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has include training budget and</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings are provided by company on regular basis.</p>	
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 Assistant Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p>	Complied
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- 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 mill.</p> <p>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.</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		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.	Complied
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 Assistant Manager is responsible, Izran bin Tugiran (letter dated 16.10.17) to deal with the stakeholder-MSPO.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	The latest stakeholders list was updated on 16.11.2017. West Oil Mill will conduct once a year external stakeholder consultation. The last meeting was conducted on 06.01.2017. There was an action plan for the SIA for year 2017 available with the status and action taken.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard	West Oil Mill is receiving FFB mainly from West Estate and no outside FFB supplier.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
<p>operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>The weighbridge ticket and related documents provided the following details:</p> <ul style="list-style-type: none"> i) Supplied from which estate: E153-E-EAST, Ticket No: 224523, Date: 12.5.17 ii) Product: FFB/Loose fruit iii) Delivery note/despatch advise from estates (field number, number of bunches): Division C, P052C, 576 Bunches. <p>During the MSPO assessment, the estates supplying to Genting Tanjung POM are not yet MSPO certified. Once certified they will carry certified ID under MSPO/RSPO/ISCC.</p> <p>For despatch of CPO and PK, the weigh bridge ticket includes the following information to enable the customer to trace the CPO and PK source. Shipping documents includes:</p> <ul style="list-style-type: none"> i) Customer Name: SDP Joma Ref-SDP Sdn Bhd ii) Destination of the CPO/ Buyer: SDP Sdn Bhd Batu 9, Jln Banting-Klang Teluk Panglima Garang Industrial. iii) Product/commodity : 0007-CPO RSPO IP iv) Despatch Ticket: 015874 v) Transporter: 179-Jasa Bumi Logistics Sdn Bhd vi) Date: 12.05.17 	
<p>4.2.3.2 The management shall conduct regular inspections on compliance with the established traceability system.</p>	<p>The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2016, dated Oct 2016 documented the procedure for traceability. Procedure has combined all related sustainability</p>	<p>Complied</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	standard requirements of RSPO/ISCC/MSPO.	
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall responsible personal for the traceability implementation is the Head of Operating Unit. is stated in Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2016, dated Oct 2016. The responsible person for traceability is Assistant Mill Manager on 16/10/2017. The training on the traceability was provided by Sustainability Department on Townhall 5.0 & MSPO on 28.10.17.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The records of CPO sales has been verified. The dispatch of the CPO are determine by HQ Sales & Marketing and will be entered into the CXC (online system for contracting) and SIME-WEIGH for producing the dispatch ticket. The weigh bridge operator will check the system before releasing the dispatch. The sample dispatch documentation sighted was – ticket: 015830 dispatch to SDP Nuri-Sime Darby Plantation Berhad dated 27/11/2017 for 007- CPO RSPO IP for 250 MT of CPO.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	SOU9 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM	Major Non-Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>sustainability team. SOU9 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were: West POM: 1. MPOB license: 533238004000 (validity period 01/10/2016 – 30/09/2017) for 240,000MT. 2. DOE License: JPKKS/16/003180 (validity period 01/07/2016 - 30/06/2017). 3. Energy commission license no: 3049/2016; (validity till 20/06/2017) for 3062.75 kW installation capacity. 4. Electrical Charge-man A4, PJ-T-2-B-0148-2002 (validity till 10/10/2017) 5. Certificate of Fitness for Unfired Pressure Vessels:- i. (JKT15-Pin. 1/87 PMT-SL 170678) – SL PMT 31264 (valid till 06/03/2017). ii. (JKT15-Pin. 1/87 PMT-SL 170692) – SL PMT 24511 (valid till 06/03/2017). 6. Certificate of Fitness for Steam Boiler (JKT15-Pin. 5/87 PMD-SL 19099) - PMD 17422 (valid till 01/11/2017). 7. Steam Boiler and Steam Engine Driver JKJ 18 – SL/09/EIS/02/1 (2nd Grade) 8. Authorized Entrant & Standby Person for Confined Space NW-HQ-AE-1559-O (valid till 28/03/2018). 9. Competent Person for CePPOME (Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent – Pond Processes) – Mazlan Bin Abdullah (600410-11-5089) validity 15/08/16 to 15/08/17.</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>10. Competent Person for CePSWaM (Certified Professional in Scheduled Waste Management) – Mazlan Bin Abdullah (600410-11-5089) validity 01/06/16 to 01/06/17.</p> <p>No permit obtained from Labor Department for women working in night work/shift as per Employment Act 1955, Part VIII under Employment of Women, section 34 (1) Prohibition of Night Shift. There were 2 lab analyst working on night shift; workers ID [0000007014, 0000007020] working on night shift based on check roll and punch card/attendance record in the month of October 2017.</p> <p>No deduction approval granted from Labor Department other than lawful deduction as per Employment Act 1955, Part IV under Deductions From Wages, section 24 (1). Based on pay slips in the month of (March, July and November 2017) for workers ID; 0000007014, there were deductions for insurance (Great Eastern Life Insurance) and corporative fund (National Multi-Purpose Co-Operative Society Limited) recorded for the said worker.</p> <p>Thus, major NC was issued.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 19/11/2017.</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</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		Management System, Level 2: Standard 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 19/11/2017. 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.	Complied
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.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The West Oil Mill is sited near West Estate land banks at Pulau Carey, Banting. The land title, Grant number 44294 (PT 2697) for area of 433 Acre, registered to Sime Darby Plantation (Peninsular) Sdn Bhd (now Sime Darby Plantation Berhad) on 22/06/2001. The usage of land is not stated. The land was granted by Kanun Tanah Negara. Hence it is applicable for any usage. The quit rent for this portion was made on 22/03/2017 to the	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Land Authority of Selangor State.	
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 and located at Mukim Klang.	Complied
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.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	There is no land dispute or customary rights issues in the mill.	Complied

