

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)****MALAYSIAN SUSTAINABLE PALM OIL**  
**MSPO OPMC Public Summary Report**

- Initial Assessment
- Annual Surveillance Assessment (4)
- Recertification Assessment (Choose an item.)
- Extension of Scope

<b>SIME DARBY PLANTATION BERHAD</b>
Client Company (HQ) Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 7) Bukit Kerayong Palm Oil Mill & Plantations: Bukit Kerayong Estate & Bukit Cheraka Estate
Date of Final Report: 25/5/2022

**Report prepared by:**  
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**Report Number: 3511584**

**Assessment Conducted by:**  
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<b>TABLE of CONTENTS</b>	<b>Page No</b>
Section 1: Executive Summary .....	3
1.1 Organizational Information and Contact Person .....	3
1.2 Certification Information .....	3
1.3 Other Certifications .....	4
1.4 Location of Certification Unit .....	4
1.5 Certified Area .....	4
1.6 Plantings & Cycle .....	4
1.7 Certified Tonnage of FFB .....	5
1.8 Uncertified Tonnage of FFB.....	5
1.9 Certified Tonnage .....	5
1.10 Actual Sold Volume (CPO).....	6
1.11 Actual Sold Volume (PK).....	6
Section 2: Assessment Process .....	7
2.1 BSI Assessment Team .....	8
2.2 Impartiality and conflict of interest .....	9
2.3 Accompanying Persons .....	9
2.4 Assessment Plan .....	9
Section 3: Assessment Findings .....	11
3.1 Details of audit results.....	11
3.2 Details of Nonconformities and Opportunity for improvement .....	11
3.3 Status of Nonconformities Previously Identified and OFI .....	15
3.4 Summary of the Nonconformities and Status .....	22
3.5 Issues Raised by Stakeholders .....	22
3.6 List of Stakeholders Contacted .....	23
Section 4: Assessment Conclusion and Recommendation .....	24
Appendix A: Summary of the findings by Principles and Criteria.....	25
Appendix B: Smallholder Member Details.....	98
Appendix C: Location and Field Map.....	99
Appendix D: List of Abbreviations .....	102

## Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
<b>Company Name</b>	Sime Darby Plantation Berhad - Bukit Kerayong Palm Oil Mill (SOU 7)		
<b>Mill/Estate</b>	<b>Certification Unit</b>	<b>MPOB License No.</b>	<b>Expiry Date</b>
	Bukit Kerayong Palm Oil Mill	562906004000	31/07/2022
	Bukit Cheraka Estate	526188002000	31/01/2023
	Bukit Kerayong Estate	525572002000	31/12/2022
<b>Address</b>	Bukit Kerayong Palm Oil Mill, Jalan Bukit Kerayong, 42200 Kapar, Klang, Selangor, Malaysia		
<b>Management Representative</b>	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM)		
<b>Website</b>	www.simedarbyplantation.com	<b>E-mail</b>	shylaja.vasudevan@simedarbyplantation.com
<b>Telephone</b>	03-78484379 (Head Office)	<b>Facsimile</b>	03-78484356 (Head Office)

1.2 Certification Information			
<b>Certificate Number</b>	Mill: MSPO 682049 Plantations: MSPO 690368	<b>Certificate Start Date</b>	14/03/2018
<b>Date of First Certification</b>	14/03/2018	<b>Certificate Expiry Date</b>	13/03/2023
<b>Scope of Certification</b>	<input checked="" type="checkbox"/> Mills: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estates: Production of Sustainable Oil Palm Fruits		
<b>Visit Objectives</b>	The objective of the assessment was to conduct a surveillance assessment and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by Bukit Kerayong POM and Supply Base's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisation's specified objectives.		
<b>Standard</b>	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		
<b>Stage 1 Date</b>	N/A (The certification unit is RSPO certified)		
<b>Stage 2 / Initial Assessment Visit Date (IAV)</b>	19 - 21/12/2017		
<b>Continuous Assessment Visit Date (CAV) 1</b>	23 - 25/01/2019		
<b>Continuous Assessment Visit Date (CAV) 2</b>	20 - 22/01/2020		
<b>Continuous Assessment Visit Date (CAV) 3</b>	05 - 07/01/2021		
<b>Continuous Assessment Visit Date (CAV) 4</b>	24 - 27/01/2022		

## MSPO Public Summary Report Revision 2 (Nov 2021)

1.3 Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 550181	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Mass Balance Supply Chain Module	BSI Services Malaysia Sdn Bhd	14/04/2026
MSPO 714128	MSPO Supply Chain Certification Standard	BSI Services Malaysia Sdn Bhd	31/07/2024

1.4 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Bukit Kerayong Palm Oil Mill	Jalan Bukit Kerayong, 42200 Kapar, Klang, Selangor, Malaysia	3° 11' 13.06" N	101° 22' 23.48" E
Bukit Kerayong Estate	P.O. Box 204, 42200 Kapar, Klang, Selangor, Malaysia	3° 13' 37.20" N	101° 20' 56.00" E
Bukit Cheraka Estate	P.O. Box 202, 45809 Jeram, Selangor, Malaysia	3° 13' 37.2" N	101° 21' 56.12" E

1.5 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bukit Kerayong Estate	2,484.98	3.00	211.30	2,699.28	92.06
Bukit Cheraka Estate	3,400.65	55.52	191.45	3,647.62	93.22
<b>Total (ha)</b>	<b>5,885.63</b>	<b>58.52</b>	<b>402.75</b>	<b>6,346.90</b>	

Notes: Variance of -222.98Ha in Bk Kerayong Estate infrastructure/other due to resurvey of area

1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bukit Cheraka Estate	327.39	1,048.27	934.97	1,090.07	0	3,073.26	327.39
Bukit Kerayong Estate	0	1,398.00	1,086.98	0	0	2,484.98	0
<b>Total (ha)</b>	<b>327.39</b>	<b>2,446.27</b>	<b>2,021.95</b>	<b>1,090.07</b>	<b>0</b>	<b>5,558.24</b>	<b>327.39</b>

## MSPO Public Summary Report Revision 2 (Nov 2021)

<b>1.7 Certified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Jan 21 - Dec 21)	Actual (Jan 21 - Dec 21)	Forecast (Mar 22 - Feb 23)
Bk Kerayong Estate	63,249.84	33,177.03	28,573.00
Bk Cheraka Estate	72,609.20	37,746.98	36,934.00
Sg Buloh Estate	0	776.56	0
Clarity Crest	0	2,236.18	0
Euro-Asia Brand	0	202.51	0
Gan Estate	0	4,986.68	0
<b>Total (mt)</b>	<b>135,859.04</b>	<b>79,125.94</b>	<b>65,507.00</b>

<b>1.8 Uncertified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Jan 21 - Dec 21)	Actual (Jan 21 - Dec 21)	Forecast (Mar 22 - Feb 23)
Bakti Mas Sdn Bhd	N/A	8,652.17	N/A
Budi Sawit		1,358.15	
Eng Huat Latexs Concentrate Sdn		3,671.78	
KlangRealty		1,729.82	
Landta Rasmi		2,415.96	
Meru Estate		142.96	
Rasa Dinamis		4,546.62	
Selamis Sawit		2,723.49	
Syarikat Chuan Soon		19,268.48	
Timah Jaharah		3,692.19	
<b>Total (mt)</b>		<b>0</b>	

<b>1.9 Certified Tonnage</b>			
Mill Capacity: 30 MT/hr  SCC Model: MB	Estimated (Jan 21 - Dec 21)	Actual (Jan 21 - Dec 21)	Forecast (Mar 22 - Feb 23)
	FFB	FFB	FFB
	135,859.04	79,125.94	65,507.00
	CPO (OER: 20.35%)	CPO (OER: 19.81%)	CPO (OER: 14.66%)
	27,647.31	15,673.17	9,603.86

**MSP0 Public Summary Report**  
**Revision 2 (Nov 2021)**

	<b>PK (KER: 5.0%)</b>	<b>PK (KER: 4.71%)</b>	<b>PK (KER: 3.67%)</b>
	6,792.95	3,731.14	2,400.96

**1.10 Actual Sold Volume (CPO)**

CPO (mt)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
15,673.17	0	0	2,440.02	13,233.15	15,673.17

**1.11 Actual Sold Volume (PK)**

PK (mt)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
3,731.14	0	0	3,399.49	331.65	3,731.14

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 24 - 25/01 & 27/01/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the Bukit Kerayong Palm Oil Mill, Bukit Kerayong Estate and Bukit Cheraka Estate 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 Certification Unit not using MSPO certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSPO Logo and related claims.

The estates or smallholders sample were determined based on formula  $S = r\sqrt{n}$  where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders was 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 (include calculation of sampling taken). The sampled smallholder listed in Appendix B.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.6.

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

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

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

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

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)
Bukit Kerayong Palm Oil Mill	√	√	√	√	√
Bukit Kerayong Estate	√	√	√	√	√
Bukit Cheraka Estate	√	√	√	√	√

**Tentative Date of Next Visit: January 24, 2023 - January 27, 2023**

**Total No. of Mandays: 11**

**2.1 BSI Assessment Team**

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Hu Ning Shing (HNS)	Team Leader	<p><b>Education:</b> Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011.</p> <p><b>Work Experience:</b> She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body.</p> <p><b>Training attended:</b> She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&amp;C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She attended Endorsed MSPO Auditor and MSPO SCCS Lead Auditor Course in 2019. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia.</p> <p><b>Aspect covered in this audit:</b> During this assessment, she assessed on the aspects of social, legal, workers &amp; stakeholders’ consultation and SCC for CPO mill. She is fluent in Bahasa Malaysia and English languages.</p> <p><b>Language proficiency:</b> Fluent in in both verbal/written Bahasa Malaysia and English.</p>
Mohamad Fitri Mustafa (MFM)	Team Member	<p><b>Education:</b> Graduate in Degree of Agribusiness.</p> <p><b>Work Experience:</b> 8 years working experience in various plantation companies and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017.</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		<p><b>Training attended:</b> Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Member of BSI MSPO audit team.</p> <p><b>Aspect covered in this audit:</b> During this assessment, he assessed on the aspects of best practice and safety.</p> <p><b>Language proficiency:</b> Fluent in in both verbal/written Bahasa Malaysia and English.</p>
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**2.2 Impartiality and conflict of interest**

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

**2.3 Accompanying Persons**

No.	Name	Role
N/A		

**2.4 Assessment Plan**

The assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	HNS	MFM
Sunday, 23/01/2022	PM	Audit team travelling to site	√	√
Monday, 24/01/2022  <b>Bukit Kerayong Estate</b>	0830 - 0900	<p><b>Opening Meeting at Bukit Kerayong POM:</b></p> <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).</li> <li>• Verification on previous audit findings</li> </ul>	√	√
	0900 - 1300	<p><b>Bukit Kerayong Estate</b></p> <p>Field visit, boundary inspection, field operations, staff &amp; workers interview, buffer zone, HCV area, IPM implementation, OSH&amp;ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.</p>	√	√
	1300 - 1400	Lunch	√	√

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Date	Time	Subjects	HNS	MFM
	1400 - 1600	<b>Bukit Kerayong Estate</b> Document review P1 - P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting	√	√
	1600 - 1630	Interim Closing Briefing	√	√
Tuesday, 25/01/2022  <b>Bukit Cheraka Estate</b>	0830 - 1300	<b>Bukit Cheraka Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√
	1000 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-
	1300 - 1400	Lunch	√	√
	1400 - 1600	<b>Bukit Cheraka Estate</b> Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting	√	√
	1600 - 1630	Interim Closing Briefing	√	√
Thursday, 27/01/2022  <b>Bukit Kerayong POM</b>	0830 - 1300	<b>Bukit Kerayong POM</b> FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	1300 - 1400	Lunch	√	√
	1400 - 1600	<b>Bukit Kerayong POM</b> Document Review P1 - P6 (part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices	√	√
	1600 - 1630	Preparation of Closing Meeting	√	√
	1630 - 1700	Closing Meeting	√	√

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

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

#### 3.2 Details of Nonconformities and Opportunity for improvement

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

During the assessment there were (2) Major and (1) OFI raised. The SOU 7 Bukit Kerayong Palm Oil Mill and Estates 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.

Non-Conformity Report			
<b>NCR Ref #:</b>	2158932-202201-M1	<b>Issue Date:</b>	27/01/2022
<b>Due Date:</b>	26/04/2022	<b>Date of Closure:</b>	18/4/2022
<b>Area/Process:</b>	Bukit Cheraka Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.4 Major
<b>Requirements:</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
<b>Statement of Nonconformity:</b>	Compliance of legal requirements was not demonstrated effectively.		
<b>Objective Evidence:</b>	<u>Bukit Cheraka Estate:</u> Reviewed the employment contracts, payslips, attendance list, monthly productivity report and SOCSO contribution, Borang 8A found the following issues: 1. Reviewed total 7 payslips of contractor’s workers (Puspavalle Enterprise) found that the details of wages and allowances earned during each wage period was not outlined in the payslips as per Employment Regulations 1957. The details such as rate of pay per piece/ volume during normal working hours of work, total number of piece/ volume during normal hours of work, amount of wages paid in lieu of annual leave with pay, details of deduction made, details of holidays, annual and sick leave with pay and signature of employee were not included in the payslip as per requirements of Employment Regulations 1957.		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	<p>2. The SOCSO contribution made to the contractor’s workers (Puspavalle Enterprise) for April 2021 and July 2021 was not accordance to Employees’ Social Security Act 1969 (Act 4). The details as below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 15%;">Passport No.</th> <th style="width: 15%;">Month</th> <th style="width: 15%;">Wage Earned, RM</th> <th style="width: 15%;">Contribution Made, RM</th> <th style="width: 15%;">Actual Contribution should be made, RM</th> </tr> </thead> <tbody> <tr> <td rowspan="2">BQ 0156853</td> <td>April 2021</td> <td>5,103.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>6,748.96</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td rowspan="2">BX 0263181</td> <td>April 2021</td> <td>4,953.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>5,849.00</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td rowspan="2">BX 0323636</td> <td>April 2021</td> <td>4,953.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>5,098.96</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td rowspan="2">EG 0498444</td> <td>April 2021</td> <td>4,953.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>5,849.00</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td rowspan="2">EB 0971158</td> <td>April 2021</td> <td>4,953.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>5,849.00</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td rowspan="2">BX 0323503</td> <td>April 2021</td> <td>4,953.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>5,849.00</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td rowspan="2">BX 0361974</td> <td>April 2021</td> <td>4,953.94</td> <td>36.90</td> <td>49.40</td> </tr> <tr> <td>July 2021</td> <td>5,849.00</td> <td>36.90</td> <td>49.40</td> </tr> </tbody> </table> <p>3. Besides, based on the productivity and Attendance Sheet found that the wages for July 2021 were not distributed equally among the workers even though all of them have attended to work on the same number of days.</p> <p>4. Reviewed the Productivity Record for Pruning activity and payslips for April 2021, July 2021 and December 2021 found that the payment of the total of quantity of palm recorded in the payslips was different from the total quantity of palm recorded in the Productivity Record. The contractor did not pay to the workers as per actual productivity.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 15%;">Month</th> <th style="width: 20%;">Total Quantity of Palm recorded in Productivity Record</th> <th style="width: 20%;">Total Quantity of Palm ÷ 7 workers</th> <th style="width: 20%;">Total Quantity of Palm paid</th> </tr> </thead> <tbody> <tr> <td>April 2021</td> <td style="text-align: right;">19,214</td> <td style="text-align: right;">2,744.86</td> <td style="text-align: right;">988.20</td> </tr> <tr> <td>July 2021</td> <td style="text-align: right;">23,727</td> <td style="text-align: right;">3,389.57</td> <td style="text-align: right;">1,220.40</td> </tr> <tr> <td>December 2021</td> <td style="text-align: right;">32,740</td> <td style="text-align: right;">4,677.14</td> <td style="text-align: right;">1,683.72</td> </tr> </tbody> </table> <p>Employment contracts signed by the 7 contractor’s workers (Puspavalle Enterprise) in Bukit Cheraka Estate was not comprehensive where the terms and conditions of employment such as wage rates, entitlement of holidays, sick leave and annual leave with pay, duration of wage period, notice period and etc was not outlined in the contract as per Employment Regulations 1957.</p>	Passport No.	Month	Wage Earned, RM	Contribution Made, RM	Actual Contribution should be made, RM	BQ 0156853	April 2021	5,103.94	36.90	49.40	July 2021	6,748.96	36.90	49.40	BX 0263181	April 2021	4,953.94	36.90	49.40	July 2021	5,849.00	36.90	49.40	BX 0323636	April 2021	4,953.94	36.90	49.40	July 2021	5,098.96	36.90	49.40	EG 0498444	April 2021	4,953.94	36.90	49.40	July 2021	5,849.00	36.90	49.40	EB 0971158	April 2021	4,953.94	36.90	49.40	July 2021	5,849.00	36.90	49.40	BX 0323503	April 2021	4,953.94	36.90	49.40	July 2021	5,849.00	36.90	49.40	BX 0361974	April 2021	4,953.94	36.90	49.40	July 2021	5,849.00	36.90	49.40	Month	Total Quantity of Palm recorded in Productivity Record	Total Quantity of Palm ÷ 7 workers	Total Quantity of Palm paid	April 2021	19,214	2,744.86	988.20	July 2021	23,727	3,389.57	1,220.40	December 2021	32,740	4,677.14	1,683.72
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<b>Corrections:</b>	<p>1. The estate management has called upon the said contractor Puspavalle Enterprise on 29/1/2022 and briefed it on all legal requirements. We have reviewed all pay slips with respect to contractor employees in detail and we have outlined all the mandatory details that need to be stated in the pay slip such as rate of pay per piece/ volume during normal working hours of work, total number of piece/ volume during normal hours of work, amount of wages paid in lieu of annual leave with pay, details of deduction made, details of holidays, annual and sick leave with pay and signature of employee. We have</p>																																																																																				

