

**MALAYSIAN SUSTAINABLE PALM OIL
- ANNUAL SURVEILLANCE ASSESSMENT 2
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: SOU 19 Pagoh Palm Oil Mill & Plantations of SOU 19 including Pagoh Estate, Lanadron Estate, Pengkalan Bukit Estate and Welch Estate
Location of Certification Unit: Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia

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

Report Number: 9674133

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Pagoh POM: 565809104000 (valid until 31/10/2020) Pagoh Estate: 508589902000 (valid until 28/2/2020) Lanadron Estate: 522273002000 (valid until 31/7/2020) Pengkalan Bukit: 518941002000 (valid until 28/2/2020) Welch Estate: 522499002000 (validity until 31/7/2020)		
Company Name	Sime Darby Plantation Berhad [Pagoh Palm Oil Mill (SOU 19)]		
Address	Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia CU: Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, 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 GSQM) Mr. Mohd Fadzil Hasbullah (Pagoh Palm Oil Mill Manager)		
Website	www.simedarby.com	E-mail	Shylaja.vasudevan@simedarby.com kks.pagoh@simedarbyplantation.com
Telephone	+603 7848 4463 (Head Office) +6019 6957380 (Mill)	Facsimile	+603-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682037 Plantations: MSPO 685822		
Issue Date	12/12/2017	Expiry date	11/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	11-13 October 2017		
Continuous Assessment Visit Date (CAV) 1	10-12 October 2018		
Continuous Assessment Visit Date (CAV) 2	21-23 October 2019		

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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 600305	RSPO	BSI Services (M) Sdn Bhd	27/1/2024

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Pagoh Palm Oil Mill	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2° 4' 41" N	102° 43' 7" E
Pengkalan Bukit Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2° 07' 29" N	102° 44' 32" E
Lanadron Estate	Panchor, 84500 Muar, Johor, Malaysia	2° 11' 00" N	102° 44' 00"E
Welch Estate	Jalan Segamat-Jementah, 85200 Segamat, Johor, Malaysia	2° 27' 22" N	102° 39' 12" E
Pagoh Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2° 4' 41" N	102° 43' 7" E

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Pengkalan Bukit Estate	132.88	1,395.22	1,312.82	83.59	0
Lanadron Estate	339.77	495.06	815.89	40.00	77.00
Welch Estate	0	0	576.20	0	0
Pagoh Estate	616.56	695.13	445.65	230.68	0.00
Total	1,089.21	2,585.41	3,150.56	354.27	77

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Estimated (Jan 2019 – Dec 2019)	Actual (Oct 2018 – Sept 2019)	Forecast (Jan 2020 – Dec 2020)

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Pagoh Estate	37,700.00	34,380.11	39,428.70
Lanadron Estate	40,000.00	39,696.88	43,021.71
Pengkalan Bukit Estate	57,900.00	49,142.00	57,540.94
Welch Estate	11,650.00	12,550.25	14,535.19
Total	147,250	135,769.24	154,526.54

1.6 Certified CPO / PK Tonnage

Pagoh POM 45 MT/hr	Estimated (Jan – Dec 2019)	Actual (Oct 2018 – Sept 2019)	Forecast (Oct 2019 – Sept 2020)
	CPO (OER; 21.50 %)	CPO (OER:20.75 %)	CPO (OER: 20.50 %)
Module: SG	31,658.75	28,172.12	31,677.94
PK (KER:5.25 %)	PK (KER: 5.23 %)	PK (KER:5.25%)	
	7,730.63	7,100.73	8,112.64

1.7 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Pengkalan Bukit Estate	2,924.51	2.87	169.50	3,096.88	95
Lanadron Estate	1,767.72	19.41	251.01	2,038.14	80.96
Welch Estate	576.20	0.95	870.67	1,447.82	39.80
Pagoh Estate	1,988.02	9.10	328.81	2,325.93	85
Total	7,256.45	32.33	1,619.99	8,908.77	81.45

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance Assessment 2 (ASA2) of Strategic Operating Unit (SOU 19) – Pagoh Palm Oil Mill located Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia comprising 1 mill, 4 estates 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 the group of estates that is supplying to the mill. However the assessment criteria for the mill and the estates were separated following to the required standards. The certification assessment scope is Pagoh Palm Oil Mill SOU 19 and Pagoh SOU 19 Estates which acts as the group manager for Pagoh Estate, Lanadron Estate, Pengkalan Bukit Estate and Welch Estate. This report is the combined report for Pagoh Palm Oil Mill SOU 19 and Pagoh SOU 19 Estates.

The onsite assessment was conducted on 21-23/10/19. Based on the assessment result, Sime Darby Pagoh SOU 19 complies with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 25304:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill and recommended for certification to be continued

Section 2: Assessment Process

Certification Body:

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 21-23 October 2019. 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.

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

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present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

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

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 MSP0 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)
Pagoh Palm Oil Mill	√	√	√	√	√
Pagoh Estate	-	√	-	√	√
Lanadron Estate	√	-	√	-	-
Pengkalan Bukit Estate	-	√	-	√	√
Welch Estate	√	-	√	-	-

Tentative Date of Next Visit: November 5, 2020 - November 7, 2020

Total No. of Mandays: 6

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 140001, OHSAS 18001, MSP0 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, MSP0 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.

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He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. During this assessment, he assessed on the aspects of Field best practices, OSH, HCV, Legal, Environment, waste management, Social issues, stakeholder interview etc. Able to speak and understand Bahasa Malaysia and English.

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During this assessment, two (2) major nonconformity and one (1) minor nonconformity raised. Pagoh POM certification unit has submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Finding Reference	1841179-201906-M1	Certificate Reference	MSPO 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.5.9 Part 4
Category	Major		
Area/Process:	Pagoh POM and supply base		
Statement of non conformance:	Wages documented in pay slip was not in line with legal regulations.		
Clause requirements	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
Objective evidence	One worker (store keeper, employee ID: 147827) salary payment for May 2019; Total normal day work: 27 (punch card) & check roll report, official rest day: every Thursday Work on 9th, 23rd and 30th (rest day), output (pay slip and check roll only paid for normal day rate)		
Cause	Wrongly keyed in daily input by the Supervisor due to transferred gang from General Worker to Workshop.		

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Correction / containment
Memo on salary reimbursement also has been issued to the store keeper on 21/10/2019 up on highlighted/ auditor. The adjustment reflected in the October payslip
Corrective action
Monitoring and recording of daily input by the effected worker’s reporting line (Supervisor)
Assessment Conclusion
Verified memo and salary reimbursement in October 2019. Evidence found to be sufficient thus the major NC is closed on 19/11/19. Continuous implementation will be further verified in the next surveillance audit.

Finding Reference	1841179-201906-M2	Certificate Reference	MSPO 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.5.11 Part 3
Category	Major		
Area/Process:	Pagoh POM and supply base		
Statement of non conformance:	On-site living quarters provided was not promptly maintained to ensure decent and habitable living condition		
Clause requirements	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.		
Objective evidence	<p>Welch Estate Based on site visit at housing block 2/81 and 2/82, clogged/stagnant drain was observed and creating unpleasant condition at the backyard area. Observed collapse drain resulting from landslide which yet to be attended properly.</p> <p>Lanadron Estate Blocked/clogged drainage at side and backyard drain of house 144.</p>		
Cause	No complaint or report on the drainage in the linesite inspection report.		
Correction / containment	<p>Welch Estate: Clearing and repairing of the drainage was done on 25/10/2019</p>		

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<p>Lanadron Estate: The clogged drain was cleared on 1/11/2019.</p>
<p>Corrective action</p>
<p>Welch Estate: The broken drain for the two units of effected house was replace with PVC poly pipe. Estate management has planted legumes cover crop at the embankment area to prevent soil erosion.</p> <p>Lanadron Estate: To include inspection of drainage and reported in the weekly inspection.</p>
<p>Assessment Conclusion</p>
<p>Based on photographic evidence verification, it was found that the issue has been address effectively thus the major NC is closed on 19/11/19. Continuous implementation will be further verified in the next surveillance audit.</p>

Finding Reference	1841179-201906-N1	Certificate Reference	MSPO 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.3.1.4 Part 4
Category	Minor		
Area/Process:	Pagoh POM and supply base		
Statement of non conformance:	Person responsible to monitor compliance of Immigration Regulation 1963, visit pass (temporary employment) reg.11 (10) was not effectively demonstrated.		
Clause requirements	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.		
Objective evidence	One contractor's worker of Lotus Two Enterprise Sdn Bhd, passport no. BR0129087 subcontracted under Junjungan Pelangi Sdn Bhd. Single entry visa, valid until 11/3/20 under Junjungan Pelangi Sdn Bhd, employed as cleaner contrary with the actual work in the mill as workshop operator/fitter. In sector: services, in subsector: cleaning		
Cause	Monitoring of documentation not effective.		
Correction / containment	The employee with employment status as cleaner have been terminated from work.		
Corrective action			

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The contractor have been requested to register all supplied labour with valid employment permit. Establishment of Foreign Workers Documentation Tracking and will be monitored by AAO.
Assesment Conclusion
The corrective action plan is accepted. Continuous implementation will be further verified in the next surveillance assessment.

Noteworthy Positive Comments	
1	Good cooperation and commitment from the management and staff
2	Management, staff and workers were able to demonstrate good understanding on sustainability

3.3 Status of Nonconformities Previously Identified and OFI

Finding Reference	1693239-201809-M1	Certificate Reference	MSPO 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.3.1.1 (Part 3 & 4)
Category	Major		
Area/Process:	As per summary report.		
Details:	1) Female employee was assigned to work after 10.00 p.m. without written permission from Labour Office. 2) Salary deductions for payment of electricity were made without workers' respective approval.		
Objective evidence:	1) Female employee at the Pagoh Palm Oil Mill worked as follows: - 9 Aug 2018 until 11PM - 11 Aug 2018 until 11PM - 15 Aug 2018 until 11PM - 20 Aug 2018 until 10.31PM - 25 Aug 2018 until 11PM - 11 July 2018 until 11:01PM There is no written exemption obtained under Section 34 (1) Employment Act 1955 for female employees to work between 10:00PM to 5:00AM 2) Salary deductions for payment of electricity were made without workers' authority. The affected workers are those recruited after 22 November 2016 at Pengkalan Bukit Estate. Salary deductions for payment of electricity from workers at Pagoh Estate have been made without written approval from the Labour Office.		
Cause			

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Pagoh Mill: No monitoring for the female workers work at night.
Pengkalan Bukit Estate: No monitoring to obtain consent letter from newly recruit workers.
Correction / containment
<p>Pagoh Mill:</p> <p>1) Internal memo to limit 2nd shift until 9.30 pm for female workers. 2) Mill have requested approval from JTK Muar for female workers working after 10.00 pm. Form (for Female employees works at Night) was submitted 22/10/2018</p> <p>Pengkalan Bukit Estate Estate has gotten the consent from the said workers.</p>
Corrective action
<p>Pagoh Mill: Mill management will monitor and limiting the working hours until 9.30 pm.</p> <p>Pengkalan Bukit Estate: The in-charge person will get written consent hereafter for any new recruitment</p> <p>ASA2 verification: No recurrence of issue noted and the major NC is remain closed.</p>

Finding Reference	1693239-201809-M2	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.5.4 (Part 3)
Category	Major		
Area/Process:	As per summary report.		
Details:	<ul style="list-style-type: none"> Monitoring of drinking water quality was not done according to the established procedure. Issues detected through the weekly line-site inspection were not acted upon. 		
Objective evidence:	<ul style="list-style-type: none"> There is no evidence of water quality sampling analysis being done at Pengkalan Bukit Estate in 2018 in accordance to the Sustainable Plantation Management System Appendix 7 Standard Operating Procedure for Water Quality Monitoring issued on 1 June 2016. Recurring issues of stray dogs and poultry rearing have been raised in weekly linesite inspection reports of Pengakalan Bukit Estate (Pagoh Division and Main Division) from 11 January 2018 until 4 October 2018 (for Main Division) and 6 October 2018 (for Pagoh Division). However, there is no evidence of any appropriate actions being taken. 		
Cause			

<p>Pengkalan Bukit Estate: 1) Current practice of water analysis only carried for raw water at quarterly interval by R&D. No water sample analysis for treated water carried out in 2018 except sample taken by Jabatan Kesihatan on 18th September 2018 and the result yet to obtain 2) No enforcement been taken on "Rearing Poultry" at resident</p>
<p>Correction / containment</p>
<p>1) The sampling of treated water was sent to R&D on 17th October 2018 for analysis. Evidence on sample sent on 17/10/2018 - Estate management will liaise with MPD to resolve the issue. 2) Estate management will liaise with Majlis Perbandaran Daerah Muar to resolve the issue. Briefing during muster on no rearing poultry at residential area will be carried out.</p>
<p>Corrective action</p>
<p>1) Estate management will ensure treated water sampling analysis will be done monthly basis in accordance to SOP Appendix 7. Evidence needed: Result from RnD Carey Island</p> <p>The implementation of action plan to be discussed in management meeting. Warning letter to be issued to workers if any disobey of instruction regarding rearing poultry at residential area</p> <p>ASA2 verification: No recurrence of issue noted and the major NC is remain closed.</p>

Finding Reference	1693239-201809-M3	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.2.5 (Part 3)
Category	Major		
Area/Process:	As per summary report.		
Details:	Verbal complaint from a worker was not documented.		
Objective evidence:	Based on interview with workers at Pagoh Estate, there was a verbal complaint made by a worker with regards to the electric consumption meter. However, the verbal complaint was not recorded in accordance with "Handling Social Issues" SOP dated 01 Nov 2008.		
Cause			
The complaint was not channel to dedicated person in charge			
Correction / containment			
All complaint to be made through complaint form and documented			
Corrective action			

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All complaint recorded in complaint form

ASA2 verification:
 No recurrence of issue noted and the major NC is remain closed.

Finding Reference	1693239-201809-M4	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.6.1 (Part 3)
Category	Major		
Area/Process:	As per summary report.		
Details:	There was inadequate training held by the estate.		
Objective evidence:	Pengkalan Bukit Estate – The estate has yet to organise training in relation to the estates main activities for the year 2017/18; a) Harvesting & collection b) IPM – beneficial plant c) Pruning d) MSPO/RSPO awareness e) Fire drill		
Cause	Improper file keeping for training records		
Correction / containment	To make available the training record with attendance, pictorial evidence.		
Corrective action	Assistant Manager , the PIC for sustainable certification to updates on training conducted in estate.		
	ASA2 verification: No recurrence of issue noted and the major NC is remain closed.		

Finding Reference	1693239-201809-M5	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.4.2 (Part 3)
Category	Major		
Area/Process:	As per summary report.		

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Details:	a) There was no HIRARC for nursery activities. b) Inadequate identification of HIRARC for replanting /nursery activities
Objective evidence:	a) Pengkalan Bukit Estate – HIRARC for nursery is not available b) Pengkalan Bukit Estate & Pagoh Estate did not identify heat stress as a hazard for the work activities in nursery/replanting and replanting respectively.
Cause	
<ul style="list-style-type: none"> - Insufficient info on health effect from heat stress - HIRARC established not covered for heat stress at replanting activities - HIRARC was not reviewed in accordance to SOP 	
Correction / containment	
ESH committee reviewed the HIRARC for activity in nursery and replanting activity	
Corrective action	
HIRARC reviewed status will be discussed in the ESH meeting.	
ASA2 verification: No recurrence of issue noted and the major NC is remain closed.	

Finding Reference	1693239-201809-M6	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.3.2.3 (Part 3)
Category	Major		
Area/Process:	As per summary report.		
Details:	There was no clear demarcation of boundary visible at site.		
Objective evidence:	Pagoh Estate – Separation of area between PLKN / estate field no P94/Block 7 has not been clearly shown/demarcated. Only a signboard being displayed however unable to present the exact boundary line.		
Cause			
Pegging/marketing is not properly done at boundary			
Correction / containment			
Estate has communicated with Land Management Department (LMD) (Internal) for assistance			
Corrective action			

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Representative from LMD will be engaging with Pagoh Estate for boundary marking on 23 /10/2018.
 Evidence: Visit by LMD / Email by LMD

ASA2 verification:
 No recurrence of issue noted and the major NC is remain closed.