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 land dispute or customary rights issues in the mill.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social & Environment Projects Unit, was conducted for West Oil Mill internally by the PSQM Department. The last SIA was conducted in 27 th – 28 th March 2014. Key areas identified in the SIA were on good practices/findings, issues, complaints, suggestions by workers and other stakeholders. 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 for both positive and negative impact.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		Under Sime Darby website, there is Whistleblowing e-form provide a mechanism for reporting, investigating and remedying any wrongdoing.	
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. For Internal employee, there is complaint book keep in auxiliary police post, and the respond time is 2 weeks.	Complied
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 auxiliary police post,. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint in whistleblowing e-form. This information is available in Sime Darby Website and suggestion box in mill office.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no critical grievance recorded for the pass one year. Only request for maintenance and repairing housing, machine, etc are made by workers.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 5 years (communications file (internal) according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an	Mill management have made contribution to the internal and external stakeholders. For example: The management has	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>organized activities and seminar related to religion (supply paints, workers and repairs), annual temple festival, donation to school for electrical repair, etc.</p>	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and 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.</p> <p>Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.</p> <p>In Interviews with the workers and staff during the site visit revealed that the employees has been briefed and has understood the policy</p>	Complied
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 	<p>Sample of OSH activities carried out were:</p> <ul style="list-style-type: none"> i) Baseline and annual audiometric testing was carried out on 14 and 21 January 2017 this by Alam Hijau Integrasi. Total of 115 workers sent for testing. Based on the report, 10 out of 115 were found to have hearing impairment at different level. Report was reviewed by OHD, HQ/08/DOC/00/491 and suggested to further investigate and rule out any non- 	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>occupational hearing loss and to provide hearing protectors.</p> <p>iii) Medical surveillance was carried as per CHRA recommendation. 23 workers from laboratory, workshop and effluent operator was sent for n-Hexane (2,5-Hexadione) test for those exposed for the said chemical. The latest check was done in January 2017 by OHD: HQ/08/DOC/00/709 under Klinik Hartati. All workers are fit to workers based on OHD report.</p> <p>iii) Personal Chemical Exposure Monitoring (PCEM) – carried out for n-Hexane, Manganese, Sulfuric Acid and Methane Gas on December 2015 and February 2017 by Alam Hijau Integrasi. Report ref#ALM/CHEMICAL/KKSW/0216/2065 dated 19/2/16 by DOSH registered Industrial Hygiene Technician, JKPP HIE 127/171-3/1(181). Based on the monitoring report, concentration of n-Hexane, Manganese, Sulfuric Acid and Methane Gas does not exceed the Permissible Exposure Limit (PEL).</p> <p>iv) Annual Local Exhaust Ventilation (LEV) monitoring was carried out on 7/3/17 by DOSH registered Industrial Hygiene Technician, JKPP HIE 127/171-3/2(60) under Alam Hijau Integrasi. Based on the report ref# ALM/LEV/WESTOIL/0317/3026 datd 28/3/17, the LEV system installed meet the ACGIH requirement for face and duct tracsport velocity.</p> <p>b) West POM has reviewed the Safety Risk Assessment (HIRARC) for the main tasks on 30/6/17 and 9/11/17 HIRARC</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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>has been updated and incorporated the other mill operation for threshing station, ETP, kernel wet separation (hydrocyclone), oil room, effluent treatment and confined space.</p> <p>Chemical Hazard Risk Assessment report dated 29/7/15 by DOSH registered assessor, JKPP/HIE/127/171-(166) was verified. 5 work unit were assessed; main and effluent treatment plant laboratory, maintenance/workshop, water treatment plant and scheduled waste store. Recommendation by assessor recorded under form F: action to be taken for all work units. Recommendation to personal chemical exposure monitoring fo workshop operator and laboratory operator medical surveillance for laboratory, workshop operator and chemical safe handling traning for boiler, laboratory, water treatement and scheduled waste operator. Annual LEV inspection was also recommended for the unit used in the laboratory.</p> <p>c) In addition to specific training courses, safety briefings are given during muster/toolbox meeting to reinforce on safety awareness;</p> <p>SDS for all the chemicals used are available at the store in Dual-language (Bahasa Malaysia and English). Refer to chemical register dated 5/9/17. Sample of SDS sighted – Isoctane, n-Hexane, Sodium Hydroxide and NALCO Nexguard 22310.</p> <p>d) Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. Refer to</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>PPE issuance record dated 29/11/17. Standard of PPE used for lab analyst :</p> <ul style="list-style-type: none"> i) Rubber/Nitrile glove ii) Respirator : double cartridge type (3M 6003) organic vapor cartridge. iii) Anti-fog goggle <p>CHRA dated 29/7/15 by DOSH registered assessor; JKKP IH 127/171-2(160) Recommendation :</p> <ul style="list-style-type: none"> i) Medical Surveillance (Lab, workshop and ETP) ii) Personal chemical exposure monitoring @ PCEM (lab and workshop) iii) Training (Chemical Safe Handling) iv) LEV inspection (lab) <p>f) At the Mill, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents.</p> <p>SHC Secretary/coordinator : Mr Izran Tugiran</p> <p>SHC Chairman – Senior Mill Manager, Hj Mazlan Abdullah</p> <p>g) Records were available confirming that quarterly OSH meetings had been held at the Mill.</p> <p>SHC meeting : #3: 14/10/17</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>#2: 15/7/17, #1: 8/4/17</p> <p>Workplace inspection carried quarterly, the latest inspection was done on 13/10/17</p> <p>h) The Mill has site specific Plans including maps showing assembly areas and up-to-date lists of emergency contacts with training conducted to communicate the Plan. Interviews of Mill staff and workers confirmed understanding of emergency response procedures. Emergency response team has been established for fire fighter, first aider, spillage and accident investigation.</p> <p>ERP drill – emergency drill 18/11/17</p> <p>i) First Aid Kits are installed at various work stations at the Mill and inspection confirmed these had been appropriately stocked. Monthly inspection and replenishment (if required) was carried out by Hospital Assitant. Total 4 trained first aider available and their qualification is valid valid for 2 years until 24 October 2018. Refer to sample of training certificate, CPR & Occupational First Aid dated 25 October 2016.</p> <p>j) All accidents are investigated and reported to Head Office and DOSH. This was verified via JKPP 6 and JKPP 8 for 2016 and 2017. 2016 – 3 cases (49 LTI), 2017 (1 case, 30 LTI)</p>	