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	<p>requested the contractor to provide a detailed payslip and we will ensure that the contractor will issue a payslip as required by law with immediate effect.</p> <ol style="list-style-type: none"> <li>The crop for 2015A was not correctly distributed for July 2021 between Nadir Hussain and Shuvo where Shuvo had assisted Nadir in harvesting in 2015A and the crop (30mt) was mistakenly calculated to Nadir instead of Shuvo. Management has raised this issue with the Pusapavalle contractor and the contractor himself has agreed to pay the underpaid amount of wages to the employees according to actual productivity by February 2022.</li> <li>The total actual palm pruning for April, July and December 2021 was not properly distributed among the workers. Management has raised this issue with the contractor Puspavalle and the contractor himself has agreed to pay the underpaid amount of wages to the employees according to actual productivity by February 2022.</li> <li>The estate management has called upon the Puspavalle Enterprise contractor on 29th January 2022 and briefed it on all legal requirements. We have reviewed previous employment contracts and we have demanded a comprehensive new employment contract where the terms and conditions of employment such as salary rate, leave entitlement, sick leave, and annual leave with pay, duration of wages period, notice period and etc are outlined as under the Employment Regulations 1957.</li> </ol>
<b>Root cause analysis:</b>	No enforcement on compliance to legal by the management
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>To conduct contractor legal compliance assessment by Group Sustainability Department annually, any non-conformity needs to be address by contractor within three month after the assessment.</li> <li>To carry out a legal briefing to the contractors every 6 months to remind them the compulsory legal requirement.</li> <li>To have contractor KPI on legal compliance, work performance, no of complaint, number of accident and to submit to Region Office on monthly basis.</li> </ol>
<b>Assessment Conclusion:</b>	<p>Evidence of implementation were verified;</p> <ol style="list-style-type: none"> <li>Contractor legal compliance assessment has been conducted by Group Sustainability Department on 25/3/2022.</li> <li>Legal briefing to the contractors to remind contractors on the compulsory legal requirement conducted on 25/2/2022. There were 8 contractors attended.</li> <li>Contractor KPI has been established on 6/4/2022 on legal compliance, work performance, no of complaint, number of accident and to submit to Region Office on monthly basis.</li> </ol> <p>The implementation of corrective actions was found effective and thus, major nonconformance was closed on 18/4/2022.</p>

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2158932-202201-M2	<b>Issue Date:</b>	27/01/2022
<b>Due Date:</b>	26/04/2022	<b>Date of Closure:</b>	18/4/2022
<b>Area/Process:</b>	Bukit Kerayong POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 4: 4.3.1.1 Major

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

<b>Requirements:</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.
<b>Statement of Nonconformity:</b>	Compliance of the terms and conditions of legal license was not demonstrated effectively.
<b>Objective Evidence:</b>	<p>Bukit Kerayong POM was found to have a tube well located in the mill compound. License for water abstraction was obtained from Lembaga Urus Air Selangor (LUAS), (license no: GWAL(P9)000312), expired on 15/02/2022.</p> <p>As a license holder, it is compulsory to comply with the requirements by the LUAS. Stated in the license, under "Syarat-syarat Khusus", point no 2, "Pemegang lesen hendaklah menyediakan laporan kualiti dan paras air bumi satu kali untuk setiap tahun dan diserahkan kepada Lembaga melalui borang Rekod Pemantauan Kualiti Air Bumi dan Rekod Pemantauan Paras Air Bumi (U011-F4-003-00). Laporan kualiti air hendaklah diisahkan oleh makmal swasta yang diakreditasi dan kos adalah ditanggung oleh pemegang lesen".</p> <p>Despite the license had been renewed every year, the mill management did not manage to provide the water quality report and ground water table report as per required by the local authority.</p>
<b>Corrections:</b>	To request "Rekod Pemantauan Kualiti Air Bumi dan Rekod Pemantauan Paras Air Bumi" from the respective vendor.
<b>Root cause analysis:</b>	Unaware of the requirement clause as the process to obtain the license was out-source to third party.
<b>Corrective Actions:</b>	<p>To assign dedicated person to monitor legal compliance e.g. license renewal, compliance to Jadual Pematuhan etc.</p> <p>To have a list of license/certificate and prepare a checklist of requirement for its' renewal.</p>
<b>Assessment Conclusion:</b>	<p>Evidence of implementation were verified;</p> <p>Bukit Kerayong Estate done water analysis by Permulab Sdn Bhd report issued on 3/12/2020.</p> <p>Person in-charge to monitor legal compliance has been assigned to Muhammad Aliff Bin Abdul Halim, Site Safety &amp; Sustainability Officer.</p> <p>List of license/certificate checklist of requirement for its' renewal has been established on 24/02/2022.</p> <p>The implementation of corrective actions was found effective and thus, major nonconformance was closed on 18/4/2022.</p>

**Opportunity for Improvement**

<b>Ref:</b>	2158932-202201-11	<b>Clause:</b>	MSPO Part 3: 4.4.5.11
<b>Area/Process:</b>	SOU 7 Bukit Kerayong POM & Supply Bases		
<b>Objective Evidence:</b>	The linesite in Bukit Cheraka Estate, Bukit Cloh Division could be further improved to ensure the recyclable wastes and domestic wastes are properly disposed.		

**Noteworthy Positive Comments**

1	Good relationship being maintained with surrounding communities.
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**3.3 Status of Nonconformities Previously Identified and OFI**

Non-Conformity Report			
<b>NCR Ref #:</b>	2007066-202101-M1	<b>Issue Date:</b>	07/01/2021
<b>Due Date:</b>	06/04/2021	<b>Date of Closure:</b>	06/04/2021
<b>Area/Process:</b>	Bukit Cheraka Estates	<b>Clause &amp; Category: (Major / Minor)</b>	MSP0 2530 Part 3: 4.4.5.6 Major
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	The employment contract signed by the contractor's workers was not comprehensive.		
<b>Objective Evidence:</b>	Bukit Cheraka Estate: Employment contracts signed by the 4 contractor's workers (KSG Enterprise Sdn Bhd) in Bukit Cheraka Estate was not comprehensive where only rules that need to be comply by the workers stated in the contract. Terms and conditions of employment such as annual leave, wages, notice period, sick leave and etc was not outlined in the contract.		
<b>Corrections:</b>	To issue warning letter to KSG enterprise for them to issue revised employment contract with the compliance toward Employment Act 1955 requirement detailing on annual leave, rest day, termination clause, sick leave etc. Estate to investigate the cause and issue letter to FFB transporter for them to ensure the workers they employ comply with Employment Act 1955.		
<b>Root cause analysis:</b>	Inadequate monitoring/enforcement on contractor's compliance to legal labour requirement and employment act 1955.		
<b>Corrective Actions:</b>	Approach Group Procurement to issue strong reminder to FFB transporter to strictly comply to legal requirements including employment terms as stipulated in the agreement. Similar letter to be sent to all vendors suppliers for SOU 7 Bukit Kerayong. Estate management will ensure all contractor's document comply with Employment Act 1955 and will be monitor continuously. Warning letter will be issued should the contractor fail to comply to the legal requirement and breach the contract. Estate will check the compliance on monthly basis and compliance with Employment Act 1955.		
<b>Assessment Conclusion:</b>	Warning letter dated 22/01/2021 was issued to the contractor, KSG Enterprise was sighted to give reminder to the contractor in order to comply with the requirements. The contract has acknowledged after received of the warning letter. Sustainability Department in HQ has approached the Group Procurement Department to issue reinforcement memo to transporters to comply with legal requirement on 06/04/2021 and the Group Procurement – Logistics has email to the transporter on 06/04/2021 as well to remind the transporters to comply with legal requirements. Seen the email correspondence. Contractor Monitoring Checklist was established to monitor the compliance of contractors on legal requirements. The last monitoring was conducted on		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	06/04/2021 through phone call and found that the contractor was complied with the requirements. The monitoring will be carried out on quarterly basis. The implementation of corrective action was found effective and thus the major non-conformance was closed on 06/04/2021.
<b>Verification Statement:</b>	Verification of evidence for Major NC, Warning letter issued to KSG Enterprise was reviewed and verified. It was also verified that the Sustainability Department at HQ level had approached the Group Procurement Department regarding the compliance on legal requirement by the contractor dated on 06/04/2021 (the letter sighted and verified). There was no recurrence of non-conformity. Thus, the NCR remains closed.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2007066-202101-M2	<b>Issue Date:</b>	07/01/2021
<b>Due Date:</b>	06/04/2021	<b>Date of Closure:</b>	06/04/2021
<b>Area/Process:</b>	Palm Oil Mill	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 4: 4.4.5.3 Major
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	The management did not comply with the MAPA/NUPW Circular No. 22/2015.		
<b>Objective Evidence:</b>	<p>Reviewed the pay slips of the workers who joined NUPW association found that the deduction made for the union fee was RM 11. There was no reimbursement of RM 3 made to the workers on March 2020, September 2020 and December 2020 as per MAPA/NUPW Circular No. 22/2015 dated 4/8/2015 and sampled of workers as below:</p> <ul style="list-style-type: none"> <li>i. Employee No.: 9838</li> <li>ii. Employee No.: 6782</li> <li>iii. Employee No.: 6790</li> <li>iv. Employee No.: 29579</li> </ul> <p>Below are the workers who joined on December 2020 were also not reimbursed for the RM 3.</p> <ul style="list-style-type: none"> <li>i. Employee No.: 152134</li> <li>ii. Employee No.: 159739</li> <li>iii. Employee No.: 159741</li> <li>iv. Employee No.: 159742</li> <li>v. Employee No.: 159993</li> </ul>		
<b>Corrections:</b>	To reimburse the unpaid amount to the respective workers. Assistant to verify the data entry record before finalising the checkroll process.		
<b>Root cause analysis:</b>	Additional reimbursement of the same code in the payment system supersede the previous recurrent reimbursement. Lack of verification process to ensure the data entry are in order.		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

<b>Corrective Actions:</b>	Spot checks by RQSM/Careline on a quarterly basis during their visit to the respective operating unit and to inform union representative during meeting with union to ensure the union member receive the reimbursement due to them as per stipulated at Employment Act 1955 and as per SDP Human Right Charter.
<b>Assessment Conclusion:</b>	<p>The management has reimbursed the unpaid amount for the sampled workers on January 2021's wages under category of Insurance Reimbursement. Besides, reviewed payslip for February 2021 found that RM 3 was reimbursed to the worker for NUPW fee. The reimbursement of other Union members were carried out on March 2021 and seen the List of Employee Allowances and Deduction Details March 2021 for the reimbursement which has been verified by the Assistant Manager before key into the system.</p> <p>RSQM has developed a Workplace Inspection Planning to visit the mill and estates to check on the implementation of the requirements by the operating units. Seen the inspection schedule for Year 2021 where the plan to visit for SOU 7 Bukit Kerayong is on June 2021.</p> <p>The implementation of corrective action was found effective and thus the major non-conformance was closed on 06/04/2021.</p>
<b>Verification Statement:</b>	<p>Verification of evidence for Major NC,</p> <p>The company had reimbursed the unpaid amount to the sampled workers under category Insurance Reimbursement. The audit team had sighted and reviewed the payslip and other related documents.</p> <p>There was no recurrence of non-conformity. Thus, the NCR remains closed.</p>

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2007066-202101-M3	<b>Issue Date:</b>	07/01/2021
<b>Due Date:</b>	06/04/2021	<b>Date of Closure:</b>	06/04/2021
<b>Area/Process:</b>	Bukit Kerayong Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.5.3.3 Major
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	The Scheduled Waste, SW 305 were not handled as per Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974.		
<b>Objective Evidence:</b>	<p>Bukit Kerayong Estate:</p> <p>FY 2020, the vehicle maintenance services were conducted by the estate foreman. Noted during document review, the first vehicle services in 2020 and SW 305 generated on 06/01/2020. As recorded in the BIN Card since 06/01/2020 till 23/12/2020, the SW 305 generated recorded at 540L. The waste generated from the activity were stored in the Scheduled Waste Store and yet to be disposed by the estate since the day of the audit.</p>		
<b>Corrections:</b>	Scheduled waste will be disposed immediately by end of January 2021.		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	RSQM will schedule a training to all personnel involve in the working station and person in-charge in handling and monitoring of scheduled waste inventory.
<b>Root cause analysis:</b>	Changes in service provider and inadequate monitoring system to ensure proper handling of scheduled waste at the estate.
<b>Corrective Actions:</b>	Regular spot check on documentation and physical visit to scheduled waste generated area during workplace inspection every quarterly basis by RSQM or OSH Committee.
<b>Assessment Conclusion:</b>	<p>There was a training on eSwiss conducted on 11/02/2021 by RSQM team to all the personnel from Bukit Kerayong Estate and Bukit Cheraka Estate. Seen the training attendance list.</p> <p>Sime Darby Industrial Sdn Bhd has collected the 1000 litres of engine oil and 8 pieces of filters on 05/04/2021. Seen the memo of collection. The vehicle maintenance is now serviced by Sime Darby Industrial Sdn Bhd and any scheduled waste generated will be collected by them after their service.</p> <p>RSQM has developed a Workplace Inspection Planning to visit the mill and estates to check on the implementation of the requirements by the operating units. Seen the inspection schedule for Year 2021 where the plan to visit for SOU 7 Bukit Kerayong is on June 2021. Workplace Inspection Checklist was developed where inspection on schedule waste in included.</p> <p>The implementation of corrective action was found effective and thus the major non-conformance was closed on 06/04/2021.</p>
<b>Verification Statement:</b>	<p>Verification of evidence for Major NC,</p> <p>Review on the inventory records shows that the scheduled waste was disposed by the Sime Darby Industry. Site visit to the scheduled waste store, workshop and lubricant store was conducted during the audit program and found no waste (SW305) was kept at these areas. Training records for handling used chemical was conducted on 11/02/2021 by RSQM team, reviewed and verified by the audit team.</p> <p>There was no recurrence of non-conformity. Thus, the NCR remains closed.</p>