Finding Reference	1693239-201809-N1	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.5.4 (Part 3)
Category	Minor		
Area/Process:	As per summary report.		
Details:	The mechanism to ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract, was not demonstrable.		
Objective evidence:	At Pengkalan Bukit Estate, the mechanism to ensure employees of contractors such as Ananthan Letchumanan and Kim Soon Lee Sdn Bhd are paid based on legal or industry minimum standards according to the employment contract, was not demonstrable.		
Cause			
No monitoring by management on all legal compliance between contractor and their workers.			
Correction / containment			
Estate management will request all contractor to submit their workers' employment contract in order to ensure it comply with related legal or industry minimum standards			
Corrective action			
Management will ensure all contractors are comply with all requirements			
ASA2 verification: Verified employment contract from Kim Soon Lee Sdn Bhd and salary payment for August and September 2019. No recurrence of issue noted. Thus the minor NC is closed on 23/10/19.			

Finding Reference	1693239-201809-N2	Certificate Reference	MSP0 682037
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.5.10 (Part 3&4)

Category	Minor
Area/Process:	As per summary report.
Details:	One of the conditions in employment contract was changed without agreement with the signees.
Objective evidence:	Foreign workers are not receiving 5 kgs of rice and 5 kgs of cooking oil every 2 months as agreed under their employment contracts. Employment contracts sighted were dated: a. 14 May 2018 (Pagoh Palm Oil Mill); b. 16 October 2016 (Pengkalan Bukit Estate) c. 17 September 2015 (Pagoh Estate)
Cause	
The distribution of rice and cooking every two months was revised by Upstream Malaysia Office where the 5kg cooking oil to be substituted with 5 kg of rice instead.	
Correction / containment	
Communicate with region office on the revision of distribution of rice and cooking oil (temporarily) Workers were briefed on the revision of rice and cooking oil distribution to the workers during Muster Briefing.	
Corrective action	
Revision in employment contract to be communicated to workers or workers representative through Management Meeting ASA2 verification: Verified appendix 2 of the contract which has include 10 kg of rice every 2 month. No recurrence of issue noted. Thus, the minor NC is close on 23/10/19.	

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Workers Representatives (Different Nationalities) – Interviewed with the workers told that they were treated equally without discrimination. They were given freedom to join any association. They were offered with the terms and conditions of work by the agent in origin countries. However, the foreign workers in Pengkalan Bukit informed that they need to pay an amount of money in order for them to travel back to home country for holiday.</p> <p>Management Responses: Verified with the management confirmed that the security bond has terminated since 31/5/2016. The amount of money they paid are for the balance of levy to be covered if they absconded.</p> <p>Audit Team Findings:</p>

	Document reviewed on the records of payment by the workers who went for holiday found that the amount they paid were for levy recovery during on leave. They have been given a receipt of payment. The amount that they paid before holiday was reimbursed after they come back to work. Seen the Receipt No.: 5830 dated 4/3/2019; Cash payment voucher No.: CV 7/5 dated 7/5/2019 for Employee No.: 131168. No security bond has been incurred in the estate.
2	<p>Issues: Contractors – They have signed on the agreement prior carry out at the estates. They understood the payment terms. They have been provided with trainings before carry out work at the estates. They informed that the payment was made promptly. They also aware of the complaint procedure.</p> <p>Management Responses: The management will ensure that the contractors are comply with the terms and conditions as agreed and maintain good relationship with the contractors.</p> <p>Audit Team Findings: No further issue.</p>
3	<p>Issues: i)Neighbouring Schools’ Representatives – One of the school headmistress nearby Welch Estate informed that they have excellent relationship with the management. The management will provide any assistance whenever requested. She hopes that the company could has collaboration with the school to assist a kid who is slow in reading and those weak in English. ii)SK Paya Panjang – He informed that so far no issue with the management. He requested the company could has some program to help those children from poor family.</p> <p>Management Responses: i)The management would consider the collaboration if the school could provide the clear picture of how the collaboration is. ii)The management informed that any donation required the approval from Regional Zone Office.</p> <p>Audit Team Findings: This will verify during next assessment.</p>
4	<p>Issues: NUPW Representatives – They informed that the wages of all the workers have achieved Minimum Wage Order 218. They aware of their rights and those issues complaints to NUPW Johor have solved accordingly. However, the NUPW representative from Welch Estate hope that the company could provide a better place for the Green Book Project as the current one was not suitable for planting due to hard soil.</p> <p>Management Responses: The management will ensure the wages of workers are achieved Minimum Wage Order 2018. The management in Welch Estate will look into it.</p> <p>Audit Team Findings: This will be verify during next assessment.</p>
5	<p>Issues: Smallholders – They informed that no encroachment of land by the company. Trenches and gates were constructed to demarcate the land. They are appreciated that the company allows them to access the estate’s road to send their crops out.</p> <p>Management Responses: The management will continue to maintain good relationship with the smallholders.</p>

	<p>Audit Team Findings: No further issue.</p>
6	<p>Issues: Local community, Kg Hujung Tambak - He hopes that the company could settle the set up of Committee in the Surau. He also requested the management to have road maintenance for the road access to the village.</p> <p>Management Responses: The management will act accordingly if necessary.</p> <p>Audit Team Findings: Verify this during next assessment.</p>
7	<p>Issues: JTK Segamat Officer – Phone interviewed with the officer to verify the issue reported by the workers regarding Hospital Assistant in Welch Estate. The officer informed that the HA has fulfilled his task as per requirement and this issue is not related to labour regulation. She informed this might be their internal communication issue. Thus, the issue was closed in JTK.</p> <p>Management Responses: The management noted on the issue and had meeting with the workers accordingly.</p> <p>Audit Team Findings: Refer to Indicator 6.6.2.</p>
8	<p>Issues: Gender Committee Representatives – They informed that they were treated without discrimination of gender. They are aware of the complaint procedure for sexual harassment and violence. As to date, there was no case of sexual harassment and violence reported.</p> <p>Management Responses: The management will continue to monitor to ensure no case of sexual harassment and violence happen.</p> <p>Audit Team Findings: No other issue.</p>
9	<p>Issues: Local communities (Kg Melayu Panchor and Kg Bukit Pasir) – They informed that the cattle issue in the area was uncontrolled and hope the management would take action to rectify the issue as the cattle has damaged their crops.</p> <p>Management Responses: The management has discussed with top management and this issue still under discussion.</p> <p>Audit Team Findings: This will verify during next assessment.</p>

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3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1693239-201809-M1	Major	12/10/2018	Closed on 4/1/2019
1693239-201809-M2	Major	12/10/2018	Closed on 4/1/2019
1693239-201809-M3	Major	12/10/2018	Closed on 4/1/2019
1693239-201809-M4	Major	12/10/2018	Closed on 4/1/2019
1693239-201809-M5	Major	12/10/2018	Closed on 4/1/2019
1693239-201809-M6	Major	12/10/2018	Closed on 4/1/2019
1693239-201809-N1	Minor	12/10/2018	Closed on 23/10/19
1693239-201809-N2	Minor	12/10/2018	Closed on 23/10/19
1841179-201906-M1	Major	23/10/2019	Closed on 19/11/19
1841179-201906-M2	Major	23/10/2019	Closed on 19/11/19
1841179-201906-N1	Minor	23/10/2019	To be further verified in the next surveillance assessment

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: 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			

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<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>Records showed that an RSPO & MSPO Internal audit was carried out SQM department. The Internal Consultative Assessment Report dated 22/7/2019 for SOU 19 Estate was verified. The strong and weak points and potential area for further improvement were identified in the report. Total of 3 major and 6 minor non-conformities raised during audit. All findings were reviewed during management review meeting and necessary action has been determined for improvement.</p>	<p>Complied</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>An internal audit procedure (SD/SDP/PSQM/IAP dated 1/11/2017) had been established and documented.</p> <p>The results of the audit conducted on 22/7/2019 for SOU19 estates had also been documented. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action had been carried at the Management meeting held on 7/10/2019.</p>	<p>Complied</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 minutes of the Management meeting held on 7/10/19 on the documented results of the audit conducted on 22/7/19 was verified. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action had been discussed and the PIC was identified and time frame established.</p>	<p>Complied</p>
<p>Criterion 4.1.3 – Management Review</p>			
<p>4.1.3.1</p>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>On annual basis management review is conducted on Regional level. The last management review was conducted on 7/10/19. All pertinent agenda has been discussed for the effective implementation of MSPO</p>	<p>Complied</p>

Criterion 4.1.4 – Continual Improvement		
<p>4.1.4.1</p> <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 Estates have established a Management Plan covering safety, environment and social as listed herein; -</p> <ul style="list-style-type: none"> a. Environmental Management Plan b. Occupational Safety & Health Program c. Water Management Plan d. Kaizen Charter <p>Among the plans stated in Kaizen Charter are;;</p> <ul style="list-style-type: none"> 1. Welch Estate <ul style="list-style-type: none"> a. To reduce cost of External FFB transport from RM27.00/ Mt to RM 20.04 / Mt by implementation of Lead Logistic Provider. b. To reduce road external transport from RM20.04 /Mt to RM12.53 / Mt by diversion of FFB from Pagoh Oil Mill to Diamond Jubilee Oil Mill. 2. Lanadron Estate <ul style="list-style-type: none"> To reduce security expenses from RM26,368 / month to RM 23,728 / month by reduce number of AP's from 13 to 10 and transfer to sister estate. 	<p>Complied</p>
<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>The management continuously reviewed the estates performance and work method for a continual improvement to achieve better results.</p>	<p>Complied</p>

	- Major compliance -	There is no new application of new technology implemented during the certification period. The current practices continued and guided by Estate General Manager.	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	There is no new application of new technology implemented during the certification period. Both estates management will implement and monitor any new technologies being introduced and trained the personnel. Currently, both estates conducted the training based on the estate current practices	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The 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 for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.	Complied
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.	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. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were	Complied

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	- Major compliance -	also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations 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 estate used 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. The procedures were in the EQMS manual Appendix 5.5.3 for Internal communication and Sub section 5.5.3.2 for external communications.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The management official nominated to be responsible for issues related consultation and communication with the relevant stakeholders for Welch Estate was the assistant manager. The appointment letter dated 1 July 2019 was verified.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Welch and Lanadron Estate had established and documented the list of stakeholders. The list had details like name of party, address, contact person and telephones numbers of contractors, vendors/suppliers, local community heads, government agencies, schools, hospitals, etc. Latest stakeholder meeting was carried out on 29/7/19 at Welch Estate. For other estates, combined stakeholder meeting was carried out on 26/9/19. Records of communication were maintained. For internal & external communication buku aduan were maintained; however, there were no request of complaints received. For worker a separate "repair book" was	Complied

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		maintained with the latest complaint recorded was 4/10/19. All complaints have been satisfactorily addressed by the estate.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	SOU19 Estates used the SOP in the QMM manual Section 7 Product Realisation Sub section 7.5.3 Identification and traceability – Level 3 Reference SOP, Section C6 – FFB Identification & Traceability to comply with the requirements for traceability of its product which is FFB.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The management conducted regular inspections on compliance with the established traceability system. For example at Welch Estate, FFB despatch detail report summarized on daily basis. Total of 757.47 mt of FFB despatched to Pagoh POM as at 21/10/19 based on SIME Semua 2.0 (CRS system) for traceability reporting.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The management of SOU19 Estate had identified and assigned suitable employees to implement and maintain its traceability system. SIME Semua 2.0 (CRS system) for traceability. Electronic tag/chip is used for each and every load/consignment. Chip is linked to Semua apps and scanned and before weigh and despatch. All information were recorded in the system which traceable to identify [field, crop type, harvesting date, number of bunches, weight etc]. Person in charge for the each load/consignment is harvesting mandore and bunch counter.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The were no sale of product (FFB) done by SOU19 Estates as all its FFB was sent SDPB own mill. Records of FFB delivery to the mill were maintained and records verified were: i) Despatch date: 7/10/2019 : FFB from field P00, WB ticket number: MI172R0109827, lorry: JNE1742, weight: 4,140 Kg.	Complied

4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The Estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>The Company has established the Standard Operation Manual (SOM) Sub-Section 5.2 Customer Focus, Appendix 5.2.4 – Procedure for Legal and Other Requirements prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.</p> <p>Sample of licenses or permit at Welch Estate</p> <ol style="list-style-type: none"> 1. Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 – potongan gaji pekerja bagi pembayaran air setelah ditolak subsidi tidak melebihi RM20.00 seprang setiap bulan bagi rumah bujang dan RM50.00 bagi rumah kelamin dated 26th August 2019 2. Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 bagi tujuan elektrik dated 6th Julai 2017 3. Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 tujuan pembayaran Surau RM5.00 bagi setiap pekerja yang memohon. 4. MPOB sell and transport FFB license: 522499002000 validity until 31st July 2020 5. Air Compressor valid till 4th January 2020 	Complied

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		<p>6. Permit Barang Kawalan Berjadual– Diesel 10,000 liter valid till 30th July 2020</p> <p>Sample of licenses or permit at Lanadron Estate</p> <ol style="list-style-type: none"> 1. MPOB – License Number 5222-7300-200 valid till 31st July 2020 2. Suruhanjaya Tenaga – Pepasangan No: ST(SJB)P/S/JHR/01931 valid till 21st April 2020. 3. Air Compressor 0.237-cubic meter, Panchor Division valid till 19th May 2020 4. Air Compressor 0.237 cubic meter, Lanadron Division valid till 19th May 2020 5. Permit Barang Kawalan Berjadual, Panchor Division – Diesel 10,000 liter valid till 15th June 2020 6. Permit Barang Kawalan Berjadual, Lanadron Division – Diesel 14,000 liter valid till 15th June 2020 7. Lesen Melencong atau Mengabstrak Air Sungai, BAKAJ:334/300/05/03/07/1 valid till 31st December 2019 for 100m3 	
<p>4.3.1.2</p>	<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 Plantation Quality Management System Data.</p> <p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was reviewed on 2/01/2019 by Mr. Mohamad Imran Jamaluddin, Welch Assistant</p>	<p>Complied</p>

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		<p>Manager and En. Mohd Nor Helmi bin Asmail, Acting Senior Assistant of Lanadron Estate in April 2019.</p> <p>The new revision in 2019 at both Estates are as follows: -</p> <table border="1"> <thead> <tr> <th data-bbox="1055 491 1368 555">Revision Date</th> <th data-bbox="1368 491 1682 555">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1055 555 1368 651">15th Jan 2019</td> <td data-bbox="1368 555 1682 651">Minimum wages Order, Amendment 2018</td> </tr> <tr> <td data-bbox="1055 651 1368 783">15th Jan 2019</td> <td data-bbox="1368 651 1682 783">Fire Services Act 1988 (Act 341) Amendment 2018</td> </tr> <tr> <td data-bbox="1055 783 1368 916">28th Jan 2019</td> <td data-bbox="1368 783 1682 916">Employee Social Security act 1969 (Act 4)</td> </tr> <tr> <td data-bbox="1055 916 1368 1011">28th Jan 2019</td> <td data-bbox="1368 916 1682 1011">Employee Insurance System Act 2017</td> </tr> <tr> <td data-bbox="1055 1011 1368 1144">28th Jan 2019</td> <td data-bbox="1368 1011 1682 1144">Children and Young Persons (Employment) Act 1966</td> </tr> <tr> <td data-bbox="1055 1144 1368 1208">28th Jan 2019</td> <td data-bbox="1368 1144 1682 1208">Food Act 1983</td> </tr> <tr> <td data-bbox="1055 1208 1368 1272">28th Jan 2019</td> <td data-bbox="1368 1208 1682 1272">Police Act 1967</td> </tr> <tr> <td data-bbox="1055 1272 1368 1374">28th Jan 2019</td> <td data-bbox="1368 1272 1682 1374">Land Acquisition Act 1960</td> </tr> </tbody> </table>	Revision Date	Description	15 th Jan 2019	Minimum wages Order, Amendment 2018	15 th Jan 2019	Fire Services Act 1988 (Act 341) Amendment 2018	28 th Jan 2019	Employee Social Security act 1969 (Act 4)	28 th Jan 2019	Employee Insurance System Act 2017	28 th Jan 2019	Children and Young Persons (Employment) Act 1966	28 th Jan 2019	Food Act 1983	28 th Jan 2019	Police Act 1967	28 th Jan 2019	Land Acquisition Act 1960	
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		12 th July 2019	Noise Regulation 2019	
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 -	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 Estate operation is the Noise Regulation 2019.		Complied
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 -	Mr Muhammad Amin, Assistant Manager was appointed to ensure/maintain the compliance with applicable laws and regulations of the Welch Estate and En. Norhaizan Rosli, Estate Assistant at Lanadron Estate.		Complied
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 was no evidence to show that Oil Palm cultivation activities of SOU19 Estates had diminished the land use rights of others. The management had documents to show legal ownership of its land.		Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Documents showing legal ownership or lease, history of land tenure and the actual legal use (agriculture) of the land were made available at all visited sites. Sample of land title based on the latest quit rent for 2019 are: <u>Welch Estate</u> i) Grant#121096, Lot #2175, area: 399.0194 ha, District: Segamat, Mukim Jementah, legal ownership: freehold, land use type: no category ii) Grant#82893, Lot #439, area: 43.11 ha, District: Segamat, Mukim Jementah, legal ownership: freehold, land use type: agriculture		Complied

