

**MALAYSIAN SUSTAINABLE PALM OIL
2nd ANNUAL SURVEILLANCE ASSESSMENT
Public Summary Report**

Sime Darby Plantation Berhad
Client company Address: Head Office: Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: SOU 3 Elphil POM Location of Certification Unit: Jalan Lintang, Sungai Siput Utara, 31100 Sungai Siput, Perak, Malaysia

Report prepared by:
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Report Number: SMO 3091794

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Elphil Palm Oil Mill: 540132004000	31/5/2020	
	Elphil Estate: 529849002000	31/5/2020	
	Kamuning Estate: 524034002000	30/9/2020	
	Kinta Kellas Estate: 528648002000	31/10/2020	
Address	<u>Head Office:</u> Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia <u>Certification unit:</u> Elphil Palm Oil Mill, Jalan Lintang, Sungai Siput Utara 31100 Sungai, Siput, Perak, Malaysia		
Certification Unit	SOU 3 Elphil POM		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair(Head, Sustainability Unit PSQM)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarby.com
Telephone	03-78487379 (Head Office)	Facsimile	03-78487356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 705883 Estate: MSPO 705885		
Issue Date	25/3/2018	Expiry date	24/3/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 and MS 2530-4:2013		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	20/11/2017-22/11/2017		
Continuous Assessment Visit Date (CAV) 1	18/2/2019-20/2/2019		
Continuous Assessment Visit Date (CAV) 2	10-12/3/2020		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			

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Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 550180	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2013; Malaysian National Interpretation: 2014	BSI Services (M) Sdn Bhd	17/6/2021

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
Elphil POM	Elphil Palm Oil Mill, Jalan Lintang, Sungai Siput Utara, 31100 Sungai Siput, Perak, Malaysia	4.89000	101.09361
Elphil Estate	Ladang Elphil, Jalan Lintang, 31100 Sungai Siput, Perak, Malaysia	4.89000	101.09361
Kamuning Estate	Ladang Kamuning/Changkat Salak, 31100 Sungai Siput, Perak, Malaysia	4.84472	101.05972
Kinta Kellas Estate	Ladang Kinta Kellas, P.O. Box 31007, Batu Gajah, Perak, Malaysia	4.46666	101.08305

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Elphil	1,661.98	26.53	176.92	1,865.43	89.09
Kamuning	2,638.19	84.59	2,121.20*	4,843.98	54.46
Kinta Kellas	962.76	3.69	94.29	1,060.74	90.76
TOTAL	5,262.93	114.81	2,392.41	7,770.15	67.73

Note for Kamuning Estate:

- 2121.20 ha is inclusive 810ha (Rubber Area) + 1311.20 ha for Other areas (Infrastructures: 151.79 Ha, Plantable reserve land : 0.50 Ha, Unplantable reserve land : 238.77 ha , temporary occupation license (TOL); -42.28, nursery 6.87 ha, Field transfer area ; 955.55 Ha).
- Current total area; 4843.98 as per land title.

1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Elphil	371.07	353.39	421.35	497.07	19.10	1,290.91	371.07
Kamuning	526.00	618.00	1,182.19	312.00	-	2,112.19	526.00

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Kinta Kellas	100.65	342.59	248.66	270.86	-	862.11	100.65
Total (ha)	997.72	1,313.98	1,852.20	1,079.93	19.10	4,265.21	997.72

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 2019 - Feb 2020)	Actual (Feb 2019 - Feb 2020)	Forecast (Mar 2020 - Feb 2021)
Elphil	32,119.00	32,181.55	32,800.00
Kamuning	44,357.00	36,057.95	34,700.00
Kinta Kellas	21,024.00	22,946.91	22,300.00
Chersonese	-	248.76	-
Kalumpong	-	300.43	-
Total	97,500.00	91,735.60	89,800.00

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 2019 - Feb 2020)	Actual (Feb 2019 - Feb 2020)	Forecast (Mar 2020 - Feb 2021)
Eng Huat Latex Cenconrate Sdn Bhd		39,671.50	
Felcra Kawasan Kg Jasa		293.91	
Felcra Kawasan Sg Siput		47.64	
Tang Tatt Trading Sdn Bhd		97,267.12	
Total		137,280.17	

1.8 Certified Tonnage

Mill Capacity: 45 MT/hr	Estimated (Mar 2019 - Feb 2020)	Actual (Feb 2019 - Feb 2020)	Forecast (Mar 2020 - Feb 2021)
	FFB	FFB	FFB
SCC Model: MB	97,500.00	91,735.60	89,800.00
	CPO (OER: 20.29%)	CPO (OER: 20.34%)	CPO (OER: 20.49%)
	19,782.75	18,659.84	18,400.00

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	PK (KER: 5.47%)	PK (KER: 5.48%)	PK (KER: 5.57%)
	5,333.25	5,028.47	5,000.00

1.9 Actual Sold Volume (CPO) (Feb 2019 - Feb 2020)				
MSP0 Certified	Other Schemes Certified		Conventional	Total
	ISCC	RSPO		
0	0	9,796.10	7,184.35	16,980.45

1.10 Actual Sold Volume (PK) (Feb 2019 - Feb 2020)				
MSP0 Certified	Other Schemes Certified		Conventional	Total
	ISCC	RSPO		
0	0	3,012.82	1,663.66	4,676.48

Section 2: Assessment Process

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 10-12/3/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the Elphil Palm Oil Mill as an MSPO Certification Unit and its three (Elphil Estate, Kamuning Estate and Kinta Kellas Estate) FFB supply bases as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Elphil POM	✓	✓	✓	✓	✓
Elphil Estate	✓		✓		✓
Kamuning Estate		✓	✓	✓	✓
Kinta Kellas Estate	✓	✓		✓	

Tentative Date of Next Visit: March 15, 2021 - March 17, 2021

Total No. of Mandays: 6

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2.1 BSI Assessment Team

Team Member Names	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Valence Shem (VSH)	Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45001 Lead Assessor Course in 2019. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. Able to communicate in Bahasa Malaysia and English. During this assessment he covered the elements of social, employees' welfare and stakeholders' affair.
Vijay Kanna Pakirisamy (VKP)	Team Member	He holds a bachelor's degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10-year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Occupational, Health & Safety and estate best practises. He is fluent in Bahasa Malaysia and English languages. During this assessment he covered the best practice, occupational safety & health and environmental elements.

2.2 Accompanying Persons

No.	Name	Role
	NA	

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2.3 Assessment Plan

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

Date	Time	Subjects	VSH	VKP
Tuesday 10/3/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation) 		
	0830-1230	Kamuning Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	Kamuning Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Wednesday 11/3/2020	0900-1230	Elphil POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1330-1630	Elphil POM Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Thursday 12/3/2020	0900-1230	Elphil Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1600	Elphil Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓
	1630-1700	Closing meeting	✓	✓

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were three (3) Major & zero (0) Minor nonconformities raised. The SOU 03 Elphil Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref: 1894208-202002-M1	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.4.2.5
	Issue Date: 12/3/2020	Due Date: 10/6/2020
Requirements:	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	
Statement of Nonconformity:	The complaint records was not available for the past 24 months.	
Objective Evidence:	The complaint records for Kamuning Estate (housing defects) were not available for the past 24 months. The oldest record was in November 2019.	
Corrections:	Each division will assign one person in charge to maintain the available record and keep track on the progress.	
Root cause analysis:	Due to changing of staff and old record book are misplaced. Previously the monitoring of the record manage by the Hospital Assistant. He was retired and during the handing over process, the record book are misplaced.	
Corrective Actions:	Estate management has identified the action plan as below: - The complaint records will be kept at office after working hours. Only PIC can take the complaint records for update purposes. Executive can counter check with the report at office. - All related documents; PO and Invoices of repair works done by contractor to be kept and labelled specifically.	

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Assessment Conclusion:	<p>The following evidences were verified:</p> <ol style="list-style-type: none"> 1) Copy of log book that will be used to record the complaints lodged. Filing of forms will be no longer used. 2) Assigned PIC to maintain the safekeeping of the log books. <p>Based on the evidence of correction and corrective action, the NCR is effectively closed out on 10/6/2020. Continuous implementation shall be verified in the next assessment.</p>
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Major Nonconformities:		
Ref: 1894208-202002-M2	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.4.5.6
	Issue Date: 12/3/2020	Due Date: 10/6/2020
Requirements:	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.	
Statement of Nonconformity:	The duration of employment was not in accordance to the requirement of Indonesian Consulate.	
Objective Evidence:	In Elphil Estate, it was found out that Worker ID: 139571 (Lalu Sepriadi) has the employment contract (Ref no: ECFW/Mac19/Pnsr/Oth/V1.0) with duration of employment for 3 years (25/01/2018 – 25/01/2021) which is not in accordance with Demand Letter, Manpower Qualification Request Terms & Condition: Duration of Contract: 2 years & extendable signed by Sime Darby Plantation Sdn Bhd, Pt Wira Karitas and Kedutaan Besar Republik Indonesia on 18/03/2016 and Kontrak Pekerjaan-Tenaga Kerja Asing Semenanjung Malaysia January 2015.	
Corrections:	Estate management has Issue the new employment contract using specific form as instruct by the Human Resource Department.	
Root cause analysis:	During preparing the employment contract, the responsible clerk was use the different format of EC form. Sime Darby Plantation Bhd has establish the EC using the understood language and the issuance is based on the nationality. In this finding, issuance using the form for 'Other Nationality' instead of 'For Indonesian Workers-Peninsular Malaysia & Sarawak'.	
Corrective Actions:	To assign double layer monitoring before issue approval the employment contract.	
Assessment Conclusion:	<p>The following evidences were verified:</p> <ol style="list-style-type: none"> 1) A copy of new employment contract using the specific form that has been issued to the concerned workers. 2) Assigned PIC to conduct the "double layer" monitoring prior to approval of employment contract <p>Based on the evidence of correction and corrective action, the NCR is effectively closed out on 10/6/2020. Continuous implementation shall be verified in the next assessment.</p>	

Major Nonconformities:		
Ref: 1894208-202002-M3	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.6.4.1
	Issue Date: 12/3/2020	Due Date: 10/6/2020