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2007066-202101-N1	<b>Issue Date:</b>	07/01/2021
<b>Due Date:</b>	Next surveillance assessment	<b>Date of Closure:</b>	27/01/2022
<b>Area/Process:</b>	Bukit Kerayong Estate and Bukit Cheraka Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.4 Minor
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	Employees of contractors are not paid based on Employment Act 1955, Section 60(d).		
<b>Objective Evidence:</b>	<p>Bukit Kerayong Estate and Bukit Cheraka Estate:</p> <p>Reviewed the pay slips and Daily Oil Mill Declared Weight – By Delivery Note for September 2020 found that 4 contractor’s workers (FFB transporter) in Bukit Kerayong Estate and 4 contractor’s workers (FFB transporter) in Bukit Cheraka</p>		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	Estate have worked on rest day without paying according to Employment Act 1955. The sampled workers as below:	
	I/C No.	Date of Work on Rest Day
	Bukit Kerayong Estate	
	730622-10-55XX	06/09/2020, 13/09/2020 and 27/09/2020
	890911-10-51XX	
	711125-10-64XX	
	650128-10-68XX	
	Bukit Cheraka Estate	
	610721-10-54XX	06/09/2020, 13/09/2020, 20/09/2020, 27/09/2020
	950307-10-55XX	06/09/2020
	790820-08-62XX	13/09/2020, 20/09/2020, 27/09/2020
741004-10-54XX	06/09/2020, 13/09/2020, 20/09/2020	
<b>Corrections:</b>	Estate to investigate the cause and issue letter to FFB transporter for them to ensure the workers they employ comply with the legal requirements (wages, rest day (double pay), work on rest day etc) and reimburse workers with the payments due within the timeline stipulated also to make clear of our expectations.	
<b>Root cause analysis:</b>	Inadequate monitoring/enforcement on contractor's compliance to legal labour requirement and employment act 1955.	
<b>Corrective Actions:</b>	Monitoring of contractor's documentation on legal requirement biannually and warning letter will be issued should the contractor fail to comply to the legal requirement and breach the contract.	
<b>Assessment Conclusion:</b>	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.	
<b>Verification Statement:</b>	Verification of evidence for Major NC: Warning letter to the FFB transporter was made available to the audit team and verified. Sighted also the reimbursement records of the payment for working on the rest day to the workers was verified. There was no recurrence of non-conformity. Thus, the NCR remains closed.	

Non-Conformity Report			
<b>NCR Ref #:</b>	2007066-202101-N2	<b>Issue Date:</b>	07/01/2021
<b>Due Date:</b>	Next surveillance assessment	<b>Date of Closure:</b>	27/01/2022
<b>Area/Process:</b>	Bukit Kerayong Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.4.2 d Minor
<b>Requirements:</b>	The occupational safety and health plan shall cover the following: d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

<b>Statement of Nonconformity:</b>	The mitigation measure for spraying activity as per HIRARC, wearing appropriate PPE and Pictorial Safety Standard (PSS) dated 17/3/2008 were not effectively implemented.
<b>Objective Evidence:</b>	Bukit Kerayong Estate: During interview with spraying workers, it was noted that the 7 sprayers have been provided with safety goggle to protect their eyes during spraying. However, the workers didn't wear the goggle as instructed during circle spraying work.
<b>Corrections:</b>	To issue warning letter to mandore and spraying gang for not wearing a proper PPE.
<b>Root cause analysis:</b>	Lack of effective monitoring system for PPE usage by workers.
<b>Corrective Actions:</b>	Supervisor to check and ensure workers have full PPE before start working via PPE monitoring book. To review PPE supply to worker and to substitute the PPE should the PPE found to be inconvenience to the user.
<b>Assessment Conclusion:</b>	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.
<b>Verification Statement:</b>	Verification of evidence for Major NC, During the site visit to the spraying area, the audit team noticed the spraying gang were wearing full set of PPEs. Interview with the gang shows that they were fully aware on the important of wearing PPE while carry out the task. They also admit they have undergone a training/briefing regarding on the PPE usage. Training records were made available to the audit team and verified. There was no recurrence of non-conformity. Thus, the NCR remains closed.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2007066-202101-N3	<b>Issue Date:</b>	07/01/2021
<b>Due Date:</b>	Next surveillance assessment	<b>Date of Closure:</b>	27/01/2022
<b>Area/Process:</b>	Bukit Kerayong Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO Part 3: Minor 4.5.1.2
<b>Requirements:</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.		
<b>Statement of Nonconformity:</b>	The Environmental Aspect Identification and Environmental Impact Evaluation was not effectively conducted as per SOP established.		
<b>Objective Evidence:</b>	Bukit Kerayong Estate: Noted during document review, the Environmental Aspect/Impact evaluation was not conducted as per SOP established.  The determination of environmental impacts at Bukit Kerayong Estate are not according to the EQMS – Environmental Aspect / Impacts Evaluation Procedure. a. EIE2020/01/09/FWE/03 – the frequency of transporting chemical and workers is identified as 3. However, this activity frequency should be daily.		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	b. EIE2020/01/11/PWR/10 – it was identified there is high compliance potential of non-compliance to environmental regulation. However, there is no EMP been developed for this activity.
<b>Corrections:</b>	To re-evaluate and review Environment Impact/Aspect Evaluation for Bukit Kerayong Estate and develop action plan in Environment Management Plan should the new revised EIE has a high compliance potential of non-compliance to environmental regulation.
<b>Root cause analysis:</b>	Training not carried out on handling of chemical, scheduled wastes and on the EAI/EIE procedure.
<b>Corrective Actions:</b>	RSQM will plan a training/coaching session with person-charge on the Environmental Impact Evaluation/Assessment by in Feb/Mar 2021 to ensure it comply with related act and requirement.
<b>Assessment Conclusion:</b>	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.
<b>Verification Statement:</b>	Verification of evidence for Major NC, The RSQM had conducted a refreshment training regarding on the EIA/EIE evaluation process. to the estate management on 11/02/2021. The training record was made available to the audit team and verified. Prior to that, estate management had reviewed and revised the EAI/EIE for activity; Fuel Re-filing & Transporting Chemical & Workers. The revision dated on 13/01/2021. There was no recurrence of non-conformity. Thus, the NCR remains closed.

<b>Opportunity for Improvement</b>			
<b>Ref:</b>	2007066-202101-I1	<b>Clause:</b>	MSPO 2530 Part 3: 4.4.2.2
<b>Area/Process:</b>	Bukit Kerayong Estate		
<b>Objective Evidence:</b>	Bukit Kerayong Estate: The management to ensure the complaint system is effectively implemented.		
<b>Verification Statement:</b>	Complaint system is effectively implemented. Interview with the workers confirms that they were aware and understand the procedure.		

<b>Opportunity for Improvement</b>			
<b>Ref:</b>	2007066-202101-I2	<b>Clause:</b>	MSPO 2530 Part 4: 4.4.2.1
<b>Area/Process:</b>	Palm Oil Mill		
<b>Objective Evidence:</b>	The mill to ensure the consistency implementation of the format of "Borang Kerosakan Rumah – Workers/ NC/ Staff" used and to indicate the date of completion of the complaint.		
<b>Verification Statement:</b>	The management had developed the OPP apps where all of the workers may lodge any complaint regarding on the housing defect. They will made aware when the complaint had been dissolved thru the updates from the system.		

**3.4 Summary of the Nonconformities and Status**

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
1732661-201901-N1	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N2	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N3	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N4	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N5	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N6	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N7	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N8	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N9	Minor	25/01/2019	Closed on 22/01/2020
1871621-202001-M1	Major	22/01/2020	Closed on 27/03/2020
1871621-202001-M2	Major	22/01/2020	Closed on 27/03/2020
1871621-202001-M3	Major	22/01/2020	Closed on 27/03/2020
1871621-202001-N1	Minor	22/01/2020	Closed on 07/01/2021
1871621-202001-N2	Minor	22/01/2020	Closed on 07/01/2021
2007066-202101-M1	Major	07/01/2021	Closed on 06/04/2021
2007066-202101-M2	Major	07/01/2021	Closed on 06/04/2021
2007066-202101-M3	Major	07/01/2021	Closed on 06/04/2021
2007066-202101-N1	Minor	07/01/2021	Closed on 27/01/2022
2007066-202101-N2	Minor	07/01/2021	Closed on 27/01/2022
2007066-202101-N3	Minor	07/01/2021	Closed on 27/01/2022
2158932-202201-M1	Major	27/01/2022	Closed on 18/04/2022
2158932-202201-M2	Major	27/01/2022	Closed on 18/04/2022

**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Feedbacks:</b>  Contractors – They informed that they have signed contract agreement prior to provide any services. They were briefed on the MSPO requirements and understand the complaint mechanism. The payment was made promptly and no issue with the management.</p> <p><b>Audit Team verification and response:</b>  Verified the payment records and found no lapse in the payment.</p>

<b>2</b>	<b>Feedbacks:</b> School (SJK (T) Ladang Jalan Acob) – She informed that she has good relationship with the management. The management provided assistance whenever they requested. She understood the complaint mechanism.
	<b>Audit Team verification and response:</b> No other issue.
<b>3</b>	<b>Feedbacks:</b> Local Community Representative (Kampung Simpang 3) – He informed that the boundary was demarcated and no land encroachment by the company. He has good relationship with the management and the company will provide any assistance whenever the local community requested. He understood the complaint mechanism.
	<b>Audit Team verification and response:</b> No other issue.
<b>4</b>	<b>Feedbacks:</b> Workers – The workers understood the company’s policies and complaint mechanism. They were treated equally without any discrimination. Wages were paid according to Minimum Wage Order 2020. Overtime was offered based on voluntarily and no forced labour in the company.
	<b>Audit Team verification and response:</b> No other issue.
<b>5</b>	<b>Feedbacks:</b> NUPW Representatives – The representatives have informed that they were elected by all the workers without any involvement of management. They will have discussion with the management if there are any issues raised by the workers. The management will take action accordingly.
	<b>Audit Team verification and response:</b> No further issue.

### 3.6 List of Stakeholders Contacted

<b>Government Officer:</b> -	<b>Community/neighbouring village:</b> School (SJK (T) Ladang Jalan Acob) Kampung Simpang 3 Sundry Shop
<b>Suppliers/Contractors/Vendors:</b> BMSPU Enterprise	<b>Worker’s Representative/Gender Committee:</b> NUPW representatives Indian workers representative Indonesian workers representative Contractor workers

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment SOU 7 Bukit Kerayong Palm Oil Mill and Estates Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 7 Bukit Kerayong Palm Oil Mill and estates. Certification Unit is continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Nor Arizan Bin Ahmad	<b>Name:</b> Hu Ning Shing
<b>Company name:</b> Sime Darby Plantation Berhad	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b> SOU 7 Chairman	<b>Title:</b> Lead Auditor
<b>Signature:</b>  Sime Darby Plantation Berhad Bukit Cheraka Estate (647766-V) NOOR ARIZAN BIN AHMAD 25-04-2021	<b>Signature:</b> 
<b>Date: 25/04/2021</b>	<b>Date: 25/04/2021</b>

**Appendix A: Summary of the findings by Principles and Criteria**

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has issued an inter-office mail (Ref. No.: SQM.RSPO.1811/22.11) dated 23/11/2018 regarding the statement on commitment towards MSPO implementation by Head, Global Sustainability Operations, Mr. Tang Men Kon. Sime Darby Plantation Berhad is committed to comply and implement the MSPO certification to demonstrate our commitment towards the production of certified sustainable palm oil products. The policies were communicated to the employees during morning muster in Bukit Kerayong Estate and on 10/11/2021 in Bukit Cheraka Estate.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has clearly emphasized to achieve commitment towards a systematic approach in ensuring continuous improvement in the operation, compliance to statutory, legal and other regulatory requirements and establishment of traceability within the supply chain in the above-mentioned memorandum.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	RSPO + MSPO internal audit for Bukit Kerayong Estate was conducted on 11/10/2021 and 12/10/2021 in Bukit Cheraka Estate by Sustainability Compliance Unit, Group Sustainability Department. The audit was carried out based on the reference of MS 2530-3:2013. Total	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		2 major non-conformities, 2 minor non-conformities and 1 Opportunity for Improvement raised in Bukit Kerayong Estate and 1 minor non-conformity raised in Bukit Cheraka Estate.	
<b>4.1.2.2</b>	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.  - <b>Major compliance</b> -	Sime Darby Plantation Berhad has developed Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017. The frequency of the internal audit shall be carried out at least once a year and when is required.  Total 2 major non-conformities, 2 minor non-conformities and 1 Opportunity for Improvement raised in Bukit Kerayong Estate and 1 minor non-conformity raised in Bukit Cheraka Estate.  Seen the Internal Audit Report with identified root cause, correction and corrective action. All the non-conformities and OFIs were closed on 25/10/2021 in Bukit Kerayong Estate and 22/10/2021 in Bukit Cheraka Estate.	Complied
<b>4.1.2.3</b>	Report shall be made available to the management for their review.  - <b>Major compliance</b> -	The internal audit report was distributed to the estates' management. Management review meeting was conducted to review the findings of the internal audit.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	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.  - <b>Major compliance</b> -	The management review meeting was conducted on 09/12/2021 in Bukit Kerayong Estate and 10/01/2022 in Bukit Cheraka Estate. Meeting minutes was sighted with the agenda that discussed as below: 1. Results of internal audits covering MSPO & MSPO SCCS 2. Customer feedback 3. Status of preventive and corrective actions 4. Follow-up actions from management reviews	Complied

Criterion / Indicator		Assessment Findings	Compliance
		5. Changes that could affect the management system 6. Recommendations for improvement 7. Improvement of the effectiveness of the management system and processes 8. Resources needs	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	Actions plans for continual improvement have been specified and documented for respective estates. The plans covered the aspect of safety & health, social impact and environment.	Complied
<b>4.1.4.2</b>	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. <b>- Major compliance -</b>	The estate management have established annual training program based on the training needs analysis. This program is flexible and may add on any new information or technology that is feasible and applicable to the company.  The group had implemented a new technique of receiving complain and grievances for internal stakeholder (employees) regarding on the house defect. Any complain and grievances can be submitted via this technology and will alert the person in charged. This new technology is known as "Talian OPP: Sistem Aduan Kerosakan Rumah".	Complied
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. <b>- Major compliance -</b>	Training to workers in various aspects of plantation operation were conducted throughout the year. The training was provided to employees by the competent person from the estate management.	Complied
<b>4.2 Principle 2: Transparency</b>			