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		<p><u>Lanadron Estate</u></p> <p>i) Grant#25772, Lot #10217, area:447.659 ha, District: Muar, Mukim Jorak, legal ownership: lease hold for 99 years until 22/5/2100. Land use type: agriculture</p> <p>ii) Grant#25574, lot#5066, area: 347.8566 ha, District: Muar, Mukim Jorak, legal ownership: lease hold for 99 years until 12/6/2100. Land use type: agriculture</p>	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>The Estate map clearly showing the estate boundary. The demarcation at Welch and Lanadron Estate was by using concrete pegging and boundary trenching.</p> <p>During field visit, a few physical boundary stones being checked and verify it with company's GPS coordinate and our own GPS coordinate. The coordinate checked by are matched to the data that prepared by Estate. Verified 2 boundary markers, one each for Estate as follow;</p> <p>a. Lanadron Estate - Boundary Marker GPS Coordinate: 102°44.787" E, 2°13.809" N, adjacent to Kampung Parit Medan with security trenches.</p> <p>b. Welch Estate - Boundary Marker GPS Coordinate: 102°64.424"E, 2°44.330"N, adjacent to Durian Farm at Block P99.</p>	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p>	<p>At time of visit, there was no evidence to show of any land disputes in SOU19 estates.</p>	Complied

	- Minor compliance -		
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	At time of visit, there was no evidence to show that any land was encumbered by customary rights in Sg Samak and Sabak Bernam Estate.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	NA- as at time of visit, there was no evidence to show that any land was encumbered by customary rights.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	NA as at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	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 impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	A Social Impact Assessment (SIA) was prepared for the whole SOU 19 Pagoh. The Social Impact Assessment (SIA) was conducted on 5-8th May 2015 including consideration of feedbacks from the stakeholder engagement meeting Besides providing socio-economic baseline data, the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of the respective estates and mill (in SOU19) action plans for handling the identified issues were also presented in the report.	Complied
Criterion 4.4.2: Complaints and grievances			

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<p>4.4.2.1</p>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The estate used the same procedure for responding to all communications inclusive of complaints and grievances as outlined in their Estate Quality Management System documents. The system required response to all communication within a certain time frame. The procedures were in the EQMS manual Appendix 5.5.3 for Internal communication and Sub section 5.5.3.2 for external communications. The "Flowchart and procedure on handling social issues" in PQMS, SQMS appendix 5 was available and exhibited on notice boards. The Senior Assistant Manager was appointed the PIC.</p>	<p>Complied</p>
<p>4.4.2.2</p>	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The estate implemented the same procedure for responding to all communications as outlined in their Estate/Mill 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. The record included types of complaints and the dates when they were made and attended to and remarks. Most records were mainly for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.</p>	<p>Complied</p>
<p>4.4.2.3</p>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>A complain form 'Borang Aduan' was available and a flow chart "Flowchart and procedure on handling social issues" were exhibited on the notice boards.</p>	<p>Complied</p>
<p>4.4.2.4</p>	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p>	<p>Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through stakeholder meetings, union meetings and briefing conducted at muster grounds. Employees are not fully aware on the possible complaints and grievance</p>	<p>Complied</p>

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	- Minor compliance -	channels. During interview with the workers, there were complaints on house maintenance and dispute on overtime. The workers complained to the mandor. However there were actions has not been taken by the mandor. The workers were aware that they can make the complaints to the higher authority of the mandor. This is verified during interview with field workers and union representative.	
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 -	Records of complaints were maintained. For internal & external communication buku aduan were maintained; however, there were no request of complaints received. For worker a separate repair book was maintained with the latest complain recorded..	Complied
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 -	SOU 19 Estates did contribute to local development in consultation with the local communities. Records of requests from local communities and surrounding schools were sighted. Some of activities recorded at Welch Estate were: i) School donation ii) Donations to temple iii) Voucher for workers	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Sighted the Group Occupational Safety & Health Policy, established on 01st January 2015 which was approved by Datuk Franki Anthony Dass, the Managing Director. Sime Darby Plantation Sdn Bhd has developed Occupational Safety and Health Manual dated 20th August 2008 by Plantation Sustainability and	Complied

		<p>Quality Management Department.</p> <p>Environment and Safety Health Plan for 2019 is available. The policy being displayed prominently on notice boards in English and local language Bahasa Malaysia.</p>	
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and 	<p>Sighted the Occupational Safety & Health Policy. Established on 01st January 2015 which was approved by Datuk Franki Anthony Dass, the Managing Director</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees</p> <p>Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC sighted for the followings work operation: -</p> <ol style="list-style-type: none"> 1. Office 2. Security 3. Weeding 4. Pest and Diseases 5. Boundary Management 6. Census 7. Road, Bridges and culverts 8. Drainage 9. Pruning and Sanitation 10. Manuring 11. General work 	<p>Complied</p>

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	<p>Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<ol style="list-style-type: none"> 12. Supervision 13. Replanting 14. Emergency, Preparedness and Response 15. Waste 16. Harvesting 17. Collection 18. Workshop 19. Store 20. Nursery 21. Breaktime 22. Transporting workers 23. Weighbridge 24. Clinic 25. Trunk Injection 26. Water Treatment <p>The last reviewed was 25th June 2019 at Welch Estate and 23rd July 2019 at Lanadron Estate on Harvesting.</p> <p>Both Estates has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file. The training programme has been determined and programmed by SQM. Sample Training Plan at Lanadron Estate as listed herein:-</p> <table border="1" data-bbox="1137 1190 1854 1342"> <thead> <tr> <th>NO</th> <th>TOPIC</th> <th>MONTH PROGRAMME</th> <th>STATUS DONE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Harvester frond stacking Training</td> <td>January</td> <td>3/1/2019</td> </tr> </tbody> </table>	NO	TOPIC	MONTH PROGRAMME	STATUS DONE	1	Harvester frond stacking Training	January	3/1/2019	
NO	TOPIC	MONTH PROGRAMME	STATUS DONE								
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<p>- Major compliance -</p>	2	Safety briefing to tractor driver	January	8/1/2019
	3	Manuring fertilizer application	January	24/1/2019
	4	Icare Safety & Townhall	April	15/4/2019
	5	Harvesters Competency	February, June & October 2019	August 2019
	6	Chemical Spray & SOP	March & September 2019	20/3/ 19 14/6/19
	7	First Aid Training	January & May 2019	25/7/19
	8	Safe Driving Technique	April & October 2019	24/10/19
	9	Pruning Training	July	26/7/2019
	10	Preventive Vehicle	April & November 2019	24/9/19
	<p>Samples training conducted at Lanadron Estate was 1st Aid Training was sighted on 25th July 2019. 14 participants attended the training conducted by Estate Medical Assistant.</p> <p>Estate has provided appropriate PPE for all workers in their operations.</p>			

		<p>Sighted, PPE Issuance and replacement record for: -</p> <ul style="list-style-type: none"> a. Staff/AP b. Harvesters c. Field Workers d. General Workers <p>During field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works. Evidence, PPE briefing to mandores was conducted on 10th August 2019 at Lanadron Estate</p> <p>All workers involved in the operations have been adequately trained in safe working practice.</p> <p>Sighted, CHRA report dated 7th April 2015 at Welch Estate and 9th April 2015 at Lanadron Estate reported by Mrs Azlina bt Shafawi,(JKKP/IH 127/171-2(223), PAC Testing and Consulting Sdn Bhd.</p> <p>A total of 17 workers at Welch Estate and 30 workers at Lanadron Estate have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray.</p> <p>The workers are from the categories of sprayers, manurers, water treatment plant and storekeeper.</p> <p>Medical Surveillance have been conducted on 23rd May 2019 from Welch Estate and 23rd & 24th April 2019 from Lanadron Estate. The assessment was conducted by Clinic TTMC Ayer Keroh. All of them are fit for work.</p> <p>OSH Committee Chart 2018 sighted. Seen, letter of appointment for committee members in the file.</p>	
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		<p>Person in-charge of OSH is En. Sharin bin Luqman Hashim, the Welch Manager appointed on 1st July 2019 signed by Tuan Rozli Alwi , RGM,CWR and En Mohd Syamsuddin bin Mahmood, Lanadron Manager appointed on 3rd January 2019 signed by Mr. Harry Thomas Brock, RGM,CWR.</p> <p>The committee meeting has been conducted at quarterly interval for both Estates as per Regulations. As seen at Welch Estate meeting conducted on 10th October 2019 & 15th July 2019.</p> <p>Sighted latest meetings conducted on 10th October 2019 and attended by 14 people. The meeting discussed all issues regarding worker’s safety and health, Work place inspection, accident/incident update & review, legal compliance, review of HIRARC and OSH training program.</p> <p>Sighted the Emergency Response Team Chart and Procedure for the Estate. Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted.</p> <p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>Seen, Fire extinguisher placement map at Nordanal Estate infrastructure areas.64 units of Fire Extinguisher being placed and all the permits are still valid.</p> <p>The first aider for the Welch Estate is En. Musa bin Hasseman @ Dasiman – 680419-01-6143. He has obtained certificate under Lembaga Pendaftaran Pembantu-Pembantu Hospital Estet under registration number Q 2060 dated 28th January 2014.</p>	
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		<p>As for Lanadron Estate, Pn. Lasuzlizan bt Mohammed, Medical Assistant as the 1st Aider.</p> <p>Seen during site verification, a 1st Aid Kit equipped with approved contents are available at each worksite. The 1st Aid Kit carried by the mandora.</p> <p>Records of all accidents are available and discussed quarterly during OSH Meeting. Accident is handled according to the national OSH department (JKKP) includes reporting any accident case, investigation and calculation of LTA. Seen in the accident record , 7 accidents occurred in 2019 at both Estates mainly on fallen of fronds to the harvesters.</p> <p>Estate has submitted JKKP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. JKKP 8 was submitted on 14th January 2019 by Welch Estate and 17th January 2019 by Lanadron Estate.</p>	
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 and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The top management of SDPB was committed to implement good social practices regarding human rights in respect of industrial harmony. Their commitment is clearly described with the statement indicated in the "Social Policy" and "Social & Humanity Management Policy" both dated January 2015 and signed by the Managing Director.</p>	<p>Complied</p>
<p>4.4.5.2</p>	<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>The top management of SDPB was committed not to engage in or support discriminatory practices and would provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. Their commitment was clearly described with the statement indicated in the "Social Policy" dated January 2015 and signed</p>	<p>Complied</p>

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	<p>- Major compliance -</p>	<p>by the Managing Director. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation.</p> <p>Interview with workers confirmed that there was no such discrimination in Welch and Lanadron Estate.</p>													
<p>4.4.5.3</p>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>The pay and conditions of employees in Welch Estate met legal and industry minimum standards and as per agreed Collective Agreements. The Employees were mainly paid on piece rates and daily wages. The daily wage was as per the Minimum Wage Order 2018 which was RM42.31 /day. Harvesters were paid as per MAPA NUPW agreements. Payslips reviewed confirmed that the basic wages met minimum standards. Some of those wage slips reviewed (April and October 2019)</p> <table border="1" data-bbox="1050 831 1868 1161"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>110509</td> <td>N8631601</td> </tr> <tr> <td>117190</td> <td>BP0470699</td> </tr> <tr> <td>75507</td> <td>AT117369</td> </tr> <tr> <td>137509</td> <td>M2943251</td> </tr> </tbody> </table> <p><u>Lanadron Estate</u></p> <table border="1" data-bbox="1050 1275 1868 1331"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> </tbody> </table>	Employee ID	NRIC/Passport No	110509	N8631601	117190	BP0470699	75507	AT117369	137509	M2943251	Employee ID	NRIC/Passport No	<p>Complied</p>
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		131099	P5114762	
		108542	BM0451208	
		11328	750729016561	
		57927	680807715763	
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	There is no contract workers for (production and non-production) at both estates.		Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	<p>Welch Estate maintained a record of all employees, SEMUA – Employee Master Listing – Ref: ZCKRLM04 as at October 2019 for total of 93 workers (Oil Palm), under the following categories:</p> <ol style="list-style-type: none"> 1) Monthly paid 2) Daily rated or General Worker 3) Staff <p>The list had the following information details for each employee:</p> <ul style="list-style-type: none"> - Division - Employee Number - Employee Name - New NRIC/Passport Number - Date of Birth - Date joined 		Complied

		<p>In addition each employee had details in individual registration forms and another for foreign workers with details of passport and work permits.</p>											
<p>4.4.5.6</p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>All employees on Welch Estate had been provided with fair contracts which were signed by both employee and employer.</p> <p>Employment Contract Form for local and foreign workers were available. Information indicated in the form showed that all employees were provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local and foreign worker indicated in the employment records were available.</p> <p>Foreign worker contract was valid for 2-3 years depending on nationality. 1 year contract extension will be offered and renewed on annual basis subject to the mutual agreement between workers and employer. Sample of employment contract checked:</p> <table border="1" data-bbox="1050 976 1865 1305"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>110509</td> <td>N8631601</td> </tr> <tr> <td>117190</td> <td>BP0470699</td> </tr> <tr> <td>75507</td> <td>AT117369</td> </tr> <tr> <td>137509</td> <td>M2943251</td> </tr> </tbody> </table>	Employee ID	NRIC/Passport No	110509	N8631601	117190	BP0470699	75507	AT117369	137509	M2943251	<p>Complied</p>
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4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Welch Estate had established a time recording system for all employees. Time recording system has been carried out manually on daily basis for field and office staff & executives. For office staff & executives, the working hours are recorded in the Executives & Staff Attendance List.</p> <p>For field workers, they record the working hours in the Daily Time Record. The overtime working hours always mutually agreed and approved by the assistant manager. The documented working hours available in the daily check roll records</p>	Complied										
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of each individual employee as indicated in the time records and contract of employment met with legal regulations and collective agreements. Overtime was mutually agreed and was always paid at the applicable rate that met the applicable legal requirement.</p>	Complied										
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective</p>	<p>Wages and overtime payment documented on the pay slips on Welch Estate was in line with legal regulations and collective</p>	Complied										

	<p>agreements. - Major compliance -</p>	<p>agreements. Pay slips of all employees are available as evidence of salary payment. The pay slip contain the following information :</p> <ul style="list-style-type: none"> a. Jenis Pendapatan Termasuk Dalam Gaji Purata b. Jenis Pendapatan Tidak Termasuk Dalam Gaji Purata c. Tanggungan Perbelanjaan d. Potongan <p>Some pay slips verified were:</p> <table border="1" data-bbox="1050 667 1865 997"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>110509</td> <td>N8631601</td> </tr> <tr> <td>117190</td> <td>BP0470699</td> </tr> <tr> <td>75507</td> <td>AT117369</td> </tr> <tr> <td>137509</td> <td>M2943251</td> </tr> </tbody> </table> <p><u>Lanadron Estate</u></p> <table border="1" data-bbox="1050 1062 1865 1391"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>131099</td> <td>P5114762</td> </tr> <tr> <td>108542</td> <td>BM0451208</td> </tr> <tr> <td>11328</td> <td>750729016561</td> </tr> <tr> <td>57927</td> <td>680807715763</td> </tr> </tbody> </table>	Employee ID	NRIC/Passport No	110509	N8631601	117190	BP0470699	75507	AT117369	137509	M2943251	Employee ID	NRIC/Passport No	131099	P5114762	108542	BM0451208	11328	750729016561	57927	680807715763	
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<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> <ul style="list-style-type: none"> i) 10 kg rice to all workers once every 2 months ii) RM5 mobile subsidy to all workers. iii) Free medical benefit to workers dependent at the estates clinics. iv) Renewal for driving license for local workers working as driver v) Sending worker’s children to schools 	<p>Complied</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>SOU19 Estates on-site living quarters were provided to all employees. At time of visit these quarters were observed to be habitable with basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Line site inspections were carried weekly by the HA and biweekly inspections carried out by VMO. Line site inspection guided under operational control procedure, SD/SDP/PSQM(ESH)/204-OD6, rev:0 dated 26/2/15. Records of line site inspection as per below table:</p> <table border="1" data-bbox="1050 1056 1870 1254"> <thead> <tr> <th>Estate</th> <th>Date of inspection</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Welch</td> <td>14/10/19, 7/10/19</td> <td>Weekly inspection</td> </tr> <tr> <td>Lanadron</td> <td>3/10/19, latest</td> <td>Weekly inspection</td> </tr> </tbody> </table> <p>It was observed during at visit; <u>Welch Estate</u> Based on site visit at housing block 2/81 and 2/82, clogged/stagnant</p>	Estate	Date of inspection	Remarks	Welch	14/10/19, 7/10/19	Weekly inspection	Lanadron	3/10/19, latest	Weekly inspection	<p>Major Non-compliance</p>
Estate	Date of inspection	Remarks										
Welch	14/10/19, 7/10/19	Weekly inspection										
Lanadron	3/10/19, latest	Weekly inspection										