Criterion / Indicator	Assessment Findings	Compliance	
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>West Oil Mill 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 07/10/2017 through safety briefing on about MSPO & RSPO Policy.</p>	<p>Complied</p>
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> <p>Foreign migrant workers. Refer to Letter of Employment, Employment Contract para" 17 – Annual leave : 14 days for < 5 years, 16 days for > 5 years</p> <p>India/ Indonesia – 3 years + 1 contract extension (maximum of 10 years).</p> <p>Overtimed paid as per Employment Act 1995 (EA).</p> <ul style="list-style-type: none"> a. Mill worker ID (Malaysian): 0000007014 b. Mill worker ID (Indonesian): 116268 c. Mill worker ID (India): 115951 <p>Mill worker ID (Malaysian): 0000007055</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>All the workers are under direct employment and some workshops are under contracts workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc as per employment contract. The payroll for the following sampled workers for March, July and November 2017 were verified to be consistent with the Minimum Wages Order 2016.</p> <ul style="list-style-type: none"> a. Mill worker ID (Malaysian): 0000007014 b. Mill worker ID (Indonesian): 116268 c. Mill worker ID (India): 115951 d. Mill worker ID (Malaysian): 0000007055 <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 920/ month or RM 35.38/day.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There are contract workers in the mill for workshop and grasscutters.</p> <p>Sampled below contractors and their worker's pay slip are comply with t he Minimum Wages 2016:</p> <ul style="list-style-type: none"> a. Lotus Two Enterprise, for labour Supply <p>Tiong Ting Enterprise Sdn Bhd for Transportation</p>	Minor nonconformance
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and</p>	<p>The workers master list was reviewed. The list includes date of birth, date joined, gender etc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -		
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	The following contracts has been verified to confirm that workers have binding working agreement with the company: <ul style="list-style-type: none"> a. Mill worker ID (Malaysian): 0000007014 b. Mill worker ID (Indonesian): 116268 c. Mill worker ID (India): 115951 d. Mill worker ID (Malaysian): 0000007055 Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	The employment contract for the following worker was sighted: <ul style="list-style-type: none"> a. Mill worker ID (Malaysian): 0000007014 b. Mill worker ID (Indonesian): 116268 c. Mill worker ID (India): 115951 d. Mill worker ID (Malaysian): 0000007055 The terms of employment is as per MAPA/NUPW.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall	The working hours are recorded using "punch card" system. The punch card will be verified by supervisor daily. The checkroll clerks will input the information into SAP system (e.g. Normal Full Day, rest day work, paid holiday work etc) for the payroll	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	meet the legal requirements applicable. - Major compliance -	clerk to compile the monthly salary. In case the worker is on leave or absence, it is recorded in the same system.	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Overtime is paid 1.5 times; Rest day work is paid 2 times and Public Holiday is paid 3 times. The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	The company provides: Free medical benefit to workers dependent at the estates clinics. Free cooking oil and rice for each worker in every 2 months.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The 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 provided by government. Usage of electricity and water given for free with limit as the workers contract. 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. For foreign workers, all foreign workers will be given a starter	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		kit which includes basis amenities (e.g. mattress, cooking utilities).	
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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.	Complied
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	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. 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. The workers union representative for the mill is Mohan a/l Veerapan (chairman), as per letter dated 15.07.16.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	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. Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor hired in the complex.	Complied