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	Complied
<b>4.2.1.2</b>	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. <b>- Major compliance -</b>	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website ( <a href="https://simedarwinplantation.com/sustainability/reports-policies-and-statements/">https://simedarwinplantation.com/sustainability/reports-policies-and-statements/</a> ) to obtain information such as policies, annual report and complaint procedures.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	Senior Assistant Manager of Bukit Kerayong Estate and Assistant Managers of Bukit Cheraka Estate has been appointed as social officer to handle any issues related to social in the estate by the Estate Manager. Appointment letter dated 01/01/2022 was sighted.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	Bukit Kerayong Estate has maintained the Stakeholder list FY 2022 where stakeholders such as government authorities, local communities, contractors, suppliers and neighbouring estate was included in the list.  The stakeholder meeting was conducted on 20/01/2022 for SOU 7 Bukit Kerayong POM and supply bases. Bukit Kerayong Estate has issued invitation letter to stakeholders attached with the Confirmation of Attendance and Complaint/ Improvement form on 17/01/2022. The stakeholders such as authorities, contractors, suppliers and local communities were invited. Some of the stakeholders have provided feedback/ complaint to the management. Meeting minutes was sighted and issues raised were recorded in the minutes with responses from management.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Plantation Quality Management System – Standard Operating Procedure for Sustainable Supply Chain and Traceability, Doc. No.: Appendix 15, Version 2 dated April 2019. The objective of the procedure is to provide guideline for estates to establish and ensure effective implementation on	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		sustainable supply chain and traceability of certified sustainable materials (FFB).	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Inspection on the compliance of the traceability system were made on daily basis. The weighbridge operator key in all the related data into the system and verified by the executive at the end of the day. Sighted the weighbridge records and FFB delivery notes to the Kerayong Palm Oil Mill.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	Senior Assistant Manager from each estate were appointed as the person in charge for traceability, environment and quality management system. The appointment was made on 01/01/2022 and 01/11/2021 for Bukit Cheraka Estate and Bukit Kerayong Estate respectively.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Records of storage, sales, delivery or transportation of CPO are well maintained the mill office. FFB delivery records from supply base was made available. The document contains; FFB consignment note, weighbridge ticket from estate and weighbridge ticket from mill. I. FFB consignment note: a. Date & time b. Consignment no c. FFB field & division no d. Estimated tonnage. e. Security seal no f. Vehicle plate no g. Driver's name II. Weighbridge ticket from estate	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>a. MSPO certificate no and validity no.</li> <li>b. Vehicle plate no.</li> <li>c. Transporter name</li> <li>d. Driver's name &amp; IC no.</li> <li>e. Delivery note no.</li> <li>f. Security seal no.</li> <li>g. Time &amp; date</li> <li>h. FFB weight.</li> <li>i. Total Mt of FFB &amp; bunches no.</li> <li>j. Checked and verification by the staff &amp; executives.</li> </ul> <p>III. Weighbridge from the mill</p> <ul style="list-style-type: none"> <li>a. Supplier</li> <li>b. Transporter</li> <li>c. Vehicle plate no</li> <li>d. Driver's name &amp; IC no</li> <li>e. Security seal no</li> <li>f. Time &amp; date</li> <li>g. Total weight</li> </ul> <p>Acknowledgement and verification by the staff &amp; executives</p>	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has obtained approval from Jabatan Tenaga Kerja Semenanjung Malaysia to make deduction of wages for electricity bill. Approval letter with Ref. No.: BHG.PU/9/129 JLD 33 (53) dated 06/07/2017 was sighted.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Bukit Kerayong Estate has obtained approval from Jabatan Tenaga Kerja Selangor for the deduction of wages for the premium of insurance. The approval letter with Ref. No.: JTKS(E)6/115. Jld 65-05(2) dated 29/05/2020 was sighted.</p> <p>Bukit Cheraka Estate has obtained approval from Jabatan Tenaga Kerja Selangor for the deduction of wages for items below:</p> <ol style="list-style-type: none"> <li>1. Ref. No.: JTKS(E)6/115.Jld 71-22(2) dated 28/04/2021 for cooperation.</li> <li>2. Ref. No.: JTKS(E)6/115.Jld 70-42(2) dated 19/02/2021 for AMESU, NUPW membership fee and life insurance.</li> <li>3. Ref. No.: JTKS(E)6/115.Jld 34-10(2) dated 05/03/2018 for utility bill (water and electricity bill), Great Eastern insurance and personal loan.</li> </ol>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>All operating units have Legal &amp; Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register, 2021 updated version.</p> <p>Among the laws and regulations listed in the LORR are:</p> <ol style="list-style-type: none"> <li>a. Occupational safety &amp; health act.</li> <li>b. Factories &amp; machineries act.</li> <li>c. Pesticides act.</li> <li>d. Environmental act.</li> <li>e. Water regulations.</li> <li>f. Human resources related.</li> <li>g. Other requirements.</li> </ol> <p>The list prepared by the mill assistant manager and approved by the senior mill assistant in charge, dated on 03/01/2022.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	The latest legal register for 2021 was sighted. Among the newly updated laws and regulations as follow: a. Anti-money laundering, anti-terrorism financing and proceeds of unlawful activities act 2001. b. Malaysian anti-corruption commission act (amended) 2018. c. Whistle blower protection act 2010.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. <b>- Minor compliance -</b>	Group Sustainability will update the operating regarding any changes on applicable laws to the operating units. The person responsible appointed at the operating units will update the changes in the Legal Register. Assistant Manager of the mill has been appointed as the person-in charge for Environment/ Quality Management Systems. Role and responsibilities have clearly stated in the appointment letter dated 01/11/2021.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	There was no evidence to show that oil palm cultivation activities Bukit Kerayong Estate and Bukit Cheraka Estate had diminished the land use rights of others. Verified documents to show legal ownership of its lad.	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. <b>- Major compliance -</b>	Verified the land titles shown that the legal ownership of the company. Sample of land title as below: <u>Bukit Kerayong Estate:</u> There was no change on the land area since last audit. There are total 19 land titles found in Bukit Kerayong Estate. Sampled of the land titles as below:	Complied

Criterion / Indicator		Assessment Findings	Compliance
		i. Land Title No.: 44392; Lot No.: 3637; Area: 182.2094 ha ii. Land Title No.: 51653; Lot No.: 1592; Area: 404.7862 ha iii. Land Title No.: 44850; Lot No.: 98; Area: 39.5706 ha  <u>Bukit Cheraka Estate:</u> There was no change on the land area since last audit. There are total 133 land titles found in Bukit Cheraka Estate. Sampled the land titles as below: i. Land Title No.: 53257; Lot No.: 2213; Area: 40.3926 ha ii. Land Title No.: 47691; Lot No.: 4586; Area: 273.7694 ha iii. Land Title No.: 50095; Lot No.: 2965; Area: 100.3619 ha	
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The legal boundary for estates was clearly demarcated by constructing security trenches and boundary peg with stone along the boundary and it was visibly maintained. Boundary stone map was available. Seen the boundary stone verified at Field 09/A in Bukit Kerayong Estate and Field 19/A in Bukit Cheraka Estate.	Complied
<b>4.3.2.4</b>	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). <b>- Minor compliance -</b>	There is no land dispute in the Bukit Kerayong Estate and Bukit Cheraka Estate at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	There is no customary land or negotiated agreements within the Bukit Kerayong Estate and Bukit Cheraka Estate land area.	Not Applicable
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. <b>- Minor compliance -</b>	There is no customary land or negotiated agreements within the Bukit Kerayong Estate and Bukit Cheraka Estate land area.	Not Applicable
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	There is no customary land or negotiated agreements within the Bukit Kerayong Estate and Bukit Cheraka Estate land area.	Not Applicable
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	The SIA report was remained unchanged since last audit. Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 02-04/11/2015 for SOU 7 Bukit Kerayong. Besides, a Social Dialogue was carried out by the management of Bukit Kerayong Estate on 04/01/2022 with the workers in Bukit Kerayong Estate. Seen the report from the Social Dialogue and the management has developed Social Dialogue Online Tracker System (SDOTS) to update the progress of action taken for the issues raised by workers. The management has conducted management review meeting to discuss the issues raised during Social Dialogue and action has taken accordingly. The workers that involved in the Social Dialogue were	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>NUPW representatives, Gender Committee representatives and others' nationalities representatives.</p> <p>Social Management Action Plan 2021 was developed on 04/01/2021 in Bukit Kerayong Estate and 02/01/2022 in Bukit Cheraka Estate. Issue, actions, person in charge and the completion target date was included into the plan. Sampled of the issue raised such as below:</p> <ol style="list-style-type: none"> <li>Issue: Neighbouring housing to request management of Bukit Kerayong Estate to desilt and maintain the drain nearby the housing area and to maintain the estate boundary.                      Status: The management has desilted and cleaned up the woodies as per requested on 17/02/2021. Seen the photo evident of actions taken.</li> <li>Issue: Housing condition was bad because the quarters are over 10 years in Bukit Cheraka Estate.                      Status: The company has implemented Oil Palm Pal system to overcome the issue for the workers to scan and report if any housing defects.</li> </ol> <p>Besides, social dialogue was implemented in the company to record and monitor any issues raised by the workers. Verified the records of monitoring of issues and evidence of actions taken to resolve the issues raised by the workers.</p>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the</p>	Complied

**MSPO Public Summary Report  
Revision 2 (Nov 2021)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/11/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill and estates. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p> <p>Besides, Sime Darby Plantation Berhad has implemented “Suara Kami” and whistleblowing in the company for the internal and external stakeholders to report if there is any grievance. The grievance mechanism can be access through <a href="https://sime-darbyplantation.com/sustainability/human-rights-statement/">https://sime-darbyplantation.com/sustainability/human-rights-statement/</a>.</p> <p>In additional, Sime Darby Plantation Berhad has implemented Oil Palm Pal (OPP) and developed Workers Housing Management Procedure dated 26/11/2021 to provide guideline to the management in providing a safe, liveable workers housing condition including the process of handling housing repair. The timeline to investigate/ inspect the housing defect based on the risk category. If high risk, the inspection/ investigation needs to be done immediately. If medium risk, the inspection/ investigation needs to be done within 24 hours and if low risk, the inspection/ investigation needs to be done within 3 working days.</p>	

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	Bukit Kerayong Estate and Bukit Cheraka Estate has implemented Oil Palm Pal system to record any housing repair from workers. Sampled of the complaints as below: i. House No.: 6 dated 13/01/2022 Issue: Broken roof. Action: The person in charge has visited the house No. 6 on 13/01/2022 to do inspection and action was carried out on 13/01/2022. Seen the photo evident of roof replacement and the date of completed in the OPP system.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	External Complaint Book was available in the office and a QR code for Oil Palm Pal (housing defect from workers) available in the housing area. Interviewed with the external stakeholders found that they are aware of the complaint mechanism. Interviewed with the workers confirmed that they know how to lodge complaint via OPP.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	Interviewed 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. The workers were briefed on the complaint mechanism during morning musters in Bukit Kerayong Estate and on 10/11/2021 in Bukit Cheraka Estate.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	Record of complaints from Year 2019 were maintained.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.3.1</b>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>	<p>Both estates have provided job opportunity to the local communities by verified through the employee master list. Besides, the company has provided flood assistance to the affected workers during the flood on December 2021. Total 33 workers in Bukit Kerayong Estate and 5 workers in Bukit Cheraka Estate were benefited. Seen the list of workers for the flood assistance program. Interviewed with the stakeholder confirmed that the management has provided assistance to clean up the school compound after the flood.</p> <p>Other contributions have been made are such as given 10kg of rice once every 2 months to all the workers.</p> <p>Besides, the company has taken initiative to organize the vaccination of COVID-19 for local and foreign workers as well as their dependent. Transports were arranged to send the workers for vaccination program.</p> <p>Management of Bukit Cheraka Estate has cleaned up the drainage system nearby the housing area for local communities to prevent flooding happen again. Interviewed with the representative of the neighbouring housing area confirmed that the management has cleaned the drainage.</p>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>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>	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Estate visited has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.</p> <p>The estate management has sent out 21 workers for medical surveillance assessment, conducted on 11/12/2021. The results showed that all workers were healthy and fit to carry out the task given by the estate management.</p> <p>Noise risk assessment was conducted on 26/10/2021, where 5 workers had undergone the assessment. The results showed that all workers are normal and fit to carry out their work.</p>	
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as</li> </ul>	<p>The execution of the safety &amp; health plan was sighted for the both visited estates.</p> <ul style="list-style-type: none"> <li>a. Sime Darby Plantation has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 01/06/2020. The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the mill compound.</li> </ul>	Complied

	Criterion / Indicator	Assessment Findings	Compliance										
	<p>identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>b. HIRARC documents were made available to the audit team. The management shall review and update the HIRARC on year basis and upon the event of accidents.</p> <p>c. Appropriate training programs for employees handling chemical were conducted by the mill management. It was also confirmed during the interview, the employees who were in charged for laboratory manifested a good understanding regarding on their job scope and understand the issues related to the safety and health. Training records were sighted and reviewed.</p> <p>d. PPE issuance records were made available to the audit team. It was also confirmed during the site visit, the workers were using appropriate PPE while carry out the task.</p> <p>e. Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>f. Estate manager for both estates were appointed as the chairman for the OSH committee. Bukit Kerayong Estate manager was appointed on 01/11/2021 and Bukit Cherakah Estate manager was appointed on 01/11/2021.</p> <p>g. OSH meetings were conducted 4 times for year 2021. Sighted the date of meeting as below:</p> <table border="1" data-bbox="1106 1142 1861 1345"> <thead> <tr> <th>Bukit Kerayong Estate</th> <th>Bukit Cherakah Estate</th> </tr> </thead> <tbody> <tr> <td>1. 16/02/2021</td> <td>1. 12/04/2021</td> </tr> <tr> <td>2. Meeting was postponed due to the spread of COVID-19 virus.</td> <td>2. 12/04/2021</td> </tr> <tr> <td>3. 13/10/2021</td> <td>3. 12/08/2021</td> </tr> <tr> <td>4. 28/12/2021</td> <td>4. 28/10/2021</td> </tr> </tbody> </table>	Bukit Kerayong Estate	Bukit Cherakah Estate	1. 16/02/2021	1. 12/04/2021	2. Meeting was postponed due to the spread of COVID-19 virus.	2. 12/04/2021	3. 13/10/2021	3. 12/08/2021	4. 28/12/2021	4. 28/10/2021	
Bukit Kerayong Estate	Bukit Cherakah Estate												
1. 16/02/2021	1. 12/04/2021												
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4. 28/12/2021	4. 28/10/2021												

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>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. it was noted that the employees exhibited good understanding on the OSH and environment aspects.</li> <li>i. First aid boxes were available at every work station. PIC of each stations was trained and aware of first aid kit usage.</li> <li>j. Records on accidents are well kept. Incidents and accidents occurred inside the estate compound were discussed in the OSH meeting. Records of minute meeting, JKKP form submission were reviewed and confirmed.</li> </ul>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has established Group Sustainability &amp; Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding &amp; no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/03/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners,</p>	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		workers in our operations and supply chains, and communities surrounding our operations. The policies were communicated to the employees during morning muster in Bukit Kerayong Estate and on 10/11/2021 in Bukit Cheraka Estate.	
<b>4.4.5.2</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from <a href="https://sime-darbyplantation.com/wp-content/uploads/2021/12/HRC-2020-1.pdf">https://sime-darbyplantation.com/wp-content/uploads/2021/12/HRC-2020-1.pdf</a> .	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	Employment contracts for workers were sighted. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker. The employment contracts were signed in local language. Sampled of total 24 payslips for April 2021, July 2021 and December 2021 in Bukit Kerayong Estate and Bukit Cheraka Estate found that all the workers were paid accordingly.	Complied
<b>4.4.5.4</b>	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the	Bukit Kerayong Estate and Bukit Cheraka Estate has engaged contractors for work such as transporting FFB and EFB. Reviewed total 6 payslips (April 2021, July 2021 and December 2021) of contractor's	Major Non Compliance

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator	Assessment Findings	Compliance										
<p>employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>workers in Bukit Kerayong Estate found that the workers were paid accordingly to the agreed terms and is in accordance to Minimum Wage Order 2020 and Employment Act 1955. The EPF and SOSCO contribution was made accordingly.</p> <p><u>Bukit Cheraka Estate:</u></p> <p>Reviewed the employment contracts, payslips, attendance list, monthly productivity report and SOCSO contribution, Borang 8A found the following issues:</p> <ol style="list-style-type: none"> <li>1. Reviewed total 7 payslips of contractor’s workers (Puspavalle Enterprise) found that the details of wages and allowances earned during each wage period was not outlined in the payslips as per Employment Regulations 1957. The details such as rate of pay per piece/ volume during normal working hours of work, total number of piece/ volume during normal hours of work, amount of ages paid in lieu of annual leave with pay, details of deduction made, details of holidays, annual and sick leave with pay and signature of employee were not included in the payslip as per requirements of Employment Regulations 1957.</li> <li>2. The SOCSO contribution made to the contractor’s workers (Puspavalle Enterprise) for April 2021 and July 2021 was not accordance to Employees’ Social Security Act 1969 (Act 4). The details as below:</li> </ol> <table border="1" data-bbox="1093 1182 1868 1377"> <thead> <tr> <th>Passport No.</th> <th>Month</th> <th>Wage Earned, RM</th> <th>Contribution Made, RM</th> <th>Actual Contribution should be made, RM</th> </tr> </thead> <tbody> <tr> <td>BQ 0156853</td> <td>April 2021</td> <td>5,103.94</td> <td>36.90</td> <td>49.40</td> </tr> </tbody> </table>	Passport No.	Month	Wage Earned, RM	Contribution Made, RM	Actual Contribution should be made, RM	BQ 0156853	April 2021	5,103.94	36.90	49.40	
Passport No.	Month	Wage Earned, RM	Contribution Made, RM	Actual Contribution should be made, RM								
BQ 0156853	April 2021	5,103.94	36.90	49.40								