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		<p>drain was observed and creating unpleasant condition at the backyard area. Observed collapse drain resulting from landslide which yet to be attended properly.</p> <p><u>Lanadron Estate</u> Blocked/clogged drainage at side and backyard drain of house 144. Thus, a major NC was raised.</p>							
<p>4.4.5.12</p>	<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>SDPB had established "Gender Policy" dated January 2015 and signed by the Managing Director which provided guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>Welch Estate had established a Gender Committee with the Manager as Patron, a chairwoman, a vice chairman, a secretary, and 8 committee members. Latest gender committee meeting was carried out on 17/7/19. At time of visit there was no case reported on any form of sexual harassment or violence at the workplace.</p>	<p>Complied</p>						
<p>4.4.5.13</p>	<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>The management of SOU19 Estates respected the right of all employees to join a trade union relevant to the industry. This was evident from deductions made for union subscription and insurance in the pay slips of employees. This was further confirmed by workers during interviews. On both divisions on SOU19 Estates there were a NUPW chairman and secretary and records on meeting held with management were sighted.</p> <table border="1" data-bbox="1048 1220 1861 1367"> <thead> <tr> <th>Estate</th> <th>Date of meeting</th> </tr> </thead> <tbody> <tr> <td>Welch Estate</td> <td>4/7/19</td> </tr> <tr> <td>Lanadron Estate</td> <td>24/6/19</td> </tr> </tbody> </table>	Estate	Date of meeting	Welch Estate	4/7/19	Lanadron Estate	24/6/19	<p>Complied</p>
Estate	Date of meeting								
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<p>4.4.5.14</p>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance –</p>	<p>SDPB had a “Child protection policy” which advocated compliance to all relevant local and internal laws. From the employments records and SEMUA – Employee Master Listing – Ref ZCKRLM04,</p> <p>At Welch Estate, children and young persons were not employed or exploited. The minimum age complied with local, state and national legislation. A perusal of the employee master list found no employee below the national minimum age legislation. Consultations with estate employees and school teacher confirmed that there was no employee under the minimum age.</p>	<p>Complied</p>
<p>Criterion 4.4.6: Training and competency</p>			
<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>Sime Darby has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1st Nov 2008. Under clause 6.2.2 stated the Competency, Awareness and Training procedures. The process of training includes: -</p> <ul style="list-style-type: none"> a. Determining competency requirements of each function. b. Identify training needs and provide appropriate trainings. c. Evaluating the effectiveness of training at defined intervals. d. Maintaining appropriate records of employees’ training, skills and experience <p>Both Estates has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file. The training programme has been determined and programmed by SQM. Sample Training Plan at Lanadron Estate as listed herein:-:</p>	<p>Complied</p>

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NO	TOPIC	MONTH PROGRAMME	STATUS DONE
OCCUPATIONAL SAFETY & HEALTH			
1	Harvester Frond Stacking	January	3/1/2019
2	Safety briefing to tractor driver	January	8/1/2019
3	Manuring fertilizer application	January	24/1/2019
4	Icare Safety & Townhall	April	15/4/2019
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8	Safe Driving Technique	April & October 2019	24/10/19
9	Pruning Training	July	26/7/2019
10	Preventive Vehicle	April & November 2019	24/9/19
ENVIRONMENTAL			

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		<table border="1"> <tr> <td>1</td> <td>EQA 1974</td> <td>March & September 2019</td> <td>14/10/19</td> </tr> <tr> <td>2</td> <td>Scheduled Waste</td> <td>January, May & September 2019</td> <td>14/10/19</td> </tr> <tr> <td>3</td> <td>EAIA</td> <td>August 2019</td> <td></td> </tr> </table> <p>Evidence training on Fire Drill and Emergency Evacuation at Lanadron Estate dated 12th November 2019 attended by 30 participants conducted by BOMBA Bukit Gambir.</p>	1	EQA 1974	March & September 2019	14/10/19	2	Scheduled Waste	January, May & September 2019	14/10/19	3	EAIA	August 2019		
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2	Scheduled Waste	January, May & September 2019	14/10/19												
3	EAIA	August 2019													
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.</p> <p>Sighted the Training Need Analysis of all workers which are based on their competencies and job description.</p>	Complied												
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>This is in compliance with 4.4.6.1. Training program are planned on annual basis and subject for a review during the financial year. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the estate along with the MSPO certification standards.</p>	Complied												
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services															
Criterion 4.5.1: Environmental Management Plan															

<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>The Company has established the Environmental & Biodiversity Policy, signed by the Managing Director, Datuk Franki Anthony Dass on January 2015.</p> <p>The Policy stated commitment to legal requirements, pollution prevention, to educate all employees on environmental preservation and continual improvement.</p> <p>The communication to the internal and external stakeholders being relay through town hall session, training and morning muster.</p>	<p>Complied</p>
<p>4.5.1.2</p>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>The Company has established the Standard Operation Manual (SOM) Sub-Section 5.4 Planning, Appendix 5.4.1b - Environmental Aspect/Impacts Evaluation Procedure prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.</p> <p>The Company has also established the Environmental Aspect and Impact Identification & Environmental Impact Evaluation Form.</p> <p>The EAIA being revised by Mr Saiful Azrul Abdul Halim and approved by the Welch Estate Manager on 14.04.2019. In Lanadron Estate, the Environmental Aspect and Impact Identification & Environmental Impact Evaluation Form revised by Mr Mohammad Afiq Sabarudin and approved by the Estate Manager on 15.07.2019.</p> <p>EAIA is being reviewed on annual basis. The environmental impact assessment has covered 12 keys activities of the Estate such as: -</p> <ol style="list-style-type: none"> 1. Compound, 2. Main Entrance 3. Field- weeding and spraying, 4. Field – FFB transportation, 5. Road, 	<p>Complied</p>

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		<p>6. Diesoline, 7. Dispensary, 8. Harvesting & collection. 9. Petrol 10. Manuring 11. Store 12. Schedule Waste</p> <p>The environmental consequences for each activity is classified into 9 impact categories such as: -</p> <ol style="list-style-type: none"> 1. ozone layer depletion, 2. global warming, 3. air pollution, 4. water pollution, 5. land contamination, 6. unpleasant working environment, 7. depletion of natural resources, 8. community impact 9. business impact. <p>Sample taken on the following activities at Lanadron Estate, Environmental Aspect and Impact Identification: -</p> <table border="1" data-bbox="1050 1072 1865 1398"> <thead> <tr> <th>No</th> <th>Activity</th> <th>Environmental Aspects</th> <th>Environmental Impact</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>FFB transport to mill</td> <td>Leaking or spillage of oil</td> <td>Water pollution Land Contamination</td> </tr> <tr> <td></td> <td></td> <td>Smoke from vehicle</td> <td>Global waring Air pollution</td> </tr> </tbody> </table>	No	Activity	Environmental Aspects	Environmental Impact	1	FFB transport to mill	Leaking or spillage of oil	Water pollution Land Contamination			Smoke from vehicle	Global waring Air pollution	
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		2	Loading Loose fruit	Loose fruit fall to river / stream	Water pollution		
		3	Manuring manual application	Fertilizer spilled on the ground	Water pollution Land Contamination		
				Fertilizer washed off during raining	Water pollution Land Contamination		
<p>4.5.1.3</p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The environmental improvement combined with the pollution prevention plans FY 2019 were sighted. Welch Estate identified the following activities and areas for improvement plan;</p>				<p>Complied</p>	
		No	Objective	Category	Action		Frequency
		1	Workshop – To comply with EQA (Scheduled Waste Regulations)	Workshop	<ol style="list-style-type: none"> Scheduled waste disposed as per legal requirement To provide regular inspection for Estate vehicles To maintain oil trap as to prevent oil spillage and to provide proper spill kit. 		Quarterly

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		2	To ensure no open burning at the workers housing complex area	Workers Housing Complex.	To erect no open burning signage. Weekly housing inspection	Weekly	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Evidence, the positive impact has been included into the continual improvement plan under Environmental Management Plan and Kaizen Charter.					Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Evidence, En. Muhammad Imran bin Jamaludin, Welch Estate Assistant Manager and En. Mohd Nor Helmi bin Asmail, Acting Senior Assistant have attended training on Certified Professional in Scheduled Waste Management dated 14 th – 18 th October 2019. The course organized by Sime Darby Learning and Development unit and the speaker from Air wastewater Management Sdn Bhd. The estates have a comprehensive annual training plan for its staffs and workers. The Environmental training plan for 2019 are EQA 1974 Scheduled Waste, EAIA and chemical safety.					Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Policy and HCV Meeting was conducted at Lanadron Estate dated 8 th May 2019 to 14 personnel. The meeting being chaired by En. Mohd Nor Helmi bin Asmail, Acting Senior Assistant. In addition, dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment.					Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy							

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<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 monitoring the usage of Diesel and Electricity consumption of the Estates were kept and documented. It is monitored to optimize use of renewable energy and the consumption is monitor on a monthly basis. Sample taken on diesel consumption as follows:-</p> <table border="1" data-bbox="1048 507 1865 805"> <thead> <tr> <th rowspan="2">Estate</th> <th>Todate Diesel</th> <th>Todate FFB</th> <th>Fuel Efficiency</th> <th>Baseline value (2-yr average)</th> </tr> <tr> <th>Liter</th> <th>Mt</th> <th colspan="2">Liter/Mt FFB</th> </tr> </thead> <tbody> <tr> <td>Welch</td> <td>11,610</td> <td>11,963</td> <td>0.97</td> <td>1.43</td> </tr> <tr> <td>Lanadron</td> <td>57,311</td> <td>40,938</td> <td>1.40</td> <td>1.68</td> </tr> </tbody> </table>	Estate	Todate Diesel	Todate FFB	Fuel Efficiency	Baseline value (2-yr average)	Liter	Mt	Liter/Mt FFB		Welch	11,610	11,963	0.97	1.43	Lanadron	57,311	40,938	1.40	1.68	<p>Complied</p>
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<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>Sample taken at Lanadron Estate on estimate of diesel consumption as listed herein:</p> <p>Estimate diesel: 60,000 liters</p> <p>Estimate FFB: 35,013 Mt</p> <p>Liters / Mt FFB: 1.71</p> <p>Baseline value: 1.68 liters / Mt FFB</p>	<p>Complied</p>																			
<p>4.5.2.3</p>	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>At the moment, there is no renewable energy been practiced at all Estates</p>	<p>Complied</p>																			

Criterion 4.5.3: Waste management and disposal																									
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste Management Action Plan. The compilation for Financial Year 2019 was made at SOU level. Details of waste generated from the estates among others are shown below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Type of waste</th> <th style="width: 45%;">Items</th> <th style="width: 30%;">Location</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td>Industrial waste</td> <td>Scrap Metal, Fertilizer bag</td> <td>Empty bags store</td> </tr> <tr> <td>SW410</td> <td>Rags, plastics, papers or filters contaminated with scheduled wastes</td> <td rowspan="3" style="text-align: center; vertical-align: middle;">Workshop</td> </tr> <tr> <td>SW 305</td> <td>Spent Lubricant Oil</td> </tr> <tr> <td>SW 306</td> <td>Spent Hydraulic Oil</td> </tr> <tr> <td>SW 404</td> <td>Clinical Waste</td> <td>Clinic</td> </tr> <tr> <td>SW409</td> <td>Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.</td> <td>Scheduled Waste Store</td> </tr> </tbody> </table>	Type of waste	Items	Location	Domestic waste rubbish	Rubbish	Line sites, office, workshop, store,	Industrial waste	Scrap Metal, Fertilizer bag	Empty bags store	SW410	Rags, plastics, papers or filters contaminated with scheduled wastes	Workshop	SW 305	Spent Lubricant Oil	SW 306	Spent Hydraulic Oil	SW 404	Clinical Waste	Clinic	SW409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.	Scheduled Waste Store	Complied
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<p>4.5.3.2</p>	<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>	<p>All Estates have drawn -up their Waste Management Action Plan for FY 2019. Listed below the the action plan of Lanadron Estate: -</p> <table border="1" data-bbox="1072 491 1863 1345"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Line sites, office, workshop, store,</td> <td>1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill</td> </tr> <tr> <td>Industrial waste</td> <td>Empty bags store</td> <td>1. Collect and record amount of scrap iron and empty bag. 2. Store at designated area. 3. Reuse for loose fruit collection the bags 4. Sell to appointed contractor</td> </tr> <tr> <td>SW410</td> <td>Workshop</td> <td>1. Collect and record amount of relevant scheduled waste in the E-swiss. 2. Store all the scheduled waste in the Scheduled Waste store. 3. Disposed through licensed contractor.</td> </tr> </tbody> </table>	Type of waste	Location	Action Plan	Domestic waste rubbish	Line sites, office, workshop, store,	1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill	Industrial waste	Empty bags store	1. Collect and record amount of scrap iron and empty bag. 2. Store at designated area. 3. Reuse for loose fruit collection the bags 4. Sell to appointed contractor	SW410	Workshop	1. Collect and record amount of relevant scheduled waste in the E-swiss. 2. Store all the scheduled waste in the Scheduled Waste store. 3. Disposed through licensed contractor.	<p>Complied</p>
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		SW 305		1. Collect by SDI upon completion of any maintenance	
		SW 306			
		SW 404	Clinic	<ol style="list-style-type: none"> 1. Collect and record amount of relevant clinical waste in the E-swiss. 2. Store the waste in sharp bin in clinic 3. Disposed through Kualiti Alam 4. Monitoring by Medical Assistant 	
		SW409	Scheduled Waste Store	<ol style="list-style-type: none"> 1. Store all the scheduled waste in the Scheduled Waste store. 2. Collect and record amount of empty container 3. Empty chemical containers collect by SS Setia Teknologi Enterprise. 	
<p>4.5.3.3</p>	<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 Company has established the Standard Operation Manual (SOM) Chapter 9 on Chemical Safety Management issue No. 1, prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 20.08.2008. The SOM covers the following;</p> <ol style="list-style-type: none"> 1) Procedures for receiving 2) Procedures for handling 3) Procedures for storage 4) Procedures for disposal 			<p>Complied</p>

		5) Etc Seen, Chemical Hazardous To Health of Welch Estate registered 21 chemical and Lanadron Estate 29 chemicals. The data prepared by the Assistant Manager at both Estates dated 22 nd August 2019 at Welch and 10 th January 2019 at Lanadron Estate.	
4.5.3.4	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. - Major compliance -	During site visit it has been sighted that the chemical containers are punctured and disposed in an environmentally and socially responsible way to prevent contamination of water source or to human health. Evidence, the empty pesticide containers at Welch Estate are disposed to S.S. Setia Sdn Bhd on at 5 th March 2019 as follows: - 1. Chemical container – 60 pcs 2. Ally Bottle – 13 kg At Lanadron Estate, the disposal was conducted on 30 th May 2019 to S.S. Setia Sdn Bhd for 131.5 kg empty containers.	Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	The Welch Estate landfill is identified at Block P02C and Lanadron Estate at Block 00N approximately 4 km away housing complex. Collection is 2 to 3x/week. Monitoring is made by an Executive & staff.	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, scheduled wastes, solid wastes and effluent. - Major compliance -	The assessment of polluting activities is identified and documented in the Environmental Aspect and Impact Assessment and Management Plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the Management Plan. Data on the level of Greenhouse gases (GHG) emissions are monitored and compiled on yearly basis through the GHG calculation methodology	Complied

		<p>accepted for RSPO and ISCC GHG calculations and certifications which are analysed.</p> <p>As evidence, sighted the GHG Calculation for Estate and Mill under SOU 19 for year 2019 using GHG Emissions Calculation Methods, RSPO PalmGHG Calculator, V.3.0.1.</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>The polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP).</p> <p>As evidence in Welsh Estate, Environmental Management Plan being established and documented with mitigation measures are identified to prevent or minimize pollution. The EMP last reviewed and updated by En Muhammad Imran bin Jamaluddin, Assistant Manager on 1st July 2019.</p>	Complied										
Criterion 4.5.5: Natural water resources													
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p>	<p>The Water Management Plan for all the estates has been established and documented. The Water Management Plan for the Estate as follows:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Objective</th> <th>Category</th> <th>Action</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To monitor the quality of main water inlet/outlet for pollutants from estate's operations.</td> <td>River / stream</td> <td>Water analysis results by R&D</td> <td>Quarterly</td> </tr> </tbody> </table>	No	Objective	Category	Action	Frequency	1	To monitor the quality of main water inlet/outlet for pollutants from estate's operations.	River / stream	Water analysis results by R&D	Quarterly	Complied
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1	To monitor the quality of main water inlet/outlet for pollutants from estate's operations.	River / stream	Water analysis results by R&D	Quarterly									

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<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p>	2	Contingency during water shortage	Water shortage dry spell severe water pollution.	Purchasing water from SAJ. License for obtaining from river.	As and when needed Annually
	3	To monitor the usage of treated water on monthly basis.	Daily Consumption	Awareness to workers on water consumption with care	Monthly
			Harvesting rainwater	To use for general cleaning, gardening etc	As and when needed
	4	To reuse / recycle wastewater	Wastewater	To collect wastewater in sump for re-use in pre-mixed chemical.	As and when needed
<p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones</p>	<p>Water Management plan for Lanadron Estate as stated herein:-</p>				

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<p>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>	N	Area	Action Steps	Resource Person required	Resource Cost Incurred required
	0				
	1	Water shortage / Dry Spell	To purchase water from Syarikat Air Johor	Jabatan Bekalan Air	Transport and water Cost
			To obtain water supply from neighbouring Estate	Pengkalan Bukit Estate	Transport Cost
			To train staffs/workers to take necessary steps to conserve water	Asst Manager	Nil
		Limit the portion of water for consumption	Asst Manager	Nil	
2	Severe water pollution / contamination	To purchase water from Syarikat Air Johor	Jabatan Bekalan Air	Transport and water Cost	

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			Request PSQM & DOE to assist the problem	DOE	Nil
	3	Reduce fresh water usage a.Toilet b. Washing tractor	a.Rainwater collection for toilet use at clinic b. To wash tractor using river water	Asst Manager	Nil
<p>The Water Management Plan being prepared by the Assistant Manager and approved by respective Managers at both Estates.</p> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in Sime Darby Plantation dated April 2014). The buffer zones established are as following:</p>					

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			<table border="1"> <tr> <td>River width (meter)</td> <td>Buffer Zone (meter)</td> </tr> <tr> <td>5 - 10</td> <td>50</td> </tr> <tr> <td>20 - 40</td> <td>40</td> </tr> <tr> <td>10 - 20</td> <td>20</td> </tr> <tr> <td>5 - 10</td> <td>10</td> </tr> <tr> <td>< 5</td> <td>5</td> </tr> </table>	River width (meter)	Buffer Zone (meter)	5 - 10	50	20 - 40	40	10 - 20	20	5 - 10	10	< 5	5																				
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			<p>Sighted, water sample analysis at Lanadron Estate covering raw water, water tank and linesite. Latest analysis report was on 1st October 2019 under test report IE 1040/2019. The results as follow: -</p> <table border="1"> <thead> <tr> <th></th> <th>Raw Water</th> <th>Water tank</th> <th>Linesite</th> <th>Parameter Domestic Use</th> </tr> </thead> <tbody> <tr> <td>Ph</td> <td>5.5</td> <td>6.3</td> <td>6.2</td> <td>6.6 – 9.0</td> </tr> <tr> <td>TDS</td> <td>424</td> <td>384</td> <td>140</td> <td>1000</td> </tr> <tr> <td>Turbi</td> <td>22</td> <td>3.4</td> <td>0.8</td> <td>5</td> </tr> <tr> <td>Chloride</td> <td>31</td> <td>19</td> <td>24</td> <td>250</td> </tr> <tr> <td>Al</td> <td>1.034</td> <td>0.026</td> <td>0.039</td> <td>0.2</td> </tr> </tbody> </table>		Raw Water	Water tank	Linesite	Parameter Domestic Use	Ph	5.5	6.3	6.2	6.6 – 9.0	TDS	424	384	140	1000	Turbi	22	3.4	0.8	5	Chloride	31	19	24	250	Al	1.034	0.026	0.039	0.2		
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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>During site verification, no evidence construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	<p>Complied</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>In Lanadron Estate, Screw Gate will be installed to control the water level and tap rain water at Replanting area.</p> <p>Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and to benefit the nearest palm at the pit end to obtain additional moisture</p>	<p>Complied</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>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 (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>The high biodiversity is included in the HCV assessment report dated August 2016. Birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report. For example, vulnerable animal; bearded pig (mammals) under category totally protected.</p> <p>Water catchment, water body 6 covering 0.95 hectare being categorized as HCV 4 at Welsh Estate.</p> <p>In Lanadron Estate, HCV 4 is for river buffer zone covering 10 hectare, Sentang planting 0.3 hectare and HCV 6 for Worship; mosque and hindu temple covering 0.75 hectare.</p> <p>The established management plan has been incorporated the action plan for those identified animals (IUCN and WCA 2010) for proper monitoring</p>	<p>Complied</p>

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<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 during site verification, discourage illegal or hunting, fishing or collecting activities signboard were maintained and implemented.</p> <p>Sighted Monitoring of HCV & Conservation areas at Welch Estate being conducted on monthly basis by Mr. Sam bin Zakaria.</p>	<p>Complied</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>The estate have developed High Conservation Value Area Management Plan. The plan for Welch Estate as follows: -</p> <table border="1" data-bbox="1048 831 1883 1385"> <thead> <tr> <th>No</th> <th>Objective</th> <th>Category</th> <th>Action</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To ensure the signage at site and retrievable on map</td> <td rowspan="2">Slope / river reserve area</td> <td>Marking of slope on the map in the field.</td> <td>As and When necessary</td> </tr> <tr> <td></td> <td>To update the monitoring record of terracing</td> <td>Monitoring by photo of terracing in the field.</td> <td>As and When necessary</td> </tr> <tr> <td>2</td> <td>To promote awareness on HCV</td> <td>Policy concerning Management and</td> <td>Muster briefing to include HCV related</td> <td>Quarterly</td> </tr> </tbody> </table>	No	Objective	Category	Action	Frequency	1	To ensure the signage at site and retrievable on map	Slope / river reserve area	Marking of slope on the map in the field.	As and When necessary		To update the monitoring record of terracing	Monitoring by photo of terracing in the field.	As and When necessary	2	To promote awareness on HCV	Policy concerning Management and	Muster briefing to include HCV related	Quarterly	<p>Complied</p>
No	Objective	Category	Action	Frequency																		
1	To ensure the signage at site and retrievable on map	Slope / river reserve area	Marking of slope on the map in the field.	As and When necessary																		
	To update the monitoring record of terracing		Monitoring by photo of terracing in the field.	As and When necessary																		
2	To promote awareness on HCV	Policy concerning Management and	Muster briefing to include HCV related	Quarterly																		

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		3	To identify how tasks relating to HCV/Biodiversity Are to be performed and competencies required	protection of the environment according to the applicable law.	Competencies/ awareness training on how to manage HCV at Estates.	Annually	
		4	To manage human wildlife conflict		Warning signage prohibiting illegal activities such as fishing, hunting, cutting of protected flora	As and When necessary	
		5	To maintain / enhance the biodiversity in the Estate			As and When necessary	
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 enforced since July 2008. 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. Zero burning technique was established by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM)					Complied

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		Plantation as stated in the Standard Operation Manual (SOM) Section 5 – Planning, issue No. 1, dated 01.11.2008. During site visit, no evidence of open burning in estate area either in the plantation or in linesite area.	
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	There is a replanting works carried out by the Lanadron Estate. No outbreak of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning.	N/A
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 -	The Group policy of Zero open burning is enforced since July 2008. The operating units adhered to the policy of Zero open burning for any replanting.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	The Group policy of Zero open burning is enforced since July 2008. The operating units adhered to the policy of Zero open burning for any replanting.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Standard Operating procedures on best management practices for Sime Darby Plantation is available in Agricultural Reference Manual for Oil Palm Estates (Ver.1; date: 1 Jul 2008). The SOP includes: 1. Planting Material	Complied

		<ol style="list-style-type: none"> 2. Nursery Techniques 3. Replanting 4. Land Preparation 5. Planting Density 6. Maturity Age 7. Field Upkeep 8. Manuring 9. Canopy Management 10. Water Management in coastal/ peat plantings 11. Ablation 12. Ripeness standard 13. Harvesting interval 14. Loose fruit collection 15. Plant protection 16. Weed control 17. Leguminous cover crop establishment 	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Sighted, Slope and River Protection Policy dated January 2015 signed by Managing Director, Datuk Franki Anthony Dass stated: -</p> <ol style="list-style-type: none"> a. slopes >25 degree must be excluded from any new plantation development and replanting programme. b. Slopes <25 degree the existing crop and vegetation shall be maintained accordingly. <p>Planting of forest trees for enrichment of the species is recommended</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>During site verification, seen 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 signgate at the boundary/corners of every fields.</p>	Complied

Criterion 4.6.2: Economic and financial viability plan															
<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 as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 5 year projection. (Budget year, PY2, PY3, PY4, PY5) 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</p> <ul style="list-style-type: none"> a) Administration, b) harvesting & collection, c) field upkeep, transportation, d) road and bridges, e) labour overhead, f) EVIT (running accounts for engines, vehicles, implements & tractors. <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles replacement, workers' amenities etc. the budget for 2019 and 2020 for both the estates was sighted and verified.</p>	<p>Complied</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>Both estates established a replanting program spanned over a 5-year period till 2023/24. All programs were sighted. All replanting program and planning in all the Group Estates are monitored by the Replanting Unit. Assistance and audit are performed as and when required and necessary.</p> <table border="1" data-bbox="1050 1273 1881 1374"> <thead> <tr> <th>Estate</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Welch</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>73.04</td> </tr> </tbody> </table>	Estate	2020	2021	2022	2023	2024	Welch	-	-	-	-	73.04	<p>Complied</p>
Estate	2020	2021	2022	2023	2024										
Welch	-	-	-	-	73.04										

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		<table border="1"> <tr> <td>Lanadron</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </table>	Lanadron	-	-	-	-	-	
Lanadron	-	-	-	-	-				
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) 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 is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p> <p>The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is sighted</p>	Complied						
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report.</p> <ul style="list-style-type: none"> a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. b) The management also provides variance report on the performance and reviewed on a monthly basis. c) The supervisory personnel maintained a daily cost for the field operations. <p>The SOU meeting involving the Managers sits monthly with the Regional CEO for the performance review.</p>	Complied						
Criterion 4.6.3: Transparent and fair price dealing									

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<p>4.6.3.1</p>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017.</p> <ul style="list-style-type: none"> a) All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. b) Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units personnel and also representatives from HQ for major projects handled upstairs. 	<p>Complied</p>						
<p>4.6.3.2</p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>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. Few samples kept at AAO/Chief Clerk' s office were sighted.</p>	<p>Complied</p>						
<p>Criterion 4.6.4: Contractor</p>									
<p>4.6.4.1</p>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>This requirement has been specified in a letter dated 30/10/18 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System. Annual training are also provided to ensure awareness among the contractors/vendors.</p>	<p>Complied</p>						
<p>4.6.4.2</p>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>This is in compliance. All estates maintain contract with the vendors as specified in the financial procedure. Samples extracted are shown below:</p> <p>Welch Estate:</p> <table border="1" data-bbox="1048 1289 1868 1367"> <thead> <tr> <th data-bbox="1048 1289 1323 1367">Contractor</th> <th data-bbox="1323 1289 1653 1367">Type of work</th> <th data-bbox="1653 1289 1868 1367">Date of Contract</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Contractor	Type of work	Date of Contract				<p>Complied</p>
Contractor	Type of work	Date of Contract							

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		Greenvision Trading and Services Sdn Bhd	FFB/PK Transportation from Estate to the Mill	1/10/18 – 30/9/21, ref: FP/COR/101/933 dated 27/9/18	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	This is specified in the letter dated 30/10/2018 as shown in item 4.6.4.1 above.			Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representatives from HQ usually from the Engineering Dept.			Complied
4.7 Principle 7: Development of new planting – Welch and Lanadron 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 further improvement.	Internal audit was carried by Sustainable & Quality Management Unit (SQM) team on 26/7/19 for Pagoh Palm Oil Mill. Audit covered both documentation and field operation for the mill.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Audit was carried out Sustainable & Quality Management Unit (SQM). Total of 3 OFIs raised as result of audit.	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 -	The latest management review was carried out on 2/10/19. The combined MSPO/RSPo meeting was chaired by mill manager and attended by assistant manager and head of department. All pertinent elements in the standard has been discussed for effective implementation of MSPO towards continual improvement.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.	The continual improvement plan includes environmental, occupational health and safety and operation improvement. The	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>mill has developed Lean Six Sigma Project Idea FY 2019 under the following projects: -</p> <ol style="list-style-type: none"> 1. To sell Decanter Solid Cake to potential buyer 360mt per month. 2. To reduce TNB electricity consumption from average 74,000kwh/month to 50,000kwh/month 3. To sell Palm Kernel Shell to potential buyer with average 50mt per month 4. To sell to Sludge Oil to potential buyer 5. Internal Transport for clearing Bunch Ash 6. To sell to Dry Boiler Ash to potential buyer 7. To sell Schedule Waste items to potential buyer 8. To reuse and recycle back scrap iron at yard. 9. To increase KER from 5.25% to 5.50% 10. Total Revenue Expected from the above project is RM 1,675,192.00 	
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 company has established training programme for mill staffs and workers on various topics that enhance continuous improvement of mill performance.</p> <p>Dissemination of new information and techniques to the mill employees are made through daily briefing, dialogues and training.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	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. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	As stated in the procedure, the Mill/Estate Managers are responsible to deal with the external communication for the respective estates under their management. Whereas the Assistant Managers (AM) of each mill/estates were delegated to be responsible for issues related to Indicator 1. Seen the appointment letter to the appointed AM. Refer to letter dated 16 th April 2019 for Pagoh POM.	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 for Pagoh POM was updated on 19/06/19. The external stakeholder consultation is conduct once a year. The last meeting was conducted for Pagoh POM on 11/07/2019. There were no issues raised with regards to the estate operation in the stakeholder consultation. Hence no action plan was required	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	All the two visited estates send their FFB to Pagoh POM. The weighbridge ticket provided the following details: i) Product (FFB or Loose fruit) ii) Delivery note from estates stating the weight and fruit grade (A or B). iii) D.O Number	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>iv) Date of the shipment</p> <p>The Sustainable Plantation Management System Appendix 15, ver:2, issue: 5 dated April 2019 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System. The responsible personal for the traceability is the Estate Manager.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System Appendix 15, ver:2, issue: 5 dated April 2019 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager. The method of inspection is by SCCS internal audit on 19/6/19 for Pagoh POM. Based on the inspection, there was no nonconformity finding raised on the implementation of traceability procedure. Only 5 OFI raised for improvement.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>Person in charge assigned for traceability is the mill assistant manager. Refer to appointment letter dated 19/6/19.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The records of CPO sales has been verified. The dispatch of the CPO are determine by HQ Sales & Marketing and will be entered into the Sime Weigh System. The weigh bridge operator will check the system before releasing the dispatch. The sample dispatch documentation sighted was date: 4/10/19, WB ticket#011523, weight; 40 mt to SDO Biodiesel	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	The Mill is operating in compliance with the applicable local, state, national and ratified international laws and regulations. The Company has established the Standard Operation Manual (SOM) Sub-Section 5.2 Customer Focus, Appendix 5.2.4 – Procedure for Legal and Other Requirements prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008. Sample of licenses or permit viewed were: <ul style="list-style-type: none"> Permit had kerja lebih masa yang dibenarkan sehingga 130jam dengan syarat waktu kerja biasa pekerja-pekerja tidak melebihi tujuh (7) jam sehari di bawah Seksyen 60A(4)(a) Akta Kerja 1955 MPOB license: 565809104000, validity period until 31/10/2020 for 180,000MT. Lesen Jabatan Alam Sekitar No 002366 for period 30.06.2020 	Complied

Criterion / Indicator		Assessment Findings	Compliance				
		<ul style="list-style-type: none"> Akta Bekalan Elektrik 1990, No. Siri 006462/2018 under ST(SJB)P/S/JHR/01967 expiry date 22/7/2020. Lesen Abstraksi Air Permukaan, No Lesen 08/A/Muar/020-BAKAJ:334/300/05/03/08/2 valid till 31/12/2019. Air Compressor, PMT -JH/18 44021, JH PMT 16778 valid till 19/8/2020. Air Receiver, PMT -JH/18 44026, JH PMT 20167 valid till 19/8/2020. Deaerator Header SS - PMT -J/18 44024, JH PMT 20168 valid till 19/8/2020. Inclined Sterilizer - PMT -JH/18 44027, JH PMT 20181 valid till 19/8/2020. etc					
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment and complied in the Plantation Quality Management System Data.</p> <p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was reviewed on 10/01/2019 by Mr. K. Balasandar, Quality Assurance.</p> <p>The new revision in 2019 are as follows: -</p> <table border="1"> <thead> <tr> <th>Revision Date</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>15th Jan 2019</td> <td>Minimum wages Order, Amendment 2018</td> </tr> </tbody> </table>	Revision Date	Description	15 th Jan 2019	Minimum wages Order, Amendment 2018	Complied
Revision Date	Description						
15 th Jan 2019	Minimum wages Order, Amendment 2018						

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Criterion / Indicator		Assessment Findings		Compliance
		15 th Jan 2019	Fire Services Act 1988 (Act 341) Amendment 2018	
		28 th Jan 2019	Employee Social Security act 1969 (Act 4)	
		28 th Jan 2019	Employee Insurance System Act 2017	
		28 th Jan 2019	Children and Young Persons (Employment) Act 1966	
		28 th Jan 2019	Food Act 1983	
		28 th Jan 2019	Police Act 1967	
		28 th Jan 2019	Land Acquisition Act 1960	
		12 th July 2019	Noise Regulation 2019	
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 -	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 Noise Regulation 2019.		Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.	Mr Ahmad Junaidy Jaapar, Assistant Engineer 1 and Mr. Balasandar a/l Kalienannan was appointed to ensure/maintain the compliance with applicable laws and regulations of the Mill. The		Minor non-compliance

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>letter of appointment dated 07.01.2019 has been signed by the Acting Mill Manager, Mr Mohd Fadzil bin Hasbullah.</p> <p>One contractor's worker of Lotus Two Enterprise Sdn Bhd, passport no. BR0129087 subcontracted under Junjungan Pelangi Sdn Bhd. Single entry visa, valid until 11/3/20 under Junjungan Pelangi Sdn Bhd, employed as cleaner contrary with the actual work in the mill as workshop operator/fitter.</p> <p>In sector: services, in subsector: cleaning</p> <p>Thus, a minor NC was raised.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The management ensure that their oil palm cultivation activities do not diminish the land use rights of other users by ensuring the legal boundary is correct through land survey during the development.</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	<p>Pagoh POM is located within Pagoh Estate. Pagoh estate has been established since 1963/1964. The land title applicable to Pagoh POM with Grant number 93881 (lot 2159) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 03/07/2013. The usage of land is not stated. The land was granted by the Johor State. Hence it is applicable for any usage. The original land title was registered on 25/11/2002</p>	Complied
4.3.2.3	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p>	<p>The mill area is within the area of Pagoh Estate's land title. The permanent fence had been constructed to demarcate the vicinity of the mill milling area.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	No land dispute reported. 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. - Minor compliance -	There is no land dispute or customary rights issues in the mill.	Complied
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)			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) for Pagoh POM on 29-31/5/2019. The assessment was carried out through interviewed with stakeholders, document reviewed and site visit. The assessment was involved the participation of internal and external stakeholders such as local authorities, local communities, contractors and workers. Seen the attendance list of the stakeholders that involved in the assessment. Plan to mitigate negative and promotes the positive has yet to be included in the plan dated 18/7/19 for improvement.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>System for dealing with complaints and grievances has been established and documented through:</p> <p>i) Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008)</p> <p>ii) Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The complaint and grievances is open to affected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. Complaints about house maintenance are recorded in a log book which keeps the information about date, complainant, details of complain and status. Other written complains will be kept in a file. Nonetheless, there has been no complaint received so far</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint form is made available in the mill and estate offices. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. Training on reporting of ethical misconduct was done incorporated with Code of Business Conduct (COBC) to all the workers at the mill	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last assessment. Only request for maintenance housing are made by workers.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The mill maintained its records of complaint in a complain file. Records for more than 24 months ago were still kept in the file.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Among contribution given and CSR programme introduced by Pagoh POM; i) Sport day – badminton competition (10/10/19) ii) Hari Raya Programme (30/6/19) Inputs from stakeholders were also will be considered for the development of CSR. For example, request from neighboring	Complied

Criterion / Indicator		Assessment Findings	Compliance
		village Kg Paya Panjang (road maintenance) has been included in the SIA plan for 2019.	
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>Sighted the Group Occupational Safety & Health Policy, established on 01st January 2015 which was approved by Datuk Franki Anthony Dass, the Managing Director.</p> <p>Sime Darby Plantation Sdn Bhd has developed Occupational Safety and Health Manual dated 20th August 2008 by Plantation Sustainability and Quality Management Department.</p> <p>Environment and Safety Health Plan for 2019 is available.</p> <p>The policy being displayed prominently on notice boards in English and local language Bahasa Malaysia.</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 used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; 	<p>Sighted the Occupational Safety & Health Policy. Established on 01st January 2015 which was approved by Datuk Franki Anthony Dass, the Managing Director</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>Risk assessment was conducted through HIRARC based on the severity and the likelihood.</p> <p>HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance								
<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<p>& PIC appointed are Staff or Executive). HIRARC sighted for the followings work operation: -</p> <ol style="list-style-type: none"> 1. Weighbridge 2. Ramp 3. Sterilization 4. Threshing Station 5. Pressing 6. Clarification 7. General cleaning and others 8. Store 9. Laboratory 10. Effluent Treatment Plant 11. Water Treatment Workshop- Electrical 12. Office 13. Security 14. Manager Bungalow 15. Biological Hazard <p>HIRARC being reviewed accordingly in line with all the accidents occurred in 2019.</p> <p>The Mill has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes:</p> <table border="1" data-bbox="1095 1273 1700 1353"> <thead> <tr> <th></th> <th>TOPIC</th> <th>MONTH</th> <th>STATUS</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>PROGRAMME</td> <td>DONE</td> </tr> </tbody> </table>		TOPIC	MONTH	STATUS			PROGRAMME	DONE	
	TOPIC	MONTH	STATUS							
		PROGRAMME	DONE							

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Criterion / Indicator		Assessment Findings				Compliance
- Major compliance -	1	Confined Space (AESP)	October 2019	7/9/2019		
	2	OSH Policy	February 2019	1/2/2019 23/2/2019		
	3	First Aid Training	August 2019	23/7/2019		
	4	Pictorial Working Instruction	February 2019	23/2/2019 26/2/2019		
	5	Emergency Respond Plan	November 2019			
	6	Fire Fighting Drill	April 2019	23/4/2019		
	7	HIRARC and Accident Investigation	September 2019	26/9/2019		
	8	5S & LSS	March 2019	25/3/2019		
	9	Contractor Safety Training	2019	22/1, 24/5		
	10	First Aid Location	November 2019			

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Criterion / Indicator		Assessment Findings				Compliance
		11	Hearing Conservation	September 2019	3/9/2019	
		<p>Samples training conducted at Mill was Hearing Conservation Training dated 3rd September 2019 attended by 52 participants conducted by SQM Team.</p> <p>Mill has provided appropriate PPE for all workers in their operations. Sighted, PPE Issuance and replacement record for: -</p> <ul style="list-style-type: none"> a. Staff/AP b. General Workers <p>During mill visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.</p> <p>All workers involved in the operations have been adequately trained in safe working practice.</p> <p>Sighted, CHRA report dated 10th to 30th April 2018 reported by Mr. Tan Tiong Ping (HQ/03/ASS/00/160-2018/057)</p> <p>A total of 8 workers have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray. All the workers are from the workshop.</p> <p>Medical Surveillance to the above workers has been conducted on 22ND – 24TH January 2019. No toxic level detected and all are fit for work.</p>				

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Audiometry Test was conducted on 22nd July 2019 to 33 workers. Re-test to 17 workers was conducted on 23rd and 30th September 2019.</p> <p>Sighted OSH Committee Chart 2019 and the letter of appointment for committee members were kept in the file.</p> <p>Person in-charge of OSH is Mr. Mohd Fadzil bin Hasbullah, the KKS Pagoh Manager dated 1st July 2019 signed by Tuan Harry Thomas Brock, RCEO, Central west Region.</p> <p>The committee meeting has been conducted to discuss all issues regarding worker’s safety and health.</p> <p>Sighted latest meetings conducted on 27th August 2019 and attended by 15 people. All issues raised and discussed during conducted meeting has been resolve and taken action by Mill management with proper action and target date.</p> <p>Sighted the Emergency Procedure for the Mill. Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted. on 23rd April 2019 attended by 54 personnel</p> <p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>The first aider for the mill is En. Puan Siti Rabilah and En Mohd Fareez. Both of them have attended training on Basic Occupational First Aid, CPR and AED dated 24th and 25th July 2018 at Merlimau Training Centre. The certificate valid until 25th July 2021.</p> <p>Records of all accidents are available and discussed quarterly during OSH Meeting. Accident is handled according to the national OSH department (JKKP) includes reporting any accident case, investigation and calculation of LTA.</p> <p>Seen, 4 accidents occurred in 2019 mainly on slippery / fallen at Ramp, Manager's Bungalow and Mill compound.</p> <p>Mill has submitted JKKP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. JKKP 8 was submitted on 12th January 2018</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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.	Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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>The top management of Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well.</p> <p>Interview with workers indicates that there is no such discrimination occurs in the workplace</p>	Complied
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>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements.</p> <p>Sample of pay slips for local workers for May 19, July 19 and September 2019:</p> <ul style="list-style-type: none"> i) Employee# 86363 ii) Employee# 86331 iii)Employee# 86326 iv)Employee# 129963 v) Employee# 147827 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sample of pay slips for foreign workers for May 19, July 19 and September 2019:</p> <p>i) Employee# 151618, passport no.: AU314191</p> <p>ii) Employee# 130971, passport no.: N9769825</p> <p>iii) Employee# 122030, passport no.: B2717775</p> <p>iv) Employee# 86360, passport no.: B5354604</p> <p>Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers</p>	
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 were contract workers under Lotus two Enterprise for non-production workers (workshop). Total of 2 contract workers [BR0129087, EA0856679] payment vouchers and contract of employment checked and verified. Based on the payment voucher checked, daily rate for contract workers is around (RM 48 - 60) which more than minimum wages of RM 42.31/day. Employment contract dated 3/1/2017 signed by the said workers were checked and found to be valid.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Pagoh POM maintain an accurate record of all employees (local and foreign) under Employee Master Listing report, ZCKRLM04. Total of 91 employees as at October 2019 listed under mill's check roll with additional 2 contract workers under Lotus Two Enterprise.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Records updated and verified during the audit were found contains the following details of information for every employees.</p> <p>Employee Name</p> <p>Activity</p> <p>Nationality</p> <p>Gang details</p> <p>Date of Birth</p> <p>Occupation</p> <p>Religion</p> <p>Employment Date</p> <p>Sex</p> <p>Passport No. and Expiry Date (for foreigner)</p> <p>Work Permit Expiry Date</p> <p>Identification Card no.</p> <p>Socso. No.</p> <p>EPF no.</p>	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment Contract for local and foreign workers are available. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Copies of Employment Contract for each local and foreign workers indicated in the employment records are available. Foreign worker contract is valid for 3 year plus yearly contract extension for those who intent to continue working with the company.</p> <p>Sample of employment contract available for the local workers:</p> <ul style="list-style-type: none"> i) Employee# 86363 ii) Employee# 86331 iii)Employee# 86326 iv)Employee# 129963 v) Employee# 147827 <p>Sample of employment contract available for the foreign workers:</p> <ul style="list-style-type: none"> i) Employee# 151618, passport no.: AU314191 ii) Employee# 130971, passport no.: N9769825 iii)Employee# 122030, passport no.: B2717775 iv)Employee# 86360, passport no.: B5354604 	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Pagoh POM has established a time recording system using punch card for all employees. Time recording system has been implemented by punch card system for all mill employees.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The working hours for all employees has been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer	
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on the Mill Daily Attendance Report (CKRRD005) and punch card records, overtime and breaks were recorded and consistent with the payslip for sample months in May 2019, July 2019 and September 2019. No evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contain the following information : a) Earnings <ul style="list-style-type: none"> - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) b) Deduction <ul style="list-style-type: none"> - Union fee (NUPW & AMESU),SOCSO, EPF , electricity deduction and others Observed one worker (store keeper, employee ID: 147827) salary for May 2019. Total normal day work: 27 (punch card) & check roll. Official rest day: every Thursday	Major Non-compliance

Criterion / Indicator		Assessment Findings	Compliance
		Work on 9 th , 23 rd and 30 th (rest day), output (payslip and check roll only paid for normal day rate). Wages paid is not in compliance with legal requirement. Thus, major NC was issued.	
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: 5kg rice and 5kg cooking oil to all workers once every 2 months RM5 mobile subsidy to all workers. Free medical benefit to workers dependent at the estates clinics. Renewal for driving license for local workers Sending worker's children to schools Once a year festival token to all workers Yearly schooling assistance Sime Darby scholarship The field workers are paid with Productivity Incentive. The more they work the higher the incentive.	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 connected with the national infrastructure facilities. The usage of electricity and water is bared by the workers themselves. 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.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Line site inspection is conducted on weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990. The results of the inspection is being discussed with the estate manager for actions.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basis amenities (e.g. mattress, cooking utilises).</p>	
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.</p> <p>The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively. Latest union meeting with mill management dated 18/7/19 is referred to. No concern highlighted by the union representative based on the meeting minute.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>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>	Complied

Criterion / Indicator		Assessment Findings	Compliance																
		Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.																	
Criterion 4.4.6: Training and competency																			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Sime Darby has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1st Nov 2008. Under clause 6.2.2 stated the Competency, Awareness and Training procedures. The process of training includes: -</p> <ul style="list-style-type: none"> e. Determining competency requirements of each function. f. Identify training needs and provide appropriate trainings. g. Evaluating the effectiveness of training at defined intervals. h. Maintaining appropriate records of employees' training, skills and experience <p>The Mill has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>TOPIC</th> <th>MONTH PROGRAMME</th> <th>STATUS DONE</th> </tr> </thead> <tbody> <tr> <td colspan="4">OCCUPATIONAL SAFETY & HEALTH</td> </tr> <tr> <td>1</td> <td>Confined Space (AESP)</td> <td>October 2019</td> <td>7/9/2019</td> </tr> <tr> <td>2</td> <td>OSH Policy</td> <td>February 2019</td> <td>1/2/2019 23/2/2019</td> </tr> </tbody> </table>		TOPIC	MONTH PROGRAMME	STATUS DONE	OCCUPATIONAL SAFETY & HEALTH				1	Confined Space (AESP)	October 2019	7/9/2019	2	OSH Policy	February 2019	1/2/2019 23/2/2019	Complied
	TOPIC	MONTH PROGRAMME	STATUS DONE																
OCCUPATIONAL SAFETY & HEALTH																			
1	Confined Space (AESP)	October 2019	7/9/2019																
2	OSH Policy	February 2019	1/2/2019 23/2/2019																

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Criterion / Indicator		Assessment Findings				Compliance
		3	First Aid Training	August 2019	23/7/2019	
		4	Pictorial Working Instruction	February 2019	23/2/2019 26/2/2019	
		5	Emergency Respond Plan	November 2019		
		6	Fire Fighting Drill	April 2019	23/4/2019	
		7	HIRARC and Accident Investigation	September 2019	26/9/2019	
		8	5S & LSS	March 2019	25/3/2019	
		9	Contractor Safety Training	2019	22/1, 24/5	
		10	First Aid Location	November 2019		
		11	Hearing Conservation	September 2019	3/9/2019	
		ENVIRONMENTAL				
		1	Environmental Policy	October 2019	10/7/2019	
		2	Environmental Quality Act & Regulations	July 2019		
		3	Environmental Aspect & Impact	October 2019		

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Criterion / Indicator		Assessment Findings				Compliance
		4	Chemical Handling	April 2019	28/3/2019	
		5	Schedule Waste Handling	June 2019		
		6	ETP -Compliance & Awareness	May 2019		
		Samples training conducted at Mill was on 1 st Aid Training dated 23rd July 2019 attended by 20 participants conducted by Medical Assistant.				
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all staffs and workers are based on their competencies and job description.				Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	This is in compliance with 4.4.6.1. Training program are planned on annual basis and subject for a review during the financial year. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the mill along with the MSPO certification standards.				Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services						
Criterion 4.5.1: Environmental Management Plan						

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	<p>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.</p> <p>- Major compliance -</p>	<p>The Company has established the Environmental & Biodiversity Policy, signed by the Managing Director, Datuk Franki Anthony Dass on January 2015.</p> <p>The Policy stated commitment to legal requirements, pollution prevention, to educate all employees on environmental preservation and continual improvement.</p> <p>The communication to the internal and external stakeholders being relay through town hall session, training and morning / evening shift briefing.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The Mill has conducted environmental aspect and impact identification (EAI) and environmental impact evaluation (EIE) for all its' activities in financial year 2019. The environmental assessment findings are recorded in document titled Environmental Aspect & Impact Identification Form. The environmental impact identification and evaluation last reviewed and updated by Mr K. Balasandar and approved by the Mill Manager, Mohd Fadzil Hasbullah on 15.01.2019.</p> <p>The EAI and EIE are being reviewed on annual basis. The environmental impact assessment has covered 19 keys activities of the Mill such as;</p> <ol style="list-style-type: none"> 1. Reception 2. Steriliser 3. Treshing 4. Pressing 5. Clarification 6. Depericarping 	Complied

Criterion / Indicator		Assessment Findings				Compliance								
		<p>7. Kernel recovery 8. Boiler 9. Power Generation 10. Palm product storage & Dispatch 11. Laboratory 12. Water Treatment plant 13. Effluent Treatment plant 14. Workshop & Maintenance 15. Lubrication & Chemical Store 16. Engine Room 17. Mill Office Operation 18. Main entrance 19. Oblique Sterilizer</p> <p>The environmental consequences for each activity is classified into 9 impact categories such as ozone layer depletion, global warming, air pollution, water pollution, land contamination, unpleasant working environment, depletion of natural resources, community impact and business impact.</p> <p>Sample taken on the following activities at Mill, Environmental Aspect and Impact Identification: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Activity</th> <th>Environmental Aspects</th> <th>Environmental Impact</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				No	Activity	Environmental Aspects	Environmental Impact					
No	Activity	Environmental Aspects	Environmental Impact											

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Criterion / Indicator		Assessment Findings				Compliance
		1	Crude Oil Storage	CPO overflow / tank rupture	Water pollution Land Contamination	
		2	Raw Effluent (1,000Mt)	Over flow from storage tank	Water pollution Land Contamination	
		3	Water clarifier tank	Discharge bottom sludge	Water pollution Community Impact Unpleasant working	
		4	ETP Pond	Anaerobic / Aerobic bund rupture	Water pollution Community Impact Business Impact	
		5	Boiler	Smoke, dust particulate, heat and gases	Community Impact Business Impact Unpleasant working	

Criterion / Indicator		Assessment Findings				Compliance
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>Seen, the mitigation measures in the Environmental Management Plan of the mill as below: -</p>				Complied
		No	Environmental Aspects	Environmental Impact	Mitigation measures	
		1	CPO overflow / tank rupture	Water pollution Land Contamination	To construct containment wall. To install level indicator To install alarm	
		2	Over flow from storage tank	Water pollution Land Contamination	To install level indicator	
3	Discharge bottom sludge	Water pollution Community Impact Unpleasant working	Transfer to Effluent treatment plant for further treatment before discharge to water course			

Criterion / Indicator		Assessment Findings				Compliance								
		4	Anaerobic / Aerobic bund rupture	Water pollution Community Impact Business Impact	To raise bund									
		5	Smoke, dust particulate, heat and gases	Community Impact Business Impact Unpleasant working	Provide in-house training for boiler personnel. To ensure carry out soot blow at 4 hours interval. To install ESP – Electrostatic precipitator.									
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Evidence, the positive impact has been included into the continual improvement plan under Environmental Management Plan and Kaizen Charter.				Complied								
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.	<table border="1"> <thead> <tr> <th></th> <th>TOPIC</th> <th>MONTH PROGRAMME</th> <th>STATUS DONE</th> </tr> </thead> <tbody> <tr> <td colspan="4">ENVIRONMENTAL</td> </tr> </tbody> </table>					TOPIC	MONTH PROGRAMME	STATUS DONE	ENVIRONMENTAL				Complied
	TOPIC	MONTH PROGRAMME	STATUS DONE											
ENVIRONMENTAL														

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Criterion / Indicator		Assessment Findings				Compliance
	- Major compliance -	1	Environmental Policy	October 2019	10/7/2019	
		2	Environmental Quality Act & Regulations	July 2019		
		3	Environmental Aspect & Impact	October 2019		
		4	Chemical Handling	April 2019	28/3/2019	
		5	Schedule Waste Handling	June 2019		
		6	ETP -Compliance & Awareness	May 2019		
		<p>The Mill has a comprehensive annual environmental training plan for the Staffs and Workers. Training Plan includes: Evidence, Mill Assistant Manager have attended training on Certified Professional in Scheduled Waste Management dated 14th – 18th October 2019. The course organized by Sime Darby Learning and Development unit and the speaker from Air wastewater Management Sdn Bhd.</p>				
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Sighted, briefing to all staffs and workers being conducted at Mill on Environmental Policy dated 10th July 2019 attended by 43 participants conducted by Mill Executives.</p>				Complied

Criterion / Indicator	Assessment Findings	Compliance																									
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																											
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>The Mill recorded, monitored and documented on a monthly basis data of consumption of non-renewable energy; diesel. The performance is measured based on litre/mt FFB.</p> <p>The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. The details as follows:-</p> <table border="1" data-bbox="1088 730 1715 954"> <thead> <tr> <th>Todate Diesel</th> <th>Todate FFB</th> <th>Fuel Efficiency</th> <th>Baseline value (2-yr average)</th> </tr> <tr> <td>Liter</td> <td>Mt</td> <td colspan="2">Liter/Mt FFB</td> </tr> </thead> <tbody> <tr> <td>23,390</td> <td>208,185</td> <td>0.11</td> <td>1.00</td> </tr> </tbody> </table> <p>Furthermore, the mill also monitored, recorded and documented the performance of electricity generated by steam turbine. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB.</p> <p>The goal is to optimise use of renewable energy.</p> <table border="1" data-bbox="1088 1185 1715 1401"> <thead> <tr> <th>Todate Kwh</th> <th>FFB Processed (Mt)</th> <th>Fuel Efficiency</th> <th>Baseline value (2-yr average)</th> </tr> <tr> <td colspan="2"></td> <td colspan="2">Kwh/Mt FFB</td> </tr> </thead> <tbody> <tr> <td>3,218,900</td> <td>132,779.</td> <td>24.24</td> <td>24.00</td> </tr> </tbody> </table>	Todate Diesel	Todate FFB	Fuel Efficiency	Baseline value (2-yr average)	Liter	Mt	Liter/Mt FFB		23,390	208,185	0.11	1.00	Todate Kwh	FFB Processed (Mt)	Fuel Efficiency	Baseline value (2-yr average)			Kwh/Mt FFB		3,218,900	132,779.	24.24	24.00	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>The energy usage is updated monthly by Mr. Balasandar and approved by the Mill Manager for data as at September 2019.</p> <p>The mill has established Energy Management Plan 2019 as below; -</p> <ol style="list-style-type: none"> 1. Electricity <ol style="list-style-type: none"> a. To install energy savers appliances, replace energy saving bulbs at workers housing and mill b. To educate workers on saving of energy usage. Turn off the light when not in used. c. Workers quarters and mill inspection on regular basis to ensure no wastages of electricity usage. d. Using timer for strait lighting to activate and deactivate the light at executive bungalow and mill compound during planned time. 2. Diesel <ol style="list-style-type: none"> a. To educate workers on fuel saving practice by off engine when vehicle not in used. <p>Avoid leakages during repair / maintenance</p> 	

Criterion / Indicator		Assessment Findings	Compliance
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Pagoh POM has estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.</p> <p>The details as listed herein:</p> <ul style="list-style-type: none"> a. Estimate diesel: 17,000 liters Estimate FFB: 145,771 Mt Liters / Mt FFB: 0.12 liters / Mt FFB b. Estimate FFB : 145,771 Mt Estimate Kwh : 707,269 KWh Kwh / Mt FFB: 4.85 Kwh / Mt FFB 	Complied
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The fiber and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fiber are delivered to estates for multi purposes or sold to outside buyers. The quantity as follows: -</p> <ul style="list-style-type: none"> a. Fiber – 92,945.343 Mt b. Shell – 39,833.719 Mt 	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste Management Action Plan. The compilation for Financial Year 2019 was made at SOU level. Details of waste generated from the mill among others are shown below :-</p>	Complied

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Criterion / Indicator		Assessment Findings			Compliance
		Type of waste	Items	Location	
		Domestic waste rubbish	Rubbish	Line sites, office, workshop, store,	
		Industrial waste	Scrap Metal, Fertilizer bag	Empty bags store	
		SW410	Rags, plastics, papers or filters contaminated with scheduled wastes	Workshop	
		SW 305	Spent Lubricant Oil		
		SW 306	Spent Hydraulic Oil		
		SW 404	Clinical Waste	Clinic	
		SW409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral	Scheduled Waste Store	

Criterion / Indicator		Assessment Findings				Compliance									
			oil or scheduled wastes.												
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The Mill have drawn -up their Waste Management Action Plan for FY 2019. Listed below the the action plan :-</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Line sites, office, workshop, store,</td> <td>1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill</td> </tr> <tr> <td>Industrial waste</td> <td>Fibre Shell EFB Scrap Iron</td> <td>1.Store at designated area. 2.Sell to appointed contractor 3.Monitoring of application</td> </tr> </tbody> </table>				Type of waste	Location	Action Plan	Domestic waste rubbish	Line sites, office, workshop, store,	1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill	Industrial waste	Fibre Shell EFB Scrap Iron	1.Store at designated area. 2.Sell to appointed contractor 3.Monitoring of application	Complied
Type of waste	Location	Action Plan													
Domestic waste rubbish	Line sites, office, workshop, store,	1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill													
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Criterion / Indicator		Assessment Findings			Compliance
		SW410	Workshop	1. Collect and record amount of relevant scheduled waste in the E-swiss. 2. Store all the scheduled waste in the Scheduled Waste store. 3. Disposed through licensed contractor.	
		SW 305		1. Collect by SDI upon completion of any maintenance	
		SW 306			
		SW 404	Clinic	1. Collect and record amount of relevant clinical waste in the E-swiss. 2. Store the waste in sharp bin in clinic 3. Disposed through Kualiti Alam 4. Monitoring by Medical Assistant	

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Criterion / Indicator		Assessment Findings			Compliance
		SW409	Scheduled Waste Store	1. Store all the scheduled waste in the Scheduled Waste store. 2. Collect and record amount of empty container 3. Empty chemical containers collect by SS Setia Teknologi Enterprise.	
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 Company has established the Operational Control Procedure on Chemical Safety Management, Revision 0, Doc No : SD/SDP/PSQM(ESH)/202-OH4 prepared by the Sime Darby Plantation Sustainability and Quality Management (PSQM) dated 26.02.2015. The SOM covers the following;</p> <ol style="list-style-type: none"> 1) Procedures for receiving 2) Procedures for handling 3) Procedures for storage 4) Procedures for disposal 5) Etc <p>Seen, the Mill has updated the Register of Chemicals Hazardous to Health dated 4th April 2019 by En. Amir Shah Hashim, Lab Supervisor.</p>			Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Domestic waste disposal for the mill was conducted by estate management through the collection and disposal 2 to 3 times a week. Collection are made from a centralized point accumulated internally by the estate management from the living quarters and office complex.</p>			Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of polluting activities is identified and documented in the Environmental Aspect and Impact Assessment and Management Plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the Management Plan.</p> <p>Data on the level of Greenhouse gases (GHG) emissions are monitored and compiled on yearly basis through the GHG calculation methodology accepted for RSPO and ISCC GHG calculations and certifications which are analysed.</p> <p>As evidence, sighted the GHG Calculation for Estate and Mill under SOU 19 for year 2019 using GHG Emissions Calculation Methods, RSPO PalmGHG Calculator, V.3.0.1.</p>	<p>Complied</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>The polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP). As per Indicator 4.5.1.3</p>	<p>Complied</p>
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 treated mill effluent discharge is regularly monitored as prescribed in the "Jadual Pematuhan" license issued to the mill. Regular monitoring is made on monthly basis and quarterly. In addition, daily site checking on the effluent ponds are made by the supervisory personnel and effluent attendants. Reports for the effluent parameters are submitted using "Borang Penyata Suku Tahun" to DOE for compliance.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings			Compliance								
			Jadual Pematuhan	Analysis Test Report									
		pH	5-9	8.7									
		BOD	20mg/l	6									
		SS	50MG/L	390									
		AN	20MG/L	<1									
		TN	200MG/L	30									
		O & G	5.0 MG/L	3									
		<p>The Effluent Analysis Test Report being conducted by Sime Darby Research Sdn Bhd dated 26th September 2019.</p> <p>The mitigation plan by Mill to comply on pH 5-9 and Suspended Solid as per Jadual Pematuhan as follows: -</p> <table border="1"> <thead> <tr> <th>Root Cause</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1.Pond design - bigger pond capacity</td> <td>To carry out desludging of pond 1 & 2</td> </tr> <tr> <td>2. Low activity of methanogenic bacteria at anaerobic pond</td> <td>To continue feeding from acidification pond</td> </tr> <tr> <td>3. Solid accumulation at pond.</td> <td>Dewatering system has been approved and will be implemented.</td> </tr> </tbody> </table>			Root Cause	Action Plan	1.Pond design - bigger pond capacity	To carry out desludging of pond 1 & 2	2. Low activity of methanogenic bacteria at anaerobic pond	To continue feeding from acidification pond	3. Solid accumulation at pond.	Dewatering system has been approved and will be implemented.	
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3. Solid accumulation at pond.	Dewatering system has been approved and will be implemented.												

Criterion / Indicator		Assessment Findings			Compliance																																													
		4. Recycling pump down for repair	To repair the recycling pump																																															
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>The Mill have established water management plans to maintain the quality and availability of natural water resources. The water management plan may include Assessment of monitoring of outgoing water. Water Analysis Test Report, dated 12th September 2019 as follows:-</p> <table border="1"> <thead> <tr> <th></th> <th>Parit Jono - Hulu</th> <th>Parit Jono - Hilir</th> <th>Final Discharge - Hulu</th> <th>Final discharge - Hilir</th> </tr> </thead> <tbody> <tr> <td>Ph</td> <td>7.0</td> <td>7.2</td> <td>6.1</td> <td>6.0</td> </tr> <tr> <td>BOD</td> <td>6</td> <td>3</td> <td>3</td> <td>1</td> </tr> <tr> <td>COD</td> <td>92</td> <td>100</td> <td>20</td> <td>20</td> </tr> <tr> <td>SS</td> <td>36</td> <td>62</td> <td>8</td> <td>106</td> </tr> <tr> <td>TN</td> <td>3</td> <td>3</td> <td>1</td> <td>2</td> </tr> <tr> <td>AN</td> <td><1</td> <td><1</td> <td><1</td> <td><1</td> </tr> <tr> <td>O&G</td> <td>2</td> <td>2</td> <td>3</td> <td>6</td> </tr> <tr> <td>DO</td> <td>5.97</td> <td>5.04</td> <td>6.06</td> <td>5.50</td> </tr> </tbody> </table>				Parit Jono - Hulu	Parit Jono - Hilir	Final Discharge - Hulu	Final discharge - Hilir	Ph	7.0	7.2	6.1	6.0	BOD	6	3	3	1	COD	92	100	20	20	SS	36	62	8	106	TN	3	3	1	2	AN	<1	<1	<1	<1	O&G	2	2	3	6	DO	5.97	5.04	6.06	5.50	Complied
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Criterion / Indicator		Assessment Findings					Compliance				
		P	ND	0.006	ND	ND					
		<p>The mill management has provided contingency plans in event of water crisis. The plan as listed herein: -</p> <table border="1"> <tr> <td>1. Water shortage/ dry spell</td> <td>To purchase water from SAJ. to train/educate staff/workers to conserve water to revise demand and supply volume / conditions to reusing/recycling/rationing</td> </tr> <tr> <td>2. Severe water pollution/contamination</td> <td></td> </tr> </table>					1. Water shortage/ dry spell	To purchase water from SAJ. to train/educate staff/workers to conserve water to revise demand and supply volume / conditions to reusing/recycling/rationing	2. Severe water pollution/contamination		
1. Water shortage/ dry spell	To purchase water from SAJ. to train/educate staff/workers to conserve water to revise demand and supply volume / conditions to reusing/recycling/rationing										
2. Severe water pollution/contamination											
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	No other plan established at current. Monitoring of all parameters in Jadual Pematuhan as to ensure it meets regulatory limits.					Complied				
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 provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing,					Complied				

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Criterion / Indicator		Assessment Findings	Compliance
		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.	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Assistant Engineer and the Mill Assistant. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the CEO/General Manager and also technical personnel from the Head Office. DOSH performed the annual UPV machinery inspection 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 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 -	Sighted, 5 years Business Plan from 2020-2024. The planning was on Checkroll Labour, Contract Labour, Maintenance Internal & External, Consumables and Engine Vehicle Implement Transport (EVIT)	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.	This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved	Complied



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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the mill personnel.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contracts were awarded through tendering system at Zone Level. Approved contractors will be give the LOA. Payments were all made in timely manner and no complaint from the contractor so far.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	A contract was sighted. The evaluation and tender process was handled by the Procurement Department at Head Office. Transaction between M/S JASA KORPORAT and the mill dated 19/12/17 letter of award LOA on the CPO transportation. Inclusive in the contract is a clause 6.2 requiring compliance on safety factors and PPE; a) Comply with any applicable laws, regulations, terms and conditions. b) PPE issued to the employees c) Ensure safety of employees	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contracts transacted by the mill among others as listed below; SDP (Flemington Palm Oil Mill) vs a) National Land Finance Cooperative Society Limited b) Peniagaan Sinaran Mewah c) Jasa Korporat d) Arrima Tec Sdn Bhd.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	This requirement has been specified during a briefing by the mill to CPO transporter on 27/6/18. In addition, there was a letter	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
	<p>- Minor compliance -</p>	<p>dated 01/7/2017 on RSPO/ISCC/MSPO awareness issued to all the contractors, vendors of the mill. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System</p>	

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
<p>Based on the findings during the assessment Sime Darby Plantation Berhad – Pagoh POM and Group Estates (SOU19) complies with the MS 2530-3:2013 and MS 2530-3:2013. It is recommended that the certification of ime Darby Plantation Berhad – Pagoh POM and Group Estates (SOU19) is continued.</p> <p>Based on the assessment result, Sime Darby Plantation Berhad – Pagoh POM and Group Estates (SOU19) complies with the MS 2530-3:2013 MSP0 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills is recommended for continued certification.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
<p>Name: SENIN BIN SUMIRIN</p>	<p>Name: Mohamed Hidhir Zainal Abidin</p>
<p>Company name: SIME DARBY PLANTATION BERHAD</p>	<p>Company name: BSI Services Malaysia Sdn Bhd</p>
<p>Title: MANAGER</p>	<p>Title: Lead Auditor</p>
<p>Signature: SIME DARBY PLANTATION BERHAD (Company No. 647766-V) LADANG PENJAJALAN BUKIT</p> 	<p>Signature:</p> 
<p>Date: Senin Bin Sumirin Manager</p>	<p>Date: 12th February 2020</p>

Appendix A: Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Ismadi
Sunday 20/10/19	PM	Audit team travelling to Muar and hotel check-in at Classic Hotel, Muar	√	√
Monday 21/10/19 Lanadron & Pagoh POM	0730 am	Audit team travelling to Pagoh POM	√	√
	08.30 – 09.00	<ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit Plan MSPO team travel to Lanadron Estate		
	09.00 – 12.30	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.		
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 22/10/2019 Welch Estate	0730 AM	Traveling to Welch estate	√	√
	09.00 – 12.30	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.	√	√
	10.00 – 12.30	Stakeholder interviews (local stakeholders)	√	-
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
		16.30 - 17.00	Interim Closing briefing.	√

MSPO Public Summary Report
Revision 0 (Aug 2017)

Date	Time	Subjects	Hidhir	Ismadi
Wednesday 23/10/2019 Pagoh POM	0730	Travelling to Pagoh POM	√	√
	09.00 – 13.00	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	√	√
	10.00 – 12.00	Stakeholder consultation	√	√
	13.00 – 14.00	Lunch	√	√
	14.00 – 16.30	Continue with document review (MSPO 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 condition, P6 : Best practices	√	√
16.30 - 17.00	Closing meeting for MSPO	√	√	

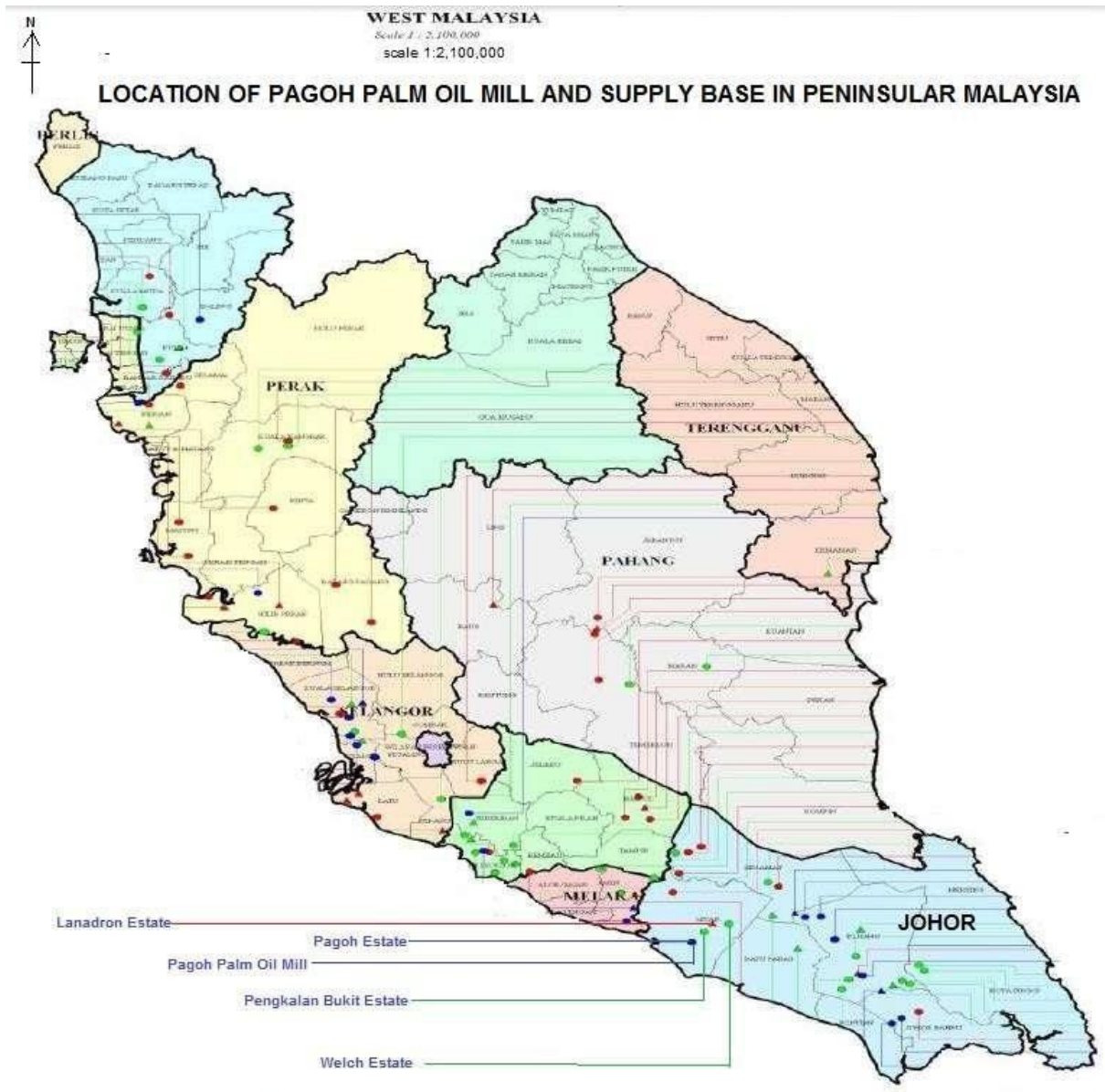
Appendix B: List of Stakeholders Contacted

<p>Government Bodies/External Stakeholder</p> <p>Local community, Kg Melayu Panchor and Kg Bukit Pasir</p> <p>Labour Department</p> <p>Local community, Kg Hujung Tambak</p> <p>SK Pasir Panjang</p>	<p>Internal Stakeholders:</p> <p>Workers Representatives (Foreign Worker)</p> <p>Gender Committee Representative</p> <p>Estate workers</p>
<p>NGO:</p> <p>Nil</p>	<p>Contractors:</p> <p>Contractor</p>

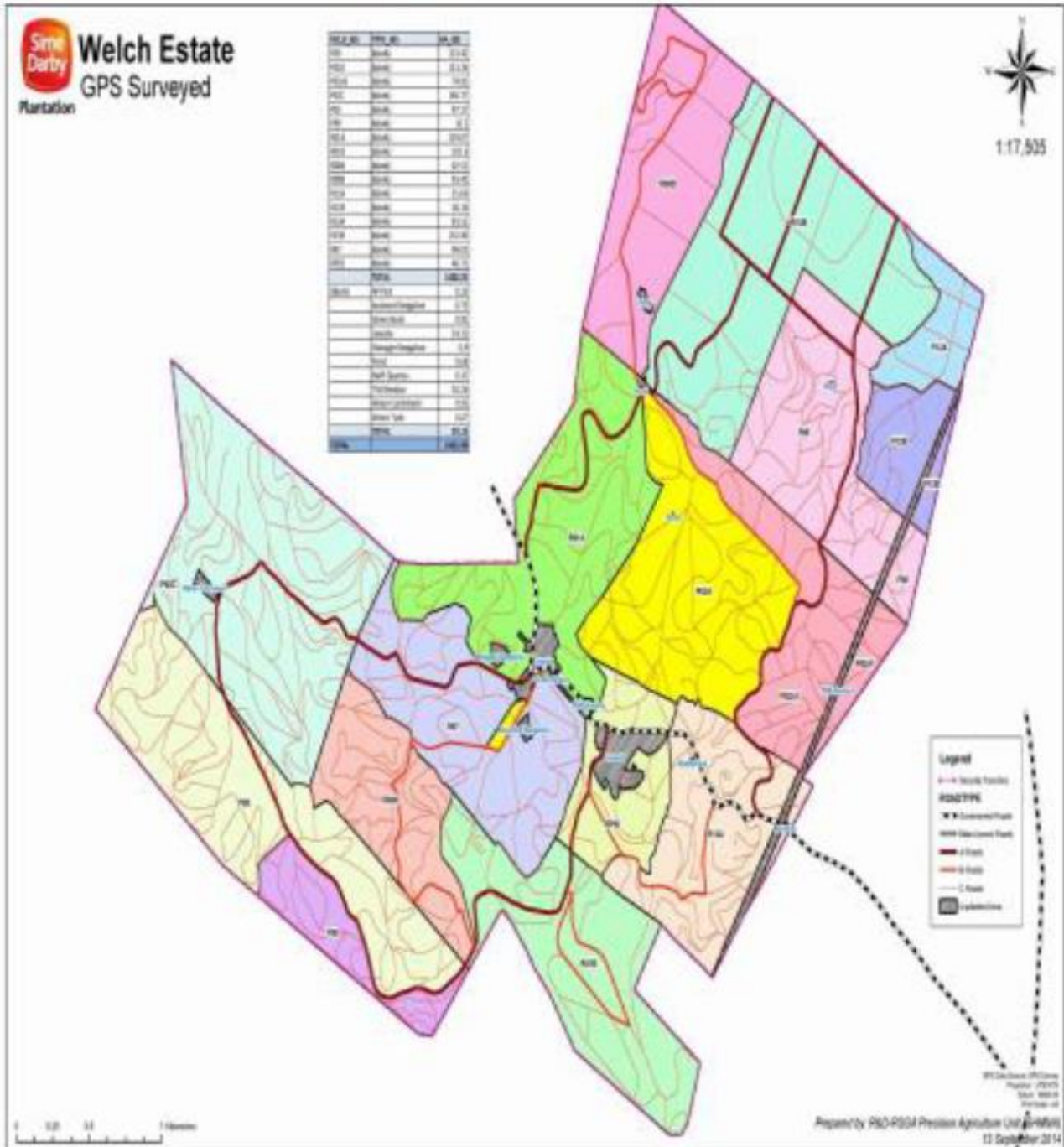
Appendix C: Smallholder Member Details

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				
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21				
22				
23				
TOTAL				

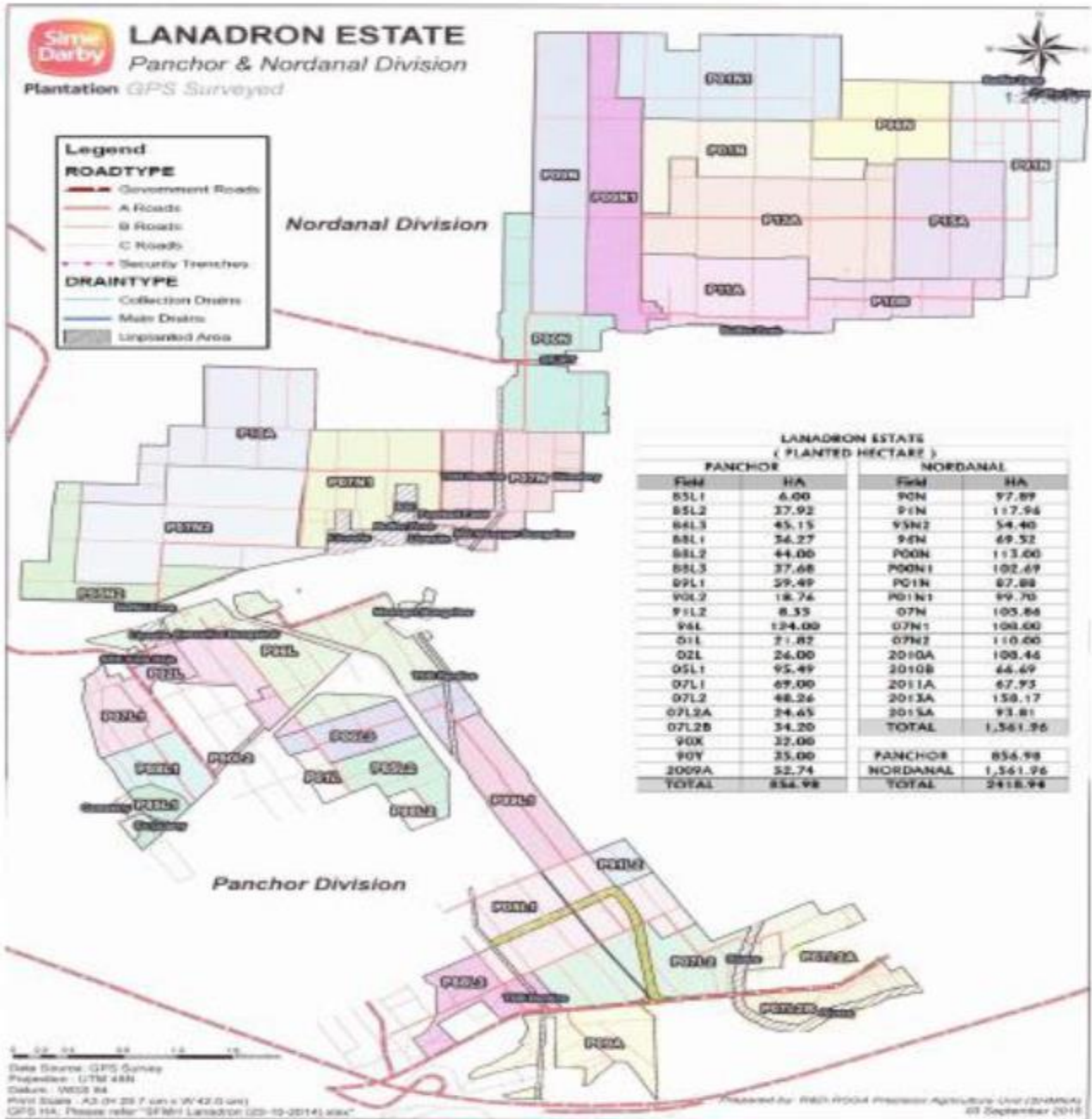
Appendix D: Location and Field Map



Welch Estate



Lanadron Estate



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
MSP0	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