Criterion / Indicator	Assessment Findings	Compliance																
Criterion 4.4.6: Training and competency																		
<p>4.4.6.1</p>	<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 of training for employees available and maintained. Records verified on a sampling basis at the Mill and estates visited covers all aspect of training and RSPO P&C. Training need and plan for FY2017/2018 was verified as per Form RM-01/TNP – Estate/Mill Quality Management System Subsection 6.1 Appendix 6.2.2 Version 1, Year 2008 Issue 1 (2008). Training records checked:</p> <table border="1" data-bbox="1072 756 1825 1150"> <thead> <tr> <th>Training Programme</th> <th>Date of training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>Sime Card & RSPO</td> <td>16/8/17</td> <td>PSQM –ESH regional</td> </tr> <tr> <td>Bearing Training SLS</td> <td>15/8/17</td> <td>Supplier – SLS bearing</td> </tr> <tr> <td>AGT & AESP refresher training NW-HQ-AGT-0155-P (valid until 16/3/19)</td> <td>23/2/17</td> <td>NIOSH</td> </tr> <tr> <td>Environmental Monitoring Report</td> <td>17/7/17</td> <td>PSQM –ESH regional</td> </tr> </tbody> </table> <p>New workers induction training (contractor training) – 11/7/17</p>	Training Programme	Date of training	Trainer	Sime Card & RSPO	16/8/17	PSQM –ESH regional	Bearing Training SLS	15/8/17	Supplier – SLS bearing	AGT & AESP refresher training NW-HQ-AGT-0155-P (valid until 16/3/19)	23/2/17	NIOSH	Environmental Monitoring Report	17/7/17	PSQM –ESH regional	<p>Complied</p>
Training Programme	Date of training	Trainer																
Sime Card & RSPO	16/8/17	PSQM –ESH regional																
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AGT & AESP refresher training NW-HQ-AGT-0155-P (valid until 16/3/19)	23/2/17	NIOSH																
Environmental Monitoring Report	17/7/17	PSQM –ESH regional																
<p>4.4.6.2</p>	<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</p>	<p>The training needs for the mill 2017/18 training program has been established. The details of the training needs include categories of stations, subjects, and employees group. Included in this program are subjects related to environment</p>	<p>Complied</p>															

Criterion / Indicator		Assessment Findings	Compliance
	employees based on their job description. - Major compliance -	e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management. etc	
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition it is subject for a review during the financial year should need arises.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Environmental management plan was not effectively Flemington POM has established an environmental policy and environmental management plan with relevant to the applicable laws and regulations. Policy was signed by managing director on 6 January 2014. Interviews of staff and workers found that the policy has been communicated and implemented.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/ impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Environmental Aspects and Impacts. The last review was conducted in 18 June 2017 at POM which incorporating all the activities: a. Reception Area b. Sterilizer Bay c. EFB Ramp d. Workshop e. Press station and etc.	
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 -	In POM, Environment Management Programme for Financial Year 2017/2018: a. Monitoring of overflow of POME b. Oil spillage at workshop c. Leakage of oil at piping during process time d. Chemical spillage at boiler areas and etc. e. Besides, the boiler man has been appointed as the members of Environmental Performance Monitoring Committee (EPMC) effective from 5 October 2017. The responsible person in charge of monitor operation, maintenance and performance of pollution control system	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the POM. The last meeting was conducted on 5/10/2017.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