**MSPO Public Summary Report  
Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings				Compliance		
			July 2021	6,748.96	36.90	49.40		
		BX 0263181	April 2021	4,953.94	36.90	49.40		
			July 2021	5,849.00	36.90	49.40		
		BX 0323636	April 2021	4,953.94	36.90	49.40		
			July 2021	5,098.96	36.90	49.40		
		EG 0498444	April 2021	4,953.94	36.90	49.40		
			July 2021	5,849.00	36.90	49.40		
		EB 0971158	April 2021	4,953.94	36.90	49.40		
			July 2021	5,849.00	36.90	49.40		
		BX 0323503	April 2021	4,953.94	36.90	49.40		
			July 2021	5,849.00	36.90	49.40		
		BX 0361974	April 2021	4,953.94	36.90	49.40		
			July 2021	5,849.00	36.90	49.40		
		<p>3. Besides, based on the productivity and Attendance Sheet found that the wages for July 2021 were not distributed equally among the workers even though all of them have attended to work on the same number of days.</p> <p>4. Reviewed the Productivity Record for Pruning activity and payslips for April 2021, July 2021 and December 2021 found that the payment of the total of quantity of palm recorded in the payslips was different from the total quantity of palm recorded in the Productivity Record. The contractor did not pay to the workers as per actual productivity.</p>						
				Month	Total Quantity of Palm recorded in Productivity Record	Total Quantity of Palm ÷ 7 workers	Total Quantity of Palm paid	

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings				Compliance
		April 2021	19,214	2,744.86	988.20	
		July 2021	23,727	3,389.57	1,220.40	
		December 2021	32,740	4,677.14	1,683.72	
		<p>5. Employment contracts signed by the 7 contractor’s workers (Puspavalle Enterprise) in Bukit Cheraka Estate was not comprehensive where the terms and conditions of employment such as wage rates, entitlement of holidays, sick leave and annual leave with pay, duration of wage period, notice period and etc was not outlined in the contract as per Employment Regulations 1957. Thus, a major non-conformance was raised.</p>				
<b>4.4.5.5</b>	<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><b>- Major compliance -</b></p>	<p>The estates’ management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were available.</p>				Complied
<b>4.4.5.6</b>	<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><b>- Major compliance -</b></p>	<p>The estates’ management has employed local and foreign workers. They are all under direct employment to the estates. Sampled of total 24 employment contracts and all of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.</p>				Complied
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>Seen the Estate Daily Attendance Report for monthly basis on April 2021, July 2021 and December 2021 where it recorded the number of days work and hours of overtime work. The report was generated from the daily data recorded in Daily Attendance Form.</p>				Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	Interviewed 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. The overtime offered upon mutually agreement.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Wages and overtime were paid according to the Daily Attendance Report and productivity reports. Total hours of overtime and daily attendance has recorded in the SAP system and printed in the payslips. Refer to indicator 4.4.5.3.	Complied
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. <b>- Minor compliance -</b>	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month and 10kg of rice once every two months. Free housing facilities were provided to all the workers and their families. Besides, workers who have work more than 4 years are entitled with retention bonus.	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. <b>- Major compliance -</b>	The estates' management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. The records of inspection from January 2021 to December 2021 were sighted in Bukit Kerayong Estate and Bukit Cheraka Estate. The linesite in Bukit Cheraka Estate, Bukit Cloh Division could be further improved to ensure the recyclable wastes and domestic wastes are properly disposed. Thus, OFI was raised.	OFI

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.</p> <p>Gender Committee was established in Bukit Kerayong Estate and Bukit Cheraka Estate to monitor if there is any case of sexual harassment reported. Combine meeting for SOU 7 Central East Region was conducted on 07/01/2022 with total 23 participants. Meeting minutes was sighted and no sexual harassment or violence case reported in the 3 operating units.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively.</p> <p>Social Dialogue was carried out by the management of Bukit Kerayong Estate on 04/01/2022 with the workers in Bukit Kerayong Estate. Seen the report from the Social Dialogue and the management has developed Social Dialogue Online Tracker System (SDOTS) to update the progress of action taken for the issues raised bt workers. The management has conducted management review meeting to discuss the issues raised during Social Dialogue and action has taken accordingly. The workers that involved in the Social Dialogue were</p>	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>NUPW representatives, Gender Committee representatives and others' nationalities representatives.</p> <p>NUPW committee was established in Bukit Cheraka Estate and the last meeting was conducted on 22/03/2021. Meeting minutes was sighted and issues raised were recorded in the meeting minutes. The issues raised were resolved accordingly. For eg: workers complaint that they had difficulty to register for COVID-19 vaccine due to slow internet connection. They hope that the management could arrange the vaccination for the workers. The management has collected the total headcount for vaccination and arranged transport to send all the workers and their dependent to the vaccination center in one of the estates of Sime Darby on 02-05/08/2021 and 23-26/08/2021. Seen the photo evident and records of total headcount. Besides, the company has installed the WiFi router at the sundry shop in Main Division for the workers to access the internet. Seen the email communication from IT department and site visit to the sundry shop confirmed that WiFi is accessible.</p>	
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornograph. They are eradicating child labour in all their supply chain and not employ anyone underage of 18 years.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance				
		No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers and contractors.					
<b>Criterion 4.4.6:</b> Training and competency							
<b>4.4.6.1</b>	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.  - <b>Major compliance</b> -	<p>Estate managements had established training plan base on the training needs analysis. The training covers all section of the operation including the contractor’s workers. Sighted the training as below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Training</th> </tr> </thead> <tbody> <tr> <td>Bukit Kerayong</td> <td> <ol style="list-style-type: none"> <li>1. Briefing on the grievances channel, conducted on 18/11/2021.</li> <li>2. Briefing on usage of eye protector for harvester conducted on 20/11/2021.</li> <li>3. Briefing on the update of the rules and regulations conducted on 18/08/2021</li> <li>4. Training on the SDP policies conducted on 10/09/2021.</li> <li>5. Briefing on the pruning rate conducted on 01/10/2021</li> <li>6. HIRARC training for the harvesters conducted on 27/12/2021.</li> <li>7. Training on IP of bagworm control conducted on 16/12/2021.</li> <li>8. Harvesting SOP training conducted on 01/12/2021.</li> <li>9. First aid training and emergency conducted on 15/11/2021.</li> <li>10. Induction program for new workers conducted on 04/01/2021.</li> </ol> </td> </tr> </tbody> </table>	Estate	Training	Bukit Kerayong	<ol style="list-style-type: none"> <li>1. Briefing on the grievances channel, conducted on 18/11/2021.</li> <li>2. Briefing on usage of eye protector for harvester conducted on 20/11/2021.</li> <li>3. Briefing on the update of the rules and regulations conducted on 18/08/2021</li> <li>4. Training on the SDP policies conducted on 10/09/2021.</li> <li>5. Briefing on the pruning rate conducted on 01/10/2021</li> <li>6. HIRARC training for the harvesters conducted on 27/12/2021.</li> <li>7. Training on IP of bagworm control conducted on 16/12/2021.</li> <li>8. Harvesting SOP training conducted on 01/12/2021.</li> <li>9. First aid training and emergency conducted on 15/11/2021.</li> <li>10. Induction program for new workers conducted on 04/01/2021.</li> </ol>	Complied
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Criterion / Indicator		Assessment Findings		Compliance
			11. HCV training for workers conducted on 17/05/2021. 12. Trunk injection training conducted on 13/09/2021. 13. SOP on chemical & spraying training on 17/09/2021.	
		Bukit Cherakah	1. Fire drill training conducted on 25/11/2021. 2. Training on maintenance and usage of inter pump by supplier, conducted on 28/11/2021. 3. Training on the whistle blower, COBC and passport keeping briefing conducted on 10/11/2021. 4. HCV training conducted on 11/10/2021. 5. First aid kit training and emergency responses procedure was conducted on 23/08/2021. 6. COVID-19 vaccination program for foreign workers conducted on 09/07/2021. 7. Refresher training for employees was conducted on 22/03/2021. 8. Safety townhall briefing was conducted on 22/03/2021. 9. Briefing on housing inspection was conducted on 15/02/2021. 10. eSwiss training was conducted on 11/02/2021. 11. Training on HIRARC, LORR, EAI and EIE was conducted on 10/02/2021.	
<b>4.4.6.2</b>	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. <b>- Major compliance -</b>	Training needs analysis had been established on both estates based on the employee's job scope. Annual training program was made available and the training records were reviewed during the audit program.		Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	Estate management had program various of training and briefing to the workers. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020. In the Policy stated as follows: a. Protecting and enhancing biodiversity and ecosystem. b. No deforestation and No new development on peat land. c. Enhancing resilience against climate change impact. d. Adopting responsible consumption and production. The policy has been communicated to the workforce thru training and morning briefings.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <b>- Major compliance -</b>	The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. <b>- Major compliance -</b>	The Environmental Impact Aspect Assessment had also included the development for the mitigation of negative impacts and promotion of positive impacts. The implementation and monitoring of the documented environmental improvement plan were reviewed annually and found to be satisfactorily implemented.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	Evidence the positive impact has been included into the continual improvement plan under Environmental Impact Aspect Assessment, Management Action Plans and Continuous Improvement Plan for each estate.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. <b>- Major compliance -</b>	Both estate managements have conducted related trainings and briefings to the workers. During the interview with the workers, they were able to demonstrate good understanding regarding on the environmental issues. They are aware on the waste management plan and prohibition of illegal hunting activities.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b>	<u>Bukit Kerayong Estate:</u> The estate management discussed the environmental issues during the OSH meetings which were conducted on quarterly basis. The minutes were made available to the audit team. <u>Bukit Cheraka Estate:</u> Meeting related to the environmental issues was conducted on 13/01/2022, attended by 19 participants. Among the agenda discussed were; briefing on the important of HCV area, update on schedule waste status, worker’s quarters condition, and update on the late rubbish collection of KDEB.	Complied

Criterion / Indicator		Assessment Findings	Compliance												
<b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy															
<b>4.5.2.1</b>	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. <b>- Major compliance -</b>	<p>Energy management plan was made available to the audit team. The plan focused to optimize the non-renewable usage and to developed the baseline consumption.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>FFB Mt</th> <th>Diesel</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>Bukit Kerayong</td> <td>56371.56</td> <td>68296</td> <td>1.21</td> </tr> <tr> <td>Bukit Cheraka</td> <td>61387.27</td> <td>100660</td> <td>1.64</td> </tr> </tbody> </table> <p>Usage of non – renewable energy is monitored monthly and maintained at each estate. The records were available for review.</p>	Estate	FFB Mt	Diesel	Baseline	Bukit Kerayong	56371.56	68296	1.21	Bukit Cheraka	61387.27	100660	1.64	Complied
Estate	FFB Mt	Diesel	Baseline												
Bukit Kerayong	56371.56	68296	1.21												
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<b>4.5.2.2</b>	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. <b>- Major compliance -</b>	The estimation 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												
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	No usage of non-renewable energy was recorded in the estate operation.	Complied												
<b>Criterion 4.5.3:</b> Waste management and disposal															
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	<p>Waste management plan was made available to the audit team and review. The objectives of the plan are; to maintain the effectiveness of EAI &amp; EIE, proper disposal of waste in accordance to SOP &amp; legal requirements and towards waste utilization (where possible).</p> <p>The plan had listed the source of waste products as follow:</p> <table border="1"> <thead> <tr> <th>Type of Waste</th> <th>Waste Products</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Type of Waste	Waste Products			Complied								
Type of Waste	Waste Products														

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings		Compliance
		Domestic	Household rubbish, sewage from housing area, office and office.	
		Industrial waste	Scrap metal.	
		Schedule waste	Chemical container, fertilizer bag (inner), spent chemical, clinical waste.	
		Recyclable waste	Empty pesticide container (used for spraying activity), EFB and POME.	
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	<p>Visited estates have established management Plan base on the identification and source of pollutions and the documented in Waste management Plan FY 2022 and were available for review. In the management plan stated the type of waste, description, source of pollution, action to be taken and person responsible.</p>		Complied
<b>4.5.3.3</b>	<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><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures.</p> <p>Both estates visited 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 both estates visited.</p>		Complied
<b>4.5.3.4</b>	<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</p>	<p>Empty pesticides container was identified as recycle waste. All empty pesticides containers were triple rinse, puncture and stored at designated stored before disposed to licensed contractors, SS Setia Technology Enterprise. Refer approval letter from DOE no AS (B) J</p>		Complied

Criterion / Indicator		Assessment Findings	Compliance
	adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. <b>- Major compliance -</b>	91/110/619/069 Jld 3(37) dated 24/10/2018. Sighted the implementation of the triple rinse during site visit at the storage area.	
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste for both estates disposed at the municipal landfill.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The estates visited has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation.	Complied
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	The action plan to reduce the identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan.	Complied
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	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: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.	a. Water supply for domestic and operation use comes from the local authority, Syarikat Air Berhad and tube well. b. In Bukit Kerayong Estate, Sungai Sembilang is located at the border of the estate whilst as for Bukit Cheraka Estate, no river found crossing the estate compound. c. Based on the water quality test conducted for Sungai Sembilang, the result shows no harmful metal detected.	Complied

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><b>- Major compliance -</b></p>	<p>d. Protection of water courses and wetlands including the restoring appropriate buffer zones is applicable on the incident basis.</p> <p>e. Bukit Cheraka Estate own a tube well which was used as the source of water for nursery operations. Regular water samplings were conducted to examine the water content to ensure it is safe to use.</p> <p>f. Water sampling (tube well) analysis was conducted on 28/04/2021 by Nalco Industrial Services (M) Sdn Bhd. The water quality result shows that the analyte was not observed above the permissible limit. Yearly ground water table measurement was conducted by the estate management as part of the compliance to renew the abstraction license.</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	No bunds, weirs or damn constructed across the river.	Complied
<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	Sighted the field drain constructed for every 2 palm rows with the purpose to contain water and to conserve the moist.	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p>	The estate management had developed the Biodiversity Management Plan where they have identified 7 actions to conserve the environment. the actions are as follow:	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance						
	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 ( <i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <b>- Major compliance -</b>	a. Set aside nature conservation area. b. Inspection of the conservation area. c. Rehabilitation and habitat enhancement. d. Managing bordering forest reserve. e. Education and awareness. f. Compliance to SDP policies on river buffer zone and slope protection. g. Interface with animals.							
<b>4.5.6.2</b>	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	The estate management conducting wildlife monitoring on monthly basis and documented it under Biodiversity Assessment Record. Latest monitoring was conducted on 11/11/2022.  No RTE species were identified in the assessment conducted as per Addendum Report to HCV Re-Assessment for Selangor Central Zone: Strategic Operating Unit (SOU) 7 Bukit Kerayong, Final Report ver III dated December 2015 by Plantation Sustainability Quality Management (PSQM) Department, dated January 2020.	Complied						
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	HCV and Conservation Area Management Action Plan and continuous management plan was sighted. Management plan established is consistent with site implementation. <table border="1" data-bbox="1048 1225 1868 1388"> <thead> <tr> <th>Scope</th> <th>Objective</th> <th>Program</th> </tr> </thead> <tbody> <tr> <td>Forest border</td> <td>To ensure no hunting or trespassing on the site</td> <td>Periodic patrolling will be done by the AP and staff to ensure no hunting or trespassing occur on the site.</td> </tr> </tbody> </table>	Scope	Objective	Program	Forest border	To ensure no hunting or trespassing on the site	Periodic patrolling will be done by the AP and staff to ensure no hunting or trespassing occur on the site.	Complied
Scope	Objective	Program							
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**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings			Compliance
		RTE species	To ensure no hunting of RTE species occur in the estate.	Conduct training about the endangered species to increase awareness among the estate workers.	
<b>Criterion 4.5.7: Zero burning practices</b>					
<b>4.5.7.1</b>	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. <b>- Major compliance -</b>	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.			Complied
<b>4.5.7.2</b>	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. <b>- Major compliance -</b>	No special approval from the relevant authorities.			Not Applicable
<b>4.5.7.3</b>	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. <b>- Major compliance -</b>	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			Not Applicable
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. <b>- Minor compliance -</b>	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			Complied
<b>4.6 Principle 6: Best Practices</b>					