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Requirements:	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.																
Statement of Nonconformity:	The compliance of legal requirement was not adequately demonstrated by the contractor.																
Objective Evidence:	<p>Some of the lorries used by the FFB transport contractor have exceeded the regulated load limit stipulated in their "Permit Kenderaan" i.e. BDM: 34,500 kg for lorry no. ABY 6260 and 24,000 kg for lorry no. AHY 9768 when sending the FFB from Kamuning Estate to Elphil POM. Sampled of trips are as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Gross weight (mt)</th> </tr> </thead> <tbody> <tr> <td>14/2/2020</td> <td>122132</td> <td>ABY 6260</td> <td>38.93</td> </tr> <tr> <td>29/2/2020</td> <td>122772</td> <td>ABY 6260</td> <td>39.40</td> </tr> <tr> <td>28/2/2020</td> <td>122737</td> <td>AHY 9768</td> <td>28.49</td> </tr> </tbody> </table>	Date	Ticket No.	Lorry No.	Gross weight (mt)	14/2/2020	122132	ABY 6260	38.93	29/2/2020	122772	ABY 6260	39.40	28/2/2020	122737	AHY 9768	28.49
Date	Ticket No.	Lorry No.	Gross weight (mt)														
14/2/2020	122132	ABY 6260	38.93														
29/2/2020	122772	ABY 6260	39.40														
28/2/2020	122737	AHY 9768	28.49														
Corrections:	<p>The immediate action has planned as follows:</p> <ul style="list-style-type: none"> - Each lorry that exceed the regulated load limit during weighing at estate weighbridge will be hold their trip until the load is reduced. - Inter Office Mail(IOM) from Estate Management to FFB transporter contractor will be issued as directive to not overloading the FFB and adhere to load limit stipulated in the "Permit Kenderaan" 																
Root cause analysis:	Driver try to reduce their trip by loading overload crop. This scenario Frequent happen for last trip to clear the last load.																
Corrective Actions:	<p>Estate management agreed to conduct the control measure as follow:</p> <ul style="list-style-type: none"> - Remind driver and all estate supervision team on BDM of each lorry used as per their "Permit Kenderaan". - The latest gross weight will be displayed at estate weighbridge room for monitoring tool. 																
Assessment Conclusion:	<p>The following evidences were verified:</p> <ol style="list-style-type: none"> 1) Attendance record that shows the lorry drivers, estate supervision team and weighbridge operators have been reminded through a briefing 2) Pictures that show the gross weight limit schedule has been displayed at the weighbridge room 3) Memo dated March 2020 from the estate management to the FFB transport contractors with regards to load limit compliance <p>Based on the evidence of correction and corrective action, the NCR is effectively closed out on 10/6/2020. Continuous implementation shall be verified in the next assessment.</p>																

Opportunity For Improvement

Ref:	Area/Process:	Clause:
Objective Evidence:	Nil	

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Noteworthy Positive Comments	
1	Good cooperation by management team/staff/sustainability team
2	Good documentation upkeep and retrieval
3	Good housekeeping at working places e.g. workshop, storage, mill operation areas, etc.

3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:					
Ref: 1744125-201902-N1	<table border="1" style="width: 100%;"> <tr> <td>Area/Process: Plantation</td> <td>Clause: MS 2530:2013 Part-3, 4.5.3.3</td> </tr> <tr> <td>Issue Date: 20/2/2019</td> <td>Due Date: 12/3/2020</td> </tr> </table>	Area/Process: Plantation	Clause: MS 2530:2013 Part-3, 4.5.3.3	Issue Date: 20/2/2019	Due Date: 12/3/2020
Area/Process: Plantation	Clause: MS 2530:2013 Part-3, 4.5.3.3				
Issue Date: 20/2/2019	Due Date: 12/3/2020				
Requirements:	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.				
Statement of Nonconformity:	The Procedure for Scheduled Waste Management established (SD/SDP/PSQM (ESH)/203-EN1) was not effectively implemented				
Objective Evidence:	Sighted during site visit in Kinta Kelas Estate, it was noted that SW 305 used lubricant oil and SW 306 used hydraulic oil generated from 18/2/2018 still yet to be disposed until the day of visit. Verified the inventory of Schedule Waste from ESWISS system sent to DOE, confirmed the waste generated is yet to be disposed. The estate supposed to write letter for Extension of Time for storage Scheduled Waste more than 180 days to DOE in August 2018. However, the estate only submit the letter and application form on 4/1/2019. The implementation was not as per procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26/2/2016.				
Corrections:	Estate Management has applied for SW items' storage extension from DOE. Pending for approval.				
Root cause analysis:	Person-in-charge of SW appointed with inadequate training on the requirement of SW handling.				
Corrective Actions:	Management will conduct training to person-in-charge of SW on the requirement of SW handling, disposal etc. as per EQA 1984 at least once a year.				
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit				
Verification Statement	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Both estates visited also have a proper Scheduled Waste Store for storing scheduled wastes until time of disposal by DOE authorized waste manager. Stores for scheduled waste were inspected at both estates visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p>				

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	<p>Sampled the latest disposal of Schedule Waste as below: Date: 11.10.2019 – 1 x 10L of Clinical Waste disposed to Edgenta Mediserve Sdn Bhd. Thus, the NCR is effectively closed on 12/3/2020.</p>
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3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
M01 – Part 3	Major	23/11/2017	Closed
m02 – Part 3	Minor	23/11/2017	Closed
m03 – Part 3	Minor	23/11/2017	Closed
m04 – Part 3	Minor	23/11/2017	Closed
M05 – Part 3	Major	23/11/2017	Closed
m06 – Part 3	Minor	23/11/2017	Closed
m01 – Part 4	Minor	23/11/2017	Closed
m02 – Part 4	Minor	23/11/2017	Closed
m03 – Part 4	Minor	23/11/2017	Closed
m04 – Part 4	Minor	23/11/2017	Closed
m05 – Part 4	Minor	23/11/2017	Closed
1744125-201902-N1	Minor	20/2/2019	Closed on 12/3/2020
1894208-202002-M1	Major	12/3/2020	Closed on 10/6/2020
1894208-202002-M2	Major	12/3/2020	Closed on 10/6/2020
1894208-202002-M3	Major	12/3/2020	Closed on 10/6/2020


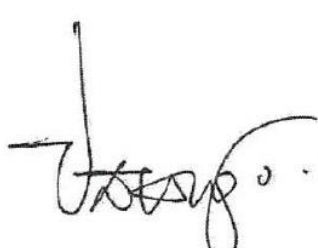
3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: <u>Contractors & Suppliers (Yih Construction Sdn Bhd, Maju Mech, Seong Hsing Sdn Bhd, Sri AS Pushpah Enterprise, Amusu Management Sdn Bhd)</u> No complaint raised by the contractors & suppliers. Agreement and Vendor Integrity Pledge were signed by them. Some of contractors & suppliers attended the stakeholder meeting conducted by estate & mill. They aware of RSPO & MSPO.</p> <p>Management Responses: NA</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: <u>Gender Committee Representatives</u> The meeting was conducted quarterly as per Gender Committee Handbook. No sexual harassment or domestic violence case reported.</p> <p>Management Responses: Noted for information.</p> <p>Audit Team Findings: No further issue.</p>
3	<p>Issues: <u>NUPW Representatives</u> The selection of the representative is through the election from the workers. It was held between NUPW and members only, without the company interference. Any complaints will be solved in the NUPW meeting with management. Minute of meeting and letter of appointment sighted.</p> <p>Management Responses: Noted for information.</p> <p>Audit Team Findings: No further issue.</p>
4	<p>Issues: <u>Penghulu Mukim Sungai Siput</u> There are about 9 traditional villages under Penghulu Mukim’s territory. He attended the last stakeholder meeting and the matters discussed were cattle in estate and flood season in Kampung Sungai Sejuk. Both issues were in progress of completion. No land encroachment from Sime Darby land however villagers request to use Sime Darby road to pass by.</p> <p>Management Responses: Noted for information.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: <u>SJK(T) Ladang Changkat Salak</u> The school management would like to extend their appreciation to Sime Darby Management for the full support and assistance such as grasscutting, cleaning services, donation, etc. The attendance of</p>

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	students were good and no child labour issue. PIBG has provided van to pick up the students from home to school therefore transportation is not an issue.
	Management Responses: Noted for information.
	Audit Team Findings: No further issue.

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment, SOU 3 Elphil Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 3 Elphil Certification Unit Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Jayaganesh Dharmeseelan	Name: Valence Shem
Company name: Sime Darby Plantation Bhd	Company name: BSI Services Malaysia Sdn Bhd
Title: Senior Manager	Title: Lead Auditor
Signature:  SIME DARBY PLANTATION BERHAD (Company No: 647766-V) Ladang Kamuning Jayaganesh Dharmeseelan Senior Manager	Signature: 
Date: 7/10/2020	Date: 7/10/2020

Appendix A: 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 -	SDPSB has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> - Promoting good governance and transparency - Contributing to a better society - Minimising environmental harm - Delivering sustainability quality - The policy is guided by three main documents i.e.: - Responsible Agriculture Charter - Human Rights Charter - Innovation & Productivity Charter All of the above documents and the policy statement are made available on Sime Darby's website.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.2 – Internal Audit			
4.1.2.1	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p><u>Kamuning Estate</u> MSPO Internal Audit was carried out by SQM Malaysia team on 23rd January 2020. The internal Audit Report was verified and available for viewing. A total of 8 Majors and 10 Minors were raised during the audit. All findings were closed prior to the MSPO audit.</p> <p><u>Elphil Estate</u> MSPO Internal Audit was carried out by SQM Malaysia team on 22nd January 2020. The internal Audit Report was verified and available for viewing. A total of 2 Majors and 7 Minors were raised during the audit. All findings were closed prior to the MSPO audit.</p>	Complied
4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>An internal audit procedure (SD/SDP/PSQM/IAP) dated 1/11/2017 have been established and documented.</p> <p><u>Kamuning Estate</u> The results of the internal audit conducted on 23rd January 2020 was documented in the 'MSPO & RSPO Internal Audit Report For Kamuning Estate. The identification of strengths and root causes of nonconformities were done in order to implement the necessary corrective action and had been carried out at the Management Review Meeting held on 15th February 2020.</p> <p><u>Elphil Estate</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The results of the audit conducted on 22 nd January 2020 was documented in the 'MSPO & RSPO Internal Audit Report For Elphil Estate. The identification of strengths and root causes of nonconformities were done in order to implement the necessary corrective action and had been carried out at the Management Review Meeting held on 28 th February 2020.	
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	<p><u>Kamuning Estate</u> The minutes of the Management meeting held on 15th February 2020 on the documented results of the MSPO Internal Audit conducted on 23rd January 2020 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. All non-conformities raised were closed with the supporting documents available verified.</p> <p><u>Elphil Estate</u> The minutes of the Management meeting held on 28th February 2020 on the documented results of the MSPO Internal Audit conducted on 22nd January 2020 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. All non-conformities raised were closed with the supporting documents available verified.</p>	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	<p><u>Kamuning Estate</u> The management review is done on an annual basis. The last management review was conducted on 15th February 2020. All</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>pertinent agenda has been discussed for the effective implementation of MSPO.</p> <p><u>Elphil Estate</u> The management review is done on an annual basis. The last management review was conducted on 28th February 2020. All pertinent agenda has been discussed for the effective implementation of MSPO.</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The latest Continual Improvement Plan for 2020 was adopted in the RSPO CIP for both estates. The improvement plans include workers welfare, waste management, occupational health & safety and operations improvements. For example, a number of improvement projects have been initiated for the field operation and workers welfare.</p>	Complied
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>Mechanization for field operation has been introduced at both Sime Darby estates, which was sighted on site, for example the use of Mechanical Grabber for FFB evacuation.</p> <p>The estates have also moved towards chemical reduction and introducing more Integrated Pest Management in their practices. This could be verified through the sighting of beneficial plants all around the estates and the Beneficial Plant Plans that were available for monitoring.</p>	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or</p>	<p>The action plan to provide the necessary resources is stated in the Kaizen Charter 2020. Among the action plans sighted were:</p> <ul style="list-style-type: none"> To reduce the cost of the mineral water from Rm 16.00/Box 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	technology (where applicable) shall be established. - Major compliance -	<ul style="list-style-type: none"> to RM12.00/Box. To reduce the cost of Lorry Rental for Estate Operation in Kamuning 	
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 -	Both visited estates have maintained records of requests and responses in Communication Books (internal or external). Land titles/user rights, safety and health plans, plans and impact assessments relating to environmental and social impact, plans for pollution prevention, records of complaints and grievances, plans for continuous improvement are made available upon request.	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. - Major compliance -	The company has developed a procedure on Documentation and Communication under Section 3, version: 1, year 2008 where the information on sustainable activities will be made publicly available to the general public through Annual Reports, circulars, agreements, Sime Darby website and other publications. Copies of the document such as impact assessment reports and monitoring plans relating to environmental and social, pollution prevention plans, records of complaints and grievances are publicly available upon request.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	SDPSB has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/4/2008. The procedure has described the process of handling social issues raised by the	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		stakeholders and resolve in an effective, timely and appropriate manner.	
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The Estate Managers were assigned to be the Social Responsible Persons to handle any issue related to stakeholders.	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 -	List of stakeholders was available and last updated from time to time. Stakeholder meeting was last conducted on 20/2/2020 for Kamuning Estate and 6/2/2020 for Elphil Estate with the participation of stakeholders such as contractors, school representatives, government authorities and local communities. The minutes of meeting was available for verification. Based on the minutes, issues raised were found to be well addressed.	Complied
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 -	Kamuning Estate and Elphil Estate send their FFB to Elphil POM. The weighbridge ticket provided the following details: <ol style="list-style-type: none"> 1. Product (FFB or Loose fruit) 2. Delivery note from estates stating the weight and fruit grade (A or B). 3. D.O Number 4. Date of the shipment The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedures for traceability. The procedures requires validation of certificate of supplying estate.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System (SWS).</p> <p>The responsible personal for the traceability is the Estate Manager for both estates.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The SQM team does regular inspections during the internal audits that is conducted by the team. The internal audit was conducted on 23rd January 2020 for Kamuning and 22nd February 2020 for Elphil Estate. The Internal audit conducted has included the traceability elements.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The overall personal in charge for the traceability is the Estate Managers. The responsibility is stated in the job description.</p>	Complied
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>There is no sales of the FFB per say as Kamuning estate and Elphil estate is the identified supply base to Elphil Mill, Kamuning Estate and Elphil estate belongs to the Sime Darby Plantation Bhd.</p> <p>The delivery note of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.</p>	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			