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 -	A training program is available in the SOU Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Environmental Performance Monitoring Committee (EPMC) established since 5/10/2017.for ensuring the environmental monitoring tools implemented effectively. Environmental related matters such as policy, law & regulations, CEMS, effluent and etc were discussed during the meeting. Workers interview reveal that they are encouraged to discuss environmental issues with the management. In addition, quarterly environmental meeting was last conducted on 5/10/2017.All pertinent environmental matters were discussed during the meeting.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel,	Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	electricity in the operations over the base period - Major compliance -	Apart from use of grid electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO.	
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 -	Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	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 is shown in 4.5.2.2 above. The long term planning for biogas implementation was reviewed. The recovered biogas will be used for energy generation (e.g. steam & electricity)	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	All waste and pollution are identified and documented in the Waste Management Plan for Financial Year 2017/2018. The waste generated from the mill operations as shown below;	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>Domestic waste – rubbish from the mill complex and employees quarters (disposed by estate management)</p> <p>Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron</p> <p>Scheduled waste – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries</p> <p>The source of mill pollution generated from the mill is the smoke from the boiler are monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE. There was no major issue</p>	
<p>4.5.3.2 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 Financial Year 2017/2018 is available and sighted. The plan listed the waste generated from the mill operations as shown below;</p> <p>Domestic waste – rubbish from the mill complex and employees quarters (disposed by estate management)</p> <p>Action to be taken;</p> <p>Allocate landfill area 3 km min away from residential area/watercourse</p> <p>To provide adequate dustbins at mill & linesites.</p> <p>Establish collection SOP & schedule</p> <p>Create awareness on hygiene</p> <p>Regular monitoring on cleanliness & hygiene.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron Shell & fibre - Sell through registered customer Scrap iron – sell through registered buyers SW – Dispose through DOE appointed Contractor (Kualiti Alam)</p> <p>Scheduled waste – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries. Action to be taken; Comply to procedure stipulated MQMS SOP Handling of scheduled waste. Comply to Environmental Quality Regulations 2005 Establish list of SW/Notify DOE for all SW generated/appropriate SW labelling</p>	
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 December 2017.</p> <p>Refer to 5th schedule (regulation 11), inventory number 1002B4541421122017 for West POM dated 5/12/17.</p> <p>Disposal records checked via "eswis" for October 2017 disposal as follow:</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		i) SW322, weight: 0.755 mt, disposed by : Kualiti Alam Sdn Bhd. Date of disposal: 25/10/17, consignment# 2017102513EIOB7Z ii) SW305, weight: 0.3 mt, disposed by : Kualiti Alam Sdn Bhd. Date of disposal: 25/10/17, consignment# 2017102513X3BU4W iii) SW410, weight: 0.095 mt, disposed by : Kualiti Alam Sdn Bhd. Date of disposal: 25/10/17, consignment# 2017102513DJ9RAG	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	The schedule waste store was assessed. The pesticide containers are disposed as scheduled waste. The scheduled waste collection consignment notes are reviewed to confirm the disposal of the pesticide containers are according to the best practice.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The identified source was boiler and incinerator chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler and incinerator stack monitoring of dust particulate. <u>Boiler no.2</u> 1st half of 2017 : Date of measurement – 8 and 24/3/17 Date of reporting – 13/4/17	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Report rcvef# ALM/WESTOIL/0317/3023 Dust emission load: 0.181 g/Nm³ , dry @ 12% CO₂ vs 0.4 g/Nm³ , dry @ 12% CO₂</p> <p><u>Boiler no.1</u> 2nd half of 2017 : Date of measurement – 11/10/17 Date of reporting – 2/11/17 Report ref# ALM/WESTOIL/1017/3514 Dust emission load: 0.202 g/Nm³ , dry @ 12% CO₂ vs 0.4 g/Nm³ , dry @ 12% CO₂</p>	
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>For mill, GHG emission identified from POME, fuel consumption and grid electricity utilization. 5 years plan for GHG reduction (phase I, 20 mills (Malaysia) was sighted. Programme such as feed in tariff (FIT), flaring, CNG, CaP, Co-gen was included in the plan.</p>	Complied
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 final discharge for land application. Monthly monitoring on the final discharge is conducted. Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD is 5000 mg/l for latest compliance schedule. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point and water at the upstream and downstream of the river.</p> <p>(Sample: Sime Darby Research Sdn Bhd. Refer to the latest analysis dated 21/9/17, ref# IE1037/2017, upstream = 1mg/l BOD₃, downstream = 5 mg/l</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		Effluent final discharge analysis was monitored on monthly basis by accredited laboratory under Sime Darby Research Sdn Bhd. Refer to the latest analysis dated 7/11/17, ref# EP5972017. BOD3 recorded is 2965 mg/l and comply with the limit stipulated in mill's compliance schedule. "Online Environmental Reporting" date of report 11/10/17 was sighted.	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>In POM, the document: Identification and Management of Wastewaters Financial Year 17/18 updated in 15 July 2017. The plan has identified the various location, types of wastewater produced, treatment/containment method and reuse/recycle and disposal method. Besides, the POM also develop action plan to reduce fresh water usage such as sterilizer condensate water as dilution as press station or to recycle water from turbine cooling water as hot water.</p> <ul style="list-style-type: none"> - to purchase water from government water - to perform treatment of polluted water - to reusing/recycling/rationing 	Complied
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>Details of effluent treatment and report as per item 4.5.4.3 above.</p> <p>The effluent are retained for treatment in a flow through 14 ponds before being discharged into the watercourse. The compliance requirement is provided in the DOE 'Jadual</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Pematuhan' licensed to the mill. The final BOD is max 100 mg/l for the water discharge. The mill performs regular /scheduled desilting of ponds to sustain the designed capacity to maintain good efficiency of pond treatment.	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provides guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition there are also manuals available within the industry and MPOB that are used as guidelines.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by mill engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the Mill Advisor scheduled on a 6 monthly basis. In addition there are audits by PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, OPEX, CAPEX etc. Flemington Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. CAPEX allocation for mill and estate was made available for review for FY 17/18: Mill: Conveyers and railtrack (operation), machine replacement and upgrades	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	FFB supplier mainly from West Estate, which is own estate. For contractors, the Lotus Two Enterprise, for labour Supply has the valid agreement with West Oil Mill with the agreed price mechanism.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and mill. Sample of contract sighted for Labour Supply: i) Lotus Two Enterprise	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>All contracts terms and conditions were made transparent and agreed from both parties.</p> <p>Verified during stakeholder interview, no pending payment as to date and all previous payments are prompt (paid within time frame of 60 days).</p>	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>West Oil Mill had informed its contractors regarding the need to follow the MSPO requirements through Townhall 5.0 & MSPO on 28.10.17. Awareness briefing was done the stakeholders including contractors on the MSPO requirements.</p>	Complied
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Evidence of agreed contracts with the contractors were verified. Addendum contract terms and conditions version dated 16/02/17 and acknowledgment from the Labor Supply contractor were evident. Signed document dated 13/10/17 was made available for verification.</p>	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>The requirement of accepting MSPO accredited auditors to audit against the contractors are being mentioned in the ownhall 5.0 & MSPO on 28.10.17 in the slideshow presented.</p>	Complied