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	SOP was established for the Estates. Sime Darby SOP issued 2/1/2008 and Agricultural Reference Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU 7 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc. Sime Darby Plantation Berhad 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.	Complied
<b>4.6.1.2</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad 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 maintained accordingly. Landscapes of both estates visited are mostly flat. 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 maintained accordingly.	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance																								
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	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																								
<b>Criterion 4.6.2: Economic and financial viability plan</b>																											
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	The estate management established 5 years business plan which cover the following aspect such as area statement, crop by year planting, 10 years replanting program, employee's requirement, mature oil palm costing statement, general charges statement and capital expenditure statement.	Complied																								
<b>4.6.2.2</b>	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. <b>- Major compliance -</b>	Long range replanting program was established by each estate management. Sighted as below: <table border="1" style="margin-left: 20px;"> <tr> <td>Bukit Kerayong</td> <td>2022</td> <td>2023</td> <td>2024</td> <td>2025</td> <td>2026</td> </tr> <tr> <td>Ha</td> <td>89.32</td> <td>0</td> <td>97.23</td> <td>0</td> <td>0</td> </tr> </table> <table border="1" style="margin-left: 20px;"> <tr> <td>Bukit Cherakah</td> <td>2022</td> <td>2023</td> <td>2024</td> <td>2025</td> <td>2026</td> </tr> <tr> <td>Ha</td> <td>48.87</td> <td>65.40</td> <td>95.19</td> <td>71.80</td> <td>192.85</td> </tr> </table>	Bukit Kerayong	2022	2023	2024	2025	2026	Ha	89.32	0	97.23	0	0	Bukit Cherakah	2022	2023	2024	2025	2026	Ha	48.87	65.40	95.19	71.80	192.85	Complied
Bukit Kerayong	2022	2023	2024	2025	2026																						
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Ha	48.87	65.40	95.19	71.80	192.85																						
<b>4.6.2.3</b>	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast	All relevant information contained in the annual budget plan for as sighted in annual budget FY2020 such as: i. Total crop projection and yield potential ii. Activity direct cost a. Mature upkeep b. Manuring c. Harvesting and collection	Complied																								

Criterion / Indicator		Assessment Findings	Compliance
	e) e) Financial indicators: cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>	d. Transportation e. Nursery f. Estate administration g. Admin Cost h. Labour overhead i. Road and bridges  Cost of production.	
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	Implementation of the management plan, SOP and best management practices was regularly monitored via monthly progress and production reports, the computerized system, monthly meetings and visit by agronomist, plantation controller, plantation director and management from headquarters level.  Visit reports, minute meetings and other related documents on the best management practices was made available to the audit team and reviewed.	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Bukit Kerayong Estate and Bukit Cheraka Estate has engaged contractors for works such as FFB & EFB transporting. Sampled of the agreement/ letter of award (LOA)/ contract between company and the contractors as below:  i. Ref. No.: BCE/SSJ004/2022 dated 25/01/2022 for scout harvesting which valid until December 2022.  ii. Ref. No.: BCE/SSJ010/2022 dated 25/01/2022 for corrective pruning and progressive pruning which valid until December 2022.	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		Pricing of the works/ services and mechanism were clearly stated in the LOA and Terms & Conditions of Purchase Order and agreed by the contractors.	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records printed from system as below: <ul style="list-style-type: none"> <li>i. INV# BMSPV/0361/10/21 dated 02/11/2021; Payment made on 05/11/2021</li> <li>ii. INV# 21/0197 dated 31/10/2021; Payment made on 16/11/2021</li> <li>iii. INV# 2112-015 dated 30/12/2021; Payment made on 11/01/2022</li> <li>iv. INV# 0686 dated 02/11/2021; Payment made on 05/11/2021</li> </ul> Besides, interviewed with contractor also confirmed that payment was made promptly.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	The contractors engaged by the estates' management has signed on a letter for the compliance of RSPO/ ISCC/ MSPO/ SCCS. All the contractors need to follow the RSPO/ ISCC/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad of Estate Quality Management System. Interviewed with the contractors confirmed that they were understood the MSPO requirements.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Bukit Kerayong Estate and Bukit Cheraka Estate has engaged contractors for works such as FFB & EFB transporting. Sampled of the	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>agreement/ letter of award (LOA)/ contract between company and the contractors as below:</p> <ul style="list-style-type: none"> <li>i. Ref. No.: BCE/SSJ004/2022 dated 25/01/2022 for scout harvesting which valid until December 2022.</li> <li>ii. Ref. No.: BCE/SSJ010/2022 dated 25/01/2022 for corrective pruning and progressive pruning which valid until December 2022.</li> </ul> <p>Pricing of the works/ services and mechanism were clearly stated in the LOA and Terms &amp; Conditions of Purchase Order and agreed by the contractors.</p>	
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>Contractors have signed on the letter for the compliance of RSPO/ ISCC/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad Estate Quality Management System which mentioned the contractor shall provide access to the RSPO/ ISCC/ MSPO/ SCCS auditors to contractors' operation site(s) and employees whenever deemed necessary. Seen the letter and signed on 01/01/2022 for contractors in Bukit Kerayong Estate and 21/01/2020 and 20/08/2021 in Bukit Cheraka Estate.</p>	Complied
<b>4.6.4.4</b>	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p><b>- Major compliance -</b></p>	<p>All works performed at the estates are checked and verified by the estate's personnel.</p>	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
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 -	There is no development of new planting at both visited estates.	Not Applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the 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 -	There is no development of new planting at both visited estates.	Not Applicable
<b>Criterion 4.7.2: Peat Land</b>			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There is no development of new planting at both visited estates.	Not Applicable
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
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 -	There is no development of new planting at both visited estates.	Not Applicable
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations,	There is no development of new planting at both visited estates.	Not Applicable

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

Criterion / Indicator		Assessment Findings	Compliance
	via participatory methodology which includes external stakeholders. <b>- Major compliance -</b>		
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>4.7.3.4</b>	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. <b>- Minor compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>Criterion 4.7.4:</b> Soil and topographic information			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils	There is no development of new planting at both visited estates.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
	shall be avoided unless permitted by local, state and national laws. <b>- Major compliance -</b>		
<b>4.7.5.2</b>	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. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	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. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. <b>- Minor compliance -</b>	There is no development of new planting at both visited estates.	Not Applicable
<b>4.7.6.3</b>	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	There is no development of new planting at both visited estates.	Not Applicable

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

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has issued an inter-office mail (Ref. No.: SQM.RSPO.1811/22.11) dated 23/11/2018 regarding the statement on commitment towards MSPO implementation by Head, Global Sustainability Operations, Mr. Tang Men Kon. Sime Darby Plantation Berhad is committed to comply and implement the MSPO certification to demonstrate our commitment towards the production of certified sustainable palm oil products. The policies were communicated to the employees during morning muster on 17/01/2022.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has clearly emphasized to achieve commitment towards a systematic approach in ensuring continuous improvement in the operation, compliance to statutory, legal and other regulatory requirements and establishment of traceability within the supply chain in the above-mentioned memorandum.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Sustainability Compliance Unit, Group Sustainability Department has conducted RSPO + MSPO Internal Audit on 13/10/2021 for Bukit Kerayong POM. The audit was carried out based on the reference of MS 2530-4:2013, RSPO MYNI 2019, RSPO SCCS and MSPO SCCS. Total 1 major non-conformity and 1 Opportunity for Improvement raised.	Complied

**MSPO Public Summary Report  
Revision 2 (Nov 2021)**

<p><b>4.1.2.2</b></p>	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017. The frequency of the internal audit shall be carried out at least once a year and when is required.</p> <p>Total 1 major non-conformity and 1 Opportunity for Improvement raised.</p> <p>Seen the Internal Audit Report with root cause identified for the non-conformity and OFI raised. All the non-conformity and OFI were closed on 04/12/2021 in Bukit Kerayong POM.</p>	<p>Complied</p>
<p><b>4.1.2.3</b></p>	<p>Reports shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The internal audit report was distributed to the mill management. Management review meeting was conducted to review the findings of the internal audit.</p>	<p>Complied</p>
<p><b>Criterion 4.1.3 – Management Review</b></p>			
<p><b>4.1.3.1</b></p>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>The last management review meeting was carried out on 25/10/2021 in Bukit Kerayong POM where the agenda that discussed as below:</p> <ol style="list-style-type: none"> <li>1. Results of internal audits covering MSPO/ RSPO/ SCCS</li> <li>2. Customer feedback</li> <li>3. Status of preventive and corrective actions</li> <li>4. Follow-up actions from management reviews</li> <li>5. Changes that could affect the management system</li> <li>6. Recommendations for improvement</li> <li>7. Improvement of the effectiveness of the management system and processes</li> <li>8. Resources needs</li> </ol>	<p>Complied</p>
<p><b>Criterion 4.1.4 – Continual Improvement</b></p>			

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

<p><b>4.1.4.1</b></p>	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.  <b>- Major compliance -</b></p>	<p>The mill management has program continuous plan to improvise the mill operation and environment. Amongst the plans were:</p> <ul style="list-style-type: none"> <li>a. To sweep the road for reducing dust from the movement of vehicle.</li> <li>b. To recover the E/B before crushed and leachate going into the monsoon drain.</li> <li>c. To use more fiber and reduce usage of shell.</li> <li>d. To repair and construct new EFB wall will strong structure. Communicate.</li> <li>e. To conduct regular vehicle maintenance including the contractor’s vehicles.</li> </ul>	<p>Complied</p>
<p><b>4.1.4.2</b></p>	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.  <b>- Major compliance -</b></p>	<p>Any new technology and/or innovation equipment is subject to approval by Regional Offices and Headquarters. Any new information is updated to employees through morning briefings, memo, meetings, station training.          Where new technology or system are introduced, awareness briefing is provided to the employees at all levels prior to the implementation</p>	<p>Complied</p>
<p><b>4.2 Principle 2: Transparency</b></p>			
<p><b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b></p>			
<p><b>4.2.1.1</b></p>	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.  <b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication</p>	<p>Complied</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		requiring investigation. Manager is responsible for address the communication and requests.	
<b>4.2.1.2</b>	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. <b>- Major compliance -</b>	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website ( <a href="https://simeidarbyplantation.com/sustainability/reports-policies-and-statements/">https://simeidarbyplantation.com/sustainability/reports-policies-and-statements/</a> ) to obtain information such as policies, annual report and complaint procedures.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	Senior Assistant Manager of the POM has been appointed as social officer to handle any social issues reported in the mill. Appointment letter dated 01/10/2020 was sighted.	Complied
<b>4.2.2.3</b>	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. <b>- Major compliance -</b>	Stakeholder list was developed and stakeholders such as local communities, government authorities, external FFB suppliers and contractors were included into the list. The stakeholder meeting was conducted on 20/01/2022 for SOU 7 Bukit Kerayong POM and supply bases. The stakeholders such as	Complied

		<p>authorities, contractors, suppliers and local communities were invited. Some of the stakeholders have provided feedback/ complaint to the management. Meeting minutes was sighted and issues raised were recorded in the minutes with responses from management.</p>	
<p><b>Criterion 4.2.3 – Traceability</b></p>			
<p><b>4.2.3.1</b></p>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Plantation Quality Management System – Standard Operating Procedure for Sustainable Supply Chain and Traceability, Doc. No.: Appendix 15, Version 2 dated April 2019.</p> <p>The objective of the procedure is to provide guideline for estates to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (FFB). Procedure of incoming of FFB and outgoing of CPO was explained in the procedure.</p>	<p>Complied</p>
<p><b>4.2.3.2</b></p>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>According to the Plantation Quality Management System – Standard Operating Procedure for Sustainable Supply Chain and Traceability, Doc. No.: Appendix 15, Version 2 dated April 2019, mill shall verify the information on supply estates based on the Table 2: Information for Verification.</p> <p>Supply chain contamination risk points were identified. The mill is using Sime Weigh System to trace the supply chain.</p> <p>The mill received visits from various parties to monitor and keep the operation on track. Sighted and verified the visit report from the mill advisor, Performance Monitoring Unit and internal audit conducted by PSQM team.</p>	<p>Complied</p>
<p><b>4.2.3.3</b></p>	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>The Head of Operating Unit has the overall responsibility for the implementation of the Standard Operating Procedure for Sustainable Supply Chain and Traceability which is the Mill Manager.</p>	<p>Complied</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		<p>Assistant Manager of the mill has been appointed as the person-in charge for Environment/ Quality Management Systems. Role and responsibilities have clearly stated in the appointment letter dated 15/10/2021.</p>	
<p><b>4.2.3.4</b></p>	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p><b>- Major compliance -</b></p>	<p>Records of storage, sales, delivery or transportation of CPO are well maintained the mill office.</p> <p>FFB delivery records from supply base was made available. The document contains; FFB consignment note, weighbridge ticket from estate and weighbridge ticket from mill.</p> <p>I. FFB consignment note:</p> <ul style="list-style-type: none"> <li>a. Date &amp; time</li> <li>b. Consignment no</li> <li>c. FFB field &amp; division no</li> <li>d. Estimated tonnage.</li> <li>e. Security seal no</li> <li>f. Vehicle plate no</li> <li>g. Driver's name</li> </ul> <p>II. Weighbridge ticket from estate</p> <ul style="list-style-type: none"> <li>a. MSPO certificate no and validity no.</li> <li>b. Vehicle plate no.</li> <li>c. Transporter name</li> <li>d. Driver's name &amp; IC no.</li> <li>e. Delivery note no.</li> <li>f. Security seal no.</li> <li>g. Time &amp; date</li> <li>h. FFB weight.</li> <li>i. Total Mt of FFB &amp; bunches no.</li> <li>j. Checked and verification by the staff &amp; executives.</li> </ul>	<p>Complied</p>