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Criterion / Indicator		Assessment Findings	Compliance
<p>4.3.1.1</p>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>SOU 3 estates continued to comply with legal requirements. Permit and licenses checked:</p> <p><u>Kamuning Estate</u></p> <ol style="list-style-type: none"> 1. Pengandung Tekanan Tak Berapi ; License No : PK PMT 5556; Valid till : 18.10.2020 2. Pengadung Tekanan Tak Berapi ; License No: PK PMT 555; Valid Till : 18.10.2020 3. MPOB License (Kemuning Est); License No: 558418011000; Valid Till : 28.02.2021 4. MPOB License (Kemuning Est); License No: 524034002000; Valid Till : 30.09.2020 5. MPOB License Changkat Salak Div); License No: 524393002000; Valid Till : 31.10.2020 6. Permit Barang Kawalan Berjadual: Diesel (5,000litre); Reference No: SK/22/B.PKK.KK; Validity Period: 19.02.2020 to 18.02.2021. 7. Permit Barang Kawalan Berjadual: Diesel (10,000litre); Reference No: SK/20/B.PKK.KK; Validity Period: 19.02.2020 to 18.02.2021. <p><u>Elphil Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License No:529849002000; Validity Period 01.06.2019 – 31.05.2020 2. Pengandung Tekanan Tak Berapi: License No: PK PMT 5693, PK PMT 5694, PK PMT 6619; Inspection done on 03.02.2020 Pending for the Certificate. 3. Permit Barang Kawalan Berjadual: Diesel (9,000 Litres); Reference No: SK/10/B.PGK.KK; Serial No: A001882; Validity 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Period: 25.11.2019 – 24.11.2020.</p> <p>4. Permit Barang Kawalan Berjadual: Diesel (5,000 Litres); Reference No: SK/91/B.PGK.KK; Serial No: A001883; Validity Period: 25.11.2019 – 24.11.2020</p> <p>5. Permit Barang Kawalan Berjadual: Diesel (5,600 Litres); Reference No: SK/93/B.PGK.KK; Serial No: A001884; Validity Period: 25.11.2019 – 24.11.2020.</p> <p>6. Permit Kebenaran Menggunakan Bekalan Air Persendirian; Serial No: 2018/0010; Validity Period: 13 December 2018 – 12 December 2020.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>SOU3 continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to the CU operation [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008].</p> <p>Each office of the operating unit has its own LORR and were being evaluated and updated for compliance and it can be accessed by all levels of staff. List of legal and other requirement register (LORR) updated January 2020 was available during assessment.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The legal requirements register was updated on January 2020 for both estates to include the new amendments of regulations that came into force. This includes Occupational Safety & Health (Noise Exposure) Regulations 2019, Pesticides (Amendment of First Schedule) Order 2019, Children and Young Persons (Amendment) Act 2010, land Acquisition Act (Amendment) 2016, Minimum Wages Order 2020, Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group’s Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.	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 -	There is no land dispute in SOU 3 Elphil certification unit at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified. Interview with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company.	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 -	Elphil CU was able to demonstrate the evidence of legal ownership if its lands through possession of land titles. The CU has a list of all its land titles which have the information about names of leasee, hectare, terms & conditions, lease period and grant numbers. Copies of the land titles were available at the CU’s offices while the original were kept at headquarter.	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	<u>Kamuning Estate</u> Legal boundaries at estates visited were clearly demarcated with red and white colour concrete poles, fences and security trenches. Sighted during site visit at the estates boundaries at Field P02A (Concrete Pole - 4.86221, 101.04683) <u>Elphil Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Legal boundaries at estates visited were clearly demarcated with red and white colour concrete pole, fences and security trenches. Sighted during site visit at the estates boundaries at Field 00G (004°49'50"N, 101°06'32"E) and at Field 98G (004°49'50"N, 101°05'50"E)	
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute at both visited estates. The company has the legal ownership documents which is under the Sime Darby Plantation Sdn. Bhd.	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 customary land or negotiated agreements at both sampled estates.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements at both sampled estates.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements at both sampled estates.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SIA was carried out by PSQM Department on 24-27/8/2015 where it covered for the entire SOU 3 Complex. The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers’ representatives, local communities etc. The assessment has covered the areas of housing condition/ living improvement, working condition etc.</p> <p>Both sampled estates have developed action plan for SIA FY2020 to monitor the issues raised during assessment and stakeholder meetings. The plan has incorporated the action plan, person in charge and the status. Among the objectives of the social management plan were:</p> <ul style="list-style-type: none"> - To review social impacts and to implement plans to mitigate the negative impacts and promote the positive ones - To ensure compliance with SOP and legal requirements regarding to social - To contribute to development of local communities - To give clear explanation about job conditions - to solve issues raised during stakeholders meeting and gender committee meeting 	<p>Complied</p>
Criterion 4.4.2: Complaints and grievances			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	System for dealing with complaints and grievances has been established and documented through: <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing. 	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	It was noted that the estates managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed appropriately.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Both visited estates are using a log book to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The previous complaints and requests records for the past 24 months were still available at most of the operating units. It was observed that at Kamuning Estate, Changkat Salak Division, the oldest records were dated November 2019. The records before that were not available. Thus a non-conformity report is assigned due to this lapse.	Non-conformity

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development		
4.4.3.1 Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Some examples of notable contribution by the estates: <u>Kamuning Estate</u> <ul style="list-style-type: none"> - Provide assistance to Sri Maha Mariamman Devasthanam Ladang Kamuning to dismantle old temple building using excavator machine, dated Feb 2020 - Provide venue for ATM to organize their Hari Angkatan Tentera Darat program, dated Mar 2019 - Donation in term of stationery to SJK(T) Ladang Changkat Salak in Apr 2019 - Provide workers to assist a sanitation work at Rumah Orang Tua & Kurang Uoaya Sungai Siput (U), once in 2 months <u>Elphil Estate</u> <ul style="list-style-type: none"> - Providing assistance to level the field at SK Methodist, dated 28/2/2020 - Allowing SKJ(T) Ladang Elphil to use their football field and monetary contribution for school's sport event, dated 3/4/2020 - Allowing the estate to be the venue of SMK Muhibah cross country event, dated 13 & 15/1/2020 - monetary donation and water supply to surrounding temples 	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.	Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>workers, morning briefing and displayed at various notice board within the estates.</p> <p>The PSQM team is also committed in establishing various working standards through procedures and pictorial methods to improve safe working conditions.</p> <p><u>Kamuning Estate</u> The estate has the established Occupational Safety and Health Policy displayed at its notice board for public viewing. The policy has also been effectively communicated to all workers and staffs through the morning briefing conducted as follows:</p> <ol style="list-style-type: none"> 1. Kamuning Main Div : 27.01.2020 2. Changkat Salak Div : 13.02.2020 <p><u>Elphil Estate</u> The estate has the established Occupational Safety and Health Policy displayed at its notice board for public viewing. The policy has also been effectively communicated to all workers and staffs through the morning briefing conducted on 3rd march 2020.</p>	
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p>	<p>a) Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction trainings for new workers, morning briefing and displayed at various notice boards within the estates. The briefing were conducted as follows:</p> <ul style="list-style-type: none"> • Kamuning Main Div – 27th Jan 2020 • Changkat Salak Div – 13th Feb 2020 • Elphil Estate – 03rd Mar 2020 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>b) The risks of all operations shall be assessed and documented.</p>	<p>b) Sime Darby has established Standard Operating Procedure for risk assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a.</p> <p>Estates visited have conducted risk assessments for all the operations and documented in the Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. The assessment also covers working type, job step, hazard, effect, existing control, type, probability, etc. the HIRARC.</p> <p><u>Kamuning Estate</u> The estate has conducted assessment to identify all risk in the estate operation and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC) and was reviewed minimum once a year and when necessary as and when accidents occur. The OSH committee discusses any issues regarding the HIRARC during OSH committee meetings. Latest review was conducted 08.07.2019 due to an accident that happened on 03.07.2019.</p> <p><u>Elphil Estate</u> The estate has conducted assessment to identify all risk in the estate operation and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The HIRARC was reviewed minimum once a year and when necessary as and when accidents occur. The OSH committee discussed any issue regarding the HIRARC during OSH committee meeting.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified</p>	<p>Latest review was conducted on 04.03.2020 for introduction of new machinery FM3 (Kubota) Machine Handling, into the operations.</p> <p>c) Estates visited have established training programs for management team, workers and contractors including pesticides applicator, programmed throughout the year. The trainings were conducted by those with knowledge in chemical handling.</p> <p><u>Kamuning Estate</u> Sighted the training records at estates visited as follows:</p> <ul style="list-style-type: none"> • Schedule Waste Training – 20.02.2020 • PPE & Interpump Training – 11.02.2020 • Spraying – PPE Safety Briefing – 03.02.2020 • Safety Briefing (Selective Spraying) – 19.09.2019 <p><u>Elphil Estate</u></p> <ul style="list-style-type: none"> • P&D Spraying Training (Kamiri Div) – 16.11.2019 • Chemical Management Training – 11.12.2019 • Schedule Waste Training – 04.03.2020 • Spraying, PPE & Chemical Handling – 17.01.2019 • Safe Chemical Handling Training – 08.01.2019 <p>d) The estates visited has provided appropriate PPE to all workers according to the job type. The PPE is given as per HIRARC and Pictorial Safety Standard (PSS) Estate dated 17/3/2008.</p> <p>Elphil Estate</p>	