3.3 Details of Nonconformities and Opportunity for improvement

There were 1 major raised during this stage 2 audit.

Ref. no	1568497-201712-M1
Area/Process	West Palm Oil Mill
Clause	4.3.1.1
Scope	MSPO 682052
Category	Major
Statement of non conformance:	Compliance with applicable local, state, national and ratified international laws and regulations was not effectively demonstrated
Clause requirements	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.
Objective evidence	<p>i)No permit obtained from Labor Department for women working in night work/shift as per Employment Act 1955, Part VIII under Employment of Women, section 34 (1) Prohibition of Night Shift. There were 2 lab analyst working on night shift; workers ID [0000007014, 0000007020] working on night shift based on check roll and punch card/attendance record in the month of October 2017.</p> <p>ii)No deduction approval granted from Labor Department other than lawful deduction as per Employment Act 1955, Part IV under Deductions From Wages, section 24 (1). Based on pay slips in the month of (March, July and November 2017) for workers ID; 0000007014, there were deductions for insurance (Great Eastern Life Insurance) and corporative fund (National Multi-Purpose Co-Operative Society Limited) recorded for the said worker.</p>
Cause	<ol style="list-style-type: none"> 1. It has been routine practice for mill to have female worker at night shift due to PQ oil production. However the management providing facilities for female worker who work at night shift. 2. Lack of implementation on the issue highlighted of prohibition for women to work at night shift which required seeking approval from Jabatan Tenaga Kerja due to normal practice since many years ago. Mill also providing all facilities specific to women who work at night shift. 3. The deduction have been widely applied by all Operating Units. The deduction were made known as per Contract Agreement and consent from employee. 4. Lack of implementation on the deduction approval from 'Jabatan Tenaga Kerja' because previous checkroll has been done by estate and been took over by mill since 2008 and the deduction widely applied by all mill's operation.
Correction / containment &	<ol style="list-style-type: none"> 1. Mill had requested approval from Jabatan Tenaga Kerja dated 12 December 2017 to obtain approval for female worker to be placed into shift working

<p>Corrective action</p>	<p>hour. In the meantime, we are planning to stop female worker in night shift until approval is obtained.</p> <p><u>Corrective Action Plan</u></p> <ol style="list-style-type: none"> 1. The SQM CER and HR Region will review all the related legal requirement and to ensure all the requirement as follow accordingly. 2. Mill Management will ensure the safety aspect during the working night shift in the properly order 3. Mill had requested approval for salary deduction from Jabatan Tenaga Kerja. 4. Letter have been submitted to Jabatan Tenaga Kerja and still waiting for their approval. 5. The SQM CER will ensure all the permit granted in the related legal available and maintain.
<p>Assesment conclusion</p>	<p>Submitted evidence found to be sufficient, thus the major NC was closed on 29/12/17. Continuous implementation will be further verified in the next audit.</p>

Noteworthy Positive Comments	
1	Good positive feedback received from internal and external stakeholders.
2	Initiative towards continual improvement demonstrated through long term business plan in CAPEX and OPEX
3	
4	
5	