		<p>III. Weighbridge from the mill</p> <ul style="list-style-type: none"> <li>a. Supplier</li> <li>b. Transporter</li> <li>c. Vehicle plate no</li> <li>d. Driver's name &amp; IC no</li> <li>e. Security seal no</li> <li>f. Time &amp; date</li> <li>g. Total weight</li> </ul> <p>Checked and verification by the staff &amp; executives</p>	
<p><b>4.3 Principle 3: Compliance to legal requirements</b></p>			
<p><b>Criterion 4.3.1 – Regulatory requirements</b></p>			
<p><b>4.3.1.1</b></p>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>SOU 7 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team.</p> <p>The mill had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were:</p> <ol style="list-style-type: none"> <li>1. "Perakaun penentuan timbang &amp; sukat", certificate no: D158648, sticker no: DE18-00080, expired on 12/10/2022.</li> <li>2. "Permit barang kawalan berjadual – Diesel 15,000 L", reference no: B.PGK.SEL/5782, expired on 22/07/2022.</li> <li>3. MPOB license no: 562906004000, expired on 31/07/2022.</li> <li>4. Department of Environment license, serial no: 003771, expired on 30/06/2022.</li> <li>5. Water abstraction license from Lembaga Urus Air Selangor, license no: GWAL:(P)000312, expired on 155/02/2022.</li> </ol>	<p>Major Non-Compliance</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		<p>Bukit Kerayong POM was found to have a tube well located in the mill compound. License for water abstraction was obtained from Lembaga Urus Air Selangor (LUAS), (license no: GWAL(P9)000312), expired on 15/02/2022.</p> <p>As a license holder, it is compulsory to comply with the requirements by the LUAS. Stated in the license, under "Syarat – syarat Khusus", point no 2, "Pemegang lesen hendaklah menyediakan laporan kualiti dan paras air bumi satu kali untuk setiap tahun dan diserahkan kepada Lembaga melalui borang Rekod Pemantauan Kualiti Air Bumi dan Rekod Pemantauan Paras Air Bumi (U011-F4-003-00). Laporan kualiti air hendaklah diisahkan oleh makmal swasta yang diakreditasi dan kos adalah ditanggung oleh pemegang lesen".</p> <p>Despite the license had been renewed every year, the mill management did not manage to provide the water quality report and ground water table report as per required by the local authority.</p> <p>Thus, Major non compliance raised.</p>	
<p><b>4.3.1.2</b></p>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.  <b>- Major compliance -</b></p>	<p>All operating units have Legal &amp; Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register, 2021 updated version.</p> <p>Among the laws and regulations listed in the LORR are:</p> <ol style="list-style-type: none"> <li>a. Occupational safety &amp; health act.</li> <li>b. Factories &amp; machineries act.</li> <li>c. Pesticides act.</li> <li>d. Environmental act.</li> <li>e. Water regulations.</li> <li>f. Human resources related.</li> <li>g. Other requirements.</li> </ol>	<p>Complied</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		The list prepared by the mill assistant manager and approved by the senior mill assistant in charge, dated on 03/01/2022.	
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	The latest legal register for 2021 was sighted. Among the newly updated laws and regulations as follow: a. Anti-money laundering, anti-terrorism financing and proceeds of unlawful activities act 2001. b. Malaysian anti-corruption commission act (amended) 2018. c. Whistle blower protection act 2010.	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Group Sustainability will update the operating regarding any changes on applicable laws to the operating units. The person responsible appointed at the operating units will update the changes in the Legal Register. Assistant Manager of the mill has been appointed as the person-in charge for Environment/ Quality Management Systems. Role and responsibilities have clearly stated in the appointment letter dated 15/10/2021.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	Bukit Kerayong POM is located inside of the land of Bukit Kerayong Estate. The land is belonging to Sime Darby Plantation Sdn Bhd. Sighted the copy of the land title with Title No.: 52712, Lot No.: 2894 with total 11.7106 ha. There is no issue on land use claims evidence during the audit.	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	Bukit Kerayong POM is located inside of the land of Bukit Kerayong Estate. The land is belonging to Sime Darby Plantation Sdn Bhd. Sighted the copy of the land title with Title No.: 52712, Lot No.: 2894	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		with total 11.7106 ha. There is no issue on land use claims evidence during the audit.	
<b>4.3.2.3</b>	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	The mill land title was under Bukit Kerayong Estate. The mill located in Lot No.: 2894. Mill boundary was clearly demarcated with fences and surrounded by Bukit Kerayong Estate.	Complied
<b>4.3.2.4</b>	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). - <b>Minor compliance</b> -	There is no land dispute in the Bukit Kerayong POM at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance</b> -	There is no customary land or negotiated agreements within the Bukit Kerayong POM land area.	Not Applicable
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	The right to use the land is not disputed and there was no customary land within the Bukit Kerayong POM.	Not Applicable
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	There is no customary land or negotiated agreements within the Bukit Kerayong POM land area.	Not Applicable
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

<p><b>4.4.1.1</b></p>	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.  <b>- Minor compliance -</b></p>	<p>The SIA report was remained unchanged since last audit. Social &amp; Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 02-04/11/2015 for SOU 7 Bukit Kerayong. Social Management Action Plan 2021 was reviewed on 30/12/2021 by social officer. Issues captured during meetings were incorporated into the action plan. Most of the issues were resolved accordingly. Action taken has been verified.</p>	<p>Complied</p>
<p><b>Criterion 4.4.2: Complaints and grievances</b></p>			
<p><b>4.4.2.1</b></p>	<p>A system for dealing with complaints and grievances shall be established and documented.  <b>- Major compliance -</b></p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/11/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill and estates. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p> <p>Besides, Sime Darby Plantation Berhad has implemented “Suara Kami” and whistleblowing in the company for the internal and external stakeholders to report if there is any grievance. The grievance mechanism can be access through <a href="https://simedarbyplantation.com/sustainability/human-rights-statement/">https://simedarbyplantation.com/sustainability/human-rights-statement/</a>.</p>	<p>Complied</p>

**MSPO Public Summary Report  
Revision 2 (Nov 2021)**

		In additional, Sime Darby Plantation Berhad has implemented Oil Palm Pal (OPP) and developed Workers Housing Management Procedure dated 26/11/2021 to provide guideline to the management in providing a safe, liveable workers housing condition including the process of handling housing repair. The timeline to investigate/ inspect the housing defect based on the risk category. If high risk, the inspection/ investigation needs to be done immediately. If medium risk, the inspection/ investigation needs to be done within 24 hours and if low risk, the inspection/ investigation needs to be done within 3 working days.	
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	Bukit Kerayong POM has implemented Oil Palm Pal (OPP) and " <i>Borang Kerosakan Rumah – Workers/ NC/ Staff</i> " to record any complaints related to housing defects. Besides, Communication and Complain Logbook by Stakeholder and Worker to record complaints and requests reported by the stakeholders was implemented too. Most of the complaints were related to housing repair. Sampled of the complaint as below:  i. House No.: WQ26 dated 10/01/2022 Issue: Broken water tap of the basin. Action: The management has assigned the carpenter to repair and seen the photo evident of the repaired done. The complainant has acknowledged on the action taken on 12/01/2022.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	Oil Palm Pal, Complaint Form for Housing Repair and Communication and Complain Logbook by Stakeholder and Worker was available in the office where the workers can lodge complaint. Besides, a hotline "Suara Kami" is available for the workers to make complaint directly to HQ if they have any issue. The stakeholders are aware and understand the complaint procedure.	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

<p><b>4.4.2.4</b></p>	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.  <b>- Minor compliance -</b></p>	<p>Interviewed with the internal stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management.</p>	<p>Complied</p>
<p><b>4.4.2.5</b></p>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.  <b>- Major compliance -</b></p>	<p>Record of complaints from Year 2019 were maintained.</p>	<p>Complied</p>
<p><b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b></p>			
<p><b>4.4.3.1</b></p>	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.  <b>- Minor compliance -</b></p>	<p>The mill management has made contribution to the local communities such as provide job opportunity for the local communities. Besides, the company has provided flood assistance to the affected workers during the flood on January 2022. Total 35 workers in Bukit Kerayong POM were benefited. Seen the list of workers for the flood assistance program. Interviewed with workers confirmed that the assistance was provided to them.           Other contributions have been made are such as given 10kg of rice once every 2 months to all the workers.</p>	<p>Complied</p>
<p><b>Criterion 4.4.4: Employees safety and health</b></p>			
<p><b>4.4.4.1</b></p>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.  <b>- Major compliance -</b></p>	<p>The group developed Occupational Safety &amp; Health Policy dated on January 2015, signed the group’s managing director. The policy emphasizes the group’s intention to:</p> <ul style="list-style-type: none"> <li>a. Comply with the current legal &amp; other related and applicable requirements, regulations, approved coders of practice, standards and guidelines in counters we operate.</li> <li>b. Establish OSH management system at all operating units.</li> </ul>	<p>Complied</p>

		<ul style="list-style-type: none"> <li>c. Formulate, establish, communicate, implement and maintain safe systems at work.</li> <li>d. Provide employees with adequate knowledge, training and experience to ensure competency in performing their tasks.</li> <li>e. Ensure continuous improvement in the OSH management and its performance.</li> </ul>	
<p><b>4.4.4.2</b></p>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>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).</li> <li>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.</li> </ul>	<p>Sighted as follow:</p> <ul style="list-style-type: none"> <li>a) Sime Darby Plantation Berhad has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 01/06/2020. The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the mill compound.</li> <li>b) HIRARC was made available to the audit team. Sighted the management has updated the HIRARC after accident cases happened in year 2021. The update was conducted on 20/10/2021 for boiler station, kernel station and laboratory station.</li> <li>c) Appropriate training programs for employees handling chemical were conducted by the mill management. It was also confirmed during the interview, the employees who were in charged for laboratory manifested a good understanding regarding on their job scope and understand the issues related to the safety and health. Training records were sighted and reviewed.</li> <li>d) PPE issuance records were made available to the audit team. It was also confirmed during the site visit, the workers were using appropriate PPE while carry out the task.</li> </ul>	<p>Complied</p>

**MSPO Public Summary Report  
Revision 2 (Nov 2021)**

	<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>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><b>- Major compliance -</b></p>	<p>e) Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>f) The assistant manager has been appointed as Person Responsible/ Chairman for Safety and Health in the estate as per appointment letter signed by the Mill Manager dated 15/10/2021.</p> <p>g) The mill management conducted the OSH as follow; 02/03/2021, 28/06/2021 and 02/12/2021. Third meeting, scheduled on September 2021 as postponed due to the COVID-19 outbreak happen in the mill compound.</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. it was noted that the employees exhibited good understanding on the OSH and environment aspects.</p> <p>i) First aid boxes were available at every work station. PIC of each stations was trained and aware of first aid kit usage.</p> <p>j) Records on accidents are well kept. Sighted the mill has submitted JKKP 8 dated on 21/01/2022. Two accidents were recorded in year 2021. The management has taken necessary action including retraining &amp; briefing the workers and updating the HIRARC.</p>	
<p><b>Criterion 4.4.5: Employment conditions</b></p>			
<p><b>4.4.5.1</b></p>	<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>Sime Darby Plantation Berhad has established Group Sustainability &amp; Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding &amp; no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised</p>	<p>Complied</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	<p><b>- Major compliance -</b></p>	<p>2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/03/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees during morning muster on 17/01/2022.</p>	
<p><b>4.4.5.2</b></p>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from <a href="https://simedarbyplantation.com/wp-content/uploads/2021/12/HRC-2020-1.pdf">https://simedarbyplantation.com/wp-content/uploads/2021/12/HRC-2020-1.pdf</a>.</p>	<p>Complied</p>
<p><b>4.4.5.3</b></p>	<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</p>	<p>There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and</p>	<p>Complied</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	Employment Act 1955 which have been signed by the worker. Sampled of total 12 pay slips for May 2021, July 2021 and December 2021 found that all the workers were paid accordingly.	
<b>4.4.5.4</b>	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. <b>- Minor compliance -</b>	The mill has terminated all the contractors in the mill since January 2022. Therefore, there was no contractor’s workers found working in the mill during the time of audit.	Complied
<b>4.4.5.5</b>	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. <b>- Major compliance -</b>	The mill management has registered all their workers into Employee Master Details Listing in SEMUA system with details such as full name, gender, date of birth, date join company, race, designation and wages.	Complied
<b>4.4.5.6</b>	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. <b>- Major compliance -</b>	The mill management has employed local and foreign workers from Indonesia, India and Nepal. They are all under direct employment to the mill. Sampled of total 12 employment contracts and all of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.	Complied
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	The mill has implemented “Punch Card” system and Daily Input Form to record the working hours and overtime of the workers.	Complied
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.	Interviewed 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. The overtime offered upon mutually agreement.	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	<b>- Major compliance -</b>		
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Wages and overtime were paid according to the Mill Daily Attendance Report and Daily Input Form. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips. Refer to indicator 4.4.5.3.	Complied
<b>4.4.5.10</b>	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. <b>- Minor compliance -</b>	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month and 10kg of rice once every two months. Free housing facilities were provided to all the workers and their families. Free water supply was provided to the workers.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. <b>- Major compliance -</b>	The mill management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out weekly basis by QA using Housing Complex/ Nest/ Community Hall Inspections checklist. Site visit to the housing area found the condition was satisfactory. The management is in progress to upgrade the drainage system in the housing area. Besides, the management has installed WiFi router in the housing area to allow the workers have the access to internet. This has verified during the site visit.	Complied
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.	Complied

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		Gender Committee was established in Bukit Kerayong POM together with the estates to monitor if there is any case of sexual harassment reported. Combine meeting for SOU 7 Central East Region was conducted on 07/01/2022 with total 23 participants. Meeting minutes was sighted and no sexual harassment or violence case reported in the 3 operating units.	
<b>4.4.5.13</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively. Social Dialogue was carried out by the management of Bukit Kerayong POM on 02/12/2021 with the workers in Bukit Kerayong POM. Seen the report from the Social Dialogue and the management has developed Social Dialogue Action Tracker System to update the progress of action taken for the issues raised by workers. The workers that involved in the Social Dialogue were NUPW representatives, Gender Committee representatives and others’ nationalities representatives. Issues raised were resolved accordingly and interviewed with representatives confirmed that all the issues were resolved.	Complied
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism,	Complied

		<p>child trafficking and child pornograph. They are eradicating child labour in all their supply chain and not employ anyone underage of 18 years.</p> <p>No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers and contractors.</p>	
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<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><b>- Major compliance -</b></p>	<p>The mill management has established the annual training program for each employee base on the training needs analysis. Sighted the training and briefing conducted for year 2021 as follow</p> <ol style="list-style-type: none"> <li>1. Social dialogue briefing was conducted on 19/01/2022.</li> <li>2. HIRARC review and training was conducted on 10/01/2022.</li> <li>3. "Penerangan berkenaan pengiraan gaji kepada pekerja" briefing was conducted on 13/12/2021.</li> <li>4. Safety briefing and training to committee was conducted on 225/11/2021.</li> <li>5. Briefing to the new workers was conducted on 08/11/2021.</li> <li>6. LPC training for laboratory by PMU was conducted on 02/11/2021.</li> <li>7. Contractor's workers compliance requirements briefing was conducted on 26/10/2021.</li> <li>8. Training eSwiss was conducted on 11/02/2021.</li> <li>9. Briefing on the first aid training was conducted on 19/01/2022.</li> <li>10. Emergency drill training was conducted on 17/02/2021.</li> <li>11. PPE training was conducted on 08/01/2021.</li> </ol>	Complied

<p><b>4.4.6.2</b></p>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. <b>- Major compliance -</b></p>	<p>The mill visited 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. Training was identified for management, employee and contractors and programmed throughout FY 2022.</p>	<p>Complied</p>
<p><b>4.4.6.3</b></p>	<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. <b>- Minor compliance -</b></p>	<p>The mill visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.</p>	<p>Complied</p>
<p><b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b></p>			
<p><b>Criterion 4.5.1: Environmental Management Plan</b></p>			
<p><b>4.5.1.1</b></p>	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. <b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020. In the Policy stated as follows; Minimizing Environmental Harm: a. Protecting and enhancing biodiversity and ecosystem. b. No deforestation and No new development on peat land. c. Enhancing resilience against climate change impact. d. Adopting responsible consumption and production Environmental management plan was made available to the audit team and verified. Sighted the plan contains the objective targets, action steps, date completion and tracking date. Besides the EMP, mill also conducted Environmental Impact Assessment to evaluate the current condition of the mill and to mitigate negative impacts.</p>	<p>Complied</p>