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	<p>in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">PPE</th> <th style="text-align: left;">Date Issued</th> </tr> </thead> <tbody> <tr> <td>Ripan</td> <td>Safety Helmet</td> <td>31.10.2019</td> </tr> <tr> <td>Rupchand</td> <td>Yellow Boot</td> <td>30.10.2019</td> </tr> <tr> <td>Rajishan</td> <td>Nitrile Glove</td> <td>25.11.2019</td> </tr> <tr> <td>Sellamal</td> <td>Apron</td> <td>17.09.2019</td> </tr> </tbody> </table> <p style="margin-top: 10px;"><u>Kamuning Estate</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">PPE</th> <th style="text-align: left;">Date Issued</th> </tr> </thead> <tbody> <tr> <td>Santosh</td> <td>Respirator 3200</td> <td>07.03.2020</td> </tr> <tr> <td>Mohan Chatri</td> <td>Apron</td> <td>07.03.2020</td> </tr> <tr> <td>Bikram</td> <td>Filter 3311</td> <td>26.02.2020</td> </tr> <tr> <td>Kalaimani</td> <td>Apron</td> <td>21.02.2020</td> </tr> </tbody> </table>	Name	PPE	Date Issued	Ripan	Safety Helmet	31.10.2019	Rupchand	Yellow Boot	30.10.2019	Rajishan	Nitrile Glove	25.11.2019	Sellamal	Apron	17.09.2019	Name	PPE	Date Issued	Santosh	Respirator 3200	07.03.2020	Mohan Chatri	Apron	07.03.2020	Bikram	Filter 3311	26.02.2020	Kalaimani	Apron	21.02.2020		
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			<p>e) Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM(ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012 and Pictorial Safety Standard (PSS) Estate dated 17/3/2008.</p> <p>Sighted during site visit at both estates store and premix area, all pure chemical and premix solution were stored under lock and key. The stores had adequate ventilation available. Signage with appropriate hazard symbols were also available.</p>																																
			<p>f) Estate Managers for both estates visited was appointed by the Sime Darby Management to be the Chairman of OSH Committee at the estates as per letter signed by the Regional General Manager/CEO for Northern Region. Estate</p>																																

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<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>management has appointed Safety Committee Members consisting Secretary, employer representatives and employee representative's appointment letter by the Mill Manager. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <ul style="list-style-type: none"> • <u>Kamuning Estate</u> En. Jayaganesh a/I Dharmeseelan (01.01.2020 – 21.12.2020) • <u>Elphil Estate</u> En. Mohd Sabri Bin Shaffie (01.01.2020 – 21.12.2020) <p>g) The management conducted OSH committee meetings on quarterly basis. The minutes sighted mentions the discussion of issues on employees' safety, health and welfare such as estate safety and health achievement report, workplace place inspection, safety and health training and etc.</p> <p>OSH Committee Meetings have been conducted as below:</p> <p><u>Kamunting Estate</u></p> <ul style="list-style-type: none"> - 25th February 2020 - 06th December 2019 - 06th September 2019 - 14th June 2019 <p><u>Elphil Estate</u></p> <ul style="list-style-type: none"> - 27th December 2019 - 26th September 2019 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<ul style="list-style-type: none"> - 26th June 2019 - 20th March 2019 <p>h) Accident and Emergency Procedure is presented in Estate Quality Management System Standard Operation manual (EQMS SOM) dated November 1st, 2008. Flowchart of emergency handling presented in Appendix 5.5.3.3.</p> <p><u>Kamuning Estate</u> The estate have implemented ERP for Accident, Fire, Flood, Chemical Spillage and Evacuation. The ERP Plan is available at the notice board for public viewing. Visitors are briefed on the safety aspects prior to entering the field or office. Trainings are conducted to the workers on the ERP, latest training for Fire Fighting dated 23.11.2019.</p> <p>During the interview with the sprayers noted the understanding of procedures to be taken during emergency accidents that occur during work.</p> <p><u>Elphil Estate</u> The estate have implemented ERP for Accident, Fire, Chemical Spillage and Evacuation. The ERP Plan is available at the notice board for public viewing. Visitors are briefed on the safety aspects prior to entering the field or office. Trainings are conducted to the workers on the ERP, latest training for Fire Fighting 23.11.2019</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>During the interview with the sprayers noted the understanding of procedures to be taken during emergency accidents that occur during work.</p> <p>i) <u>Kamuning Estate</u> The estate has provided first aid kits for mandores and supervisors and available at all workstation in the estate. Noted during interview with spraying mandore the understanding of basic emergency treatment for injured workers in the fields. Latest First Aid training was conducted on 22/11/2019.</p> <p><u>Elphil Estate</u> First aid box were available at workstation in the estate. For field work, the mandores were appointed as first aiders and provided with first boxes. Noted during interview with spraying mandore the understanding of basic emergency treatment for injured workers in the fields. Latest First Aid training was conducted on 22.11.2019. The first aid box were monitored on monthly basis by the Medical Assistant.</p> <p>j) <u>Kamuning Estate</u> The estates visited recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update Form online through GSQM ESH Portal. The accident occurred was reviewed on quarterly basis during OSH committee meeting. A total of 6 accidents were recorded for 2019 and JKPP 6 were submitted accordingly. The JKPP 8 was submitted on 24.01.2020 for year 2019 included all 6 cases.</p>	

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		<p><u>Elphil Estate</u> The estates visited recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update Form online through GSQM ESH Portal. The accidents occurred was reviewed on quarterly basis during OSH committee meeting. A total of 2 accidents were recorded for 2019 and JKPP 6 were submitted accordingly. The JKPP 8 (JKPP 8/32386/2019) was submitted on 29.01.2020 for year 2019 included the 2 cases.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on good social practices regarding human rights in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to respect, support and uphold fundamental human rights. It was communicated to the employees through various methods such as training, meeting and briefing.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>SDPSB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet</p>	<p>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>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>Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers ID number whom payslips for Aug 2019, Oct 2019 and Dec 2019 were verified is as follows:</p> <p>Kamuning: 139xxx, 103xxx, 141xxx and 112xxx</p> <p>Elphil: 147xxx, 24xxx, 85xxx and 139xxx</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>The management of both visited estates ensured that the employees of the contractors are paid according to these standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on minimum standard and employment contract.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Every employee had been provided with employment contract which referred to the collective agreement between MAPA & NUPW. The collective agreement document was available for verification.</p> <p>However, in Elphil Estate, it was found out that Worker ID: 139571 (Lalu Sepriadi) has the employment contract (Ref no: ECFW/Mac19/Pnsr/Oth/V1.0) with duration of employment for 3 years</p>	Non-conformity

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		(25/01/2018 – 25/01/2021) which is not in accordance with Demand Letter, Manpower Qualification Request Terms & Condition: Duration of Contract: 2 years & extendable signed by Sime Darby Plantation Sdn Bhd, Pt Wira Karitas and Kedutaan Besar Republik Indonesia on 18/03/2016 and Kontrak Pekerjaan-Tenaga Kerja Asing Semenanjung Malaysia January 2015. Thus, anon-conformity was assigned due to this lapse.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Working time found to be in accordance with legal requirement: Working hours i.e.: Daily rated workers (1 shift): Working hours = 0600 - 1430 Break time = 1000 to 1130 (flexible) Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Shift 2 working hours = 1500 to 2300 Shift 3 working hours = 2300 to 0700	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Interview with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Complied

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4.4.5.10	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. - Minor compliance -	Among the benefits offered by the company: <ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance • motorcycle allowance 	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 in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	The estates management has provided free housing facilities to all the workers. Basic amenities such as water (25 gallons subsidised), community hall, sport facilities, etc. were provided to the workers. Electricity which is obtained from the national grid. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Weekly inspections by medical assistant were done to ensure cleanliness of the housing. Records were well maintained.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	SDPSB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize	SDPSB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they are allowed to join any trade union freely.	Complied

Criterion / Indicator		Assessment Findings	Compliance												
	and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -														
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions. - Major compliance -	SDPSB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.	Complied												
Criterion 4.4.6: Training and competency															
4.4.6.1	All employees, 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. - Major compliance -	<p>Estates visited has established training program for all workers based on training need analysis conducted in the beginning of every year.</p> <p><u>Kamuning Estate</u> The estates has established training plan from the training need analysis conducted for all employee, management and contractors. The plan is documented in Training Matrix Kamuning Estate FY 2020. Sighted the sampled training records as below:</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>Safety, Environment & Recycle Campaign</td> <td>05.03.2020</td> <td>All</td> </tr> <tr> <td>HIRARC & Accident Report Training</td> <td>02.03.2020</td> <td>Est Exec & MA</td> </tr> <tr> <td>IPM Training</td> <td>29.02.2020</td> <td>08 Workers</td> </tr> </tbody> </table>	Training	Date	Attendees	Safety, Environment & Recycle Campaign	05.03.2020	All	HIRARC & Accident Report Training	02.03.2020	Est Exec & MA	IPM Training	29.02.2020	08 Workers	Complied
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		New Mother, Human Right, Sexual Harassment & Reproductive Rights	22.02.2020 & 21.02.2020	09 Workers & 14 Workers													
		Schedule Waste Training	20.02.2020	14 Workers													
		PPE & Interpump Training	11.02.2020	40 Workers													
		Safety Briefing PPE for Spraying	03.02.2020	10 Workers													
		Safety Briefing for Contractor Machineries Operator	20.01.2020	09 Workers													
		<p><u>Elphil Estate</u> The estates has established training plan from the training need analysis conducted for all employee, management and contractors. The plan is documented in Training Matrix Elphil Estate FY 2020.</p> <p>Sighted the sampled training records as below:</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Palm King Training</td> <td>27.11.2019</td> </tr> <tr> <td>Drivers PPE and Tractor Maintenance Training.</td> <td>07.03.2019</td> </tr> <tr> <td>Beneficial Plant Training</td> <td>2 & 4. 03. 2020</td> </tr> <tr> <td>Barn Owl Training</td> <td>4.03.2020</td> </tr> <tr> <td>Water Treatment Training</td> <td>26.10.2019</td> </tr> </tbody> </table>			Training	Date	Palm King Training	27.11.2019	Drivers PPE and Tractor Maintenance Training.	07.03.2019	Beneficial Plant Training	2 & 4. 03. 2020	Barn Owl Training	4.03.2020	Water Treatment Training	26.10.2019	
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Criterion / Indicator		Assessment Findings		Compliance
		Schedule Waste Training	11.12.2019	
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><u>Kamuning Estate</u> The estate has conducted training need analysis to identify the training required for each workers and documented in Training Matrix Kamuningl Estate FY 2020. The analysis was conducted base on job designation and type of training required.</p> <p><u>Elphil Estate</u> The estate has conducted training need analysis to identify the training required for each workers and documented in Training Matrix Elphil Estate FY 2020. The analysis was conducted base on job designation and type of training required.</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>The estates visited has training program, which is updated annually. The annual internal audit by PSQM and management review does review the effectiveness of the training plan and its execution.</p>		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be</p>	<p>Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The environmental management plan has been established by the estates visited to monitor the</p>		Complied

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	<p>developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p> <p>The Policy has been effectively communicated to all workers, staffs and personals through the morning briefing conducted as below;</p> <ol style="list-style-type: none"> 1. Elphil Estate All Div : 03.03.2020 2. Kamuning Main Div : 27.01.2020 3. Changkat Salak Div : 13.02.2020 	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ol style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p><u>Kamuning Estate</u> The estate has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment and documented in Pollution Prevention Plan. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted on 30.01.2020.</p> <p><u>Elphil Estate</u> The estate has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment and documented in Pollution Prevention Plan. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted on 02.01.2020.</p>	Complied

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4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The estates visited has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment. The EAI and EIE were reviewed annually basis.</p> <p>The management plan stated the objectives of the environmental issue, mitigating measures, person responsible and monitoring period. The progress of the plan was monitored on quarterly basis. The plan was reviewed on annually basis. The management plan stated the Environmental management Plan, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote the positive impact was documented in several management plan such as pollution prevention plan, water management plan and waste management plan.</p> <p><u>Kamuning Estate</u></p> <ul style="list-style-type: none"> a) Sighted the waste water from chemical premixing activity was collected in designated collection sump and been pumped and reuse in the premix chemical. b) Sighted the reuse of empty chemical containers for premix chemical. The reuse chemical container was labeled with danger sign. <p><u>Elphil Estate</u></p> <ul style="list-style-type: none"> a) Only purchasing pesticides approved by HQ and pesticide board. b) Give trainings and briefing to the workers about no open burning activity on line site and working area. c) To minimize oil spillage and avoid land contamination. 	Complied

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<p>4.5.1.5</p>	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>Estates visited has established training program for all workers based on training need analysis conducted on annual basis including the environmental policy and awareness. Noted during the interview with the workers shows the understanding of the environmental policy and plan established such as prohibition of spraying at the buffer zone area, prohibition of legal hunting and prohibition of open burning at housing area. Among the awareness and trainings sighted in the estates are as below:</p> <p><u>Kamuning Estate</u></p> <ol style="list-style-type: none"> 1. Environment and Recycling Campaign – 05.03.2020 2. IPM Training – 29.02.2020 3. Schedule Waste Training – 20.02.2020 <p><u>Elphil Estate</u></p> <ol style="list-style-type: none"> 1. Recycle Bin Training – 05.03.2020 2. Recycle Training (Plang Div) – 14.02.2020 3. Buffer Zone Training (Plang & Kamiri Div.) – 04.03.2020 4. EAI/EIA/EMP Training – 13.02.2020 5. HCV Training – 10.12.2019 	<p>Complied</p>
<p>4.5.1.6</p>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p><u>Kamuning Estate</u></p> <p>The estate conducts an environment meeting on a quarterly basis. Sighted the latest environment meeting minutes dated 25th February 2020.</p>	<p>Complied</p>

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		<p><u>Elphil Estate</u></p> <p>The estate conducts its Environmental Meeting together with the Safety and Health Meeting, every 3 months once. The latest meeting was dated 27th December 2019.</p>																																		
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																				
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The monitoring of non-renewable energy usage is done on a monthly basis. Sighted the sampled monitoring records for diesel usage per FFB production for FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Kamuning Est</th> <th>Elphil Est</th> </tr> </thead> <tbody> <tr><td>Jan 19</td><td>2.07</td><td>1.29</td></tr> <tr><td>Feb 19</td><td>2.40</td><td>1.35</td></tr> <tr><td>Mar 19</td><td>2.17</td><td>1.25</td></tr> <tr><td>Apr 19</td><td>1.99</td><td>1.28</td></tr> <tr><td>May 19</td><td>3.17</td><td>1.32</td></tr> <tr><td>Jun 19</td><td>2.61</td><td>1.69</td></tr> <tr><td>Jul 19</td><td>3.17</td><td>1.80</td></tr> <tr><td>Aug 19</td><td>3.60</td><td>1.92</td></tr> <tr><td>Sept 19</td><td>2.07</td><td>2.17</td></tr> <tr><td>Oct 19</td><td>2.94</td><td>2.17</td></tr> </tbody> </table>	Month	Kamuning Est	Elphil Est	Jan 19	2.07	1.29	Feb 19	2.40	1.35	Mar 19	2.17	1.25	Apr 19	1.99	1.28	May 19	3.17	1.32	Jun 19	2.61	1.69	Jul 19	3.17	1.80	Aug 19	3.60	1.92	Sept 19	2.07	2.17	Oct 19	2.94	2.17	Complied
Month	Kamuning Est	Elphil Est																																		
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Criterion / Indicator		Assessment Findings			Compliance
		Nov 19	3.28	1.79	
		Dec 19	3.93	0.54	
		The estates visited has established Energy management Plan focusing on the efficiency usage of non-renewable and renewable energy and to reduce fossil fuel consumption from company owned vehicle.			
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.			Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate.			Complied
Criterion 4.5.3: Waste management and disposal					
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The estate has identified the waste products and source pollution and documented in Environmental Management Plan SOU – Chersonese under section Waste Management. The waste identified as follows: i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Empty pesticides containers iii. Clinical waste			Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iv. Recyclable waste – Reuse empty pesticides containers (Premix Containers) v. Industrial waste – Scrap metal, used tires	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>Estates visited has established Waste management Plan base on the identification and source of pollutions and the plan were available for review.</p>	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Both estates visited also have a proper Scheduled Waste Store for storing scheduled wastes until time of disposal by DOE authorized waste manager. Stores for scheduled waste were inspected at both estates visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Sampled the latest disposal of Schedule Waste as below:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Date: 11.10.2019 – 1 x 10L of Clinical Waste disposed to Edgenta Mediserve Sdn Bhd.	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p><u>Kamuning Estate</u> Empty pesticides containers were identified as recycle waste. All empty pesticides containers were triple rinsed, puncture and stored at designated stored before disposed to licensed contractors, SS Setia Technology Enterprise. Latest disposal was conducted as follows:</p> <ul style="list-style-type: none"> Date of disposal: 23.10.2019 - 704 pcs of big Chemical Drums, 46kgs of Small Chemical Containers, 150 pcs of Ally Containers. <p><u>Elphil Estate</u> Empty pesticides containers were identified as recycle waste. All empty pesticides containers were triple rinsed, puncture and stored at designated stored before disposed to licensed contractors, SS Setia Technology Enterprise. Latest disposal records were sampled and the records as follows:</p> <ul style="list-style-type: none"> Date of disposal: 18.01.2020 - 316 pcs of big Chemical Drums, 26kgs of Small Chemical Containers, 123 pcs of Ally Containers. <p>The license Waste Manager’s license record was verified: License No: JM0512288-D expires on 2 January 2022.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p><u>Kamuning Estate</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Domestic waste were collected twice a week by Majlis Perbandaran Kuala Kangsar to be disposed at Municipal Landfill.</p> <p><u>Elphil Estate</u></p> <p>For Elphil Estate, the Main division maintains a landfill where the rubbish are collected 3 times a week and dumped into the landfill located at Field 99L. The landfill was verified at the site and was free from contamination and recyclable items. The landfill was covered with a layer of soil every week to reduce the Methane emission. The other 2 divisions under Elphil Estate have the rubbish collected by Majlis Perbandaran Kuala Kangsar to be disposed at Municipal Landfill.</p>	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p><u>Kamuning Estate</u></p> <p>The estate has assessed all polluting activities in the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted on 30.01.2020</p> <p><u>Elphil Estate</u></p> <p>The estate has assessed all polluting activities in the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted on 02.01.2020</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p><u>Kamuning Estate</u> Environmental management plan was established for the activity which give significant impact for the environment base on the Environmental Aspect Impact Identification and Environmental Impact Evaluation.</p> <p><u>Elphil Estate</u> Pollution Prevention Plan was established for the activity which give significant impact for the environment base on the Environmental Aspect Impact Identification and Environmental Impact Evaluation which was reviewed for the year 2020.</p> <p>The states monitor the use of chemicals though the 'Monitoring Pesticide Usage Per Hectare and Per Tonne FFB Production.</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>Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p> <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/river, version 1, year 2008, issue no. 1, dated 01/11/2008.</p> <p>The estates have established water management plans and the plans are reviewed annually. The management plan focuses on activities</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance																								
<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> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>with impact to natural water sources, such as water contamination and action plans during water shortage. The action plan states no chemical interventions and manuring shall be carried out in the riparian reserved. Only manual weeding/slashing is allowed. It also states to maintain terrace bund along the waterways.</p> <p>The quality of out-going water into rivers was monitored quarterly by carrying out water analysis. River water sampling for analysis was done for upstream, midstream and downstream.</p> <p>Kamuning Estae - The latest test results dated 24.01.2020 was available with results indicating all parameters were within the threshold levels.</p> <p>Elphil Estae – The latest test results dated 27.02.2020 was available with details as below:</p> <ul style="list-style-type: none"> - Test Report No: IE295/2020 - Lab: Sime Darby Research Sdn Bhd <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Sample Ref</th> <th style="text-align: center;">pH</th> <th style="text-align: center;">TDS</th> <th style="text-align: center;">Turbi</th> <th style="text-align: center;">Chloride</th> <th style="text-align: center;">AI</th> </tr> </thead> <tbody> <tr> <td>Domesting Plang Div – Before</td> <td style="text-align: center;">6.0</td> <td style="text-align: center;">148</td> <td style="text-align: center;">31.4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">0.086</td> </tr> <tr> <td>Domestic Plag Div – After</td> <td style="text-align: center;">6.5</td> <td style="text-align: center;">180</td> <td style="text-align: center;">2.5</td> <td style="text-align: center;">6</td> <td style="text-align: center;">0.023</td> </tr> <tr> <td>Domestic Plang Div - Seperation</td> <td style="text-align: center;">6.5</td> <td style="text-align: center;">148</td> <td style="text-align: center;">3.6</td> <td style="text-align: center;">6</td> <td style="text-align: center;">0.015</td> </tr> </tbody> </table> <p>Sighted during site visit at the riparian zone at both estate visited, the vegetation were well maintained. No evidence of chemical application along the riparian zone.</p>	Sample Ref	pH	TDS	Turbi	Chloride	AI	Domesting Plang Div – Before	6.0	148	31.4	4	0.086	Domestic Plag Div – After	6.5	180	2.5	6	0.023	Domestic Plang Div - Seperation	6.5	148	3.6	6	0.015	
Sample Ref	pH	TDS	Turbi	Chloride	AI																					
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Domestic Plang Div - Seperation	6.5	148	3.6	6	0.015																					

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Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	No bunds were sighted across main rivers and waterways in both estates.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	The practice of water harvesting from road-side drains being directed and stored in conservation road side pits was observed in both estates.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	PSQM has conducted HCV assessment for SOU 3 on 4-6/11/2016. HCV for estate has been identified and documented in the HCV Re-Assessment for SOU 3 – Elphil, Version 2, February 2017. Common wildlife found during the assessment were documented in Table 10 in the HCV Re-Assessment for SOU 3 – Elphil, Version 2, February 2017. No RTE species were identified during the assessment. <u>Kamuning Estate</u> 4 HCV were identified in Kamuning Estate during the assessment. The HCV identified are Slope/Rocky Area (ex-GDSB), River Reserve for Sg. Nyamuk, Water Catchment area and Isolated Remnant Forest. No RTE species were identified during the assessment. <u>Elphil Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		3 HCV were identified in Elphil Estate during the assessment. The HCV identified are Sungai Kerdah (River Reserve), Limestone Hill and Cave and Mill Water Catchment.	
4.5.6.2	<p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>According to the HCV report for both estates visited, there are no RTE species (IUCN classification) sighted at the operating units.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Estates visited has established management plan and documented in HCV Management Plan FY 2020 Objectives and Target. The management plan stated the scope, objective, mitigation plan, monitoring period and person responsible.</p> <p>Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> Estates visited conducted HCV monitoring on monthly basis. The monitoring is to observe any encroachment, wildlife sighting, and environmental pollution issue. Sighted the monitoring records for the month of October, November and December 2019. 	Complied
Criterion 4.5.7: Zero burning practices			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.</p> <p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.</p>	Complied
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p>	<p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.</p>	Complied
4.5.7.3	<p>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.</p> <p>- Major compliance -</p>	<p>No controlled burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.</p>	Complied
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.</p>	Complied
4.6 Principle 6: Best Practices			

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>SOP was established for the Estates. & Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU 3 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc.</p> <p>Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.</p>	Complied
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>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>Landscapes of Kamuning Estate are steep and undulating. Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly. Sighted</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
		that the areas with steep slopes are planted with Rubber and Jungle Trees.													
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.	Complied												
Criterion 4.6.2: Economic and financial viability plan															
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available. The estate had an annual budget with a 3 years projection as stated in the annual budget. This business plan is prepared as guidance for future planning. The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges etc. Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2020 for estate was sighted and verified.	Complied												
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	<p>Long range replanting programme from FY2020 – FY2025 was established. For example, next 3 years programme available as per below sample estates:</p> <p><u>Kamuning Estate</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Year</th> <th style="width: 33%;">Kamuning Est</th> <th style="width: 33%;">Elphil Est</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>145 Ha</td> <td>0</td> </tr> <tr> <td>2021</td> <td>140 Ha</td> <td>151.99 Ha</td> </tr> <tr> <td>2022</td> <td>136 Ha</td> <td>91.41 Ha</td> </tr> </tbody> </table>	Year	Kamuning Est	Elphil Est	2020	145 Ha	0	2021	140 Ha	151.99 Ha	2022	136 Ha	91.41 Ha	Complied
Year	Kamuning Est	Elphil Est													
2020	145 Ha	0													
2021	140 Ha	151.99 Ha													
2022	136 Ha	91.41 Ha													

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Criterion / Indicator		Assessment Findings			Compliance
		2023	0 Ha	57.20 Ha	
		2024	133 Ha	129.99 Ha	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>This requirement i.e crop material, crop projection, yield, production cost are available. It is provided in the business management plan shown in item 4.6.2.1 above.</p>			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. Details on the actual vs budget i.e crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis. The progress report contains the updated actual usage as to date.</p>			Complied
Criterion 4.6.3: Transparent and fair price dealing					
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017.</p>			Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. - Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects 	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>The contract agreements between the management and the contractors (e.g. Amusu and Gunasekaran – FFB transporter) were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors were made to understand the MSPO requirements and shall provide the required documentation and information through meetings and trainings. Records of attendance of the meetings were available for verification. Among the contract agreements verified were:</p> <ul style="list-style-type: none"> - #4300494115, FFB transport contractor for Kamuning Estate - T/SDPSB/PEN/FFB/0815/007, FFB transport contractor for Kamuning Estate <p>However, the evidence of compliance with some legal requirements was not adequately demonstrated. It was found that some of the lorries used by the FFB transport contractor have exceeded the</p>	Non-conformity

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Criterion / Indicator		Assessment Findings	Compliance																				
		<p>regulated load limit stipulated in their “<i>Lesen Pengendali</i>” i.e. BDM: 16,000 kg when sending the FFB from Dusun Durian Estate (Sg Gappin Div.) to East POM. Sampled of trips are as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Weight (BDM) (mt)</th> </tr> </thead> <tbody> <tr> <td>16/1/2020</td> <td>180477</td> <td>WAW 1024</td> <td>19.35</td> </tr> <tr> <td>23/1/2020</td> <td>180990</td> <td>BDD 5344</td> <td>20.57</td> </tr> <tr> <td>24/1/2020</td> <td>181064</td> <td>BDD 5344</td> <td>19.56</td> </tr> <tr> <td>29/1/2020</td> <td>181205</td> <td>BDD 5344</td> <td>20.41</td> </tr> </tbody> </table> <p>Thus, a non-conformity report was assigned due to this lapse.</p>	Date	Ticket No.	Lorry No.	Weight (BDM) (mt)	16/1/2020	180477	WAW 1024	19.35	23/1/2020	180990	BDD 5344	20.57	24/1/2020	181064	BDD 5344	19.56	29/1/2020	181205	BDD 5344	20.41	
Date	Ticket No.	Lorry No.	Weight (BDM) (mt)																				
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29/1/2020	181205	BDD 5344	20.41																				
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>All the visited estates have maintained copies of the agreed contracts with their contractors. Based on verification of the contracts, the terms were clearly stipulated and signature of both parties were available.</p>	Complied																				
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p>	<p>There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required.</p>	Complied																				
4.6.4.4	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor,</p>	<p>All works performed by the contractors at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.</p>	Complied																				

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Criterion / Indicator		Assessment Findings	Compliance
	by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -		
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	NA as no new planting at the sampled estates.	NA
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	NA as no new planting at the sampled estates.	NA
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	NA as no new planting at the sampled estates.	NA

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	NA as no new planting at the sampled estates.	NA

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.5	<p>Identification and assessment of legal and recognised customary rights shall be documented.</p> <p>- Major compliance -</p>	NA as no new planting at the sampled estates.	NA
4.7.6.6	<p>A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.</p> <p>- Major compliance -</p>	NA as no new planting at the sampled estates.	NA
4.7.6.7	<p>The process and outcome of any compensation claims shall be documented and made publicly available.</p> <p>- Major compliance -</p>	NA as no new planting at the sampled estates.	NA
4.7.6.8	<p>Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.</p> <p>- Minor compliance -</p>	NA as no new planting at the sampled estates.	NA

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 -	SDPSB has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	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 -	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> - Promoting good governance and transparency - Contributing to a better society - Minimising environmental harm - Delivering sustainability quality - The policy is guided by three main documents i.e.: <ul style="list-style-type: none"> - Responsible Agriculture Charter - Human Rights Charter - Innovation & Productivity Charter All of the above documents and the policy statement are made available on Sime Darby's website.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	MSPO Internal Audit was carried out by SQM Malaysia team on 21 st January 2020. The internal Audit Report was verified and available for viewing. A total of 6 Majors and 3 Minors were raised during the audit. All findings were closed prior to the MSPO audit.	Complied
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 -	An internal audit procedure (SD/SDP/PSQM/IAP dated 1/11/2017) had been established and documented. The results of the audit conducted on 21 st January 2020 was reported under internal audit report. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action have been carried out at the Management Meeting held on 03.02.2020.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The minutes of the Management Meeting held on 03.02.2020 on the documented results of the audit conducted on 21.01.2020 was available to be 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.	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 management review is done on an annual basis. The last management review was conducted on 03 rd February 2020. All pertinent agenda had been discussed for the effective implementation of MSPO.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Continual improvement action plan is documented under Social Management Plan and Environmental Management Plan for 2020. In addition, safety related component established under OSH plan.	Complied
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Continual Improvement was demonstrated based on project initiated by mill management through KAIZEN/Lean Six Sigma project. The project focus mainly on cost saving and process losses minimization for each financial year. Sample of completed project for FY 2019/2020: <ul style="list-style-type: none"> To provide safe working environment for water treatment operators - installation of platform softener. (03.12.2019) Reduction of TNB Consumption by Full Turbine Utilization (Completion Date – 03.12.2019) To generate profit from the sale of palm kernel shell in Elphil Oil Mill. (Completed Date – 03.12.2019) 	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Elphil Palm Oil Mill has maintained records of requests and responses in Communication Books (internal or external). Land titles/user rights, safety and health plans, plans and impact assessments relating to environmental and social impact, plans for	Complied

Criterion / Indicator		Assessment Findings	Compliance
		pollution prevention, records of complaints and grievances, plans for continuous improvement are made available upon request.	
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The company has developed a procedure on Documentation and Communication under Section 3, version: 1, year 2008 where the information on sustainable activities will be made publicly available to the general public through Annual Reports, circulars, agreements, Sime Darby website and other publications. Copies of the document such as impact assessment reports and monitoring plans relating to environmental and social, pollution prevention plans, records of complaints and grievances are publicly available upon request.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	SDPSB has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/4/2008. The procedure has describe the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The Mill Manager was assigned to be the Social Responsible Person to handle any issue related to stakeholders.	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.	List of stakeholders was available and last updated from time to time. Stakeholder meeting was last conducted on 6/2/2020 with the participation of stakeholders such as contractors, school representatives, government authorities and local communities.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The minutes of meeting was available for verification. Based on the minutes, issues raised were found to be well addressed.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability” [appendix 15 of the Sustainable Plantation Management System (SPMS)], version 2, issue: 5 dated Sept 2018 documented the procedure for traceability documented for the traceability procedure. 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.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	FFB received from own supply base and OCP (Outside Crop Producer) to Elphil POM. The weighbridge ticket provided the following details: <ul style="list-style-type: none"> • Product (FFB or Loose fruit) • Delivery note from estates stating the weight and fruit grade (A or B). • D.O Number • Date of the shipment 	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The management has identified Mr. Thavanesan A/L K.Supumaran as the PIC to implement and maintain the traceability system at Elphil Oil Mill. The Mill Manager has appointed him on 17.07.2019.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>The records of CPO and PK sales were verified. The dispatch of the CPO are determine by HQ Sales & Marketing and will be entered into the Sime Weigh System. The weighbridge operator will check the system before releasing the dispatch.</p> <p>The sample dispatch documentation checked:</p> <p><u>CPO</u> Buyer: Nuri Edible Oil (NEO) Complex Date of dispatch: 03.09.2020, WB ticket: 015988, Weight: 35.810 mt Specification: PORAM</p> <p><u>PK</u> Buyer: Kilang ISI Sawit Sin Huat Hin Sdn Bhd Date of dispatch: 03.10.2019, WB ticket: 01600, Weight: 36.780 mt Specification: MEOMA</p>	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>SOU3 had continued to comply with the legal requirements as per indicator. The operating units and PSQM sustainability team monitor compliance to each applicable law and regulation. SOU3 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> i) DOE License; License No. 001845; Expiry Date 30.06.2020 ii) DOE license, Compliance Schedule No: 001845 valid until 30 June 2020. Method of disposal, land application and composting. BOD 50 mg/l. iii) Weighbridge 60,000KG (Metrology); License No: B1577375 (1), B1577376 (2); Expiry Date: 21.11.2020 iv) Fire Certificate; License No: 313693; Expiry Date: 13.12.2020 v) MPOB License; no: 540132004000 valid till 31/5/2020 vi) Sample of CF checked: <ul style="list-style-type: none"> - Water Tube Boiler (PK PMD 745) – 16.12.20120 - Air Receiver Tank (PK PMT 3875) – 16.12.2020 vii) Permission to deduct employees’ salary for electric bill, ref.: BHG.PU/9/129 JLD 33(53), dated 6/7/2017, granted by JTK Putrajaya viii) Permission to allow overtime work for employees for more than 130 hours per month, ref.: BHG. PU/9/134 JLD 9(11) 	
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>Elphil POM continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to the CU operation [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008].</p> <p>The POM has its own LORR and were being evaluated individually, annually for compliance and it can be accessed by all levels of staff.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		List of legal and other requirement register (LORR) updated January 2020 was made available during assessment.	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The legal requirements register was updated on January 2020 to include the new amendments of regulations that came into force. This includes Occupational Safety & Health (Noise Exposure) Regulations 2019, Pesticides (Amendment of First Schedule) Order 2019, Children and Young Persons (Amendment) Act 2010, land Acquisition Act (Amendment) 2016, Minimum Wages Order 2020, Workers Minimum Standards of Housing and Amenities (Amendment) Act 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. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group’s Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Elphill POM is located inside Elphil Estate land and if there is any issue regarding land, the estate will handle it.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Elphill POM is located inside Elphil Estate land and if there is any issue regarding land, the estate will handle it.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Elphill POM is located inside Elphil Estate land and if there is any issue regarding land, the estate will handle it.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute at Elphil POM. The mill is located inside Elphil Estate land and if there is any dispute, the issue will be handled by the estate.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no land encumbered by customary right at this certification unit.	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 encumbered by customary right at this certification unit.	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 encumbered by customary right at this certification unit.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.1: Social Impact Assessment (SIA)			
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>SIA was carried out by PSQM Department on 24-27/8/2015 where it covered for the entire SOU 3 Complex. The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities and etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc.</p> <p>The mill developed action plan for SIA FY2020 to monitor the issues raised during assessment and stakeholder meetings. The plan has incorporated the action plan, person in charge and the status. Generally, the areas to be taken action identified were of the housing conditions/living 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>Ref.: Sime Darby Planation Mill Quality Management System, Standard Operating Manual (SOM), Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication, version 2, issue 0, dated 25/5/2015.</p> <p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback (Clause 6.3</p>	Complied

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		of the procedure) and within one week of the completion of the investigation, for communication required investigation.	
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed appropriately.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The mill management has maintained Complaint Book and Houses Repair Record to receive any complaints or grievances from stakeholders.	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 with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.	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 previous complaints and requests records for the past 24 months were still available.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of	Since the Elphil mill and Elphil estate office are in the same building, most of the times, contribution requests from the surrounding communities were directed to the estate management.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -		
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director dated Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>The PSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The mill has established safety and health plan and documented in OSH and Other Requirement Plan. The plan covers Safety and Health Committee, ESH reporting, Risk Management, First Aid, Machinery Inspection, Chemical Management, Factories and Machinery, etc. The latest review was conducted on 1/1/2020.</p>	Complied
4.4.4.2	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented.	a) Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The briefing were conducted on 10.02.2020 and 17.02.2020	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; 	<p>b) Sime Darby has established Standard Operating Procedure for risk assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a.</p> <p>The mill has conducted risk assessment for all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. The assessment also covers working type, job step, hazard, effect, existing control, type, probability, etc. the HIRARC.</p> <p>The estate has established HIRARC and is reviewed minimum once a year and when necessary as when accidents happens. The OSH committee discusses any issues regarding the HIRARC during OSH committee meetings. Latest review was conducted 14.02.2020 due to accident that occurred on 13.02.2020 for Pressing Station (Renewing of Worn Screw).</p> <p>c) Estates visited have established training programs for management team, workers and contractors including chemical handlers, programmed throughout the year. The trainings were conducted by those with knowledge in chemical handling.</p> <p>Sighted the training records as follows:</p> <ul style="list-style-type: none"> • Workshop SOP Training – 27.02.2020 • PPE Training – 19.02.2020 • Chemical Handling & Spillage Training – 	

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>29.01.2019</p> <p>d) The Mill has provided appropriate PPE to all workers according to the job type. The PPE is given as per HIRARC requirement.</p> <p>The sampled PPE issuance are as below;</p> <table border="1" data-bbox="1167 671 1861 1070"> <thead> <tr> <th>Name</th> <th>PPE</th> <th>Date Issued</th> </tr> </thead> <tbody> <tr> <td>Yogalingan A/L Alphin Veeriah</td> <td>Mask Respirator</td> <td>08.03.2020</td> </tr> <tr> <td>Abdul Khair Bin Jalani</td> <td>Mask Respirator</td> <td>23.02.2020</td> </tr> <tr> <td>Azman Bin Mat Radzuan</td> <td>Safety Helmet</td> <td>09.03.2020</td> </tr> <tr> <td>Hari Dass A/L Gunasekaran</td> <td>Mask Respirator</td> <td>25.02.2020</td> </tr> <tr> <td>Manimaran Davanasun</td> <td>Ear Plug</td> <td>28.09.2020</td> </tr> </tbody> </table> <p>e) Procedures of chemical handling is presented in several documents; Document No. SD/SDP/SQM(ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>f) Mill Manager, Mr. Muhammad Irsan Bin Azmi was appointed by the Sime Darby management to be the Chairman of OSH Committee at the mill as per letter signed</p>	Name	PPE	Date Issued	Yogalingan A/L Alphin Veeriah	Mask Respirator	08.03.2020	Abdul Khair Bin Jalani	Mask Respirator	23.02.2020	Azman Bin Mat Radzuan	Safety Helmet	09.03.2020	Hari Dass A/L Gunasekaran	Mask Respirator	25.02.2020	Manimaran Davanasun	Ear Plug	28.09.2020	
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Criterion / Indicator	Assessment Findings	Compliance
<p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>by the Regional General Manager dated 15/12/2018. Mill management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, eight representatives from Employer and eight representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>g) The management conducted OSH committee meeting on quarterly basis. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training, etc. Sighted the minutes meeting for OSH committee dated 20.01.2020, 21.10.2019, 19.07.2019 and 20.04.2019</p> <p>h) Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Sighted during site visit, the emergency handling flowchart was available at the office, workshop, stores and press station. The workstations were also equipped with adequate fire extinguisher and first aid kits. Noted during</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>interview with employee shows the understanding regarding emergency procedures.</p> <p>The mill has established Emergency Response Team lead by the Mill Manager. Sighted during site visit, the ERT chart and Fire Hydrant and Fire Extinguisher Map was displayed at several notice board in the mill. Latest ERP training was conducted on 06.01.2020 for Fire Drill & Evacuation Training.</p> <p>i) First aider present at various work station at the mill. The first aider responsible for first aid box at each workstation. During the interview with the Oil Room Attendant, Boiler man and Store Clerk, shows the awareness regarding the emergency procedure if accident occurs, person responsible of every first aid box and the location of the nearest first aid box. Sighted the latest training records for first aider dated 12-15 October 2019.</p> <p>First Aid monitoring was conducted on monthly basis.</p> <p>j) The mill maintain the records of accident cases and documented in the "Laporan dan Siasatan Kemalangan" log and reported to HQ using the PSQM-ESH Monthly update form. The accident occurred was reviewed on quarterly basis during OSH committee meeting. All accidents were reported to JKKP through <i>mykkp</i>. The Form JKKP6 and JKKP8 were available and verified. A total of 2 cases were reported for 2019 (LTA- 13 days). 1 Case was</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		reported for the 2020 as of to date. (LTA – 4 days)	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	SDPB has incorporated its policy on good social practices regarding human rights in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to respect, support and uphold fundamental human rights. It was communicated to the employees through various methods such as training, meeting and briefing.	Complied
4.4.5.2	<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>	SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.	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>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers ID number whom payslips for Aug 2019, Oct 2019 and Dec 2019 were verified is as follows:</p> <p>124389, 135390 and 146086.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The management of the mill ensured that the employees of the contractors are paid according to this standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on minimum standard and employment contract.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Complied
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>Every employee had been provided with employment contract which referred to the collective agreement between MAPA & NUPW. The collective agreement document was available for verification.</p>	Complied
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>All the daily attendance was recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month was developed and maintained as well.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective</p>	<p>Interview with workers and document reviewed on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>The mill has obtained a permit from <i>Jabatan Tenaga Kerja</i> to allow overtime work for employees for more than 130 hours per month, ref.: BHG. PU/9/134 JLD 9(11).</p>	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in the individual card. Below were the sampled workers ID number whom payslips for Aug 2019, Oct 2019 and Dec 2019 verified: 124389, 135390 and 146086</p> <p>All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2018 i.e. RM1100/month or RM42.31/day.</p> <p>Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The management has contributed 10kg of rice once every 2 months for all their workers. Apart from that, all the workers are provided with free medical facilities. In additional, all the workers are entitled with the phone allowance of RM5 for every month. Free housing facilities were provided to all the workers and their families.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The mill management has provided free housing facilities to all the workers. Basic amenities such as water (25 gallons subsidised), community hall, sport facilities, etc. were provided to the workers. Electricity which is obtained from the national grid. The housing</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446).</p> <p>Weekly inspections by medical assistant were done to ensure cleanliness of the housing. Records were well maintained.</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>SDPSB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.</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>SDPSB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they are allowed to join any trade union freely.</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>SDPSB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>The mill has established training plan base on training need analysis conducted and documented in SOU 3 – KKS Elphil Training Plan 2020. The training plan covers all job designation including the contractors.</p> <p>For contractors, there trainings such as OHS, discipline and waste management incorporated, and it being briefed before start of any works and recorded in "Permit to Work".</p>	Complied
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>The mill has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The mill has training program which is updated annually. The annual internal audit by PSQM and management review does review the effectiveness of the training plan and its execution.</p>	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	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	The mill has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation covers all operations in the mill. The EAI and EIE were reviewed by annually basis. The latest review effective from 7.01.2020. The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation and documented in Pollution Prevention Plan. This plan incorporated Environmental Issue, Mitigation Measures, Person Responsible and Monitoring Period.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures, Person Responsible and Monitoring Period. Sighted the implementation of the management plan as follows: a. Open burning monitoring. Monitoring was conducted on weekly basis during line site inspections. b. River water analysis was conducted on quarterly basis.	Complied
4.5.1.4	A programme to promote the positive impacts should be included	Program to promote positive impact was documented in several management plan, Pollution Prevention Plan, Water Management	Complied

Criterion / Indicator		Assessment Findings	Compliance
	in the continual improvement plan. - Minor compliance -	Plan and Waste Management Plan. The management plan also include a program to promote positive impact as follows: 1. Briefing recycle 2. Reuse of fiber and shell as boiler fuel 3. Rainwater harvesting	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The mill continue provided training to ensure the awareness regarding the environmental policy among the employee. The mill management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers. Sighted the training on environmental aspect as follows: - Ceramah Kesedaran Kitar Semula – 15.02.2020	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The mill has established the Environmental Performance Monitoring Committee and the meeting was conducted on quarterly basis. Sighted the minutes meeting dated 20 January 2020.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of non-renewable energy usage was conducted on monthly basis.	Complied

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Criterion / Indicator		Assessment Findings		Compliance																										
		<table border="1"> <thead> <tr> <th data-bbox="1084 448 1480 491">Month</th> <th data-bbox="1487 448 1868 491">Diesel/Mt</th> </tr> </thead> <tbody> <tr><td data-bbox="1084 496 1480 539">Jan</td><td data-bbox="1487 496 1868 539">0.29</td></tr> <tr><td data-bbox="1084 544 1480 587">Feb</td><td data-bbox="1487 544 1868 587">0.26</td></tr> <tr><td data-bbox="1084 592 1480 635">Mar</td><td data-bbox="1487 592 1868 635">0.32</td></tr> <tr><td data-bbox="1084 639 1480 683">Apr</td><td data-bbox="1487 639 1868 683">0.22</td></tr> <tr><td data-bbox="1084 687 1480 730">May</td><td data-bbox="1487 687 1868 730">0.21</td></tr> <tr><td data-bbox="1084 735 1480 778">Jun</td><td data-bbox="1487 735 1868 778">0.32</td></tr> <tr><td data-bbox="1084 783 1480 826">Jul</td><td data-bbox="1487 783 1868 826">0.34</td></tr> <tr><td data-bbox="1084 831 1480 874">Aug</td><td data-bbox="1487 831 1868 874">0.18</td></tr> <tr><td data-bbox="1084 879 1480 922">Sept</td><td data-bbox="1487 879 1868 922">0.25</td></tr> <tr><td data-bbox="1084 927 1480 970">Oct</td><td data-bbox="1487 927 1868 970">0.24</td></tr> <tr><td data-bbox="1084 975 1480 1018">Nov</td><td data-bbox="1487 975 1868 1018">0.28</td></tr> <tr><td data-bbox="1084 1023 1480 1066">Dec</td><td data-bbox="1487 1023 1868 1066">0.28</td></tr> </tbody> </table>	Month	Diesel/Mt	Jan	0.29	Feb	0.26	Mar	0.32	Apr	0.22	May	0.21	Jun	0.32	Jul	0.34	Aug	0.18	Sept	0.25	Oct	0.24	Nov	0.28	Dec	0.28		
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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>Complied</p>																											

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Criterion / Indicator		Assessment Findings	Compliance
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy used is from biofuel (shell and fiber) for boiler start-up. Sighted the records for usage of renewable energy FY 2019 as follows: <ul style="list-style-type: none"> Fiber: 0.75 ton/FFB processed Shell: 0.30 ton/FFB processed 	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The mill has identified the waste products and source pollution and documented in waste management plan FY 2018/19. The waste has been identified as follows: <ul style="list-style-type: none"> Scheduled waste – used lubricants, used filter and filter paper, empty lubricants, hexane, spent IPA, Empty chemical containers, electrical component, used batteries Domestic waste – Rubbish, sewage Recycle/Industrial waste – POME, EFB, decanter cake, compost Scrap Iron Clinical waste GHG – methane gas 	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: <ol style="list-style-type: none"> Identifying and monitoring sources of waste and pollution. Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. 	The mill has established the waste management plan and the plan was reviewed on annually basis. The mill has identified all waste products and source of pollution and documented in the Waste Management Plan. In the management plan stated the type of waste, source of waste,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	mitigation plan and person responsible. Latest update was conducted on 07.01.2020	
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>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by Management and workers.</p> <p>The mill also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. The inventory of Scheduled was reported on monthly basis through E-SWISS. Sighted the E-SWISS report – Fifth Scheduled for the month of February 2020, January 2020 and December 2019.</p> <p>Sighted the sampled latest scheduled waste disposal records dated 03.02.2020 by Kualiti Alam Sdn Bhd:</p> <ul style="list-style-type: none"> i. Spent Lubricant Oil (SW305) – 1 Drum ii. Spent Hydraulic Oil (SW306) – 1 Drum iii. Use Hexane (SW322) – 1 Container 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> iv. Disposed Container (SW409) – 20 units v. Rags, Plastic Papers or filter papers (SW410) – 1 Drum vi. Discarded or off specification inks (SW418) – 1 Unit vii. Fluorescent Light Bulb (SW109) – 1 Box 	
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>	Domestic waste was collected by the sister estate, Elphil Estate and disposed at designated landfill in Elphil Estate.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule and documented in Pollution Prevention Plan.	Complied
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>A management plan has been established based on the significant aspect and DOE license compliance schedule and documented in Pollution Prevention Plan.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>1. Observed the stack emission monitoring conducted twice a year and submitted Dept. of Environmental as follows:</p> <ul style="list-style-type: none"> • Boiler No: PK PMD 80023 (Report no. L-PG-AC1911CSD-0254) • Report date: 12/12/2019 • Result: 244.6 Mg/m3 dry@ 12% CO2 	Complied

Criterion / Indicator		Assessment Findings	Compliance																		
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan". Limit of Biochemical Oxygen Demand (BOD) discharge is 50 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Noted the following Effluent Analysis Test Report (EP50/2020) dated 07.01.2020:-</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Standard Quality</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>5.0 – 9.0</td> <td>8.4</td> </tr> <tr> <td>BOD</td> <td>1000</td> <td>208</td> </tr> <tr> <td>SS</td> <td>400</td> <td>880</td> </tr> <tr> <td>TN</td> <td>200</td> <td>177</td> </tr> <tr> <td>AN</td> <td>150</td> <td>61</td> </tr> </tbody> </table>	Parameter	Standard Quality	Results	pH	5.0 – 9.0	8.4	BOD	1000	208	SS	400	880	TN	200	177	AN	150	61	Complied
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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> <ol style="list-style-type: none"> Assessment of water usage and sources. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. 	<p>The mill has established Water Management Plan FY 2020. The plan focusing on contingency plan during shortage of water supply due to dry spell, severe water pollution and contamination of surface and ground water and to reduce water usage. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame.</p>	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance																										
	<p>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> <p>- Major compliance -</p>	<p>The monitor the water consumption on monthly basis. Sighted the water consumption monitoring records FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Water Consumption</th> </tr> </thead> <tbody> <tr> <td>January 2019</td> <td>1.03</td> </tr> <tr> <td>February 2019</td> <td>0.99</td> </tr> <tr> <td>March 2019</td> <td>0.97</td> </tr> <tr> <td>April 2019</td> <td>1.04</td> </tr> <tr> <td>May</td> <td>1.00</td> </tr> <tr> <td>June</td> <td>1.09</td> </tr> <tr> <td>July</td> <td>1.00</td> </tr> <tr> <td>Aug</td> <td>1.01</td> </tr> <tr> <td>September</td> <td>1.14</td> </tr> <tr> <td>October</td> <td>1.05</td> </tr> <tr> <td>November</td> <td>1.17</td> </tr> <tr> <td>December</td> <td>1.17</td> </tr> </tbody> </table>	Month	Water Consumption	January 2019	1.03	February 2019	0.99	March 2019	0.97	April 2019	1.04	May	1.00	June	1.09	July	1.00	Aug	1.01	September	1.14	October	1.05	November	1.17	December	1.17	
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4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan" 001845. Limit of Biochemical Oxygen Demand (BOD) discharge is 50 mg/l. Regular monitoring was done</p>	Complied																										

Criterion / Indicator		Assessment Findings	Compliance
		on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.	
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 -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	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.	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan for 2020 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization, FFB pricing etc. It also	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	includes environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure for process improvement.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. - All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. - Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contract agreements between the management and the contractors (e.g. Oons Enterprise and Sime Darby Industrial Sdn Bhd – machinery rental) were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required	Elphil POM had informed its contractors regarding the need to adhere the MSPO requirements through various meetings and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	documentation and information. - Major compliance -	briefings. Interview with the contractors showed that they are aware of the requirements.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between Oons Enterprise and Sime Darby Industrial Sdn Bhd, were verified.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required.	Complied

Appendix B: List of Stakeholders Contacted

<p>Government Officer: SJK (T) Ladang Changkat Salak Labour Department, Kuala Kangsar</p>	<p>Community/neighbouring village: Sr. Staff, Ladang Sungai Siput Penghulu mukim Sg. Siput Surau S. Jaya</p>
<p>Suppliers/Contractors/Vendors: VIH Construction Sdn. Bhd Maju Mech Seong Hsing Sdn. Bhd. Sri AS Pushpah Enterprise Amusu management Services Sdn. Bhd. Gunasekaren a/l Buchia</p>	<p>Worker's Representative/Gender Committee: Gender Committee Representatives Foreign & local workers NUPW Representatives</p>

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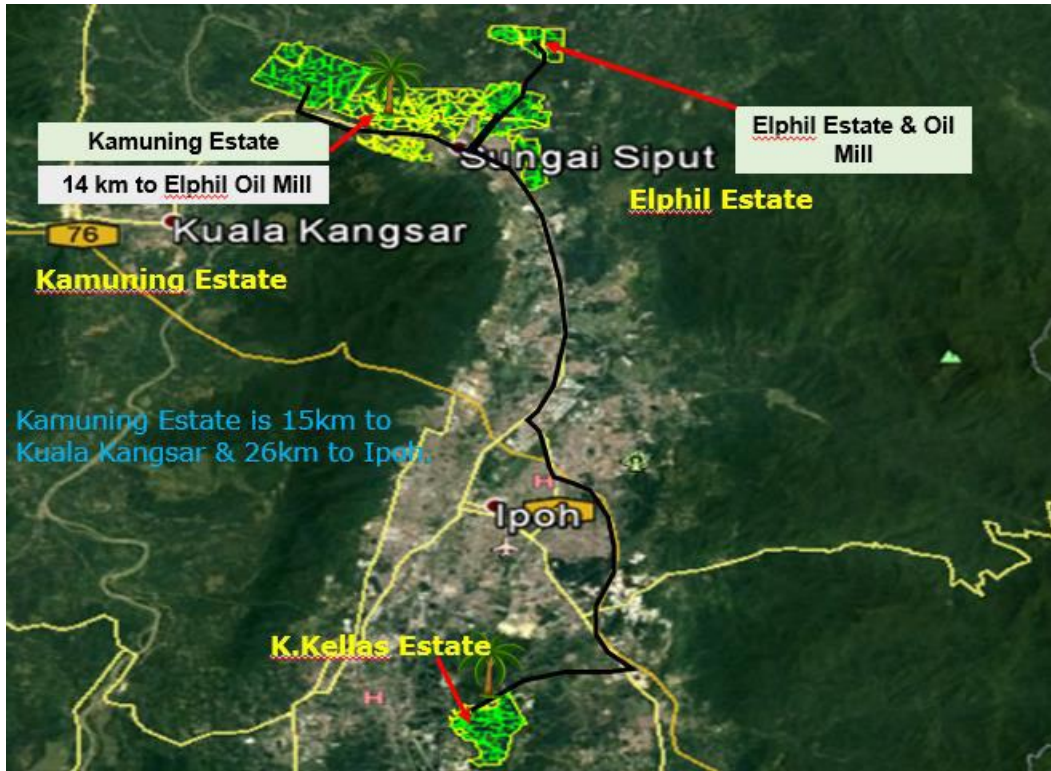
Appendix C: Smallholder Member Details

Not applicable

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
1	N/A					
2						
3						
4						
5						

Appendix D: Location and Field Map

Elphil Palm Oil Mill



Kamuning Estate



Appendix E: List of Abbreviations

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