3.4 Status of Nonconformities Previously Identified and OFI

-Not Applicable-

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues <u>NUPW Representative</u> There was an emergency case where an infant faced difficulties in breathing in the late mid night and no Hospital Assistant available. The family has been asked to go to Banting Hospital directly and they were disappointed with the respond.</p>
	<p>Management Responses Estate management noted the case and its already discussed during the meeting with NUPW and MAPA recently and minuted. Estate already give solution that in case of emergency in future, please contact the Manager, Assistant Manager on duty or AP for the assistance to go to Hospital immediately.</p>
	<p>Audit Team Findings Minutes of Meeting 'Catitan Nota berbincangan antara pihak NUPW / Selangor dengan pengurusan Ladang, Ladang Barat Pulau Carey pada 25th Julai 2017, Jam 3.30petang di bilik Mesyuarat, Pejabat Ladang Barat' and grievance letter (Ref no: NUPW/SSB /E: 141/17) dated 06.07.17 were evidenced. No further issue.</p>
2	<p>Issues <u>Head Village of Kampung Sungai Kurau & Kampung Sungai Judah.</u> Bad road condition for Orang Asli villagers nearby estate which sometimes cause vehicle problem to transport school pupils. The current wet season also cause flood and difficulties to the road users.</p>
	<p>Management Responses Estate has the water management team in charge to always maintain the water levels and bund as estates in Pulau Carey is below the sea level. They also has the road maintenance program to ensure that the road condition is maintained as per planned. Estate noted on the issue and will work on the road improvement.</p>
	<p>Audit Team Findings To be further verified during the next surveillance audit.</p>
3	<p>Issues <u>SMK Pulau Carey</u> The headmaster thanks the management for the contributions and donations given to support the government school.</p>
	<p>Management Responses Management will continue to support SMK Pulau Carey.</p>
	<p>Audit Team Findings Positive comment given. No further issue.</p>
4	<p>Issues</p>

MSP0 Public Summary Report
Revision 0 (Aug 2017)

	<p><u>Gender Committee</u> So far, there is no critical or any sexual harassment reported for both West Oil Mill and West Estate.</p> <p>Management Responses Management will continue to maintain the mechanism in grievance and complaint regarding sexual harassment.</p> <p>Audit Team Findings No further issue.</p>
<p>5</p>	<p>Issues <u>CPO Transporter</u> The road width for the CPO transporter moves is just fit enough for one truck and sometimes the tyres will be sinked after heavy rain. The cost of settle everything is bear by the transporter and this is because of the road condition issue as highlighted by the Head of Village for Kampung Sungai Kurau and Kampung Sungai Judah.</p> <p>Management Responses Management noted on the issue and the respond is same as per issue no 2.</p> <p>Audit Team Findings Same as per issue no 2. To be further verified during the next surveillance audit.</p>
<p>6</p>	<p>Issues <u>General Workers</u> During the linesite visit, it was found that some of the workers are not understand on how the overtime paid for working on weekend being calculated fairly. Some workers also complaining that they cannot used the empty chemical container for other purposes unlike before.</p> <p>Management Responses Management has conducted the daily brief on the safety issues for around 10-20 minutes during muster call. Apart from that, management also held the ESH day for every Friday to create awareness to workers. For the overtime paid for working on weekend, management will conduct the meeting/sharing/briefing to all workers again although they had been informed earlier during induction course.</p> <p>Audit Team Findings To be further verified during the next surveillance audit.</p>

3.6 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1552403-201709-M1	Major	4/11/17	Closed on 29/12/17

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Based on the findings during the assessment West Palm Oil Mill and West Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of West Palm Oil Mill and West Estates Certification Unit is approved.

Acknowledgement of Assessment Findings	Report Prepared by
Name:	Name: Mohamed Hidhir Zainal Abidin
Company name:	Company name: BSI Services Malaysia Sdn Bhd
Title:	Title: Lead Auditor
Signature:	Signature: 
Date:	Date: 09/2/2018

Appendix A: Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Elzy
Monday 4/12/2017	PM	Audit team travelling to Banting. Check in at Intan Jugra Hotel, Banting	√	-
Tuesday 5/12/2017 West Palm Oil Mill	0730	Audit team travelling to site	√	√
	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	√
	09.00 – 12.30	West Oil Mill Inspection: 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. Stakeholder interviews (combined with estate's Stakeholders)	√	√
	10.00-12.30		√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with unfinished elements Document Review (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 P4: Social responsibility, health safety and employment	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 6/12/2017 West Estate	09.00 – 10.30	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. Document review P1 – P6 (part 3), P1: Management commitment	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.00	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New	√	√
	16.00 - 17.00	Audit team discussion and closing meeting	√	√
	1700	End of audit / Audit team travelling back to KL	√	√