<p><b>4.5.1.2</b></p>	<p>The environmental management plan shall cover the following:  a) An environmental policy and objectives;  b) The aspects and impacts analysis of all operations  <b>- Major compliance -</b></p>	<p>The environmental management plan was established based on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.  The EAI/EIE and management plan was reviewed on annually basis. Latest review was conducted on 07/01/2022.</p>	<p>Complied</p>
<p><b>4.5.1.3</b></p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.  <b>- Major compliance -</b></p>	<p>Amongst the action plan taken by the mill management was to control the black smoke from the boiler chimney by using more fiber and reducing the shell. As for 2021, the mill used 17,826.06 Mt of fiber instead of 8260.18 of shell.</p>	<p>Complied</p>
<p><b>4.5.1.4</b></p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.  <b>- Minor compliance -</b></p>	<p>Action plan to promote the positive impacts on the environments was included in the continual improvement plans and explained under indicator 4.1.4.1.</p>	<p>Complied</p>
<p><b>4.5.1.5</b></p>	<p>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.  <b>- Major compliance -</b></p>	<p>The mill continues 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.</p>	<p>Complied</p>
<p><b>4.5.1.6</b></p>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.  <b>- Major compliance -</b></p>	<p>The mill has discussed on environmental issue during Environmental Performance Monitoring Committee meeting where representative of the management and employee raised their concerns about environmental quality in the estates.</p>	<p>Complied</p>
<p><b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b></p>			
<p><b>4.5.2.1</b></p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall</p>	<p>The mill visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-</p>	<p>Complied</p>

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	<p>be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p><b>- Major compliance -</b></p>	<p>renewable energy usage was conducted on monthly basis. Sighted the records for year 2021 as follows:</p> <table border="1" data-bbox="1048 435 1832 571"> <thead> <tr> <th>Item</th> <th>Used</th> <th>FFB Produced</th> <th>Item/FFB</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>8690</td> <td>127368.76</td> <td>0.07</td> </tr> <tr> <td>Water</td> <td>162393</td> <td>127368.76</td> <td>1.27</td> </tr> <tr> <td>Electricity</td> <td>830586</td> <td>127368.76</td> <td>6.52</td> </tr> </tbody> </table>	Item	Used	FFB Produced	Item/FFB	Diesel	8690	127368.76	0.07	Water	162393	127368.76	1.27	Electricity	830586	127368.76	6.52	
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<p><b>4.5.2.2</b></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><b>- Major compliance -</b></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. The baseline was established base on previous year fuel usage.</p>	<p>Complied</p>																
<p><b>4.5.2.3</b></p>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>The mill management use fiber and shell as the renewal source for boiler fuel.</p>	<p>Complied</p>																
<p><b>Criterion 4.5.3: Waste management and disposal</b></p>																			
<p><b>4.5.3.1</b></p>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>The mil has identified the waste products and source pollution and documented in Waste Management Plan. The mill has classified the waste under 3 type of waste which are schedule waste, domestic waste and recycled waste. They also have identified the sources of waste and impact to the environment. Sighted as follow:</p> <table border="1" data-bbox="1048 1129 1868 1391"> <thead> <tr> <th>Type of Waste</th> <th>Identified Waste</th> </tr> </thead> <tbody> <tr> <td>Schedule Waste</td> <td>Used lubricant Used batteries, tires and tubes. Used chemicals Old paints Empty containers</td> </tr> <tr> <td>Domestic Waste</td> <td>Rubbish</td> </tr> <tr> <td>Recycled Waste</td> <td>POME</td> </tr> </tbody> </table>	Type of Waste	Identified Waste	Schedule Waste	Used lubricant Used batteries, tires and tubes. Used chemicals Old paints Empty containers	Domestic Waste	Rubbish	Recycled Waste	POME	<p>Complied</p>								
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		EFB			
<b>4.5.3.2</b>	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.  b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p>	<p>Schedule waste was disposed to Pentas Flora Sdn Bhd. Latest disposal was made on 10/11/2021. The mill disposed 4 items which were SW305 (used engine oil), SW322 (waste chemical), SW409 (empty container) and SW417 (old paint).</p>	Complied		
<b>4.5.3.3</b>	<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><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>The mill also has 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 in the mill compound, and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	Complied		
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic waste disposed to the municipal landfill via license contractor, MH Millennium Resources.</p>	Complied		
<b>Criterion 4.5.4: Reduction of pollution and emission</b>					
<b>4.5.4.1</b>	<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><b>- Major compliance -</b></p>	<p>Action plan to reduce significant pollutant and emissions was explained in pollution preventive plan.</p> <table border="1" style="width: 100%;"> <tr> <td>Environmental Issue</td> <td>Mitigation Measures</td> </tr> </table>	Environmental Issue	Mitigation Measures	Complied
Environmental Issue	Mitigation Measures				

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		Dust from movement of vehicle	To sweep the road for reducing dust from movement of vehicle.																			
		E/B spillage at E/B hopper.	To recover the E/B before crushed and leachate going into the monsoon drain.																			
		Black smoke from boiler chimney.	Use more fiber and reduce usage of shell. No wet shell usage.																			
		Contaminated rags.	Spillage of crude oil use fiber to soak clean and recycle thru cages.																			
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Action plan was developed and explained under the indicator 4.5.4.1. Mill recorded the usage of fiber and shell for year 2021 as follow:		Complied																		
		<table border="1"> <thead> <tr> <th>Item</th> <th>Fiber</th> <th>Shell</th> </tr> </thead> <tbody> <tr> <td>Used</td> <td>17826.06</td> <td>8260.18</td> </tr> <tr> <td>Process</td> <td>127329</td> <td>127329</td> </tr> <tr> <td>Material/FFB</td> <td>0.14</td> <td>0.065</td> </tr> <tr> <td>Waste produced</td> <td>17826.06</td> <td>17826.06</td> </tr> <tr> <td>Sold</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Item	Fiber	Shell	Used	17826.06	8260.18	Process	127329	127329	Material/FFB	0.14	0.065	Waste produced	17826.06	17826.06	Sold	0	0		
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<b>4.5.4.3</b>	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. <b>- Major compliance -</b>	According to the compliance schedule, the mill is permitted to discharge their POME to the field using trenching method. Permitted BOD level by the DOE is not more than 5000 mg/l. Quarterly Return Form (First Schedule – Regulation 10(2)), for year 2021 was made available to the audit team. Samples were analyzed at Sime Darby R&D Centre. BOD reading recorded below DOE permitted level.		Complied																		
<b>Criterion 4.5.5: Natural water resources</b>																						
<b>4.5.5.1</b>	The management shall establish water management plans to maintain the quality and availability of natural water resources	Water supply for operation activities and domestic usage comes from Syarikat Air Selangor and tube well. Water from tube well only be used		Complied																		

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>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.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>for cleaning purposes. The mill management has obtained the water abstraction license from Lembaga Urus Air Selangor.</p> <p>It was recorded in 2021, the mill has utilized 12,393 liters of water to process 127,368.76 Mt of FFB.</p> <p>POME was discharged to the field as per required by the DOE license.</p> <table border="1" data-bbox="1048 549 1832 986"> <thead> <tr> <th>Month</th> <th>pH</th> <th>BOD</th> </tr> </thead> <tbody> <tr><td>January</td><td>7.70</td><td>229</td></tr> <tr><td>February</td><td>7.60</td><td>105</td></tr> <tr><td>March</td><td>7.60</td><td>487</td></tr> <tr><td>April</td><td>7.60</td><td>487</td></tr> <tr><td>May</td><td>7.70</td><td>NA</td></tr> <tr><td>June</td><td>7.50</td><td>330</td></tr> <tr><td>July</td><td>7.30</td><td>933</td></tr> <tr><td>August</td><td>7.70</td><td>310</td></tr> <tr><td>September</td><td>7.60</td><td>235</td></tr> <tr><td>October</td><td>7.60</td><td>235</td></tr> <tr><td>November</td><td>7.80</td><td>254</td></tr> <tr><td>December</td><td>7.80</td><td>136</td></tr> </tbody> </table>	Month	pH	BOD	January	7.70	229	February	7.60	105	March	7.60	487	April	7.60	487	May	7.70	NA	June	7.50	330	July	7.30	933	August	7.70	310	September	7.60	235	October	7.60	235	November	7.80	254	December	7.80	136	
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<p><b>4.5.5.2</b></p>	<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><b>- Major compliance -</b></p>	<p>Not applicable since the POME discharged to the land irrigation.</p>	<p>Not Applicable</p>																																							
<p><b>4.6 Principle 6: Best Practices</b></p>																																										
<p><b>Criterion 4.6.1: Mill Management</b></p>																																										
<p><b>4.6.1.1</b></p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>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</p>	<p>Complied</p>																																							

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.																															
<b>4.6.1.2</b>	All palm oil mills shall implement best practices. - <b>Major compliance</b> -	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 cover on all aspect of operation	Complied																														
<b>Criterion 4.6.2: Economic and financial viability plan</b>																																	
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - <b>Major compliance</b> -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2022 and business plan FY 2020 – FY 2024.  The business plan for FY2020 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization and etc. It also includes environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure.  <table border="1"> <thead> <tr> <th>Projection</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>108019</td> <td>108394.79</td> <td>108575.44</td> <td>107664.34</td> </tr> <tr> <td>CPO</td> <td>21123.96</td> <td>21198.96</td> <td>21235.09</td> <td>21060.87</td> </tr> <tr> <td>PKO</td> <td>26524.82</td> <td>26618.70</td> <td>26663.86</td> <td>26433.59</td> </tr> <tr> <td>OER</td> <td>19.56%</td> <td>19.56%</td> <td>19.56%</td> <td>19.56%</td> </tr> <tr> <td>KER</td> <td>6.00%</td> <td>6.00%</td> <td>6.00%</td> <td>6.00%</td> </tr> </tbody> </table>	Projection	2022	2023	2024	2025	FFB	108019	108394.79	108575.44	107664.34	CPO	21123.96	21198.96	21235.09	21060.87	PKO	26524.82	26618.70	26663.86	26433.59	OER	19.56%	19.56%	19.56%	19.56%	KER	6.00%	6.00%	6.00%	6.00%	Complied
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<b>Criterion 4.6.3: Transparent and fair price dealing</b>																																	
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - <b>Major compliance</b> -	Bukit Kerayong POM has received and processed FFB from owned supplying estates and external FFB suppliers.	Complied																														

**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

		<p>Sampled the contract agreements/ letter of award for services provider and external FFB suppliers as below:</p> <ul style="list-style-type: none"> <li>i. Ref. No.: T/SDPB/PEN/CPO/0720/003 for transporting of CPO which valid until 31/10/2023.</li> <li>ii. Agreement No.: P/P/1220/FFB02637L for FFB supply which valid until 31/12/2021.</li> </ul> <p>The agreement for the FFB suppliers that expired on 31/12/2021 were in progress of renewal.</p> <p>Pricing of the contract was stated in the agreement of First Schedule and acknowledged by the suppliers and contractors.</p>	
<b>4.6.3.2</b>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p><b>- Major compliance -</b></p>	<p>Payment terms were clearly stated in the agreement signed by the contractor and suppliers. Verified the invoice submitted and payment records as below:</p> <p>INV# P/ADVCH-016860 dated 11/10/2021; Payment made on 14/10/2021</p>	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.</p> <p><b>- Major compliance -</b></p>	<p>The contractor engaged by the mill management has signed on a letter regarding the compliance of RSPO/ ISCC/ MSPO dated 22/01/2021.</p> <p>Briefing of MSPO requirements were given to contractor and suppliers on 17/11/2021 via Google Meet.</p>	Complied
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>Sampled the contract agreements/ letter of award for services provider and external FFB suppliers as below:</p> <ul style="list-style-type: none"> <li>i. Ref. No.: T/SDPB/PEN/CPO/0720/003 for transporting of CPO which valid until 31/10/2023.</li> <li>ii. Agreement No.: P/P/1220/FFB02637L for FFB supply which valid until 31/12/2021.</li> </ul>	Complied

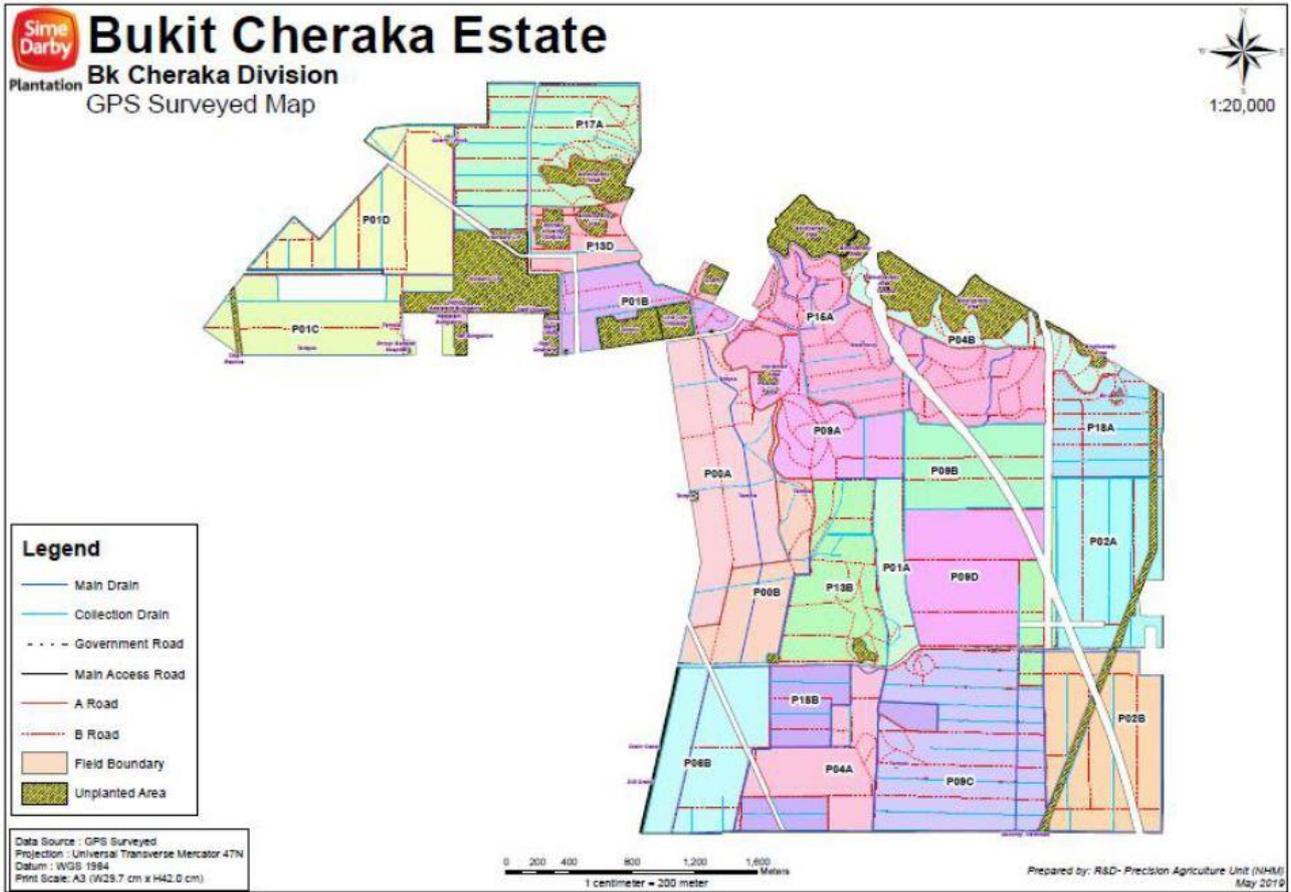
**MSPO Public Summary Report**  
**Revision 2 (Nov 2021)**

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<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p><b>- Minor compliance -</b></p>	<p>A letter dated 22/01/2021 on RSPO/ ISCC/ MSPO awareness issued to all the contractor in the mill. The letter has stated that all Contractors need to comply with local legal requirements and provide access to the RSPO/ ISCC/ MSPO/ SCCS auditors to contractors' operation site(s) and employees whenever deemed necessary.</p>	Complied



**Appendix C: Location and Field Map**







**Appendix D: List of Abbreviations**

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