Appendix B: List of Stakeholders Contacted

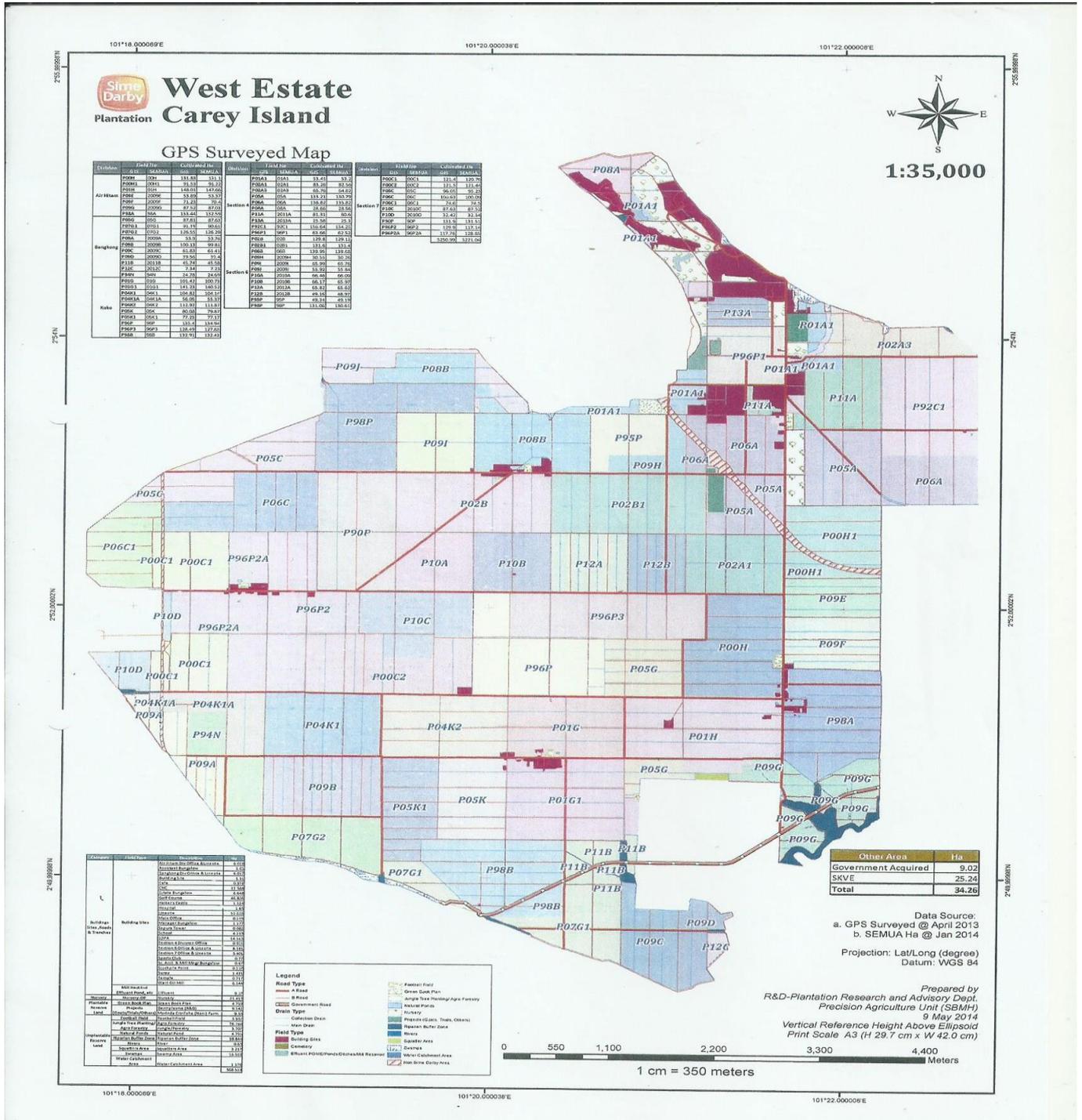
<p>Internal Stakeholders</p> <p>Managers and Assistants Mill & Estate</p> <p>Male Mill Staff/Workers</p> <p>Female Mill Staff/Workers</p> <p>Foreign Worker</p> <p>Male and Female Estate workers</p> <p>Joint Consultative Committee</p> <p>Gender Committee representatives</p> <p>Workers Union Representatives</p> <p>Onsite NUPW representative</p> <p>AMESU Representative</p> <p>Hospital Assistant</p> <p>Creche Attendant</p> <p>Store Clerk</p>	<p>Local Communities</p> <p>Head of Village, Kg. Sungai Kurau</p> <p>Head of Village, Kg. Sungai Judah</p>
<p>Government Departments</p> <p>Headmaster, SMK Pulau Carey</p>	<p>Contractors and Suppliers</p> <p>CPO transporter</p>

Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Appendix D: Location and Field Map



Appendix E: List of Abbreviations Used

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DGEPN	Environmental Protection Agency Gabon
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids