

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- Initial Assessment**
- Annual Surveillance Assessment** (Choose an item.)
- Recertification Assessment (RA 2)**
- Extension of Scope**

Client Company name (Parent Company): Sime Darby Plantation Berhad
Client company Address: Level 5, Main Block, Plantation Tower 2, Jalan PJU 1A/7 47301, Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 27) Melalap Palm Oil Mill
Location of Certification Unit: 14th KM, Jalan Tenom-Keningau, 89908 Tenom, Sabah, Malaysia
Date of Final Report: 02/12/2021

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Section 1: Scope of the Assessment

1. Company Details			
Parent Company	Sime Darby Plantation Berhad		
RSPO Membership Number	1-0008-04-000-00	Membership Approval Date	07/09/2004
Address	Level 5, Main Block, Plantation Tower 2, Jalan PJU 1A/7 47301, Ara Damansara, Selangor, Malaysia		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	Strategic Operating Unit (SOU 27) Melalap Palm Oil Mill		
Location / Address	14th KM, Jalan Tenom- Keningau, 89908 Tenom, Sabah, Malaysia		
Website	www.simedarbyplantation.com		
Management Representative	Shylaja Devi Vasudevan Nair	E-mail	shylaja.vasudevan@simedarbyplantation.com
Telephone	+603-78484379	Facsimile	+603 7848 4363

2. Certification Information			
Certificate Number	RSPO 547124	Certificate Start Date	02/12/2021
Date of First Certification	21/01/2011	Certificate Expiry Date	01/12/2026
Scope of Certification	Production of Palm Oil and Palm Kernel		
Visit Objectives	<ul style="list-style-type: none"> • Determination of the conformity of the client's management system, or parts of it, with audit criteria. • Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements. • Continuation of RAV with additional 50% coverage of sampling. 		
Assessment Cycle	<input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input type="checkbox"/> Annual Surveillance Assessment (ASA Choose an item.) <input checked="" type="checkbox"/> Recertification Assessment (RA 2) <input type="checkbox"/> Scope Extension		
Applicable Standards / Normative Reference	RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> Choose an item. <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil		
Supply Chain Module	<input type="checkbox"/> Identity Preserved; <input checked="" type="checkbox"/> Mass Balance	Mill Capacity	25 MT/ hr
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 685285	MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders.	BSI Services Malaysia Sdn Bhd	06/03/2023
MSPO 682053	MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills	BSI Services Malaysia Sdn Bhd	06/03/2023
MSPO 718818	MSPO Supply Chain Certification Standard (MSPO SCCS) Production of certified CPO and PK using Mass Balance module	BSI Services Malaysia Sdn Bhd	18/12/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
Melalap Palm Oil Mill	14th KM, Jalan Tenom-Keningau, 205 89908 Tenom, Sabah	5° 13' 58.00" N	115° 59' 15.00" E
Melalap Estate	14th KM, Jalan Tenom-Keningau, 205 89908 Tenom, Sabah	5° 12' 54.00" N	115° 58' 34.70" E
Sapong Estate	14th KM, Jalan Tenom-Keningau, 70 89908 Tenom, Sabah	5° 03' 51.50" N	115° 56' 57.10" E

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No (no change in total planted area)		<input type="checkbox"/> Yes (please refer to Principle 7 for details)		
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Melalap Estate	1,241.48	88.29	766.96	2,096.73	59.21%
Sapong Estate	2,155.81	45.72	947.92	3,149.45	68.45%
Total	3,397.29	134.01	1,714.88	5,246.18	64.76%
Remark:					
1) Sapong Estate: Infrastructure & other area hectarage was wrongly key in during last year assessment. The total area for Infrastructure & other area is 947.92 ha where this has been verified through 'Field Other Area Cultivated Hectare Information – Summary'.					

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6. Plantings & Cycle							
Estate / Smallholders	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Melalap Estate	371.88	-	869.60	-	-	869.60	371.88
Sapong Estate	715.20	86.06	1354.55	-	-	1,440.61	715.20
Total (ha)	1,087.08	86.06	2,224.15	-	-	2,310.21	1,087.08

7. Summary of Certified Tonnage of FFB (Own Certified Scope)				
Estate / Smallholders	Tonnage / year			
	Estimated last year (Jan 21 – Dec 21)	Actual (Oct 19 – Sept 21)		Forecast (Jan 22 – Dec 22)
		Previous license period (Oct 19 - Dec 20)	Current license period (Jan 21 – Sept 21)	
Melalap Estate	19,052.02	20,601.75	12,631.90	19,242.80
Sapong Estate	27,743.15	31,872.92	16,683.70	27,743.15
Total	46,795.17¹	81,790.27		46,985.95

Remarks:
1. Approved volume extension with new volume: FFB: 81,929.23 MT; CPO: 16,762.72 MT; PK: 4,357.11 MT

8. Summary of Certified Tonnage of FFB (from other certified unit(s))				
Estate / Smallholders	Tonnage / year			
	Estimated last year (Jan 21 – Dec 21)	Actual (Oct19 – Sept 21)		Forecast (Jan 22 – Dec 22)
		Previous license period (Oct 19 - Dec 20)	Current license period (Jan 21 – Sept 21)	
N/A		N/A	N/A	
Total		N/A		

9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Out growers / smallholders	Tonnage / year			
	Estimated last year (Jan 21 – Dec 21)	Actual (Oct 19 – Sept 21)		Forecast (Jan 22 – Dec 22)
		Previous license period (Oct 19 - Dec 20)	Current license period (Jan 21 – Sept 21)	
Wong Millenium Enterprise		7,510.56	3,773.57	

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Goh Plantation Services Sdn Bhd	3,868.32	571.05
JN Agriculture Development	2,941.06	74.05
Ladang Cepat KPD	4,915.62	1,043.57
Ladang Paal	624.83	344.83
Ek Hong Agriculture Sdn Bhd	606.36	299.55
EHK Enterprise	749.95	97.06
Tan Kah Cai (Nge Wah Hwa)	177.19	47.00
Yong Kee Chiang	104.77	40.66
Johan Sawit	548.70	266.72
Koperasi Penanam Sawit Mampan Kemabong	1,841.99	560.54
CCL Enterprise	276.10	230.16
Asia Sawit Centre	497.36	1,453.47
Shine Plantation	57.66	29.43
Sam Foh Enterprise	54.47	-
Syarikat Makmur	20.87	-
Total	33,627.47	

9A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	October 2019	3,550.74	2071.20	5,622.04
2	November 2019	3,463.18	1,104.90	4,568.08
3	December 2019	3,171.86	1,316.21	4,488.07
4	January 2020	3,086.77	2,343.92	5,430.69
5	February 2020	2,618.91	3,109.38	5,728.29
6	March 2020	2,864.57	1,631.08	4,495.65
7	April 2020	3,798.66	1,919.12	5,717.78
8	May 2020	3,629.74	1,430.29	5,060.03
9	June 2020	4,282.14	1,500.13	5,782.27
10	July 2020	3,780.61	1,878.01	5,658.62

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11	August 2020	3707.85	1,037.82	4,745.67
12	September 2020	3865.65	1,628.99	5,494.64
13	October 2020	4213.74	1,546.78	5,760.52
14	November 2020	3612.58	1,256.85	4,869.43
15	December 2020	2,827.67	1,021.13	3,848.80
16	January 2021	3,230.20	1,008.97	4,239.17
17	February 2021	2,801.84	892.69	3,694.53
18	March 2021	3,249.16	1,280.81	4,529.97
19	April 2021	2,970.85	1,018.11	3,988.96
20	May 2021	3,077.90	616.45	3,694.35
21	June 2021	3,686.07	1,144.55	4,830.62
22	July 2021	3,361.29	917.77	4,279.06
23	August 2021	3,310.60	763.43	4,074.03
24	September 2021	3,627.69	1,188.88	4,816.57
TOTAL		81,790.27	33,627.47	115,417.84

10. Summary of Certified Tonnage (not applicable for ISS)			
Estimated last year (Jan 21 – Dec 21)	Actual (Oct 19 – Sept 21)		Forecast (Jan 22 – Dec 22)
FFB	FFB		FFB
	<i>Previous license period (Oct 19 - Dec 20)</i>	<i>Current license period (Jan 21 – Sept 21)</i>	
81,929.23 mt	52,474.67 mt	29,315.60 mt	46,985.95 mt
	81,790.27 mt		
CPO (OER: 21.31%)	CPO (OER: 20.46%)		CPO (OER: 21.36%)
16,762.72 mt	10,708.21 mt	6,022.51 mt	10,036.20 mt
	16,730.72 mt		
PK (KER: 5.40%)	PK (KER: 5.25%)		PK (KER: 5.50%)
4,357.11 mt	2,943.78 mt	1,347.88 mt	2,584.23 mt
	4,291.66 mt		

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10A. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	October 2019	713.88	258.88
2	November 2019	740.44	259.28
3	December 2019	676.25	247.51
4	January 2020	636.13	189.92
5	February 2020	558.32	191.44
6	March 2020	584.39	183.61
7	April 2020	725.76	163.92
8	May 2020	707.52	169.97
9	June 2020	889.65	193.25
10	July 2020	765.05	180.43
11	August 2020	776.91	190.59
12	September 2020	770.91	190.46
13	October 2020	863.95	209.94
14	November 2020	715.74	173.65
15	December 2020	583.31	140.93
16	January 2021	652.98	159.07
17	February 2021	585.25	141.98
18	March 2021	627.28	139.12
19	April 2021	623.95	129.25
20	May 2021	649.27	150.08
21	June 2021	757.60	173.98
22	July 2021	699.53	157.12
23	August 2021	690.35	143.51
24	September 2021	736.30	153.77
TOTAL		16,730.72	4,291.66

11. Summary of Actual Volume sold					
Current License period (January 2021 – September 2021)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	-	-	-	-	0
PK (MT)	1,303.08	-	-	-	1,303.08

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Credits	9,595.00	-	-	-	9,595.00
Previous License period (October 2019 - December 2020)					
CPO (MT)	-	-	-	-	0
PK (MT)	2,564.13	-	-	-	2,564.13
Credits	5,000.00	-	-	-	5,000.00

Note:

Conventional is RSPO certified material but sold as non-RSPO.

11A. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	A	RSPO_PO1000001517	-	112.88
2	B	RSPO_PO1000006525	-	1,939.60
3	C	RSPO_PO1000006087	-	1,814.73
TOTAL			-	3,867.21

11B. Records of CPO & PK Sold under other schemes since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
N/A				
TOTAL			N/A	N/A

11C. Records of CPO & PK Sold as conventional since the last audit (if any)			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
N/A			
TOTAL		N/A	N/A

11D. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
1	F	RSPO_PO1000000300	14,595.00
TOTAL			14,595.00

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12. Independent Smallholders Certified Tonnage / Volume									
	Estimated last year (Jan 21 – Dec 21)			Actual (Oct 19– Sept 21)			Forecast (Jan 22 – Dec 22)		
Phase	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB			N/A			N/A			N/A
IS-CSPO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKE	N/A	N/A		N/A	N/A		N/A	N/A	

13. Independent Smallholders Actual Sold Tonnage / Volume						
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	IS-CSPK	IS-CSPKE
Current License period (January 2021 – September 2021)						
Credits				N/A	N/A	N/A
Physical	N/A	N/A	N/A			

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639
Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
Website: www.bsigroup.com

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 is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia.

2.1 Assessment Methodology, Programme, Site Visits

The facilitated on-site remote assessment was conducted on 04 – 08/10/2021. The audit programme is included as Section 2.3. Where applicable, prior to the recertification audit, 30 days Public Notification was made through the RSPO and BSI website on 01/09/2021. Due to the COVID-19 pandemic, this assessment involved a partial remote audit as allowed by RSPO Secretariat – RSPO P&C On-site & Remote Audits dated 24th March 2020. The remote audit was conducted on 21/12/2020.

The approach to the audit was to treat the mill and supply base as an RSPO Certification Unit. A range of occupational health and safety, environmental, best practice management, and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, local communities engagement and workers welfare and safety.

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. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment. While, the sampling of smallholders were based on the formula $(\sqrt{y}) \times (z)$; where y is total number of group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix E.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 3.4.

The non-conformities for this audit are detailed in Section 3.3 and unless it is stated in this section, all previous nonconformities including minor nonconformities are remains closed.

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This report is structured to provide a summary of assessment finding as provided in Appendix A. The assessment was conducted based on risk based approach sampling and therefore nonconformities may exist.

For Re-certification assessment, the report was externally reviewed by approved external peer reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA 2_1)	Year 3 (ASA 2_2)	Year 4 (ASA 2_3)	Year 5 (ASA 2_4)
Melalap Palm Oil Mill	√	√	√	√	√
Melalap Estate	√	√	√	√	√
Sapong Estate	√	√	√	√	√

Tentative Date of Next Visit: October 3, 2022 - October 6, 2022

Total Number of Mandays: 9.5

2.2 BSI Assessment Team

Name	Role	Competency
Hu Ning Shing (HNS)	Team Leader	<p>Education: Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011</p> <p>Work Experience: 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>Training attended: ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015, Endorsed MSPO Auditor, MSPO SCCS Lead Auditor Course in 2019, RSPO Social Audit Training in 2019 and SMETA Requirements Training in 2021.</p> <p>Aspect covered in this audit: Policy and commitment, Social requirements, contract agreement, human rights, workers' welfare, Stakeholder Consultation, Legal Requirements, land & Legal issue and RSPO supply chain requirements</p> <p>Language proficiency: Fluent in English, Bahasa Malaysia and Chinese</p>
Hafriazhar Mohd Mokhtar (HA)	Team Member	<p>Education: Bachelor of Engineering (Hons.) Chemical Engineering, UTM</p> <p>Work Experience:</p>

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		<p>Near 20 years of working experience in multiple engineering disciplines emphasized on science, technology and sustainability. He acquired many skills from being involved in various industrial environments ranging from construction, plantation and mining before shifted into auditing. In short, his career began as Environmental Officer (2002-2003) in construction, Mill Engineer (2003-2008) in plantation, Project Control Engineer (2008-2011) in mining and Auditor/Client Manager (2011-present) in certifications auditing</p> <p>Training attended: Social Auditing & SMETA Training (2021), ISO 45001 LA Training (2018), MSPO LA Training (2017), RSPO SCCS LA Training (2016), RSPO P&C LA Training (2015), ISO 9001 LA Training (2013), ISO 50001 LA Training (2012), ISO 14001 LA Training (2011)</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health and legal issue and RSPO supply chain requirements</p> <p>Language proficiency: Bahasa Malaysia and English</p>
<p>Muhamad Naquiddin bin Mazeli (MNM)</p>	<p>Team Member</p>	<p>Education: Bachelor of Science Horticulture at University Putra Malaysia</p> <p>Work Experience: 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company</p> <p>Training attended: ISO 9001: 2015 LA Training, ISO 14001: 2015 LA Training, ISO 45001: 2018 LA Training, HCV & HCS Training, RSPO P&C LA Training</p> <p>Aspect covered in this audit: Occupation Health Safety requirement, HIRARC, Environment responsibility, training, smallholder welfare, environment impact assessment and management plan</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia</p>
<p>Dr. Suhaili Sahari</p>	<p>Peer Reviewer</p>	<p>Education: Graduated from University Technology Mara (UiTM), Malaysia in Diploma in Science in 1990. He furthers his first degree in B.Sc (Hons) in Chemistry with Industrial Chemistry in 1995 from Liverpool University, England. He later advances his study in Master in Business Administration (General) in 2002 and graduated in 2005 from University of Multimedia, Malaysia. Completed his PhD from University Science Islam Malaysia (Faculty of Economy and Muamalat - Management) under the supervision of previous University Vice Chancellor Dato' Mohd Muda.</p> <p>Work Experience:</p>

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		<p>Worked with Hong Leong Group of Companies as a production executive cum TQM facilitator and continues to advance in his career as a manager and senior manager in management, production, training and quality for more than 11 years. During his tenure with Hong Leong Group of Companies, he heavily involved in strategic management decision issues such as developing SWOT analysis, Vision, Mission, Business and Corporate Strategy formulation, Acquisition and restructuring strategies. Strategic actions and implementation etc. Then he joint Kumpulan Guthrie and Sime Darby Group of Companies for more than 7 years as a manager, heads of department and Assistant Vice President in management, quality and training. Part of his duty is to strategies the departmental vision; mission, critical success factors and action plan into actions and support the corporate strategic plan.</p> <p>Training attended:</p> <ol style="list-style-type: none"> 1. ISO 9001:2015 Lead Auditor and Internal Auditor 2. TS16949 3. Safety 4. ISO 14001:2015 Standard 5. RSPO Standards: RSPO P&C 2018 MY-NI 2019 6. MSPO Standards : MS 2530 : 2013 part 1, 2 , 3 and 4 7. Problem Solving Technique : 8 D, ICC, QCC, Systematic PS 8. HACCP MS 1480:2019 9. GAP Standard : Global GAP, Euru GAP
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Accompanying Persons:

Name	Role
Stearonthia binti Riting @ Sirin (SR)	Audit Facilitator
Basran bin Ab Hamid (BAH)	Audit Facilitator
Mohd Amin bin Adrah (MAA)	Audit Facilitator
Valence Shem	BSI Observer
Mohd Nazib Hj. Marwan	BSI Observer

2.3 Assessment Plan

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

Date	Time	Subjects	(HNS) & (BAH)	(HA) & (MAA)	(MNM) & (SR)
Friday, 24/09/2021	1500 - 1530	Test call between client and BSI auditor Communication on document preparation for remote such as audit plan, ICT audit, any proposal preparation and additional requirement.	√	-	-
Sunday, 03/10/2021	AM	Audit Facilitators arrive in Kota Kinabalu and travel to Hotel Juta, Keningau	√	√	√

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Date	Time	Subjects	(HNS) & (BAH)	(HA) & (MAA)	(MNM) & (SR)
Monday, 04/10/2021	0900 - 0930	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). Verification on previous audit findings 	√	√	√
	0930 - 1200	Melalap Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. Visit to laboratory, weighbridge and palm product storage area.	√	√	√
	1200 - 1300	Lunch	√	√	√
	1300 - 1630	Melalap Palm Oil Mill Document Review P1 – P7: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc.	√	√	√
	1630 - 1730	Interim Closing Briefing	√	√	√
Tuesday, 05/10/2021	0900 - 1200	Melalap Palm Oil Mill Continue with unfinished elements RSPO Supply Chain Site visit: Incoming of FFB and outgoing of CSPO & CSPK – weighbridge, ramp, storage area, loading bays, etc. Documentation review: RSPO SCC general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.	√	√	√
	1200 - 1300	Lunch	√	√	√

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Date	Time	Subjects	(HNS) & (BAH)	(HA) & (MAA)	(MNM) & (SR)
	1300 - 1630	Melalap Estate Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630 - 1730	Interim Closing Briefing	√	√	√
Wednesday 06/10/2021	0900 - 1200	Melalap Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√	√
	1000 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-
	1200 - 1300	Lunch	√	√	√
	1300 - 1630	Melalap Estate Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630 - 1730	Interim Closing Briefing	√	√	√
Thursday 07/10/2021	0900 - 1200	Sapong Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√	√
	1200 - 1300	Lunch	√	√	√

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Date	Time	Subjects	(HNS) & (BAH)	(HA) & (MAA)	(MNM) & (SR)
	1300 - 1630	Sapong Estate Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630 - 1730	Interim Closing Briefing	√	√	√
Friday 08/10/2021	0900 - 1200	Sapong Estate Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1200 - 1300	Lunch	√	√	√
	1300 - 1330	Verify any outstanding issues & Preparation for closing Meeting	√	√	√
	1330 - 1430	Closing Meeting	√	√	√
	1430	Audit Facilitators travel to Kota Kinabalu	√	√	√

Section 3: Assessment Findings

3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	<p>Yes. Sime Darby Plantation Berhad TBP has included all its operating units in Malaysia, Indonesia, Papua New Guinea and Solomon Island. Refer to the Time Bound Plan table.</p> <p>On 16/01/2020, Sime Darby Plantation Berhad under its subsidiary Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (Sime Darby Plantation – Liberia) to Mano Palm Oil Industries Ltd (MPOI):</p> <p>http://www.simedarbyplantation.com/media/press-releases/sime-darby-plantation-completes-divestment-of-its-liberia-operations</p>	Complied.
Have all the estates and mills certified within five (5) years after obtaining RSPO membership?	<p>Yes. Generally all estates and mills excepted stated below or in the TBP are certified with RSPO.</p> <p>Some units with exemption cases such as poor financial or sold as property development has been taken out from the certification unit. In Malaysia, Pekaka Mill is being mothballed and all the supply bases certified to it (Pekaka Estate; Ruai Estate, Dulang Estate, Paroh Estate & Chartquest Estate) has been transferred to SOU Lavang while for Bintang Oil Mill, Sime Darby Plantation Berhad acquired Bintang Palm Oil Mill in Johor in April 2017. As at Dec 2017, the selling off process of this mill is being initiated hence the RSPO certification process for Bintang Oil Mill is being put on hold and on 01/10/2018, the mill has completed the selling off transaction.</p> <p>In Indonesia, PT Mitral Austral Sejahtera (MAS) was sold and currently Sime Darby Plantation Berhad have no control in the management.</p>	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available.	There is no new acquisitions as per the latest TBP 2021.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	Although there are deviation has been identified at those Indonesia management units but it has been justified that these units are still awaiting to receive land titles.	Complied

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<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>Yes.</p> <p>Indonesia - PT Swadaya Andika: Mill closed down and all the supply bases was transferred to Rantau Mill - PT Laguna Mandiri. The Selabak Est, Randi Est, Sangkoh Est, Lanting Est is currently under PT Laguna Mandiri - Rantau Factory certification.</p> <p>PT Mitral Austral Sejahtera: The properties was sold and currently Sime Darby Plantation Berhad have no control in the management. The property was disposed on 25/06/2019 and an official letter on disposal of PT MAS was sent to RSPO Secretariat on 27/06/2019.</p> <p>Malaysia - Pekaka Mill is being mothballed in year 2018 and all the certified supply base Pekaka Estate; Ruai Estate, Dulang Estate, Paroh Estate & Chartquest Estate has been transferred to SOU Lavang. Bintang Oil Mill: Sime Darby Plantation Berhad acquired Bintang Palm Oil Mill in Johor in April 2017. As at Dec 2017, the selling off process of this mill is being initiated hence the RSPO certification process for Bintang Oil Mill is being put on hold. As at 01/10/2018, the mill has completed the selling off transaction.</p> <p>Papua New Guinea - Markham Farming Company Limited (MFCL)/Markham Agro Pte. Ltd: The Remediation and Compensation Process is at the submission of Compensation Plan. RSPO Main Assessment is planned on 10-14 March as public notification letter: www.rspo.org/certification/public-announcement</p> <p>For Liberia operations: As at 16/01/2020, Sime Darby Plantation Berhad under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (Sime Darby Plantation Liberia) to Mano Palm Oil Industries Ltd (MPOI): www.simedarbyplantation.com/media/press-releases/sime-darby-plantation-completes-divestment-of-its-liberia-operations</p> <p>ACOP 2019 has been cross-referenced as below: www.rspo.org/members/29</p>	<p>Complied</p>
<p>Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised</p>	<p>Although there lapses has been identified at those Indonesia management units but it has been justified that these units are still awaiting to receive land titles.</p>	<p>Complied</p>
<p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation</p>	<p>No fundamental failure. Both Liberia and Indonesia (PT Mitral Austral Sejahtera) has been excluded in the latest TBP as these 2 assets were disposed.</p>	<p>Complied</p>

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of the plan? If yes a Major non-compliance shall be raised		
Un-Certified Units or Holdings		
No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.	Based on the time-bound plan, it was not identified that those uncertified units are due to RaCP. Mainly are due to awaiting to receive land titles at the Indonesia management units.	Complied
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	<p>New plantings within Sime Darby Plantation Berhad that have completed NPP notification</p> <ol style="list-style-type: none"> 1. NBPOL (Poliamba Limited) 23/05/2020 – no comments https://rspo.org/certification/new-planting-procedure/public-consultations/sime-darby-plantation-berhad-nbpol-poliamba-limited 2. NBPOL (Guadalcanal Plain Palm Oil Ltd) 06/04/2018 – no comments https://rspo.org/certification/new-planting-procedure/public-consultations/new-britain-palm-oil-a-subsiary-of-sime-darby-plantation-bhd-guadalcanal-plain-palm-oil-ltd 3. NBPOL (Ragu Agri Industries Limited) 29/01/2018 – no comments https://rspo.org/certification/new-planting-procedure/public-consultations/nbpol-ramu-agri-industries-ltd 4. NBPOL (Ragu Agri Industries Limited) 02/09/2016 – no comments https://rspo.org/certification/new-planting-procedure/public-consultations/new-britain-palm-oil-ltd-ramu-agri-industries-limited 5. NBPOL (Higaturu Oil Palms) 21/06/2016 – no comments https://rspo.org/certification/new-planting-procedure/public-consultations/new-britain-palm-oil-ltd-higaturu-oil-palms 6. NBPOL (Poliamba Limited – Lamawan) 07/04/2014 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/nbpol-poliamba-limited-lamawan-png 7. NBPOL (Poliamba Limited – Lamendauen) 07/04/2014 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/nbpol-poliamba-limited-lamendauen-png 	Complied

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	<p>8. NBPOL (Roka Mini estate) 04/11/2013 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/new-britain-palm-oil-ltd.-roka-mini-estate</p> <p>9. NBPOL (J estate) 01/11/2013 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/new-britain-palm-oil-ltd.-j-estate</p> <p>10. NBPOL (Higaturu Oil Palm) 14/12/2012 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/new-britain-palm-oil-limited-higaturu-oil-palm</p> <p>11. Sime Darby (Liberia) Plantation Inc 06/03/2012 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/sime-darby-liberia-plantation-inc-new-planting-assessment</p> <p>12. Sime Darby (Liberia) Plantation Inc 06/03/2012 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/sime-darby-liberia-plantation-inc.-new-planting-assessment-1</p> <p>13. Sime Darby (Liberia) Plantation Inc 06/03/2012 – no comments captured in RSPO website https://rspo.org/certification/new-planting-procedure/public-consultations/sime-darby-liberia-plantation-inc.-new-planting-assessment</p> <p>Management units for 11 – 13 above were disposed.</p>	
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.</p>	<p>No land conflicts. Both Liberia and Indonesia (PT Mitral Austral Sejahtera) has been excluded in the latest TBP as both sites was disposed.</p> <p>The RaCP tracker was checked. There are 21 Management units that have potential liabilities. There are some discrepancy between RaCP tracker and actual scenario due possibility of assets disposal. As per the data audited, there are 19 management units for the Indonesia Operations that requires LUCA. All LUCAs were submitted but the review was delayed due to change of RSPO reviewer. As of 14/07/2021, 10 LUCAs were approved with 0 conservation liability and remaining 9 are still pending from RSPO.</p>	<p>Complied</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with</p>	<p>Sime Darby Plantation Berhad have published Grievance mechanism that is applied to all</p>	<p>Complied</p>

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RSPO P&C criterion 4.2	management units. Disputes related to labor, stakeholders and communities are to be dealt using this mechanism.	
Any Legal non-compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	Sime Darby Plantation maintain corporate governance to monitor and address any legal non-compliances. Through the published Code of Business Conduct and charters, the company is committed to delivery their business complying to the laws and regulations of the country.	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	Yes. The sustainability unit has conducted internal audits the uncertified units and updated in the compliance status of uncertified management unit. There is no replacement of primary forest or HCV area and no new planting after January 1st 2010. The issue are mainly awaiting for Land Titles. The last audit was conducted between July 2020 – August 2020. The Head of Sustainability has concluded in the uncertified unit compliance report that there is no land disputes and legal compliance is monitored during the internal audit as the positive assurance.	Complied
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	No any critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates.	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Respective sites maintained stakeholder engagements as part of the estates/mills operations. Especially in Indonesia, socialization of company	Complied

3.2 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	There is no scheme smallholders and/ or outgrowers include in the scope of certification.	Complied

Approved Time Bound Plan

SDP - RSPO Certification for Time Bound Plan - Malaysia Operations

No	Management Unit	Supply Base	Time Bound Plan	Location	Status	Certified Date	Remarks
	SOU Name						
1	Sungai Dingin	Sungai Dingin Oil Mill	-	Karangan, Kedah	Certified	12/08/2011	-
		Anak Kulim Estate					
		Sungai Dingin Estate					
		Somme Estate					
		Bukit Selarong Estate					
		Padang Buluh Estate					
		Bukit Hijau Estate					
Jentayu Estate							
2	Chersonese	Chersonese Oil Mill	-	Kuala Kurau, Perak	Certified	05/10/2011	-
		Chersonese Estate					
		Kalumpong Estate					
		Tali Ayer Estate					
		Holyrood Estate					
3	Elphil	Elphil Oil Mill	-	Sungai Siput, Perak	Certified	16/08/2011	-
		Kamuning Estate					
		Elphil Estate					
		Kinta Kellas Estate					
4	Flemington	Flemington Oil Mill	-	Teluk Intan, Perak	Certified	05/10/2011	-
		Flemington Estate					
		Bagan Datoh Estate					

		Sabak Bernam Estate					
		Sg. Samak Estate					
5	Seri Intan/Selaba	Seri Intan Oil Mill	-	Teluk Intan, Perak	Certified	03/03/2011	-
		Selaba Oil Mill					
		Seri Intan (+ Selaba) Estate					
		Sabrang Estate					
		Sogomana Estate					
		Sg. Wangi Estate					
		Bikam Estate					
		Cluny (+ Bedford) Estate					
6	Tennamaram	Tennamaram Estate					
		Sungai Buluh Estate					
		Bukit Talang Estate					
				Bukit Kerayong Oil Mill	-	Kapar Selangor	Certified
7	Bukit Kerayong	Bukit Kerayong Estate					
		Bukit Cheraka Estate					
		Elmina Estate					
				East Oil Mill	-	Carey Island, Selangor	Certified
8	East	East Estate					
		Sepang Estate					
		Dusun Durian Estate					
				West Oil Mill	-	Carey Island, Selangor	Certified
9	West	West Estate					

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10	Bukit Puteri	Bukit Puteri Oil Mill	-	Raub, Pahang	Certified	07/07/2011	-
		Bukit Puteri Estate					
11	Kerdau	Kerdau Oil Mill	-	Temerloh, Pahang	Certified	07/07/2011	-
		Kerdau Estate					
		Jentar Estate					
		Mentakab Estate					
		Chenor Estate					
Sg Mai Estate							
12	Jabor	Jabor Oil Mill	-	Kuantan, Pahang	Certified	07/07/2011	-
		Jabor Estate					
13	Labu	Labu Oil Mill	-	Nilai, Negeri Sembilan	Certified	30/12/2011	New Labu Estate has become a division of Labu Estate.
		Labu Estate					
14	Tanah Merah	Tanah Merah Oil Mill	-	Port Dickson, Negeri Sembilan	Certified	19/05/2010	-
		Tanah Merah Estate					
		Bukit Pelandok Estate					
15	Sua Betong	Sua Betong Oil Mill	-	Port Dickson, Negeri Sembilan	Certified	18/02/2014	Siliao Estate has now been merged into Salak Estate and Bradwall Estate.
		Sua Betong Estate					
		Sengkang Estate					
		Bradwall Estate					
		PD Lukut Estate					
		Tampin Linggi Estate					
		Sg. Bahru Estate					
Salak Estate							
16	Kok Foh	Kok Foh Oil Mill	-		Certified	07/07/2011	-

		Muar River Estate					
		Sg. Senarut Estate					
		Sg. Gemas Estate					
		Kok Foh Estate					
		Bukit Pilah Estate					
		St. Helier Estate					
		Sungai Sabaling Estate					
		Pertang Estate					
17	Kempas	Kempas Oil Mill	-	Jasin, Melaka	Certified	19/05/2010	-
		Kempas Estate					
		Tangkah Estate					
		Kemuning Estate					
18	Diamond Jubilee	Diamond Jubilee Palm Oil Mill	-	Jasin, Melaka	Certified	05/10/2011	-
		Serkam Estate					
		Diamond Jubilee Estate					
		Bukit Asahan Estate					
19	Pagoh	Pagoh Oil Mill	-	Muar, Johor	Certified	28/1/2014	-
		Pagoh Estate					
		Welch Estate					
		Lanadron Estate					
		Pengkalan Bukit Estate					
20	Chaah	Chaah Oil Mill	-	Chaah, Johor	Certified	18/11/2010	-
		Chaah Estate					
		Sg. Simpang Kiri Estate					

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		North Labis Estate					
21	Gunung Mas	Gunung Mas Oil Mill	-	Kluang, Johor	Certified	19/05/2010	* SDP acquired Lian Seng Estate in Johor in April 2017. Lian Seng Estate is merged into Bkt Paloh Estate of SOU 21 Gunung Mas, Lian Seng has been incorporated in the RSPO Certification Scope of SOU Gunung Mas in 2018.
		Gunung Mas Estate					
		Kempas Klebang Estate					
		Bukit Paloh Estate					
		Yong Peng Estate					
22	Bukut Benut	Bukit Benut Oil Mill	-	Kluang, Johor	Certified	05/11/2011	* SDP acquired Talisman Estate in Johor in April 2017. Talisman Estate is merged into CEP Nyior Estate of SOU 22 Bk Benut and has been incorporated in the RSPO Certification Scope of SOU Bk Benut in 2018.
		Bukit Benut Estate					
		Lambak Elaeis Estate					
		CEP Nyior Estate					
23	Ulu Remis	Ulu Remis Oil Mill	-	Layang-Layang, Johor	Certified	11/04/2011	-
		Ulu Remis Estate					
		Cenas Estate					
		Bukit Badak Estate					
		Tun Dr. Ismail Estate					
		Pekan Estate					
Sembrong Estate							
24	Hadapan	Hadapan Oil Mill	-	Layang-Layang, Johor	Certified	29/3/2011	-
		Sri Pulai Estate					
		Kulai Estate					
		Layang Estate					
		CEP Renggam Estate					
26	Sandakan Bay	Sandakan Bay	-	Sandakan, Sabah	Certified	01/10/2008	-
		Tun Tan Siew Sin					

		Tunku Estate					
		Tigowis Estate					
		Sentosa Estate					
		Segaliud Estate					
27	Melalap	Melalap Oil Mill	-	Tenom, Sabah	Certified	21/1/2011	-
		Melalap Estate					
		Sapong Estate					
28	Binuang	Binuang Oil Mill	-	Kunak, Sabah	Certified	16/1/2009	-
		Binuang Estate					
		Sungang Estate					
		Tingkayu Estate					
		Jeleta Bumi Estate					
29	Giram	Giram Oil Mill	-	Kunak, Sabah	Certified	16/1/2009	-
		Giram Estate					
		Mostyn Estate					
30	Merotai	Merotai Oil Mill	-	Tawau, Sabah	Certified	16/1/2009	-
		Merotai Estate					
		Imam Estate					
		Tiger Estate					
		Table Estate					
31	Layang	Layang Oil Mill	-	Bintulu, Sarawak	Certified	30/12/2011	-
		Layang Estate					
		Rasan Estate					
		Belian Estate					

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		Kelida Estate					
		Lavang (Special) Estate					
		Pekaka Estate					
		Ruai Estate					
		Dulang Estate					
		Charquest Estate					
		Paroh Estate					
32	Rajawali	Rajawali Oil Mill	-	Bintulu, Sarawak	Certified	30/12/2011	-
		Rajawali Estate					
		Samudera Estate					
		Semarak Estate					
		Bayu Estate					
33	Derawan	Derawan Oil Mill	-	Bintulu, Sarawak	Certified	30/12/2011	-
		Derawan Estate					
		Sahua Estate					
		Takau Estate					
		Damai Estate					
34	Pekaka	Pekaka Mill	-	Bintulu, Sarawak	Withdrawn	NA	Pekaka Mill is being mothballed and all the supply bases certified to it (Pekaka Estate; Ruai Estate, Dulang Estate, Paroh Estate & Chartquest Estate.) has been transferred to SOU Lavang.
35	Bintang	Bintang Oil Mill	-	Johor	NA	NA	* SDP acquired Bintang Palm Oil Mill in Johor in April 2017. As at Dec 2017, the selling off process of this mill is being initiated hence the RSPO certification process for Bintang Oil Mill is being put on

							hold. As at 1st Oct 2018, the mill has completed the selling off transaction.
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SDP - RSPO Certification for Time Bound Plan - Indonesia Operations

No	Management Unit	Mill and Supply Base	Time Bound Plan	Latest Internal / External	Location	Status	Certified Date	Remarks (for uncertified unit)
	SOU Name			Audit Date				
1	PT Lahan Tani Sakti	Alur Dumai Mill	-	-	Rokan Hilir District – Riau	Certified	16/01/2012	-
		Alur Dumai Estate						
2	PT Sajang Heulang	Mustika Mill	-	-	Tanah Bumbu District – South Kalimantan	Certified	03/07/2013	-
		Mustika Estate						
		KKPA-2 PT.SHE Estate						
		KKPA-3 PT.SHE Estate						
		KKPA-5 PT.SHE Estate						
3	PT Ladangrumpun Suburabadi	Angsana Mill	-	-	Tanah Bumbu District – South Kalimantan	Certified	06/07/2021	-
		Angsana Estate						
		Pantai Bonati Estate						
		Gunung Sari Estate						
		KKPA-1 PT.SHE Estate						
		KKPA-4 PT.SHE Estate						
		Subur Abadi Plasma 1 Estate	2021	2020	stage 2			
4	PT Langgeng Muaramakmur	Bebunga Mill	-	-	Kotabaru District – South Kalimantan	Certified	16/03/2012	Previously KKPA Sg. Cengal. Sime Darby Plantation does not have management control over the plasma scheme.
		Bebunga Estate						
		Sungai Cengal Estate						
		Bakau Estate						
		KKPA LMR	2021	2020				
5	PT Kridatama Lancar	Sukamandang Mill	-			Certified	05/07/2011	-

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		Sukamandang Estate			Seruyan and East- Kotawaringin District Central Kalimantan			
		Sapiri Estate						
		Barasdanum Estate						
		Kuala Kuayan Estate						
6	PT Bahari Gembira Ria	Ladang Panjang Mill	-			Certified	09/07/2012	Only Division 3 (1200ha) was certified. Division 1 & 2 with 1792 Ha received HGU recently. The unit is getting ready for certification. Plan for certification in 2020. Total Ladang Panjang Estate is 2992 ha. Sime Darby Plantation does not have management control over the plasma scheme. 1 out of 6 Koperasi Unit Desa (KUD) has been RSPO Certified. And all KUD is planned to undergo RSPO Certification by 2020 as reported in the timebound plan. Socialisation with the entire KUD is currently ongoing. Land Use Change Analysis has been completed for Plasma BGR.
		Ladang Panjang Estate						
		Plasma BGR Estate	2020	2020	Muaro Jambi District - Jambi			
7	PT Tunggal Mitra Plantations	Manggala Mill	-		Rokan Hilir District – Riau	Certified	25/11/2010	-
		Manggala 1 Estate						
		Manggala 2 Estate						
		Manggala 3 Estate						
8	PT Paripurna Swakarsa	Pondok Labu Mill	-		Kotabaru District – South Kalimantan	Certified	16/03/2012	-
		Pondok Labu Estate						
		Binturung Estate						
		Rampa Estate						
		Sesulung Estate						
9		Gunung Aru Mill	-			Certified	05/07/2011	-

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	PT Bersama Sejahtera Sakti	Gunung Aru Estate	2021	2020	Kotabaru District – South Kalimantan			Currently in nursery stage and not yet due for harvesting, the year of planting was in 2014. Internal Audit for 2019 is planned in Dec 2019.
		Gunung Kemasan Estate						
		Laut Timur Estate						
		Pantai Timur Estate						
		KKPA MBP						
10	PT Pecconina Guthrie	Rantau Panjang Mill	-		Musi Banyuasin District – South Sumatera	Certified	16/03/2012	Remarks: Land legalisation process for 4152.70 ha is still in process.
		Rantau Panjang Estate						
		Bumi Ayu Estate						
		Karang Ringin Estate						
		Napal Estate						
		Mangun Jaya Estate						
		Sungai Jernih Estate and GPI KKPA Estate	2020	2020	-	Sungai Jernih Estate and the KKPA Estates(1-5) has undergone audit. Land legalisation process is still in process.		
11	PT Laguna Mandiri	Rantau Mill	-		Kotabaru District – South Kalimantan	Certified	30/12/2011	
		Rantau Estate						
		Matalok Estate						
		Betung Mill						
		Betung Estate						
		Sekayu Estate						
12	PT Indotruba Tengah	Sekunyir Mill	-		Seruyan and West Kotawaringin	Certified	23/11/2010	-
		Sekunyir						
		Seruyan Estate						

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					District – Central Kalimantan			
13	PT Swadaya Andika	Selabak Mill	-		Kotabaru District – South Kalimantan	Certified	16/03/2012	Mill closed down and all the supply bases was transferred to Rantau Mill – PT Laguna Mandiri. The Selabak Est, Randi Est, Sangkoh Est, Lanting Est is currently under PT Laguna Mandiri – Rantau Factory certification.
		Selabak Estate						
		Randi Estate						
		Sangkoh Estate						
		Lanting Estate						
14	PT Bina Sains Cemerlang	Sungai Pinang Mill	-		Musi Rawas District – South Sumatera	Certified	11/09/2012	Remarks: Land legalisation process for 308.35 ha is still in process.
		Sungai Pinang Estate						
		Bukit Pinang Estate						
15	PT Teguh Sempurna	Pemantang Mill	-		Seruyan and East Kotawaringin District – Central Kalimantan	Certified	05/07/2011	-
		Pemantang Estate						
		Kawan Batu Estate						
		Hatan Tiring Estate						
		Batang Garing Estate						
16	PT Bhumireksa Nusa Sejati	Teluk Bakau Mill	-		Indra Giri Hilir District – Riau	Certified	11/10/2011	-
		Teluk Bakau Estate						
		Nusa Lestari Estate						
		Nusa Perkasa Estate						
		Mandah Mill						
		Mandah Estate						
		Rotan Semelur Estate						
01/04/2014								
17	PT Intipersada Aneka	Teluk Siak Mill	-		Pekanbaru, Siak District – Riau	Certified	11/10/2011	-
		Teluk Siak Estate						

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		Pinang Sebatang Estate						
		Aneka Persada Estate						
18	PT Tamaco Graha Krida	Ungkaya Mill	-		Morowali District – Sulawesi Tengah	Certified	10/7/2012	-
		Ungkaya Estate						
		Plasma TGK Estate	2021	2020		-		Usage Approval (<i>Perijinan</i>) process is ongoing
19	PT SIME Indo Agro	Bukit Ajong Mill	-		Sanggau District – West Kalimantan	Certified	18/10/2010	Land legalisation process for East Est for 5815.64 ha is still in process.
		West Estate						
		East Estate						
		East* Estate /Sei Mawang Estate	2021	2020		-		Land legalisation for Sei Mawang is still in process
		East Plasma Estate	-			Certified	18/7/2016	-
West Plasma Estate								
20	PT Padang Palma Permai /PT Perkasa Subur Sakti	Blang Simpo Mill	-		Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified	03/05/2013	-
		Tamiang (PT PPP) Estate						
		Batang Ara (PT PSK) Estate						
		Blang Simpo-01 Estate						
		Blang Simpo-02 Estate						
21	PT Natapalma Sandika	Lembiru Mill	-		Ketapang District – West Kalimantan	Certified	03/07/2014	PT Sandika Natapalma and PT Budidaya Agro Lestari is sharing one mill i.e. Lembiru Mill.
		Lembiru Estate						
		Awatan Estate						
		Karya Palma Estate	2021	2020		-		Usage Approval (<i>Perijinan</i>) process is ongoing
		KKPA SNP Estate	2021	2020		-		Usage Approval (<i>Perijinan</i>) process is ongoing

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22	PT Budidaya Agro Lestari	Pelanjau (PT BAL) Estate	-		Ketapang District – West Kalimantan	Certified	03/07/2019	-
		Sungai Putih (PT BAL) Estate	2021	2020		-		Land Approval is obtained in 2015 while the other approvals are still in processing HGU obtained as per May 2018
		Beturus (PT BAL) Estate	2021	2020		-		
		KKPA BAL Estate	2021	2020		-		
23	PT Mitral Austral Sejahtera	MAS Mill	NA	NA	Sanggau District – West Kalimantan	NA	NA	The properties was sold and currently SDP have no control in the management. Please find latest information on 'Updates on PT MAS' worksheet and updates to RSPO Secretariat.
		MAS 1 Estate						
		MAS 2 Estate						
		MAS 4 Estate						
		Plasma MAS Estate						

SDP - RSPO Certification for Time Bound Plan – Papua New Guinea / Solomon Islands Operations

No	Management Unit	Mill and Supply Base	Time Bound Plan	Location	Status	Certified Date	Remarks (for uncertified unit)
	SOU Name						
1	Guadalcanal Plains Palm Oil Limited (GPPOL)	Tetere Oil Mill	-	Guadalcanal Province, Solomon Islands	Certified	18/03/2011	-
		Tetere Estate					
		Ngalimbiu Estate					
		Mbalisuna Estate					
		Smallholders – West Zone (83)					
		Smallholders – Central Zone (53)					
		Smallholders – MBA East Zone (59)					
		Smallholders – MBE East Zone (37)					
2	Milne Bay Estate (MEB)	Hagita Oil Mill	-	Milne Bay Province, PNG	Certified	15/02/2018	-
		Giligili Estate					
		Hagita Estate					
		Waigani Estate					
		Sagarai Estate					
		Padipadi Estate					
		Mariawatte Estate					
		Smallholders – East Gurney Estate (264)					
		Smallholders – West Gurney Estate (229)					
		Smallholders – East Sagarai Estate (157)					
		Smallholders – West Sagarai Estate (221)					
		3					
Kara Estate							
Nalik Estate							

		West Coast Estate					
		Noatsi Estate					
		Madak Estate					
		Smallholders -North Division (615)					
		Smallholders- South Division (868)					
		Smallholders -West Division (309)					
4	Ramu Agricultural Industrial Ltd (RAIL)	Gusap Mill	-	Morobe Province, PNG	Certified	05/08/2010	-
		Gusap East (Gusap) Estate					
		Gusap West (Paddock) Estate					
		Surinam Estate					
		Dumpu Estate					
		Ngaru Estate					
		J Estate (Jephcott) Estate					
		Smallholders - Madang VOPs (71)					
		Smallholders - Morobe VOPs (253)					
5	Higaturu Oil Palm (HOP)	Sangara Oil Mill	-	Oro Bay Province, PNG	Certified	01/02/2013	-
		Mamba Oil Mill					
		Embi Estate					
		Ambogo Estate					
		Sangara Estate					
		Sumbiripa Estate					
		Mamba Estate					
		Sambogo Estate					
		Scheme Smallholder Sorovi Division(2019)					

		Scheme Smallholder Saiho Division(842)					
		Scheme Smallholder Aeka Division (911)					
		Scheme Smallholder Igora Division (1367)					
		Scheme Smallholder Ilimo Division (671)					
6	West New Britain (WNB)	Mosa Oil Mill	-	Kimbe, West New Britain, PNG	Certified	10/09/2008	-
		Kumbango Oil Mill					
		Kapiura Mill					
		Numundo Mill					
		Waraston Mill					
		Bebere Estate					
		Kumbango Estate					
		Togulo Estate					
		Dami Estate					
		Waisisi Estate					
		Kautu Estate					
		Karaisu Estate					
		Moroa Estate					
		Bilomi Estate					
		Loata Estate					
		Haella Estate					
		Garu Estate					
		Daliavu Estate					
		Sapuri Estate					
		Malilimi Estate					

		Rigula Estate					
		Numundo Estate					
		Navarai / Karato ME /KDC EU Estate					
		Volupai / Lotomgam / Natupi / Goruru Estate					
		Lolokoru Estate					
		Ove Estate					
		Tamare Estate					
		Smallholders LSS Mosa (1822)					
		Smallholders VOP East (1817)					
		Smallholders VOP Central (1964)					
		Smallholders VOP West (1279)					
		Smallholders LSS Kapiura (551)					
		Smallholders VOP Kapiura (850)					
		Smallholder Kaulong / Akami / Pushiki / Repamira / Sakapei					
7	Markham Farms Company Limited (MFCL) / Markham Agro Pte Ltd	Erap Mill	-	Markham Farms	Certified	27/3/2020	There is total area NPP: 710.30ha which is currently excluded from the certification scope until the NPP is approved
		Munum Estate					
		Maralumi Estate					
		Erap Estate					

3.3 Details of Nonconformities

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

During this Assessment there were none (0) Critical; one (1) Minor nonconformity and two (2) Opportunity For Improvement raised. The SOU 27 Melalap POM & Supply Bases Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Critical Nonconformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	2111486-202110-N1	Date Issued	08/10/2021
Due Date	Next surveillance assessment	Date of nonconformity Closure	"Open"
Clause & Category (Critical / Minor)	Minor		
Statement of Nonconformity:	Evidence of legal due diligence of contractor was not available.		
Requirement Reference:	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.		
Objective Evidence:	Sampled the payslips of foreign worker (Passport No.: AT 986824) to Pemborong Ajuta, FFB transporter in Melalap Estate found that the SOCSO contribution made was not in accordance to Employees' Social Security Act 1969 (Act 4) effective on 01/01/2019. The employer shall make contribution at the rate of 1.25% of insured monthly wages. However, the employer made contribution and made deduction of wages from employee for Employment Injury Scheme (EIS) with incorrect amount of contribution.		
Corrections:	<ol style="list-style-type: none"> 1. The contractor will make the correct contribution of SOCSO as per table of contribution in Employee's Social Security Act 1969 (Act 4). 2. Contractor will stop deduction of Employment Injury Scheme (EIS) to said workers and reimburse back the amount of deduction made in affected period. 		
Root Cause Analysis:	<ol style="list-style-type: none"> 1. Close monitoring of contractor's compliance to relevant legal requirements was not established by the estate. 2. Lack of structured briefing session organized by the estate management to ensure contractors are fully aware of the relevant legal compliances. 		
Corrective Actions:	<ol style="list-style-type: none"> 1. Estate management will appoint person-in-charge to closely monitor on legal requirement compliance of contractors. The appointed person-in-charge will monitor contractor compliance according to checklist on a monthly basis. 		

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	2. Estate management will conduct a structured briefing to all contractors on applicable legal requirements. The briefing is planned to be conducted annually to all contractors and when there is addition of any new contractor.
Assessment Conclusion:	Corrective action plan has been reviewed and deemed to be satisfactory to address the Minor Nonconformity. Implementation of the corrective action plan will be verified during next assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1 2111486-202110-I1	Indicator 7.8.1 The water management plan in place by Melalap Estate could be further improved in ensuring continued availability of water sources and avoidance of negative impacts on other users in the catchment.
OFI 2 2111486-202110-I2	Indicator 4.4.1 Status of land title that sharing with smallholders to be followed up with Land Management Unit to demonstrate the total area belongs to Sapong Estate.

Positive Findings	
PF #	Description
PF 1	Not applicable.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
NCR Ref #	1834696-201906-M1	Date Issued	11/10/2019
Due Date	09/01/2020	Date of nonconformity Closure	09/01/2020
Clause & Category (Critical / Minor)	Indicator 6.1.1 Major		
Statement of Nonconformity:	Social impacts identified in a participatory way, and plans to mitigate the negative impacts not documented in SIA report.		
Requirement Reference:	A social impact assessment (SIA) including records of meetings shall be documented.		
Objective Evidence:	Social issues presence related to workers dependents was not fully identified in the SIA assessment (refer SIA report 19-21 May 2015 & Sapong Estate action plan review dated 28 August 2019).		
Corrections:	Estate management will review the SIA action plan and include social issues related to worker's dependent.		
Root Cause Analysis:	The current estate's Social Action Plan was more focus on estate's employees or worker's social matters.		

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Corrective Actions:	Estate management will review the SIA action plan accordingly on yearly basis and to be verified by estate management.
Assessment Conclusion:	<p>Corrective action plan (CAP) accepted and verification of corrections and corrective actions were done off-site. The evidence for verification were accepted as following:</p> <ul style="list-style-type: none"> - Sapong Estate Social Action Plan; Date: 20/12/2019 - Sapong Estate Social Action Plan; Date: 20/12/2019 <p>Evidence confirmed to effective to address the issue, hence Major NC was closed on 09/01/2020.</p> <p>During RA 2 remote audit verification,</p> <p>The SIA has been reviewed for the year 2020. The SIA was available for verification to include all possible aspects and impacts in the mill and estate. Hence the Major Non-Conformity remains closed on 21/12/2020.</p>

Non-conformity			
NCR Ref #	1834696-201906-M2	Date Issued	11/10/2019
Due Date	09/01/2020	Date of nonconformity Closure	09/01/2020
Clause & Category (Critical / Minor)	Indicator 6.12.3 Major		
Statement of Nonconformity:	No special labour category, policy and procedures were established and implemented for temporary or migrant workers employed.		
Requirement Reference:	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.		
Objective Evidence:	<p>No special labour category, policy and procedures were established and implemented for temporary and/or migrant workers employed by the mill and estate including of their contractors/vendors as following:</p> <ul style="list-style-type: none"> • Melalap Estate contractor's (Tamin Budiman) workers • Melalap POM heavy machineries rental vendor's (Entabuan Quarry) workers • Melalap POM retrofit of existing loading ramp contractor's (Kian Da Enterprise Sdn Bhd) workers • Melalap POM erection of ESP system contractor's (FCS Engineering Construction) workers • Melalap POM grass cutting contractor's (Shim Enterprise) workers 		
Corrections:	<ul style="list-style-type: none"> • SQM will provide related procedure for contractor to the mill and estates while for the policy, estates and mill to refer the current available company's labour related policies which also to be implemented for contractor's workers. • Estate management will discuss with respective contractor to ensure they follow minimum legal requirement on the payment of EPF, EIS, SOCSO contribution and overtime premium payment for their workers. 		
Root Cause Analysis:	The contractors were facing high turnover of workers. Their workers only working with them for few months (3-4 months) then continue their routine to other individual job e.g. farmer, machine operator, etc.		

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	This small scale contractor also having surrounding village people to work under them and have less income/profit to contribute in EPF, SOCSO, EIS and overtime premium payment.
Corrective Actions:	<ul style="list-style-type: none"> • Mill and Estate management with SQM representative to conduct briefing session with current contractors on the company labour policy and related procedure for contractor. • Newly engaged contractor will be brief on the company labour policies and related procedure for contractor.
Assessment Conclusion:	<p>Corrective action plan (CAP) accepted and verification of corrections and corrective actions were done off-site. The evidence for verification were accepted as following:</p> <ul style="list-style-type: none"> • New document for Contractor’s Workers Management Procedure; Doc. # SDP/SQM/SBR/001; Rev. 0; Date: 29/11/2019 • Records of RSPO & MSPO Briefing to Contractors & Discussion on RSPO & MSPO Issues/NCR related to Contractors; Date: 20/12/2019; Sample attendance: Tamin Contractor, Jutamas Kekal & Pemborong Ajuta <p>Evidence confirmed to effective to address the issue, hence Major NC was closed on 09/01/2020.</p> <p>During RA 2 remote audit verification,</p> <p>The Contractor’s Workers Management Procedure; Doc. # SDP/SQM/SBR/001; Rev. 0; Date: 29/11/2019 has been effectively communicated to all contractors of SOU 27. The implementation was verified to be in accordance of the procedure that is in place. Hence the Major Non-Conformity remains closed on 21/12/2020.</p>

Non-conformity			
NCR Ref #	1834696-201906-M3	Date Issued	11/10/2019
Due Date	09/01/2020	Date of nonconformity Closure	09/01/2020
Clause & Category (Critical / Minor)	Indicator 2.1.3 Major		
Statement of Nonconformity:	Ineffective mechanism in ensuring compliance of law in regards to foreign worker’s work permit and work hours.		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	Melalap Estate Sighted 13 expired work permit for foreign workers as listed below. Renewal is in progress but no evidence that renewal is carried out in advance to prevent lapses. Emp. No.: 68853, work permit: PE0651953, expired on 04/10/2019 Emp. No.: 85510, work permit: PE0651954, expired on 04/10/2019 Emp. No.: 85511, work permit: PE0651956, expired on 04/10/2019 Emp. No.: 149856, 149860, 149861, 149862, 149863, 149864 expired on 04/04/2019		

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154407, PE0651484, expired on 26/09/2019,
 154409, PE0651848, expired on 10/08/2019
 154410, PE0651488, expired on 26/09/2019
 154411, PE0651490, expired on 26/09/2019

Note: 10 out of 13 Indonesian workers are approved by the immigration to reduce the cooling-off period based on the letter Ref.: IM.101/SSD/UBA/1130/489()17 dated 30/11/2018.

Sapong Estate

1 randomly selected contractor's worker (JutaMas Kekal for replanting work) at line-site found without a valid work permit. The subjected foreign worker is not being documented by the estate management since the list provided by the contractor is not updated. Further investigation sighted, his work permit is issued to another plantation company – IJM Plantation Berhad, Sandakan instead of Jutamas Kekal and expired on 16/05/2019. Interview confirmed that he is assigned to chipping task and stay in the housing provided by Sime Darby.

Melalap POM 6 out of 9 selected workers from various department sighted worked more than 12 hours / day not in accordance to the waiver approved by the labour office letter series no.: 600-1/2/12/1(08/TNM/2018-012) which is valid from 09/02/2018 until 09/02/2020, clause 1.3

e.g.

Emp: 133180 – 14/06/2019 worked from 1000~0432 (18.5 hours)

Emp: 126278 – 17/06/2019 worked from 1524~0621 (15 hours)
 19/06/2019 worked from 1526~0621 (15 hours)
 20/06/2019 worked from 1505~0500 (13.5 hours)
 21/06/2019 worked from 1523~0554 (14.5 hours)
 11/06/2019 worked from 1923~1537 (20 hours)

Emp: 147900 – 19/06/2019 worked from 0725~0100 (17.5 hours)

Emp: 143783 – 04/01/2019 worked from 1518~0741 (16 hours)
 05/01/2019 worked from 1515~0750 (16 hours)
 14/01/2019 worked from 1509~0525 (14 hours)
 16/01/2019 worked from 1512~0747 (16 hours)
 17/01/2019 worked from 1458~0524 (14 hours)
 18/01/2019 worked from 1508~0632 (15 hours)

Emp: 34811 – 17/06/2019 worked from 1526~0736 (16 hours)
 18/06/2019 worked from 1529~0746 (16 hours)
 19/06/2019 worked from 1522~0627 (15 hours)
 20/06/2019 worked from 1516~0455 (13.5 hours)

Emp: 76964 – 17/06/2019 worked from 1523~0635 (15 hours)
 18/06/2019 worked from 1553~0728 (16 hours)
 19/06/2019 worked from 1520~0628 (15 hours)
 20/06/2019 worked from 1519~0500 (13.5 hours)
 21/06/2019 worked from 1518~0600 (14.5 hours)

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<p>Corrections:</p>	<p>Melalap Estate</p> <ul style="list-style-type: none"> Estate will follow up with regional SDP Workers Management Unit (WMU) on the status of work permit renewal. Estate to ensure only workers with proper submission of work permit renewal to continue working in the estate. <p>Sapong Estate</p> <ul style="list-style-type: none"> Contractor to replace the stated worker with other worker with valid document. The stated worker is no more working with Jutamas Kekal. <p>Melalap POM</p> <ul style="list-style-type: none"> Mill to revise the mill workers shift planning/schedule: <p>a. Shift schedule</p> <table border="1" data-bbox="507 904 1474 1182"> <thead> <tr> <th>Shift</th> <th>Peak Crop Season/ Unscheduled Mill Breakdown</th> <th>Normal Crop Season</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>7.30am – 7.30pm</td> <td>7.30am – 3.30pm</td> </tr> <tr> <td>B</td> <td>7.30pm – 7.30am</td> <td>3.30pm – end process (Estimated to end no later than 3.30am)</td> </tr> </tbody> </table> <p>b. On Sunday processing, mill will ensure there are standby team to replace night shift to avoid extended working hour more than 12 hours. - Mill to communicate the revised shift planning/schedule to all workers during toolbox briefing.</p>	Shift	Peak Crop Season/ Unscheduled Mill Breakdown	Normal Crop Season	A	7.30am – 7.30pm	7.30am – 3.30pm	B	7.30pm – 7.30am	3.30pm – end process (Estimated to end no later than 3.30am)
Shift	Peak Crop Season/ Unscheduled Mill Breakdown	Normal Crop Season								
A	7.30am – 7.30pm	7.30am – 3.30pm								
B	7.30pm – 7.30am	3.30pm – end process (Estimated to end no later than 3.30am)								
<p>Root Cause Analysis:</p>	<p>Melalap Estate</p> <p>Renewal of work permit for the stated workers was unable to be carried out in advance since they were under repatriation program (10 years of service) which required the workers to have service break and go out of country prior to submission of work permit renewal.</p> <p>For 10 of the stated workers, with approval by the Immigration Department, the cooling off period were reduced and they were allowed to stay with special pass while waiting for permit approval.</p> <p>Sapong Estate</p> <p>The contractor was not following agreement to ensure all their workers that working in Sapong Estate to have valid document.</p> <p>Melalap POM</p> <p>The working hour for stated workers has exceeded 12 hours was due to unplanned breakdown occur during the process and no proper communication of shift planning/schedule to the mill workers.</p>									

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Corrective Actions:	<p>Melalap Estate</p> <ul style="list-style-type: none"> • Estate management to follow (Workforce Management Unit) WMU procedure on the permit renewal. • Estate management will appoint dedicated person in charge to ensure monitoring of the workers’ permit to be done on regular basis (monthly). <p>Sapong Estate</p> <ul style="list-style-type: none"> • Estate management to ensure contractors to provide and update the list of their worker’s profile (including work permit information for foreign workers if any) that working in the estate premises. <p>Melalap POM</p> <ul style="list-style-type: none"> • Mill to communicate to all mill workers on the shift planning/schedule. Copy of mill worker’s shift planning/schedule to be display at information board in front of office area. • Mill management will issue memo on no work should exceed 12 hours of working as stated in the Permit Sekatan lebih masa by JTK except condition under section 104(5)(a),(b),(c),(d) and (e) Ordinan Buruh (Sabah) which require approval from mill management prior to continue of work.
Assessment Conclusion:	<p>Corrective action plan (CAP) accepted and verification of corrections and corrective actions were done off-site. The evidence for verification were accepted as following:</p> <ul style="list-style-type: none"> • Records of Workers’ Permit Renewal Status - Melalap Estate as of 31/12/2019 • Records of Melalap Estate Employee Masterlist as at December 2019 • Records of Appointment letter of person in charge handling passport & Workers’ Permit renewal Melalap Estate dated 01/11/2019 • Records of revised Flowchart Procedure Processing of Renewal Permit for SDP SOUs • Records of List of Contractor's Workers (Sapong Estate) for Tamin Contractor and Jutamas Kekal • Records of Briefing to Workers KKS Melalap on Permit Sekatan Kerja Lebih Masa by JTK except condition under section 104(5)(a),(b),(c),(d) and (e) Ordinan Buruh (Sabah) dated 16/12/2019 attended by 41 mill employees • Records of Internal Memo by Management on requirements to comply with Working Hours not exceed 12 Hours by KKS Melalap employees dated 16/12/2019 <p>Evidence confirmed to effective to address the issue, hence Major NC was closed on 09/01/2020.</p> <p>During RA 2 remote audit verification,</p> <p>During the assessment it was verified that the operations were in accordance with the Flowchart Procedure Processing of Renewal Permit for SDP SOUs. Hence the Major Non-Conformity remains closed on 21/12/2020..</p>

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Non-conformity			
NCR Ref #	1834696-201906-N1	Date Issued	11/10/2019
Due Date	Next assessment audit	Date of nonconformity Closure	08/10/2021
Clause & Category (Critical / Minor)	Indicator 4.7.3 Minor		
Statement of Nonconformity:	Safe work practices at Melalap POM was not fully effective.		
Requirement Reference:	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.		
Objective Evidence:	Melalap POM: <ol style="list-style-type: none"> 1. The forklift in operation was found to be with few indicator bulbs malfunction i.e. head lights, reverse light & break light. 2. There was no on/off light switch provided for material store room lighting. Furthermore, the florescence bulbs for store room lighting was found not working during testing. 		
Corrections:	<ul style="list-style-type: none"> • Mill to ensure SDI to replace and rectify the malfunction forklift indicator bulb. • Mill to complete the modification work which include the installation of light switch and replacement of light bulbs. 		
Root Cause Analysis:	<ul style="list-style-type: none"> • The malfunction forklift indicator bulb already been highlighted to vendor SDI but mill is still waiting for them to fix it • The store is having on-going some modification including wiring path and installation but not yet completed 		
Corrective Actions:	<ul style="list-style-type: none"> • Mill to ensure Sime Darby Industries (SDI) to do regular inspection for their vehicle use for operation in mill and to be verified by mill management representative. • Mill to do regular monitoring by including the material store room in the quarterly workplace inspection. 		
Assessment Conclusion:	<p>During RA 2 remote audit verification, Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date that has yet to be confirmed. Thus the Minor Nonconformity remains open till the onsite assessment.</p> <p>During RA 2 onsite verification, Verification on site for forklift show that the headlight, reverse light and break light was functioning and the record monitoring by Sime Darby Industrial dated 22/03/2021 and 12/04/2021 showed that CAP was implemented accordingly thus minor NC was close on 08/10/2021.</p>		

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Non-conformity			
NCR Ref #	1834696-201906-N2	Date Issued	11/10/2019
Due Date	Next assessment audit	Date of nonconformity Closure	08/10/2021
Clause & Category (Critical / Minor)	Indicator 4.7.5 Minor		
Statement of Nonconformity:	Emergency preparedness and response control was not fully effective.		
Requirement Reference:	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.		
Objective Evidence:	POM Mill: The Fire Alarm Panel at the Main Entrance Security House was found with LED error lights indication e.g. Main Fail & Charge Fail. Interview with the Auxiliary Police in the Security Room found that he was not fully aware of the Fire Alarm Panel LED Indicators function		
Corrections:	<ul style="list-style-type: none"> • Mill charge-man has already rectify the faulty cable and reset the system. The Fire Alarm Panel has been function accordingly. • Mill already reported to Fire Fighting contractor to inspect the Fire Alarm Panel. 		
Root Cause Analysis:	The Fire Alarm Panel error LED light indication was caused by the faulty wiring. The Auxiliary Police on duty not aware because he missed briefing on Fire Alarm panel board function.		
Corrective Actions:	Mill will conduct a briefing to all the mill's Auxiliary Police on the function and basic operation of Fire Alarm Panel so they can be aware if there are any malfunction occur.		
Assessment Conclusion:	<p>During RA 2 remote audit verification,</p> <p>Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date that has yet to be confirmed. Thus the Minor Nonconformity remains open till the onsite assessment.</p> <p>During RA 2 onsite verification,</p> <p>During site verification, facilitator already test the alarm and result show the alarm was in good condition. The management also conducted the training and briefing to the Auxiliary Police regarding this issue. The CAP was implemented accordingly thus minor NC was close on 08/10/2021.</p>		

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Non-conformity			
NCR Ref #	1834696-201906-N3	Date Issued	11/10/2019
Due Date	Next assessment audit	Date of nonconformity Closure	08/10/2021
Clause & Category (Critical / Minor)	Indicator 4.7.6 Minor		
Statement of Nonconformity:	Medical care and accident insurance for workers was not fully effective.		
Requirement Reference:	All workers shall be provided with medical care, and covered by accident insurance.		
Objective Evidence:	Melalap Estate: There was no SOCSO contribution evidence for the following sampled employee since July 2019 until September 2019: 1. Employee No. 0000151652, Designation - Loose Fruit Collector 2. Employee No. 0000152132 – Designation - FFB Carrier		
Corrections:	<ul style="list-style-type: none"> Estate has completed the registration of both stated workers for SOCSO contribution using online system with effect from October 2019. Estate to do SOCSO contribution for the month of July 2019 until September 2019 for both stated workers. 		
Root Cause Analysis:	Both of mentioned workers are IM13 holder (Philippines). There were delay during implementation of SOCSO online system for IM13 workers in July to September which this 2 workers were affected.		
Corrective Actions:	Estate management will monitor and ensure all workers to get SOCSO contribution every month by checking in online system before closing checkroll during month end.		
Assessment Conclusion:	<p>During RA 2 remote audit verification,</p> <p>Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date that has yet to be confirmed. Thus the Minor Nonconformity remains open till the onsite assessment.</p> <p>During RA 2 onsite verification,</p> <p>From the record of SOCSO 8A for Melalap estate and Sapong estate showed the sampling on new workers, the SOCSO contribution was been paid as per verification on September 2021 record. The CAP was implemented accordingly thus minor NC was close on 08/10/2021.</p>		

Non-conformity			
NCR Ref #	1834696-201906-N4	Date Issued	11/10/2019
Due Date	Next assessment audit	Date of nonconformity Closure	08/10/2021
Clause & Category (Critical / Minor)	Indicator 5.3.3 Minor		

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Statement of Nonconformity:	Waste management and disposal plan was not fully effective								
Requirement Reference:	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.								
Objective Evidence:	<p>Melalap POM:</p> <ul style="list-style-type: none"> Scrap metals parts from Effluent Treatment Plant was found laid in the neighboring plantation land of Melalap Estate. Plastic wastes was found mixed with metal scrap metal parts at the mill scrap iron yard. 								
Corrections:	<ul style="list-style-type: none"> Mill has been removed all scrap metal to the scrap iron yard immediately. The plastic waste has been removed by respective contractor. 								
Root Cause Analysis:	<ul style="list-style-type: none"> The scrap metal parts were waste from installation of fence structure work at the X-point. It was once temporary gathered at the area nearby ETP plant before remove to actual dedicated storage area in the mill. The plastic waste was from contractor ESP project which they were not yet brief on the management and segregation of waste in the mill. 								
Corrective Actions:	<ul style="list-style-type: none"> All the iron waste from the metal work will be placed at scrap iron yard immediately once job completed. Mill to brief respective contractors on management and segregation of waste requirement in the mill. 								
Assessment Conclusion:	<p>During RA 2 remote audit verification,</p> <p>Since this a remote audit, the minor nonconformity is deemed necessary to be assessed on site during the balance onsite assessment that will be conducted in a date that has yet to be confirmed. Thus the Minor Nonconformity remains open till the onsite assessment.</p> <p>During RA 2 onsite verification,</p> <ul style="list-style-type: none"> Scrap metals have been sorted and placed properly in the old building of Melalap POM as per photo. Briefing to contractor Biorem Sdn. Bhd. on segregation of waste requirement in the mill was conducted immediately after the previous audit and since the contractor is still working in the mill, they were briefed periodically with latest conducted on 15/08/2021. Waste management plan – Scheduled Waste management base on EQMS SOP Section VII – Handling of Scheduled Waste at all OU. SOU 27 identified the waste products and source pollution generated in the mill operation. The waste are categorized as following: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type</th> <th style="width: 60%;">Item description</th> <th style="width: 20%;">Location</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Scheduled waste</td> <td>Spent lubricant, spent hydraulic oil, spent solvent/ chemicals, empty contaminated drum/container, used batteries, contaminated rags, spent grease, spoiled fluorescent lamp, used tyre</td> <td>Workshop</td> </tr> <tr> <td>Empty chemical container</td> <td>Chemical store</td> </tr> </tbody> </table>	Type	Item description	Location	Scheduled waste	Spent lubricant, spent hydraulic oil, spent solvent/ chemicals, empty contaminated drum/container, used batteries, contaminated rags, spent grease, spoiled fluorescent lamp, used tyre	Workshop	Empty chemical container	Chemical store
Type	Item description	Location							
Scheduled waste	Spent lubricant, spent hydraulic oil, spent solvent/ chemicals, empty contaminated drum/container, used batteries, contaminated rags, spent grease, spoiled fluorescent lamp, used tyre	Workshop							
	Empty chemical container	Chemical store							

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		Clinical waste	Clinic
	Domestic waste	3R wastes	Offices & housing area
	Industrial waste	EFB, POME	Mill
	Recyclable waste	Empty fertilizer bags	Estate

- Depend on category, all wastes are either reused, recycled or disposed as following:

Type	Item description	Handling
Scheduled waste	Spent lubricant, spent hydraulic oil, spent solvent/ chemicals, empty contaminated drum/container, used batteries, contaminated rags, spent grease, spoiled fluorescent lamp, clinical waste	Stored and disposed as scheduled waste
	Empty chemical container	Reused for premix storage and tripled-rinsed & punctured for disposal
	Used tyre	Reused as housing decoration
Domestic waste	3R wastes – paper, plastic, glass	Sent to recycle centre
Industrial waste	EFB, POME	Apply in estate field
Recyclable waste	Empty fertilizer bags	Reused for loose fruit collection

The CAP was implemented accordingly thus minor NC was close on 08/10/2021.

Opportunity for Improvement	
OFI#	Description
OFI 1	<p>OFI Statement: Not applicable.</p> <p>Verification / Follow-up actions: Not applicable.</p>

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1387085M1	Major	6.5.1	27/10/2016	Closed on 26/12/2016
1529814-201709-N1	Minor	4.7.3	28/09/2017	Closed on 01/11/2018
1529814-201709-N2	Minor	4.7.5	28/09/2017	Closed on 01/11/2018
1529814-201709-N3	Minor	4.6.10	28/09/2017	Closed on 01/11/2018
1701917-201810-M1	Major	4.7.1	01/11/2018	Closed on 28/01/2019
1701917-201810-M2	Major	4.7.2	01/11/2018	Closed on 28/01/2019
1701917-201810-M3	Major	4.7.5	01/11/2018	Closed on 28/01/2019
1701917-201810-M4	Major	2.1.1	01/11/2018	Closed on 28/01/2019
1701917-201810-M5	Major	6.5.2	01/11/2018	Closed on 28/01/2019
1701917-201810-M6	Major	4.4.2	01/11/2018	Closed on 28/01/2019
1701917-201810-N1	Minor	6.8.3	01/11/2018	Closed on 11/10/2019
1834696-201906-M1	Major	6.1.1	11/10/2019	Closed on 09/01/2020
1834696-201906-M2	Major	6.5.1	11/10/2019	Closed on 09/01/2020
1834696-201906-M3	Major	2.1.3	11/10/2019	Closed on 09/01/2020
1834696-201906-N1	Minor	4.7.3	11/10/2019	Close on 08/10/2021
1834696-201906-N2	Minor	4.7.5	11/10/2019	Close on 08/10/2021
1834696-201906-N3	Minor	4.7.5	11/10/2019	Close on 08/10/2021
1834696-201906-N4	Minor	5.3.3	11/10/2019	Close on 08/10/2021
2111486-202110-N1	Minor	2.2.2	08/10/2021	"Open"

3.4 Stakeholders and previous land owner / user consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss SOU 27 Melalap POM & Supply Bases Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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 below.

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)
Internal	Gender Committee Representatives & Female Workers	Face to face interview
	New Mothers	Face to face interview
	SPIEU Representatives	Face to face interview
	Foreign Workers	Face to face interview
Contractor	FFB Transporters & FFB Harvesting	Face to face interview and Phone Interview
Local Communities	Kg. Laman & Kg. Pulong	Face to face interview and Phone Interview
Government Department	PERKESO KWSP Jabatan Tenaga Kerja Semenanjung Malaysia DOSH Sandakan	Phone Interview Website careline Email
NGO	Borneo Rhino Alliance (BORA) Indigenous Peoples Network of Malaysia (JOAS) Land Empowerment Animals People, (LEAP) Sabah Wetlands Conservation Society (SWCS)	Email

Stakeholders comment	
1	<p>Feedbacks: Gender Committee Representatives/ Female Workers – They informed that the management treated the female workers equally with male workers. No discrimination occurred. The female workers were given opportunity on promotion of work based on work performance and capability. They also informed that no case of sexual harassment and domestic violence reported.</p> <p>Audit Team verification and response: Reviewed the payslips, employment contracts and records of meeting minutes of Gender Committee confirmed that no discrimination and sexual harassment reported.</p>
2	<p>Feedbacks: New Mothers – They informed that they do not need any specific needs as a new mother. The management has provided childcare nursery in the estate. Therefore, they can send their baby to the nursery during their working hours. Besides, one of the new mothers informed that she was a sprayer. But the management has transferred her to other job which did not require to handle chemical during her pregnancy and breastfeed period.</p> <p>Audit Team verification and response:</p>

	Reviewed the new mother needs assessment found all the assessment was carried out accordingly.
3	<p>Feedbacks: SPIEU Representative – The representative has raised few concerns as below:</p> <ul style="list-style-type: none"> i. The workers complaint with less overtime offered to them. ii. There was no farewell celebration for the workers who retired/ resigned. <p>They also requested to have full body sanitization at the guard post before and after work due to Covid-19.</p>
	<p>Audit Team verification and response: The management has responded as below:</p> <ul style="list-style-type: none"> i. This is company’s policy and direction. They comply with the legal requirement. ii. Due to Covid-19 outbreak, therefore no celebration and gathering has organized. iii. They will look into this matter and discuss further with the SPIEU representative and workers. <p>Verified found that the overtime issue has been incorporated into the social management plan where the management has communicated the reduction of overtime as directed by top management to the workers. The actions will be further verify during next assessment.</p>
4	<p>Feedbacks: Local Community Representatives – They informed that the management has provided assistance whenever they requested. For eg: they have requested the management to repair the water piping and the management has taken action to resolve it. They also understand the complaint and communication procedure. There was no encroachment of land by SOU 27 Melalap POM & Supply Bases as informed by them. Demarcation of boundaries were cleared.</p>
	<p>Audit Team verification and response: Verified the records of CSR done for the local communities and action plan was developed for the concerns raised during the last stakeholder meeting.</p>
5	<p>Feedbacks: Contractors – They informed that they have signed contract agreement with the Sime Darby prior to provide services. The terms and conditions have clearly stated in the agreement included the payment term. The payment was made promptly. They also have been briefed on the RSPO requirements such as no child labour policy.</p>
	<p>Audit Team verification and response: Reviewed the agreements and payment records found no lapse on the payment terms.</p>
6	<p>Feedbacks: Workers – The workers comprised of local and foreign workers. They informed that the management treated everyone equally without discrimination. Their wages are paid accordance to Sabah Ordinance and Minimum Wage Order 2020. They have the rights to join any association. For foreign workers, they are keeping their passport at the passport locker with the key hold by them. They have freedom to access to the passport.</p>
	<p>Audit Team verification and response: Reviewed the payslips for all sampled workers found all the workers were paid as per the legal requirements.</p>

List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
Not applicable as the estates have undergone 2 nd cycle of replanting.					

Previous land owner / user comment	
	Feedbacks: N/A
	Audit Team verification and response: N/A



3.5 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.

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Formal Signing-off of Assessment Conclusion and Recommendation

The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that SOU 27 Melalap POM & Supply Bases has complied with the Malaysia National Interpretation 2019 of the RSPO P&C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that SOU 27 Melalap POM & Supply Bases is remain certified.

Report prepared by	Acceptance of Assessment Conclusion
Name: Hu Ning Shing	Name: Johamdan Bin Joni @ Joni Tetei
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: Sime Darby Plantation Berhad
Title: Lead Auditor	Title: Senior Manager
Signature: 	Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>  <p>GUTHRIE INDUSTRIES MALAYSIA SENDIRIAN BERHAD MED LAP ESTAB JOHAMDAN BIN JONI @ JONI TETEI SENIOR MANAGER</p>
Date: 23/10/2021	Date: 26/10/2021

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Behave ethically and transparently			
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Critical (Major) compliance -</p>	<p>Publicly available management documents such as land titles, OHS plans, EIA and SIA reports, HCV documentation, pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, summary reports, company policies and continual improvement plans are available. All operating units have individual documents and records to demonstrate compliance to this indicator. Reports and policies can be accessible through the company's website: https://www.simedarbyplantation.com/.</p>	Complied
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>All the related information was in Bahasa Malaysia and English and accessible to the stakeholders upon request.</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>The mill and estates have implemented visitor book, complaint book and inspection book to record any requests from the stakeholders. The last visit from DOSH was on 22/12/2020 and details of inspection was recorded in the DOSH inspection book. Besides, the Sapong Estate also has maintained the records of request and respond from stakeholders on other request than information. For eg: one of the residents in the estate housing has requested to run a barber shop in one of the vacant houses. However, the management disapproved due to the company policy that no one is</p>	Complied

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		allowed to run business in housing facility. Seen the record of respond to the requester.	
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>Sime Darby Plantation Estate Quality Management System – Standard Operation Manual, Sub-section 5.5, Appendix 5.5.3.2, version 1, issue date 01/11/2008). The procedure has detailing the process of handling complaints from stakeholders and the time frame for external communication to be dealt with. The time frame to provide feedback is within two weeks of the date of receipt for communication and within one week of the completion of the investigation.</p> <p>The Mill Manager has appointed Mill Assistants as the management system officer to handle any issue related to RSPO/ ISCC/ SCCS/ ISO. Appointment letter dated 16/01/2021 was sighted.</p> <p>Manager of Melalap Estate has appointed the Assistant Manager to be the person in charge for social issues in Melalap Estate. Appointment letter dated 28/03/2021 was sighted.</p> <p>Melalap POM, Melalap Estate and Sapong Estate has sent feedback form and letter to the stakeholders to collect feedback towards the management during this period due to Covid-19 pandemic. Letters dated 25 - 28/08/2021 (Melalap POM) that sent to stakeholders such as authorities, contractors, FFB suppliers and local communities. Evidence of letter received by stakeholders with acknowledgement/ stamping were sighted. Feedbacks were received mostly from local communities and the feedbacks have been incorporated into the social management plan last updated on 25/09/2021 (Melalap POM), 25/09/2021 (Melalap Estate) and 22/09/2021 (Sapong Estate).</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>List of stakeholders was established in the mill and estates. Stakeholder such as local communities, authorities, contractors, suppliers, FFB suppliers and NGOs were included in the list.</p>	Complied

		Nominated representative with contact number and address was sighted. The last updated of stakeholder list was on 07/09/2021 in mill, 15/04/2021 in Melalap Estate and January 2021 in Sapong Estate.	
Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. - Minor compliance -	<p>SOU 27 Melalap has implemented policy on code of ethical conduct and integrity (Code of Business Conduct - COBC) which covered all operations in the plantation operation. Briefing session was given to all workers at visited operating units.</p> <p>For example, Sapong Estate briefing of policies were conducted for the workers on 05/08/2020 and Melalap Estate on 27/08/2020. Melalap POM conducted the briefing for workers on 08/09/2021.</p> <p>For labour agent and contractors, Sime Darby has applied its Vendor COBC dated 30/05/2018 that includes the Fair Business practices-ensuring that we promote fair business practices and compete in an ethical manner, labour & human rights, ethics & management practices.</p> <p>The Vendor Integrity Pledge (VIP) sighted available for sampled Melalap POM contractor Pengangkutan Bumi Sdn. Bhd. and OCP supplier Nge Wa Hwa. Sighted too VIP for Biorem Sdn. Bhd. incl. records of sustainability briefing dated on 15/08/2021.</p>	Complied
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	Monitoring included inspection visit by internal auditors. Sighted records available for latest internal audit for SOU 27 Melalap was conducted on 12-16/08/2021 while previous audit was conducted on 24-28/08/2020 by Regional SQM internal auditors.	Complied
Principle 2: Operate legally and respect rights			

Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<p>(C) The Unit of Certification complies with legal requirements - Critical (Major) compliance -</p>	<p>SOU 27 Melalap maintained compliance to applicable legal requirements via monitoring by each operating units' management team with assistance by Regional PSQM sustainability team. All operating units within SOU 27 Melalap maintained applicable legal licenses and permits as per sample sighted as following:</p> <p><u>Melalap POM</u></p> <ul style="list-style-type: none"> - MPOB License # 535146004000; Date: 10/11/2020; Processing Capability Permitted: 96,000 mt FFB a year; Validity Period: 01/01/2021 – 31/12/2021 - Energy Commission License (Private Installation); Installation Number: ST(SKK)P/S/SBH/00243; Serial Number: 004490/2020; License valid for 1 year from 24/06/2021; Aggregate Power Installed: 2120 kW - DOE License (Compliance Schedule) # 003562; Ref. # JAS.SHQ.600-3/1/145; Validity period: 01/07/2021 – 30/06/2022; Max Processing Capacity: 25 mt/Hour; Effluent disposal method: Water course; BOD limit: 20 mg/l <p><u>Melalap Estate</u></p> <ul style="list-style-type: none"> - MPOB License # 531977002000; Validity Period: 01/09/2021 – 31/08/2022; Estate Area: 2257.19 Ha - Non Residential Workers Employment License # JTK.H.TNM 600-4/1/92112/577; Validity Period: 12/06/2021 - 11/06/2022 - Scheduled Controlled Goods Permit; P Serial # S000266; Ref. # B.PGK.SB(KGU)05/04(PBKB); Controlled Goods Type & Description: Diesel (EURO 2M); Storage Capacity: 13,500 Litres; Validity Period: 10/08/2021 – 09/08/2024 	Complied

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		<ul style="list-style-type: none"> - Special Scheduled Controlled Goods Permit; PK Serial # S000113; Ref. # B.PGK.SB(KGU)104/18(PK); Controlled Goods Type: Petrol (RON97); Storage Capacity: 200 Litres/day; Vendor: Ban Soon Heng Shell Service Station; Validity Period: 03/06/2021 – 02/06/2022 <p><u>Sapong Estate</u></p> <ul style="list-style-type: none"> - MPOB License # 532297002000 (Estate); Validity Period: 01/09/2021 – 31/08/2022; Estate Area: 2655.89 Ha - MPOB License # 616164011000 (Nursery); Validity Period: 01/02/2021 – 31/01/2022 - Scheduled Controlled Goods Permit; P Serial # S000217; Ref. # B.PGK.SB(KGU)27/07(PBKB); Controlled Goods Type & Description: Diesel (EURO 2M); Storage Capacity: 18,200 Litres; Validity Period: 27/10/2020 – 26/10/2021 - Factories and Machinery Act (FMA) 1967 Certificate of Fitness; Unfired Pressure Vessel (Air Receiver); Reg. # SB PMT 599; Inspection date: 20/07/2020; Validity due date: 19/10/2021 <p>Melalap POM has obtained approval from Human Resource Department Sabah to make deduction of wages for the purpose of electricity bill and <i>Amanah Saham Bumiputera</i> (ASB). Seen the approval permit with S/N: 600-1/2/12/1 Jld.2(11/YNM/2020-0104) which valid until 12/03/2022. Besides, Melalap POM also obtained approval for the overtime limit to maximum 120 hours per month. Approval permit with S/N: 600-1/2/12/1(08/TNM/2020-0132) which valid until 18/05/2022 was available.</p>	
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		<p>Melalap Estate has obtained approval from Human Resource Department Sabah to make deduction of wages for the purpose of below:</p> <ol style="list-style-type: none"> 1. Processing fees for travel documents (not included levy, bank guarantee, agent fees and medical check-up) 2. <i>Amanah Saham Bumiputera (ASB)</i> 3. Electricity bill <p>The approval permit with S/N: 600-1/2/12/1 Jld.2(11/TNM/2020-0103) which valid until 12/03/2022 was signed.</p> <p>Sapong Estate has obtained approval from Human Resource Department Sabah to make deduction of wages for the purpose of below:</p> <ol style="list-style-type: none"> 1. Electricity bill <p>The approval permit with S/N: 600-1/2/12/2 (11/TNM/2020-0119) which valid until 15/03/2022 was signed.</p>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>Documented system for ensuring legal compliance available in place are based on the established Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Tracking system to identify changes in the relevant regulations through applicable legal portal conducted by person in-charge (PIC) appointed by management of operating units with assistance of regional office as well as head office sustainability personnel. Each operating unit established their applicable legal registers as sighted as per following:</p>	Complied

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		<ul style="list-style-type: none"> - Melalap POM PIC: Izzul Fahmi Bin Azuddin; AM; Appointment date: 01/01/2021; Latest legal register and evaluation of compliance date: 13/08/2021 - Melalap Estate PIC: Shaferiani Binti Salam; MA; Appointment date: 01/01/2021; Latest legal register and evaluation of compliance date: 15/07/2021 - Sapong Estate PIC: Nursyafawani Binti Paul @ Boing; MA; Appointment date: 01/01/2021; Latest legal register and evaluation of compliance date: 17/06/2021 <p>Due diligence of all contracted third parties conducted via contract agreement and signing of Vendor Integrity Pledge (VIP) as per sample sighted as following:</p> <ul style="list-style-type: none"> - Pengangkutan Bumi Sdn. Bhd.; CPO Transporter - Nge Wa Hwa; OCP supplier - Biorem Sdn. Bhd.; Effluent pond desludging contract 	
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>Legal boundaries were clearly demarcated and visibly maintained by estates as per sample sighted as following:</p> <ul style="list-style-type: none"> - Melalap Estate boundary stone at P01MA (boundary to smallholder); GPS Coordinate: Lat 5.257173 N, Long 116.004208 E - Sapong Estate boundary stone at P02BA (boundary to smallholder); GPS Coordinate: Lat 5.03255 N, Long 115.91815 E 	Complied
Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
2.2.1	<p>A list of contracted parties is maintained.</p> <p>- Minor compliance -</p>	<p>SOU 27 have listed all contracted parties and documented in individual operating units' Stakeholders List. The list has included internal stakeholders such as employee and workers union and external stakeholders such as suppliers, contractors, transporters, local communities, authorities and government department.</p>	Complied

<p>2.2.2</p>	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<p>All contracted parties/vendors were required to sign Vendor Integrity Pledge (VIP) and to comply with para :</p> <ul style="list-style-type: none"> - a (i); Vendor Code of Business Conduct (VCOBC) - a (ii); all applicable laws and regulations related anti-bribery, fraud and corruption. <p>Sighted the sampled agreements as following:</p> <ul style="list-style-type: none"> i. FFB Purchase Agreement # P/G/0820/FFB01932L between Guthrie Industries Malaysia Sdn Bhd (Sime Darby Plantation) and Syarikat Makmur Bersama; Effective date: 01/09/2020 – 31/12/2020 ii. FFB Purchase Agreement # P/G/0220/FFB01662L between Guthrie Industries Malaysia Sdn Bhd (Sime Darby Plantation) and Ladang PAAL Sdn Bhd; Effective date: 01/02/2020 – 31/12/2020 <p>Melalap POM has issued Memorandum to all contractors dated 23/11/2020. The memorandum stated that the contractors need to follow the RSPO/MSPO/SCCS requirements in accordance with Sime Darby Plantation Berhad Management System include the following:</p> <ul style="list-style-type: none"> i. Comply with local legal requirements ii. Attend the RSPO/ISCC/MSPO/SCCS briefing or training organized by the company iii. Having signed and enforceable agreement with the company iv. Provide access to the auditors to contractors’ operation site(s) and employees whenever deemed necessary v. Having related working permits vi. Ensure PPE utilization by contractors’ employee while being in the company premise. 	<p>Non-compliance</p>
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		<p>Sighted sample memorandum acknowledgement signed by representative of Pengangkutan Bumi Sdn. Bhd dated on 09/12/2020.</p> <p><i>Sampled the payslips of foreign worker (Passport No.: AT 986824) to Pemborong Ajuta, FFB transporter in Melalap Estate found that the SOCSO contribution made was not in accordance to Employees' Social Security Act 1969 (Act 4) effective on 01/01/2019. The employer shall make contribution at the rate of 1.25% of insured monthly wages. However, the employer made contribution and made deduction of wages from employee for Employment Injury Scheme (EIS) with incorrect amount of contribution.</i></p> <p>Thus, a minor non-conformance was raised.</p>	
2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>Generic clause related to disallowing child, forced and trafficked labour written in Vendor Integrity Pledge (VIP).</p> <p>All contracted parties/vendors were required to signed Vendor Integrity Pledge (VIP) and to comply with para</p> <ul style="list-style-type: none"> - a (i); Vendor Code of Business Conduct (VCOBC) - a (ii); all applicable laws and regulations related anti-bribery, fraud and corruption. 	Complied
<p>Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.</p>			
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license <p>- Critical (Major) compliance -</p>	<p>Melalap POM receives FFB from its own certification unit (Melalap Estate and Sapong Estate) and also uncertified FFB from 2 Outgrowers, 11 Collection Centres and 2 Smallholders . Melalap POM has a complete documented evidence of information on geo-location of FFB origins, evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder, supporting documents for claims and valid MPOB license for all the FFB suppliers available for verification.</p>	Complied

2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.</p> <p>- Minor compliance -</p>	<p>From the record Melalap POM has a complete documented evidence of information on geo-location of FFB origins, evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder, supporting documents for claims and valid MPOB license for all the FFB suppliers available for verification.</p>	Complied
<p>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</p>			
<p>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>			
3.1.1	<p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Critical (Major) compliance -</p>	<p>Melalap POM has established a forecast business plan for five financial years from FY 2020 until FY 2024 categorized as the 'MPLAN_2020' as a projection for the mill to run the operations. The Plan is reviewed on an annual basis. The plan covers the Mill Production (Mill Intake – Oil Palm, Production Crude Palm Oil, Production Palm Kernel, Total Palm Oil Extraction & Total Palm Kernel Extraction), Reception, Fruit Handling, Sterilization, Threshing, Pressing, Clarification, etc.</p> <p>The estates have established and implemented its commitment to long-term sustainability and improvements through the MPLAN_2020 (Ex-estate Cost, Admin Paid By HQ and Depreciation). The MPlan Forecast projects the Crop – Oil Palm, CPO, PK, OER, KER, YPH, Direct Cost and Fixed Cost.</p>	Complied
3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p>	<p>SOU 27 Melalap POM & supply bases have established a long-range replanting programme until FY 2025. Replanting are planned for the fields older than 25 years, non-performance fields (yield) and Ganoderma infected palms. The total Ha for the projected replanting of both estates are as follows</p>	Complied
3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p>	<p>SOU 27 Melalap POM & supply bases held management reviews at their respective sites on a yearly basis. Among the matters discussed during the management review are as follows :-</p> <ol style="list-style-type: none"> 1. Results of Internal Audit 2. Customer Feedback 	Complied

		<ol style="list-style-type: none"> 3. Status of preventive and corrective action plans 4. Follow Up actions for management reviews 5. Changes that could affect the management system 6. Recommendations for improvement <p>The minutes of meeting indicated that Internal audit findings were each thoroughly examined and the corrective action plan were discussed. The management review was conducted at the respective operating units as follows:</p> <ol style="list-style-type: none"> i Melalap POM: 25/09/2020 ii Melalap Estate: 08/08/2020 iii Sapong Estate: 07/09/2020 	
<p>Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p>			
<p>3.2.1</p>	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>Action plan for continuous improvement implemented by individual operating unit (OU) within SOU 27 Melalap based on consideration of the main environmental impacts and opportunities as per samples sighted as following:</p> <ul style="list-style-type: none"> - Pollution prevention plan – Completion of Electrostatic Precipitator (ESP) installation with pre-commissioning testing and synchronization with boiler system at Melalap POM - HCV & Biodiversity action plan – maintain all remnant forest patches and slope >25° area (Ant Hill – P03AA) at Sapong Estate - Waste management plan – Scheduled Waste management base on EQMS SOP Section VII – Handling of Scheduled Waste at all OU - Water management plan – quarterly (estate) & monthly (mill) industrial effluent parameter quality analysis monitoring and 	<p>Complied</p>

		monthly drinking water parameter quality analysis monitoring at all OU	
3.2.2	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE: The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed. Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>	RSPO metrics template for SOU 27 Melalap POM & Supply Bases made available for verification found to be consistent with relevant evidences sighted.	Complied
Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>SOPs were available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs:</p> <ul style="list-style-type: none"> - Mill Quality Management Manual (MQMS) v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. - Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 01/11/2008) to includes mill SOPs. Sighted SOP for fruit handling station, sterilization station, threshing station, pressing station, kernel recovery station, boiler station and effluent treatment plant. <p>Estates have a separate SOP which is SOP Estate Quality Management System (EQMS), Pictorial Safety Standard and Agricultural Reference Manual that covered planting material, nursery techniques, replanting, land preparation, planting density,</p>	Complied

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		canopy management, water management, harvesting, loose fruit collection, weed control and transport. Sighted the Covid-19 SOP; Ref. # SD/SDP/GSQM(OSH)/204-OD8) available at the Mill and Estates dated 9th March 2020.	
3.3.2	A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -	Mechanism to check consistent implementation of procedures included inspection visit by internal auditors. Sighted records available for latest internal audit for SOU 27 Melalap was conducted on 12-16/08/2021 while previous audit was conducted on 24-28/08/2020 by Regional SQM internal auditors.	Complied
3.3.3	Records of monitoring and any actions taken are maintained and available. - Minor Compliance -	All operating units within SOU 27 Melalap maintained well the records of monitoring such as checklists and supervisor reports available for verification. The Mill Advisor and Plantation Advisor (PA) are accountable to monitor the estates compliance towards the SOP, Budget and Productivity. Regular Internal Audits are conducted by the SQM Department to check on the compliance towards the SOPs. All records and reports were kept in the mill and estate respectively and available for verification.	Complied
Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.			
3.4.1	(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented. - Critical (Major) compliance -	There was no new planting reported in the sampled estates. For existing operation, both estates and mill within SOU 27 Melalap conducted Environmental Impact Assessment to identify the environmental aspect in all activities and documented in Environmental Aspects Identification (EAI) form and Environmental Impacts Evaluation (EIE) form. The assessment covers all operational activities which was conducted based on assessment SOP established i.e. SOP Standard	Complied

		<p>Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure.</p> <p>The assessment was reviewed at least once a year or if there are any changes in operations.</p> <p>There's also specific legal EIA as required by Sabah Environment Protection Department for Sapong Estate replanting program. The Environmental Impact Assessment was conducted on August 2018 as per report # CK/EV4034322A-17 by Chemsain Konsultant Sdn. Bhd.</p> <p>Melalap POM currently revising its EIE in-line with the installation of new pollution control equipment (ESP) for its boiler awaiting the commissioning.</p> <p>SIA was conducted on 19 – 21/05/2015 for SOU 27 Melalapo POM & supply bases by Social & Environment Projects Unit, PSQM Department. The methodology of the assessment was through field interview with stakeholders, site observation and documentation review. The assessment has involved the affected stakeholders such as contractors, government authorities, local communities and internal workers. Issues raised by the stakeholders were incorporated into a management plan. Social profile such as social background of employees, background of local community, education, safety and health, living condition, infrastructure and amenities and stakeholder engagement were assessed accordingly.</p>	
3.4.2	<p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p> <p>- Minor Compliance -</p>	<p>For existing operation, the environmental management plan established based on control identified from the EAI and EIE assessment activities that involved participation of relevant stakeholders mainly among the environmental committee members. All management plan were included with control and</p>	Complied

		<p>monitoring in normal, abnormal and emergency situation as per samples as following:</p> <ul style="list-style-type: none"> - Pollution prevention plan – Emergency spillage control, Completion of Electrostatic Precipitator (ESP) installation with pre-commissioning testing and synchronization with boiler system at Melalap POM - HCV & Biodiversity action plan – maintain all remnant forest patches and slope >25o area (Ant Hill – P03AA) at Sapong Estate - Waste management plan – Scheduled Waste management base on EQMS SOP Section VII – Handling of Scheduled Waste at all OU - Water management plan – water usage reduction, rainwater harvesting, quarterly (estate) & monthly (mill) industrial effluent parameter quality analysis monitoring and monthly drinking water parameter quality analysis monitoring in all OU. <p>Social management plan was developed in Melalap POM on 25/09/2021, 25/09/2021 in Melalap Estate and 22/09/2021 in Sapong Estate. The management plan was developed after collected the feedbacks and issues during various of meeting such as stakeholder meeting and SPIEU meeting. Sampled of issues as below:</p> <ol style="list-style-type: none"> 1. Issue: Workers in the mill requested for re-painting at the houses. Action to be taken: The mill management has planning to re-paint the houses based on year of last paint. Status: The management has appointed worker for Contract for Services to carry out painting at 12 units of 	
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		<p>workers' houses. Seen the invoice with DO# CFS/MAY-06 dated 30/05/2021.</p> <p>2. Area of concern: Workers requested for water tank to store water when water cut-off. Action to be taken: The mill management will evaluate the needs of water tank and distribute the water tank accordingly. Status: The management has purchased 12 units of water tank and seen the Invoice# 23368 dated 06/08/2021. Record of distribution of water tank to workers was sighted dated 11/08/2021. During linesite visit confirmed that the workers have received the water tank for water storage purpose.</p> <p>3. Area of concern: Representatives from the village Kg Laman requested assistance to add the water piping in the village. Action to be taken: The management of Melalap Estate will evaluate the location before making any decision for the request.</p> <p>4. Area of concern: SPIEU Chairman informed that one of the workers had complaint that he did not receive any increment of salary. Action to be taken: The management will organize a meeting with the worker and brief him on his entitlement based on SPIEU agreement where he is not entitle for yearly increment since he is not fall into the category that entitle for salary increment.</p>	
3.4.3	(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.	Relevant records of environmental monitoring available to confirm the implementation as per samples sighted indicator 3.4.2 above.	Complied

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	<p>- Critical (Major) compliance -</p>	<p>Management plan review and update conducted in specific environmental committee meeting as per sample sighted in Melalap POM latest Environmental Performance Monitoring Committee (EPMC) meeting conducted on 24/07/2021 as per minutes of meeting records # 03/2021.</p> <p>The social management plan was implemented, reviewed and updated on yearly basis in the participatory way by collected feedbacks during meeting with internal and external stakeholders. Seen the Social Management Plan 2020 in mill and estates where the issues captured in the stakeholder meeting and SPIEU meeting were included. Reviewed the area of concerns for Social Management Plan 2020 as below:</p> <ol style="list-style-type: none"> 1. Area of concern: Grass cutting issue at the housing area. Action taken: The mill management has scheduled two rounds per month of grass cutting by contractor. Seen the letter of appointment to the contractor with Ref. No.: MLM/OPEX/20210528/BY2021 dated 23/06/2021 for a period of 6 months from July 2021 to December 2021. Photo evident of grass cutting was sighted. 2. Area of concern: Representative from SK Pulong to request for new transport to send the children to school as the current one not suitable due to Covid-19. Action taken: Melalap Estate’s management has submitted budget into CAPEX 2021 and this has been disapproved by top management. Status: The management will continue to submit the budget into CAPEX 2022 to seek for approval on purchase new vehicle to send the children to school. 	
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		<p>3. Area of concern: Representative from local village, Kg. Laman Sentang has requested assistance from Sapong Estate to repair the underground water pipe from the village dan Sentang Division.</p> <p>Action taken: The management has requested the representative to write in formally to request.</p> <p>Status: The management has arranged the backhoe to the site to assist on the repairing work. Seen the photo evident of the action taken. Phone interviewed with the requester confirmed that management has sent backhoe to repair.</p>	
Criterion 3.5: A system for managing human resources is in place.			
3.5.1	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>The Human Resource Department in HQ has established Hiring of Local Workers Procedure (Doc. No.: 01-11-19) dated 01/11/2019 and Workforce Management Unit Liaison & Recruitment Standard Operating Process & Procedures (SOPP) (Doc. No.: WMU/LR-SOPP/JAN2016/R1, Rev. 1 dated 01/11/2016) to explain the recruitment processes for both local and foreign workers. The recruitment of foreign workers will be carried out by the Workforce Management Unit and HR.</p>	Complied
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Application form, interview assessment form, medical check-up report, photocopied of identification card and employment contract was sighted for new recruited employees. Interviewed with the Assistant Manager and Clerk confirmed that if there is any job vacancy available in the mill, they will pass the information through word of mouth to all the workers since they recruit 100% workers from local communities. For estate, they posted the job vacancy in the JobMalaysia platform under program hireMalaysia. Seen the records of vacancies posted and last posted was 10 months ago.</p>	Complied

Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>Melalap POM</p> <ol style="list-style-type: none"> 1. All risks and hazards were identified and stated in the HIRARC form where the risks are evaluated based on the frequency and probabilities. The risks and hazards are then provided control measures to minimize the occurrence. As and when accidents or incidents occur related to the activity or job, the HIRARC are reviewed and improved controlled measures are introduced if deemed necessary. Sighted the HIRARC for Welding Activity, Boiler Station and CPO Storage Tank at the mill. 2. Chemical Health Risk Assessment (CHRA) was conducted at the mill on 30/04/2019 by Sahen Engineering in compliance with regulation 9, Occupational Safety and Health (USECHH) Regulation 2000. The CHRA Report (Report Number: HQ/10/ASS/00/27 – 2019/39) was available for verification. 3. Noise Risk Assessment (NRA) was conducted at the mill on 08/07/2020, by Mabello Group of Clinics (DOSH Registration Number: HQ/18/PEB/00/00028) in compliance with Occupational Safety and Health (Noise Exposure) Regulations, 2019. The Noise Risk Assessment Report (Report Ref. Number: HQ/18/PEB/00/00028 – 2020/052) was available for verification. 4. Audiometric test assessment was conducted on 29/06/2020 by Klinik Mansor Sdn Bhd (DOSH Registration: HQ/14/PEB/00/128) for all workers in the mill deemed to be exposed to excessive noise. The results indicated that 6 workers had Standard Threshold Shift and were required to undergo a retest within 3 months from the date of the assessment. The retest was conducted on 02/10/2020. 	<p>Complied</p>

		<p>5. Medical Surveillance Assessment was conducted by the mill for the workers exposed to hazardous chemicals or substances in compliance with the recommendation of the CHRA. The medical surveillance was conducted on 29/06/2020 by Klinik Mansor Sdn Bhd (DOSH Registration Number: HQ/08/DOC/00/695). All workers examined under the medical surveillance were declared fit to work by the doctor.</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. The risks of all activities are assessed through the implementation of HIRARC. Sime Darby Plantations have implemented a SOP (HIRARC Procedure 5.4.1a – Issued 25/05/2015) that states the importance of risk assessment through HIRARC. 2. Chemical Health Risk Assessment was conducted to assess the risks associated to the hazardous chemicals used in the estate. The CHRA assessment was conducted by Global Advance Training & Consultancy (DOSH Ref Number: HQ/09/ASS/00/124) on 01/09/2019. The CHRA Report (Report Number: HQ/09/ASS/00/124 – 2019/064) was available for verification. 3. Noise Risk Assessment (NRA) was conducted at the estate on 08/07/2020, by Mabello Group of Clinics (DOSH Registration Number: HQ/18/PEB/00/00028) in compliance with Occupational Safety and Health (Noise Exposure) Regulations, 2019. The Noise Risk Assessment Report (Report Ref. Number: HQ/18/PEB/00/00028 – 2020/054) was available for verification. <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. The risks of all activities are assessed through the 	
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		<p>implementation of HIRARC. Sime Darby Plantations have implemented a SOP (HIRARC Procedure 5.4.1a – Issued 25/05/2015) that states the importance of risk assessment through HIRARC.</p> <ol style="list-style-type: none"> 2. NRA (Noise Risk Assessment) already been conducted on 08/07/2020 Ref:HQ/18/PEB/00/00028-2020/053. This assessment conducted by Mabello Group of Clinic and report was available at site. 3. CHRA (Chemical Hazard Risk Assessment) ref: HQ/09/ASS/00/124-2020/0028 dated 14/80/2020. Conducted by Haji Shaari Chin and from the recommendation for medical surveillance must be send premix conductor, sprayer and nursery operator. 	
3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance -</p>	<p>OSH plan was available for mill dated 07/12/2020, the effectiveness of the OSH plan been verified as per below: Medical surveillance last conducted was on 22/04/2021 with total 19 worker involve included area lab, oratory, effluent pond, water treatment and workshop. Audiometric test already been conducted on 22/04/2021 (SD/MLM/ATP/V.1-100/05), from the result 4 person found hearing impairment and 5 person STS (standard Threshold shift). The STS already been sent back on 18/08/2021 and result still pending from OHD. For Hearing impairment, the record of JKKP 7 was available dated 22/04/2021. The Local Exhaust Ventilation (LEV) in Melalap POM already been inspect by Mr Rickly Omintoh (HQ/14/JHI/00/197)on 26/08/2020.</p>	Complied
<p>Criterion 3.7: All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.</p>			
3.7.1	<p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable</p>	<p>A training programme has been developed and available in the Training Requirement for Operating Units (Mills & Estates). The trainings were sighted to have included Gender Specific Training</p>	Complied

	<p>aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p>	<p>and involves staffs and workers. Covid-19 training and briefings were sighted at the mill and estates.</p>																																																				
<p>3.7.2</p>	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>Records of trainings were maintained by the Mill and both estates as below: -</p> <table border="1" data-bbox="1151 539 1899 1361"> <thead> <tr> <th>No</th> <th>Course name</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td colspan="3">Melalap Estate</td> </tr> <tr> <td>1</td> <td>Emergency response training</td> <td>22/09/2020</td> </tr> <tr> <td>2</td> <td>First aid training</td> <td>23/04/2021</td> </tr> <tr> <td>3</td> <td>Fire drill and fire fighting</td> <td>10/09/2020</td> </tr> <tr> <td>4</td> <td>Hearing conservation training</td> <td>08/07/2020</td> </tr> <tr> <td>5</td> <td>Chemical handling training</td> <td>23/04/2021</td> </tr> <tr> <td colspan="3">Sapong Estate</td> </tr> <tr> <td>1</td> <td>Safety work on harvesting training</td> <td>16/04/2021</td> </tr> <tr> <td>2</td> <td>HCV and conservation training</td> <td>14/04/2021</td> </tr> <tr> <td>3</td> <td>Firefighting and drill training</td> <td>25/03/2021</td> </tr> <tr> <td>4</td> <td>First aid training</td> <td>08/04/2021</td> </tr> <tr> <td>5</td> <td>Briefing on <i>Talian Bantuan Pekerja</i></td> <td>10/09/2021</td> </tr> <tr> <td>6</td> <td>Chemical handling (sprayer) training</td> <td>25/04/2021</td> </tr> <tr> <td colspan="3">Melalap POM</td> </tr> <tr> <td>1</td> <td>Hearing conservation training</td> <td>20/08/2021</td> </tr> <tr> <td>2</td> <td>Contractor Training on RSPO/MSPO</td> <td>25/08/2020</td> </tr> </tbody> </table>	No	Course name	Date	Melalap Estate			1	Emergency response training	22/09/2020	2	First aid training	23/04/2021	3	Fire drill and fire fighting	10/09/2020	4	Hearing conservation training	08/07/2020	5	Chemical handling training	23/04/2021	Sapong Estate			1	Safety work on harvesting training	16/04/2021	2	HCV and conservation training	14/04/2021	3	Firefighting and drill training	25/03/2021	4	First aid training	08/04/2021	5	Briefing on <i>Talian Bantuan Pekerja</i>	10/09/2021	6	Chemical handling (sprayer) training	25/04/2021	Melalap POM			1	Hearing conservation training	20/08/2021	2	Contractor Training on RSPO/MSPO	25/08/2020	<p>Complied</p>
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		3	Safety briefing for Desludging pond with contractor	15/08/2021	
		4	ESP training	17/12/2020	
		5	Communication sustainability briefing to workers	08/09/2021	
3.7.3	Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed. - Minor Compliance -	The appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS), training was conducted on 23/09/2021 for all critical control point.			Complied
Criterion 3.8: Supply chain requirement for mills (note: All supply chain requirements are considered as Critical (C) . However it will not contribute to suspension if there is more than 5 non-compliance within a principle)					
3.8.1	Identity Preserved Module A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.	Melalap POM receives RSPO Certified FFB from certified sources and third parties' crops. The mill is certified with Mass Balance modules and thus, this is not applicable.			Not Applicable
3.8.2	Mass Balance Module A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own	The mill is declared to be Mass Balance module because the mill received FFB from certified sources and non-certified third parties' crop. As per the Standard Operating Procedure (SOP) for			Complied

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	and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	Sustainable Supply Chain & Traceability, Version 2 dated April 2019, Melalap POM is certified under Mass Balance module.	
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK is available in the public summary report. Melalap POM has registered the PalmTrace ID: RSPO_PO1000000300 for RSPO certified transaction. The record FFB received from Dec 2020 until Sept 2021 summary was available and recorded.	Complied
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	Melalap POM has registered the PalmTrace ID: RSPO_PO1000000300 for RSPO certified transaction. All required reporting through the RSPO IT platform was observed to have been met accordingly.	Complied
3.8.5	Documented procedures The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard.	Sime Darby Plantation has developed Plantation Quality Management System – Sustainable Plantation Management System, Appendix 15, Standard Operating Procedure (SOP) for Sustainable Supply Chain & Traceability, Version 2 dated April 2019. The procedure was established which covers responsibility, reporting of certified CPO/PK, non-conforming products and/ or documents, FFB delivery Plantation to Mill, CPO/PK delivery Mill to customer, record keeping, training, complaints, management review and product claim. The mill has conducted Traceability, RSPO & MSPO Supply Chain training to the weighbridge operator, clerks and contractor on 23/09/2021. Seen the training attendance list. The Mill Manager as Head of Operating Unit have the overall responsibility for the implementation of SOP and he may assign	Complied

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	d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.	roles to relevant personnel or invite personnel from various departments necessary to assist in the SOP implementation. Mill Manager has appointed Mill Assistant as person in charge for Environmental/ Quality Management Systems inclusive of SCCS and appointment letter dated 16/01/2021 was sighted.	
3.8.6	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	<p>Internal audit conducted based on the Sustainable Plantation Management System, Appendix 15, Standard Operating Procedure (SOP) for Sustainable Supply Chain & Traceability, Version 2 dated April 2019. Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017 was established where the internal audit shall be conducted at least once a year.</p> <p>The latest Internal Audit for MSPO & RSPO P&C and RSPO SCCS was conducted by SQM Sabah Region on 12-13/08/2021. There was 1 major non-conformance and 4 OFI raised. However, there was no non-conformance raised for RSPO Supply Chain.</p>	Complied
3.8.7	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>Addressed in the Plantation Quality Management System, Sustainable Plantation Management System, Appendix 15: Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability ver. 2, year 2018, issue no. 5 dated April 2019 under section 6.0 delivery FFB from Estate.</p> <p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and uncertified FFB. Records verified by internal and external audit.</p> <p>Melalap POM have a system to verify at the weighbridge. Information for RSPO certified FFB were recorded in FFB</p>	Complied

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		<p>Consignment notes and weighbridge tickets. Records verified during the audit as follow:</p> <p>Certified FFB: Melalap estate Date: 19/01/2021 C/N: ME 46017 Weighbridge ticket # 93307 Net Weight: 2,100 kg</p> <p>Uncertified External FFB: Wong Millineum Enterprise Date: 19/01/2021 C/N # 009637 Weighbridge ticket # 93302 Net Weight: 16,060 kg</p> <p>There is no overproduction of certified tonnage of CPO. Mechanism in place for handling non-conforming oil palm products and/or documents has been documented in Plantation Quality Management System, Sustainable Plantation Management System, Appendix 15: Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability ver. 2, year 2018, issue no. 5 dated April 2019 under section 11 Non-conforming products and/or documents.</p>	
3.8.8	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single</p>	<p>Sampled of the sales and goods out delivery records as below:</p> <p>CSPO</p> <p>a) The name and address of the buyer: Kunak SDP Sabah (KB) b) The name and address of the seller: Melalap POM</p>	Complied

	<p>document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of the buyer; b) The name and address of the seller; c) The loading or shipment / delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation; i) A unique identification number. 	<ul style="list-style-type: none"> c) The loading or shipment / delivery date: 07/07/2021 d) The date on which the documents were issued: 07/07/2021 e) RSPO certificate number: RSPO 547124 f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): 0007 CPO - RSPO MB g) The quantity of the products delivered: 38,880 kg h) Any related transport documentation: Weighbridge Ticket no. 007198 i) A unique identification number: Contract # S/GGM/2106/CPO0003 <p><u>CSPK</u></p> <ul style="list-style-type: none"> a) The name and address of the buyer: Lahad Datu Edible Oils b) The name and address of the seller: Melalap POM c) The loading or shipment / delivery date: 22/06/2021 d) The date on which the documents were issued: 22/06/2021 e) RSPO certificate number: RSPO 547124 f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): 0008 PK - RSPO MB g) The quantity of the products delivered: 30,630 kg h) Any related transport documentation: Weighbridge Ticket no. 007181 i) A unique identification number: Contract Ref.: S/GGM/2104/RMPK0001 	
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<p>3.8.9</p>	<p>Outsourcing Activities</p> <ul style="list-style-type: none"> i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification ii) The mill shall ensure the following: <ul style="list-style-type: none"> a) The mill has legal ownership of all input material to be included in outsourced processes b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance. 	<p>Sime Darby has established Standard Operating procedure for outsourced activities as per Sustainability Plantation Management System, SOP for Sustainability Supply Chain and Traceability, ver. 2, issue no. 5 dated April 2019, Section 13.0: Outsourced Contractors.</p> <p>In the SOP under section 13.1 stated that CPO Mill cannot outsourced processing activities like refining or crushing.</p> <p>The list of outsourced contractors was sighted, "list of stakeholders as at July 2020" include the transport contractor for CPO and PK Pengangkutan Bumi Sdn. Bhd.</p> <p>Sighted the sampled contracts between The Sime Darby Plantation Bhd. with POM contractor Pengangkutan Bumi Sdn. Bhd. dated on 09/12/2020.</p>	<p>Complied</p>
<p>3.8.10</p>	<p>The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.</p>	<p>In the contract agreement between The Sime Darby Plantation Bhd. with Pengangkutan Bumi Sdn. Bhd. dated on 09/12/2020, mentioned the site has legal ownership of all input material to be included in outsourced processes as per Annexure 5, RSPO Supply Chain Certification Standard.</p> <p>The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials as per agreement. There</p>	<p>Complied</p>

		is no outsourced process within Melalap Palm Oil Mill, except for delivery transportation only.	
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	Melalap POM has issued Memorandum to all contractors dated 23/11/2020. The memorandum stated that the contractors need to follow the RSPO/MSPO/SCCS requirements in accordance with	Complied
3.8.12	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p> <p>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p> <p>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>iv) For Mass Balance Module, the mill:</p> <p>a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.</p>	<p>Melalap Palm Oil Mill has established SOP for Sustainable Supply Chain and Traceability, version: 2; Issue No: 5; Dated April 2019. Melalap POM ensured the required information is available in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); <p>As spelt out in its supply chain procedure, Clause 5.4, records are to be maintained for a minimum period of three (3) years).</p> <p>Melalap POM is using the Mass Balance module and all the FFB received, processed and CPO & PK dispatch is recorded in dispatch book and balanced in the Mass Balance Sheet with 3 monthly accounting period.</p> <p>Based on the Mass Balance sheet, the stock for CPO & PK is positive stock within past 12 months.</p>	Complied

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3.8.13	<p>Extraction Rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>Extraction rates were derived from actual production output that were measured daily by the mill and recorded in the daily production report. The mill reported the monthly extraction rates to Headquarters through Monthly Crop Reports. The extraction rate to date average was OER: 20.63% and KER: 4.98%.</p>	Complied
3.8.14	<p>Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>Extraction rates updated daily based on actual measurement of production output. Projected rates were based on historical extractions and FFB projection from estates.</p>	Complied
3.8.15	<p>Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.</p>	<p>Melalap POM receives and processes both, certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. Total FFB received from Dec 2020 until Sept 2021 was 9,852.79 MT.</p>	Complied
3.8.16	<p>Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>	<p>Based on the downloaded transactions register from the certification unit's PalmTrace, the company was able to demonstrate that it has been registering its transactions in the PalmTrace accordingly. From Dec 2020 until Sept 2021 there are 14 transaction for CSPK no record for CSPO.</p>	Complied
3.8.17	<p>Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>Sime Darby Plantation Berhad has obtained RSPO Trademark License with License Number: RSPO-1106024 valid until 07/06/2023 for supply chain model as per the Annex 1 to RSPO</p>	Complied

		Trademark License. Melalap POM did not make any claims on products.	
General corporate communications			
4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	Sime Darby Plantation Berhad has made "off-product" claim by highlighted there are founding member of RSPO in https://www.simedarbyplantation.com/sustainability/beliefs-progress/practices-key-initiatives/good-agricultural-practices .	Complied
4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page.	Sime Darby Plantation Berhad has made "off-product" claim by highlighted there are founding member of RSPO in https://www.simedarbyplantation.com/sustainability/beliefs-progress/practices-key-initiatives/good-agricultural-practices . None of RSPO Trademark logo was used for corporate communication.	Complied
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Sime Darby Plantation Berhad does not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Complied
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	Sime Darby Plantation Berhad ensure communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	Complied
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	No RSPO corporate logo used as evidence during the document audit and site visit.	Complied

Business to business communications			
5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Business to business communication is demonstrated via shipping documentation and sales contract to the next supply chain actor or buyer.	Complied
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	The only business to business communication is through the delivery documents. There is no use of trademark logo. Only the communication with RSPO certification number and supply chain model sighted in the weighbridge tickets.	Complied
5.3	Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options: a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.	Not applicable as Melalap POM is not a distributor or wholesaler.	Not Applicable
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as ‘product-specific’ claims. Product-specific claims are voluntary.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable

6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable
6.5	Members shall not communicate to consumers' information about their suppliers' RSPO membership status.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable
6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Not applicable to Melalap POM as they do not conduct business to consumer claims.	Not Applicable
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the	Not applicable as Melalap POM do not fall under the category of retailers or food service companies.	Not Applicable

	<p>absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rspo.org.</p>		
<p>MODULE B – MASS BALANCE SPECIFIC RULES</p>			
<p>Minimum Mass Balance content</p>			
	<p>95% or above of the oil palm content must be RSPO MB-certified.</p>	<p>Melalap POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>Complied</p>
	<p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.</p>	<p>Melalap POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>Complied</p>
<p>Labelling and trademark (MB)</p>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • Surrounded by the text: 'Certified sustainable palm oil'. • The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim. 	<p>Melalap POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>Complied</p>

	<ul style="list-style-type: none"> • The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. • Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch). • In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications & Claims document. 		
Messaging (MB)			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> • [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain. • The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. <p>In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed.</p> <p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <ul style="list-style-type: none"> • Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product. 	<p>Melalap POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>Complied</p>
Principle 4: Respect community and human rights and deliver benefits			

Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	<p>Sime Darby Plantation has established Group Sustainability & Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC). The HRC was last revised on August 2020. They promote the human rights, safeguard democracy and its institutions and not violate the rights of others. They also recognize the important role Human Right Defenders. In accordance with the United Nations Declaration on Human Rights Defenders, they are committed to safeguarding the confidentiality of those involved by establishing clear operational guidelines on the coordination, administration and response to the allegations of threats through our Human Rights Defender Policy and ensuring that their internal policies and mechanisms protect and prevent harm to complainants, as well as respond to complaints on any alleged threats made to them. Refer to Policy on the Protection of Human Rights Defenders (HRDs) dated 25/03/2020 for more information. Policy on the Protection of HRDs_FINAL.pdf (simedarbyplantation.com).</p> <p>The briefing of the policies was conducted on 09/08/2021 in Melalap Estate and 29/07/2021 in Sapong Estate.</p>	Complied
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation prohibits any form of harassment in their operation as per the policies above. Interviewed with the workers confirmed that no harassment by the management.</p>	Complied
Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties			

4.2.1	<p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they believe everyone has the responsibility to promote human rights, safeguard democracy and its institutions and not violate the rights of others. They recognise the important role Human Rights Defenders, whistleblowers, complainants and community spokespersons play by lodging complaints in confidence.</p>	Complied
4.2.2	<p>Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 01/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders.</p> <p>Besides, the company has implemented "Suara Kami Helpline" as a platform for the workers to raise any issue. Seen the SOP for "Suara Kami Helpline" dated 15/04/2020 that explained the procedure of the helpline. The workers in Melalap POM were briefed on the "Suara Kami Helpline" on 08/09/2021, 09/04/2021 in Melalap Estate and 08/04/2021 in Sapong Estate. The procedure could be accessible via https://www.simedarbyplantation.com/sites/default/files/SOP%20Suara%20Kami%20Helpline_approved15Apr2020.pdf.</p>	Complied
4.2.3	<p>The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Melalap POM, Melalap Estate and Sapong Estate has implemented Complaint/ Suggestion Form (Internal & External) and Defect Complaint Form to record any complaints from internal and external stakeholders. Sampled of the complaints as below:</p> <ol style="list-style-type: none"> 1. House No.: 73 dated 08/01/2021 Issue: Drainage broken. Status: The mill management has instructed the contractor to cement the broken drainage and seen the photo evident 	Complied

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		<p>of the action taken. The repair was completed on 13/03/2021. Seen the invoice and tender record.</p> <p>2. House No.: 91 dated 13/08/2021 Issue: Leakage of roofing. Status: The management has informed the worker to replace the roof and ceiling on 13/08/2021. Seen the photo evident of action taken. The complainant has acknowledged on 23/08/2021 after the repair work completed.</p> <p>3. House No.: 108 dated 04/05/2021 Issue: Broken drainage caused blockage. Status: The management of Melalap Estate has instructed the carpenter to repair the drainage immediately on 04/05/2021. Seen the photo evident of the drainage been cemented and acknowledgement from the complainant after action taken.</p> <p>4. House No.: A27 dated 18/04/2021 Issue: Toilet bowl broken. Status: The management of Sapong Estate has sent worker to replace the new toilet bowl on 19/04/2021. Seen the photo evident of the toilet bowl been replaced and acknowledgement from the complainant after action taken on 19/04/2021.</p>	
4.2.4	<p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 01/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders. Besides, the company has implemented "Suara Kami Helpline" as a platform for the workers to raise any issue. Seen the SOP for "Suara Kami Helpline" dated 15/04/2020 that explained the procedure of the helpline. The procedure could be accessible via</p>	Complied

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		<p>https://www.simedarbyplantation.com/sites/default/files/SOP%20Suara%20Kami%20Helpline_approved15Apr2020.pdf</p> <p>In additional, the company developed Policy on Protection of Human Rights Defenders (HRDs) where if the complaint cannot be solved through this manner, HRDs can be provided legal remedies such as litigation or alternate dispute resolution options including mediation and arbitration in situations where complaints cannot be resolved internally.</p>	
Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	<p>Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>- Minor compliance -</p>	<p>The mill management has made contribution such as provide 100% job opportunity to local communities. Besides, the management also provided free meals to the Covid-19 patients who are under quarantine at home. Seen the receipts of foods purchased for September 2021. In addition, the mill management has taken initiative to request for assistance from Yayasan Sime Darby to help the victims of flood disaster in the Tenom area. Yayasan Sime Darby has issued the vouchers to the victims and seen the email correspondence. The mill management has cleaned up the drainage system in the village upon request from the community. Seen the request and respond record. Photo evident of the assistance provided was sighted. For the estate, the management has provided appreciation food vouchers to the best performance workers. Seen the photo evident of the appreciation gifts to the workers. The management of Sapong Estate has provided assistance to clean up the school compound after flooded upon request from the representative of school. Donation for activity of local authority was given upon written request by the local authority was sighted too.</p>	Complied
Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			

<p>4.4.1</p>	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available. - Critical (Major) compliance -</p>	<p>Melalap POM is located on the land of Melalap Estate under Land Title# Country Lease 165314643. A copy of the land title was kept in the mill.</p> <p>Total of 6 land titles available in Melalap Estate and sampled the land titles as below:</p> <ol style="list-style-type: none"> 1. Title No.: Country Lease 165314643 2. Title No.: Country Lease 28934 3. Title No.: Country Lease 29759 <p>Seen the quit rent dated 05/02/2021 made for total 5,577.51 acres.</p> <p>Sapong Estate has paid quit rent for total 5 land titles. Verified the land titles as below:</p> <ol style="list-style-type: none"> 1. Provisional Lease# 16628301 2. Provisional Lease# 16628305 3. Provisional Lease# 166290044 <p><i>Status of land title that sharing with smallholders to be followed up with Land Management Unit to demonstrate the total area belongs to Sapong Estate. Thus, an OFI was raised.</i></p>	<p>OFI</p>
<p>4.4.2</p>	<p>Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020, under Clause 3.1.1 where the company ensures the operating environment is free from conflict by undertaking robust free, prior and informed consent (FPIC) process to any new developed.</p> <p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities.</p>	<p>Complied</p>

		Boundary stone and trenches were available to demarcate the boundary of land.	
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
4.4.2c	Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Critical (Major) compliance -	There is no land dispute recorded. Boundary stone was identified and marked in the GPS surveyed map. Trenches and boundary stones were available to demarcate the boundary and this has confirmed by interviewed with the community.	Complied
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities.	Complied

	- Minor compliance -	Boundary stone and trenches were available to demarcate the boundary of land.	
4.4.5	(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
4.5.1	(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied
4.5.2	(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation. - Critical (Major) compliance -	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied

	<p>associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p>		
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied
4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied
4.5.6	<p>Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.</p> <p>- Minor compliance -</p>	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied
4.5.7	<p>New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.</p> <p>- Minor compliance -</p>	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied
4.5.8	<p>(C) New lands are not acquired in areas inhabited by communities in voluntary isolation.</p>	No new plantings are established on the land of local peoples. This has verified through stakeholders' consultation.	Complied

	- Critical (Major) compliance -		
Criterion 4.6: Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	Sime Darby Plantation Berhad has developed Flowchart and Procedures on Handling Land Disputes, version 1 dated 01/11/2008. The procedure has detailing the process if any issues reported by local communities regarding land dispute. Negotiation process will be initiated which included the Estate Management, Land Management Department, Regional Heads, Zone Heads, third parties' involvement including stakeholders. Compensation of calculation and distribution to the affected parties will be determined by Land Management Department.	Complied
4.6.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	SOP as per indicator 4.6.1.	Complied
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied

<p>Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</p>			
4.7.1	<p>(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (Major) compliance -</p>	<p>Sime Darby Plantation Berhad has developed Flowchart and Procedures on Handling Land Disputes, version 1 dated 01/11/2008. The procedure has detailing the process if any issues reported by local communities regarding land dispute. Negotiation process will be initiated which included the Estate Management, Land Management Department, Regional Heads, Zone Heads, third parties' involvement including stakeholders. Compensation of calculation and distribution to the affected parties will be determined by Land Management Department.</p>	Complied
4.7.2	<p>(C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -</p>	<p>SOP as per indicator 4.7.1.</p>	Complied
4.7.3	<p>Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -</p>	<p>There was no community that have lost access and rights to land for plantation expansion as the operating units expands the planting area under certified area.</p>	Complied
<p>Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.</p>			
4.8.1	<p>Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.</p>	Complied

4.8.2	<p>(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>- Critical (Major) compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.</p>	Complied
4.8.3	<p>Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)</p> <p>- Minor compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.</p>	Complied
4.8.4	<p>For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.</p>	Complied
<p>Principle 5: Support smallholder inclusion</p>			
<p>Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			
5.1.1	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p>	<p>Current and previous FFB prices available as per MPOB Daily FFB Reference Price Summary by Region. The mill received FFB from both own estate external FFB (Outside Crop Purchase – OCP). The FFB suppliers were listed in the Melalap POM FFB Suppliers list.</p>	Complied

5.1.2	<p>(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request).</p> <p>- Critical (Major) compliance -</p>	<p>Evidence that the mill explains FFB pricing available in the contract agreement as per sample FFB Sales and Purchase Agreement 2020 between Guthrie Industries (Malaysia) Sdn. Bhd. (Buyer) and sample outside crop provider (OCP) sighted for following:</p> <ul style="list-style-type: none"> - OCP: Syarikat Makmur Bersama; Agreement # P/G/0820/FFB01932L; Period: 01/09/2021 – 31/12/2021 - OCP: Ladang Paal; Agreement # P/G/1220/FFB02685L; Period: 01/01/2021 – 31/12/2021 - OCP: Yong Kee Chiang; Agreement # P/G/1220/FFB02686L; Period: 01/01/2021 – 31/12/2021 - OCP: EK Hong Agriculture Sdn. Bhd.; Agreement # P/G/1220/FFB02677L; Period: 01/01/2021 – 31/12/2021 	Complied
5.1.3	<p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Critical (Major) compliance -</p>	<p>FFB pricing and calculation was included in the FFB Sales and Purchase Agreement as per sample sighted in indicator 5.4.2 above which were based on the MPOB prices as well as the FFB grading quality.</p>	Complied
5.1.4	<p>(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Critical (Major) compliance -</p>	<p>Evidence that the mill involved all parties available in the contract agreement as per sample sighted in indicator 5.4.2 above.</p>	Complied
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>Contracts are fair, legal and transparent and have an agreed timeframe as per sample sighted in indicator 5.4.2 above.</p>	Complied
5.1.6	<p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p>	<p>Based on the agreements, full payment shall be made by Buyer to Seller as following:</p>	Complied

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	- Critical (Major) compliance -	<ul style="list-style-type: none"> - Advance payment on weekly basis 70% of the value equivalent to the total FFB delivered every 7 days or more - Final payment of remaining outstanding before 10th day of following month <p>Sample payment voucher sighted confirmed the payment are made on timely manner as following:</p> <ul style="list-style-type: none"> - Self-Billed Invoice # G/AFVCH-009268; Supplier: Ladang Paal; Payment details: 01/09/2021 – 30/09/2021; Invoice date: 30/09/2021 - Self-Billed Invoice # G/AFVCH-009265; Supplier: EK Hong Agriculture Sdn. Bhd.; Payment details: 01/09/2021 – 30/09/2021; Invoice date: 30/09/2021 	
5.1.7	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p> <p>- Minor compliance -</p>	<p>Melalap POM verified its weighing equipment as per mandatory requirements of Weights and Measures Act 1972 as per latest records of stamping by Metrology Corporation Malaysia Sdn. Bhd. as following:</p> <ul style="list-style-type: none"> - Weighbridge stamp form # D154051; Serial # 008135964HJ; Model: 60,000 kg X 10 kg Mettler Toledo King Bird; Calibration date: 19/07/2021 - Weighbridge stamp form # D079328; Serial # B545689517; Model: 40,000 kg X 10 kg Mettler Toledo IND246; Calibration date: 08/02/2021 	Complied
5.1.8	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</p> <p>- Minor compliance -</p>	<p>The mill supports the FFB Suppliers among independent smallholders in certification through consultation and information sharing upon requested. Consultation made with smallholders confirmed that they were provided with information of sustainable certifications mainly in MSPO since it is mandatory for the smallholders. Consulted smallholders however refused to enter the</p>	Complied

		mutual agreements on RSPO certifications for the time being although support made ready by the company.	
5.1.9	<p>(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>- Critical (Major) compliance -</p>	Mechanism addressed in Standard Operation Manual; Date: 01/11/2008 that documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2) for grievance handling.	Complied
<p>Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.</p>			
5.2.1	<p>The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification.</p> <p>- Minor compliance -</p>	The mill supports the FFB Suppliers among independent smallholders in certification through consultation and information sharing upon requested. Consultation made with smallholders confirmed that they were provided with information of sustainable certifications mainly in MSPO since it is mandatory for the smallholders. Consulted smallholders however refused to enter the mutual agreements on RSPO certifications for the time being although support made ready by the company.	Complied
5.2.2	<p>The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS).</p> <p>- Minor compliance -</p>	The mill supports the FFB Suppliers among independent smallholders in certification through consultation and information sharing upon requested. Consultation made with smallholders confirmed that they were provided with information of sustainable certifications mainly in MSPO since it is mandatory for the smallholders. Consulted smallholders however refused to enter the mutual agreements on RSPO certifications for the time being although support made ready by the company.	Complied
5.2.3	<p>Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.</p> <p>- Minor compliance -</p>	The mill supports the FFB Suppliers among independent smallholders in certification through consultation and information sharing upon requested. Consultation made with smallholders confirmed that they were provided with information of sustainable certifications mainly in MSPO since it is mandatory for the smallholders. Consulted smallholders however refused to enter the	Complied

		mutual agreements on RSPO certifications for the time being although support made ready by the company.	
5.2.4	<p>(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.</p> <p>- Critical (Major) compliance -</p>	The mill supports the FFB Suppliers among independent smallholders in certification through consultation and information sharing upon requested. Consultation made with smallholders confirmed that they were provided with information of sustainable certifications mainly in MSPO since it is mandatory for the smallholders. Consulted smallholders however refused to enter the mutual agreements on RSPO certifications for the time being although support made ready by the company.	Complied
5.2.5	<p>The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme.</p> <p>- Minor compliance -</p>	The mill supports the FFB Suppliers among independent smallholders in certification through consultation and information sharing upon requested. Consultation made with smallholders confirmed that they were provided with information of sustainable certifications mainly in MSPO since it is mandatory for the smallholders. Consulted smallholders however refused to enter the mutual agreements on RSPO certifications for the time being although support made ready by the company.	Complied
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	<p>(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.</p> <p>- Critical (Major) compliance -</p>	Sime Darby Plantation has developed Human Rights Charter to ensure decent work for all workers means providing equal opportunity, social protection, respecting rights at work and providing a platform for workers' voice and social dialogue. They respect the rights of workers and provide fair and favourable working conditions by promoting 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	Complied

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		membership, political affiliation or age. They will facilitate opportunities for advancement for our employees, especially women, by removing barriers to progress and respecting reproductive and maternal rights.	
6.1.2	<p>(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers.</p> <p>- Critical (Major) compliance -</p>	Interviewed with the workers from different gender and nationalities confirmed that no discrimination has reported. The management treated all equally such as provided free accommodation and medical to all the workers and job offered based on capability. The worker can request for job transfer if they found they are unfit for the job assigned to them.	Complied
6.1.3	<p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	Sime Darby Plantation has developed a Promotion for Employees (Doc. No.: SDP/HRUM/2020/SOP01 dated 01/01/20201) to provide a guideline on promotion process to ensure all employees are given fair and equal opportunity based on the set requirements such as work performance and suitability of the position. Besides, Sime Darby Plantation (Sabah) Sdn Bhd has signed the Collective Agreement (For field/ oil palm harvesters/ oil mill and other general employees) with Sabah Plantation Employees Union (SPIEU) which has outlined the promotion, termination and retirement. Interviewed with the female mandor of manuring gang confirmed that the management promoted her based on her work performance.	Complied
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	Reviewed the pre-employment medical check-up report and the report for urine testing to detect for drug found that no requirement for pregnancy testing to be conducted prior the employment. Interviewed with the female workers confirmed that pregnancy testing is not a requirement for them to be employed.	Complied

6.1.5	<p>(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>- Critical (Major) compliance -</p>	<p>Combined Gender Committee was established in Melalap POM, Melalap Estate and Sapong Estate.</p> <p>The committee has organized meeting at frequency of once every two months. The last meeting was conducted on 22/09/2021 and seen the meeting minutes. Representatives from all the operating units were attended the meeting. The meeting was carried out using the Feedback Form as well to collect feedbacks from other members due to outbreak of Covid-19 pandemic. There was no issue raised by the female workers as verified the Feedback Form and meeting minutes. Awareness of the gender committee was briefed to committee as well.</p> <p>Interviewed with the Vice Chairman of Gender Committee in the mill and workers in estates confirmed no case of sexual harassment or violence reported.</p>	Complied
6.1.6	<p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p>	<p>Reviewed total 33 payslips in Melalap POM, Melalap Estate and Sapong Estate which consists of male and female workers found that their salary is the same for the same job scope. They were paid according to the Minimum Wage Order 2020 without any discrimination. Interviewed with both the female and male workers confirmed that no discrimination has occurred.</p>	Complied
<p>Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).</p>			
6.2.1	<p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Critical (Major) compliance -</p>	<p>Sime Darby Plantation (Sabah) Sdn Bhd has signed the Collective Agreement (For field/ oil palm harvesters/ oil mill and other general employees) with Sabah Plantation Employees Union (SPIEU) which effective from 01/01/2020 to 31/12/2022. Sample of employment contracts are reviewed and the agreements are signed in both English and local language (Bahasa Malaysia/Indonesia). Upon the foreign workers arriving to the estate, they will be inducted for the</p>	Complied

		terms and conditions of employment contract and briefed on the company's policies. This has confirmed by interviewed with the foreign workers.	
6.2.2	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	Reviewed total 33 employment contracts in Melalap POM, Melalap Estate and Sapong Estate, and the contracts are signed in their dual language which is English and their home country language such as Bahasa Malaysia/Indonesia. The terms and conditions such as working hours, deduction, overtime, sick leave, holiday entitlement, reason of dismissal and period of notice were outlined in the contract. The extension contract has outlined the terms and condition according to the Collective agreement, Sabah Ordinance and Minimum Wage Order 2020.	Complied
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	33 samples for workers in various operations including mill operators, harvester, field workers and general workers were verified. Overtime was appropriate and deduction was made fairly as per the agreement and approval from the Human Resource Department Sabah. Deduction was made as per the approval from Human Resource Department Sabah.	Complied
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p>	<p>The workers live in the housing complex of the mill and estate are provided with free housing facilities, subsidized water supply, electric supply and medical support. Melalap POM & Melalap Estate is in progress to upgrade the water supply from gravity flow to government water supply. Seen the letter communication dated 24/03/2021.</p> <p>Linesite inspection was conducted weekly by the Medical Assistant using the Housing Complex/ Nest/ Community Hall Weekly Inspection Checklists (PIOA). The last inspection was conducted on 25/09/2021.</p>	Complied

6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>All the workers have provided with 10kg of rice once every two months as per company's policy. Seen the records of distribution of rice in Melalap POM and Melalap Estate. Interviewed with the workers confirmed that they are easily access to adequate, sufficient and affordable foods where the mill and estate are neighbouring to the small town where they can easily access. Sundry shops were available inside the estates' compound and the price are reasonable as confirmed through interviewed with the workers.</p>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each</p>	<p>SOU 27 Melalap POM & supply bases have established the prevailing wage calculation to include all the in-kind benefits provided to the workers. Sampled the prevailing wages for benefit of Maintenance & utilities – RM 60.32 for local workers and foreign workers, medical cost for RM 7.55 and phone reload – RM 5 for both local workers and foreign workers. The prevailing wages is more than the Minimum Wage Order 2020.</p>	Complied

	<p>locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage). The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</i></p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
<p>6.2.7</p>	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>All the core works are performed by permanent and full-time employees in SOU 27 Melalap POM and supply bases. No temporary/ casual worker was employed. The estates have appointed contractor for replanting, FFB transporting and heavy machinery for road maintenance.</p>	<p>Complied</p>
<p>Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			

6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter where they respect Freedom of Association by respecting the rights of employees to form and join unions and bargain collectively. In jurisdictions where this right is limited, they will provide alternative means of employee engagement and grievance redressal.</p> <p>The briefing of the policies was conducted on 09/08/2021 in Melalap Estate and 29/07/2021 in Sapong Estate.</p>	Complied
6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>SPIEU Committee was established in Melalap Palm Oil Mill, Melalap Estate and Sapong Estate. The last meeting was conducted on 22/09/2021 with the management and workers' representatives from all operating units Issues were raised during the meeting and recorded in the meeting minutes. Social action plan was developed for the issues raised by the SPIEU epresentatives. Details refer to Indicator 3.4.2.</p>	Complied
6.3.3	<p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p>	<p>Interviewed with the SPIEU representatives and the workers confirmed that the election of the representatives were elected freely by the workers without any interference of management.</p>	Complied
Criterion 6.4: Children are not employed or exploited.			
6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation 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.</p>	Complied

		<p>They are eradicating child labour in all their supply chain and not employ anyone underage of 18 years.</p> <p>All the contractors must read through Vendor COBC before they signed on the Vendor Integrity Pledge where they will be required to comply with labour and human rights. Besides, the contractors had briefed on the human right charter and prohibition of child labour. This has confirmed with the stakeholders through stakeholder consultation.</p>	
6.4.2	<p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Critical (Major) compliance -</p>	<p>Workforce Management Unit has developed SOPP under Clause 3.1.14 LR14 – Recruitment Drive where the minimum requirement of the age is 18 years old. Age screening is based on identification documents and/ or passport and from the stated date of birth. The local employees have to submit a photocopy of identification card during application of job to the management for verification purpose. Verified the records in the New Recruitment’s file.</p>	Complied
6.4.3	<p>(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	<p>There was no young person employed by the company as their minimum age was 18 years old. This has verified with the Employee Master Listing and through interviewed with the stakeholders confirmed that no child labour was employed in the certification unit.</p>	Complied
6.4.4	<p>The unit of certification demonstrates communication about its ‘no child labour’ policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p>	<p>The management has communicated to the stakeholders regarding the Human Rights Charter and emphasized that the risk of child labour to the stakeholders. This is confirmed through interviewed with the stakeholders and contractors.</p>	Complied
<p>Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.</p>			
6.5.1	<p>(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p>	<p>Sime Darby Plantation has developed Human Rights Charter where they create a working environment with zero tolerance for sexual</p>	Complied

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	- Critical (Major) compliance -	harassment and abuse, and in which violence is never used to resolve issues or conflict. The briefing of the policies was conducted on 09/08/2021 in Melalap Estate and 29/07/2021 in Sapong Estate.	
6.5.2	(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	Sime Darby Plantation 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 facilitate opportunities for advancement for their employees, especially women, by removing barriers to progress and respecting reproductive and maternal rights. The briefing of the policies was conducted on 09/08/2021 in Melalap Estate and 29/07/2021 in Sapong Estate.	Complied
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance -	Assessment for New Mothers (with infants under 24 months) FY2020 was conducted on 16/02/2021 in Melalap POM. There was one new mother identified in the mill with a child at age of 3 months old during the assessment. No specific needs required from her as her child is taken care by her sister. There was an assessment carried out on 04/10/2021 where there were 2 new mothers in Melalap Estate. They do not have any specific needs as the babies are taken care in nursery in the estate and they did not breastfeed anymore. There were 6 new mothers identified in Sapong Estate during the assessment for new mothers conducted on 15/09/2021 by Medical Assistant. There were no specific needs requested by the new mothers as verified in the assessment report. Interviewed with two of the new mothers confirmed that they do not have any specific needs as new mother.	Complied

6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation Berhad has revised the Terms of Reference for Gender Representative and Gender Committee (<i>Bidang Tugas untuk Wakil Jantina dan Jawatankuasa Jantina</i>) dated March 2021 where the committee will be on SOU basis instead of operating unit. The objective of the gender committee is to improve awareness, identify opportunity and improvement and issue of the workers specifically on women. The committee will act as the mechanism to monitor and investigate if there is any sexual harassment, domestic violence and abusive children in the operating unit. The frequency of the meeting is once every 2 months.</p> <p>Besides, Flowchart and Procedure on Handling Social Issues, version 1, dated 01/11/2008 was implemented as well. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders.</p> <p>Besides, the company has implemented "Suara Kami Helpline" as a platform for the workers to raise any issue. Seen the SOP for "Suara Kami Helpline" dated 15/04/2020 that explained the procedure of the helpline. The workers in Melalap POM were briefed on the "Suara Kami Helpline" on 08/09/2021, 09/04/2021 in Melalap Estate and 08/04/2021 in Sapong Estate. The procedure could be accessible via https://www.simedarbyplantation.com/sites/default/files/SOP%20Suara%20Kami%20Helpline_approved15Apr2020.pdf.</p>	Complied
Criterion 6.6: No forms of forced or trafficked labour are used.			
6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p>	<p>Interviewed with the workers confirmed that no forced and trafficked labour in SOU 27 Melalap POM & supply bases. The terms and conditions offered by the company were similar in their home country and when arrived in the plantations. No contract</p>	Complied

	<ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Critical (Major) compliance -</p>	<p>substitution has occurred. They keep their passport at the Passport Locker near the Security Guard Post and some workers keep at their home. They can access to the passport anytime they want to. Overtimes was monitored by the company and the workers are giving freedom to choose to overtime and resign. There was no penalty for termination of employment if they wish to terminate the contract earlier as per the employment contract signed.</p>	
<p>6.6.2</p>	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>SDPB has implemented a Sime Darby’s Human Rights Charter revised 2020 and can be easily access via www.simedarbyplantation.com where they committed as below:</p> <ul style="list-style-type: none"> a) Providing equal opportunity b) Respecting freedom of association c) Eradicating any form of exploitation d) Providing decent and fair wages, reasonable working hours with adequate rest, achievable productivity targets, voluntary overtime as well as adequate housing with access to basic needs e) Eradicating any form of exploitation, forced or bonded labour, slavery, human trafficking and sexual exploitation by eliminating the need to retain identification documents, eliminating risk caused by debt bondage and avoiding contract substitution. <p>All the foreign workers will be provided with induction training prior to work. Besides, they were provided with decent living condition and free from any discrimination. The workers informed that they were treated equally without any discrimination and allow joining</p>	<p>Complied</p>

		SPIEU freely. No contract substitution has occurred through interviewed with the workers.	
Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p><u>Melalap POM</u> The Mill Manager, Mr. Bukhari Bin Yusof Azuddin has been appointed as the chairman for the OSH Committee in the mill as stated in the appointment letter dated 01/08/2020 undersigned by the General Manager, Northern Sabah Zone. The organizational chart was available for verification to consist of representatives from the management and the workers. Regular meetings were conducted to address all issues related to health and safety in the mill. The Safety Committee Meeting was available for verification dated 25/09/2020 (04th-2020).</p> <p><u>Melalap Estate & Sapong Estate</u> The Estate Manager, Mr. Johamdan Bin Joni has been appointed as the chairman for the OSH Committee for Melalap Estate and Sapong Estate as stated in the appointment letter dated 08/09/2020, undersigned by the General Manager, Northern Sabah Region. The OSH organizational chart was available for both estates for verification to consist of representatives from the management and the workers. Regular meetings were conducted to address all issues related to health and safety in the estates.</p> <p>The Safety Committee Meeting Minutes for Melalap Estate was available for verification dated 03/03/2020 (01st/2020), 24/06/2020 (2nd/2020) and 23/09/2020 (3rd/2020). For year 2021, the latest meeting was on 22/09/2021(3rd/2021) and previously was on 21/06/2021(2nd/2021) and 23/03/2021(1st/2021)</p> <p>The Safety Committee Meeting Minutes for Sapong Estate was available for verification dated 03/03/2020 (01st/2020), 23/06/2020</p>	Complied

		<p>(2nd/2020), 03/09/2020 (3rd/2020) and 01/12/2020 (4th/2020). For year 2021 OSH meeting conducted on March 2021 (1st/2021), May 2021(2nd/2021) and August 2021 (3rd/2021).</p>	
<p>6.7.2</p>	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p><u>Melalap POM</u></p> <ol style="list-style-type: none"> 1. Emergency Procedures were available in the Emergency Flow chart to address emergencies such as accidents, fires, hotspot alert system, event of explosion, diesel spillage and electrical incidents. A formation of Emergency Response Team was available to manage and handle the emergencies. Fire Drill was last conducted on 13/08/2020. 2. The mill also has first aid box placed around the mill with specific trained holders responsible for each box. The First aid box holders are regularly trained. First aid boxes are monitored and replenished on a monthly basis. Sighted the latest First Aid Box monitoring checklist dated 04/11/2020. 3. For the year 2020 there were no accident cases reported in the mill. The JKPP 8 form for the year ending 2019 was submitted to DOSH and available for verification. <p><u>SOU 27 Supply Base Estates</u></p> <ol style="list-style-type: none"> 1. Emergency Procedures were available in the Emergency Flow chart for both estates to address emergencies such as accidents, fires, flood, diesel/chemical spillage and electrical incidents. A formation of Emergency Response Team was available to manage and handle the emergencies at each estates. Trainings related to the emergency procedures were conducted and sampled as follows: <ul style="list-style-type: none"> a) <u>Melalap Estate</u> Fire Extinguisher Training For Stakeholders: 27/09/2020 Mock Fire Drill: 10/09/2020 	<p>Complied</p>

		<p>b) Sapong Estate Fire Extinguisher Training For Stakeholders: 17/09/2020</p> <p>2. Personals trained in First Aid were present in both estates. First Aid Boxes were provided for all operations and handled by trained mandores and staffs. The boxes at each estates are monitored and inspected on a monthly basis by the Medical Assistant to replenish all the used items. First Aid Training records were available as follows:</p> <p>Melalap Estate: 14/08/2020 Sapong Estate: 29/06/2020</p> <p>3. Accident records were recorded and maintained in the Incident Detailed Report available for verification in the estate.</p> <ul style="list-style-type: none"> • Melalap Estate – There were 2 accident cases reported less than 4 days in the estate for the year 2019. The JKKP 8 form for year ending 2019 have been submitted to DOSH on 24/01/2020 and available for verification. JKKP 8 record for 2020 also available JKKP8/76310/2020 dated 19/01/2021. No accident record for year 2020. • Sapong Estate - There has been 14 accidents and incidents that have been reported in the estate for the year 2020. The accidents involving loss of mandays exceeding 4 days have been reported to DOSH via JKKP 6 form and available for verification. The JKKP 8 form for the year ending 2019 have also been submitted to DOSH and available for verification. For year 2021 only one accident for JKKP 6 dated 17/06/2021 with 7 days MC. For JKKP 8 the record sighted JKKP8/79920/2021 was available dated 25/01/2021. 	
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6.7.3	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p>	<p>Appropriate PPE were given to workers based on HIRARC recommendations suitable for the job position or hazardous operation undertaken. This was verified in the PPE issuance records viewed.</p> <p>Checked during site visit that PPE given were worn correctly by the operators and the condition of each PPE item and their validity lifespan were found good. Interview of workers showed they know when to change to a new set, either by expiry date or when they are damaged or rendered ineffective to use.</p> <p>The operators had been given training on the use of PPE and SOP for the job they were assigned to work. Please cross refer to indicator 3.7.2.</p>	Complied											
6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>Medical care and accident insurance is provided to all employees, both Local and Foreign workers under Employees' Social Security Act 1969 (Act 4). Sighted the last three months payment made to SOCSO on Form A for foreign and local workers was available for reviewed.</p>	Complied											
6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>All occupation injuries were recorded in accordance to OSH (Nadopod) Regulations 2004.</p> <table border="1" data-bbox="1137 1050 1787 1345"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th colspan="2">JKKP 8 submitted to DOSH</th> </tr> <tr> <th>Date submitted</th> <th>Reference No.</th> </tr> </thead> <tbody> <tr> <td>Melalap POM</td> <td>20/01/2021</td> <td>JKKP8/77189/2020</td> </tr> <tr> <td>Melalap estate</td> <td>19/01/2021</td> <td>JKKP8/76310/2020</td> </tr> </tbody> </table>	Operating Unit	JKKP 8 submitted to DOSH		Date submitted	Reference No.	Melalap POM	20/01/2021	JKKP8/77189/2020	Melalap estate	19/01/2021	JKKP8/76310/2020	Complied
Operating Unit	JKKP 8 submitted to DOSH													
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Melalap POM	20/01/2021	JKKP8/77189/2020												
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		<table border="1"> <tr> <td>Sapong estate</td> <td>25/01/2021</td> <td>JKKP8/79920/2020</td> </tr> </table>	Sapong estate	25/01/2021	JKKP8/79920/2020	
Sapong estate	25/01/2021	JKKP8/79920/2020				
<p>Accident records were well kept and reviewed during the OSH meeting.</p>						
<p>Principle 7: Protect, conserve and enhance ecosystems and the environment</p>						
<p>Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>						
7.1.1	<p>(C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p>	<p>All the estates continued to implement Integrated Pest Management (IPM) in both the estates. It continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Agricultural Reference Manual (ARM) Section 15 - Plant Protection. The IPM program among others:</p> <ol style="list-style-type: none"> 1. Includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. 2. For bagworm control the program includes the planting of beneficial plants such as Cassia cobanensis, Antigonon leptopus and Turnera subulata. 3. In order to minimize use of pesticides the estates had planted beneficial plants mainly Tunera subulata, cassia cobanensis and Antigonon leptopus with maps indicating areas planted. <p>All the estates carried census on rat damage, rat baiting was by calendar baiting at 2 campaigns per year. Baiting was continued until bait acceptance fell below 20%. Latest as per record was on 16/08/2021 in Melalap Estate.</p>	Complied			
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p>	<p>Field visits did not find any species referenced in the Global Invasive Species Database and CABI.org.</p>	Complied			

	- Minor compliance -											
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	No evidence of using of fire, the fire for pest control is not practised verified as per interview with assistant and workers.	Complied									
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.												
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Critical (Major) compliance -	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 01/07/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are: Immature planting (sample) - General weeds : Glyphosate - Legume & broad leave : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate Mature planting - VOPs : glyphosate & sodium chlorate The selection is also evaluated by the agronomist during his visit to the estates.	Complied									
7.2.2	(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Critical (Major) compliance -	Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate. The record usage of glyphosate as per below detail: <table border="1" data-bbox="1137 1109 1720 1273"> <thead> <tr> <th>Estate</th> <th>Field ha</th> <th>Ai/ha</th> </tr> </thead> <tbody> <tr> <td>Melalap</td> <td>982</td> <td>1.24</td> </tr> <tr> <td>Sapong</td> <td>3417</td> <td>1.32</td> </tr> </tbody> </table>	Estate	Field ha	Ai/ha	Melalap	982	1.24	Sapong	3417	1.32	Complied
Estate	Field ha	Ai/ha										
Melalap	982	1.24										
Sapong	3417	1.32										
7.2.3	(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Critical (Major) compliance -	The pesticide reduction plan was available included pesticide for rat, weed, bagworm and etc. The IPM plan was available, from the	Complied									

		programme record the beneficial been done was available for year 2021.	
7.2.4	There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. - Minor compliance -	Not applicable because there has been no prophylactic use of pesticides at the visited estates.	Not Applicable
7.2.5	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. - Minor compliance -	In sample estate, no issue on pest outbreak in estate. The chemical been using to counter was Class II categorised as World Health Organisation. No record of Class I been using for year 2019 and 2020.	Complied
7.2.6	(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out. - Critical (Major) compliance -	Pesticides operators have been provided with proper PPE and PPE training. Observed during the site visit the PPE usage by the operators such as google, half face respirator, nitrile hand glove, long sleeve shite, long pants outside of Wellington rubber boot worn and apron were obediently followed. Records showed that pesticides were handled, used and applied by trained persons and as per the Safety Data Sheet (SDS) of the pesticide. The staff and workers such as the storekeepers,	Complied

		<p>sprayers, fertilizer and rat bait workers were trained (cross reference indicator 3.7.2 above) and they had understood the hazards involved and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the SDS training. It was also noted that the SDS were available at all sites chemical pre-mixing area and chemical store during the audit.</p>	
7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices. - Critical (Major) compliance -</p>	<p>During site visit it was noted that the storage of pesticides was accordance to best practice as followed:</p> <ol style="list-style-type: none"> 1. Record of the purchase, storage and use had been properly maintained. 2. All stores were secured under lock and key with restricted access. 3. Only authorized personnel was allowed to handle the chemicals. 4. All the chemicals were stored and segregated accordingly by class. 5. Store keeper was trained in the handling all pesticides. 6. Provision of ventilation fan and lighting. 7. Secondary containment tray placed underneath containers to contain leaks, if any. 8. All precautionary measures such as the need to use required PPE, Chemical Safety Hazard pictograms and SOP to enter the store were posted at entrance to store. 9. Chemical SDS in English language and Bahasa Malaysia and environmental spill kit were kept handy inside the store. 	Complied

		10. Concrete cemented floor, bund wall and provision of sump pond.															
7.2.8	All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes. - Minor compliance -	Visit to both Melalap Estate and Sapong Estate confirmed that all pesticide containers are being re-used for chemical premix storage and properly disposed as general waste after being tripled-rinsed & punctured.	Complied														
7.2.9	(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying. - Critical (Major) compliance -	It is the policy of the company that no aerial spraying of pesticides be carried out as per verified from interview and site visit.	Complied														
7.2.10	(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Critical (Major) compliance -	<p>The management conducted the annual medical surveillance for pesticide operator and been documented accordingly, sampling as per detail below:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th rowspan="2">Date</th> <th rowspan="2">Job Title</th> <th colspan="2">No. workers examined</th> <th rowspan="2">Remarks</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Melalap Estate</td> <td>05/02/2021</td> <td>Premixer Store keeper Sprayer Workshop Attendant</td> <td>5</td> <td>13</td> <td>All Fit To Work</td> </tr> </tbody> </table>	Operating Unit	Date	Job Title	No. workers examined		Remarks	Male	Female	Melalap Estate	05/02/2021	Premixer Store keeper Sprayer Workshop Attendant	5	13	All Fit To Work	Complied
Operating Unit	Date	Job Title				No. workers examined			Remarks								
			Male	Female													
Melalap Estate	05/02/2021	Premixer Store keeper Sprayer Workshop Attendant	5	13	All Fit To Work												

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		Sapong Estate	13/12/2021	Premixer Store keeper Sprayer Workshop Attendant	14	26	All Fit To Work							
TOTAL					19	39								
7.2.11	<p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Critical (Major) compliance -</p>	<p>All chemical handlers at the estates assessed were above 18 years old as verified in the list of sprayers. Also, no breast feeding women undertook work with pesticides. The HA also conduct monthly pregnancy test to ensure no pregnant women working with chemical.</p>						Complied						
<p>Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>														
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>SOU 27 Melalap identified the waste products and source pollution generated in the mill operation. The waste are categorized as following:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Type</th> <th>Item description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Scheduled waste</td> <td>Spent lubricant, spent hydraulic oil, spent solvent/chemicals, contaminated drum/container, used batteries, contaminated rags,</td> <td>Workshop</td> </tr> </tbody> </table>						Type	Item description	Location	Scheduled waste	Spent lubricant, spent hydraulic oil, spent solvent/chemicals, contaminated drum/container, used batteries, contaminated rags,	Workshop	Complied
Type	Item description	Location												
Scheduled waste	Spent lubricant, spent hydraulic oil, spent solvent/chemicals, contaminated drum/container, used batteries, contaminated rags,	Workshop												

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		spent grease, spoiled fluorescent lamp, used tyre	
		Empty chemical container	Chemical store
		Clinical waste	Clinic
Domestic waste	3R wastes		Offices & housing area
Industrial waste	EFB, POME		Mill
Recyclable waste	Empty fertilizer bags		Estate
Depend on category, all wastes are either reused, recycled or disposed as following:			
Type	Item description	Handling	
Scheduled waste	Spent lubricant, spent hydraulic oil, spent solvent/chemicals, empty contaminated drum/container, used batteries, contaminated rags, spent grease, spoiled fluorescent lamp, clinical waste	Stored and disposed as scheduled waste	
	Empty chemical container	Reused for premix storage and tripled-rinsed & punctured for disposal	

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			Used tyre	Reused as housing decoration	
		Domestic waste	3R wastes – paper, plastic, glass	Sent to recycle centre	
		Industrial waste	EFB, POME	Apply in estate field	
		Recyclable waste	Empty fertilizer bags	Reused for loose fruit collection	
7.3.2	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated. - Minor compliance -	Proper disposal were demonstrated as per samples sighted as following: - Melalap POM: SW 109 (used fluorescent tube) disposal consignment note # A039809; Date: 09/04/2021; Disposal contractor: Lagenda Bumimas Sdn. Bhd. - Melalap Estate: SW 410 (used fluorescent hose) disposal consignment note # A039811; Date: 09/04/2021; Disposal contractor: Lagenda Bumimas Sdn. Bhd. - Sapong Estate: SW 404 (clinical waste) disposal consignment note # 23000056; Date: 28/02/2021; Disposal contractor: Sedafiat Sdn. Bhd.			Complied
7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	No evidence of fire use in waste disposal as sighted during site visit in the housing area. Domestic waste were put in dustbin and collected twice a week and disposed in designated landfill. Noted during interview with workers shows awareness on prohibition of using fire for waste disposal.			Complied
Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.					
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.	For estates, good agriculture practices according to the group agriculture reference manual (ARM) and estate quality management			Complied

	- Minor compliance -	system (EQMS) contained SOP to ensure soil fertility is managed to a level that ensures optimal and sustained yield has been implemented. Sighted the evidence that the implementation includes fertilizer programs, EFB manuring and etc.	
7.4.2	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -	For Melalap Estate, leaf sampling were done by agronomist during the visit on 24/05/2021 and analysis result was reported on 12/06/2021 while Sapong Estate was visited on 23/05/2021 and analysis report was dated 11/06/2021. Last soil sampling for both Melalap Estate and Sapong Estate was conducted on 19/06/2019 as per Soil Analysis Test Report # S7/2019 dated 20/09/2019 conducted by Sime Darby Research Sdn. Bhd., Chemical Lab R&D Centre, Bombalai, Sabah.	Complied
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	Agronomist recommended the POME application through the establishment of Cascading Furrow System on Gentle Undulating Terrain at Field OP02MA which located nearby the mill and >2km away from Pegalan River stream. Melalap Estate planned to commence the recommendation during replanting. Recommended POME application rate (evapotranspiration) @ 360L/palm/day.	Complied
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	Fertilizer application was based on Melalap Estate FY20/21 Agronomic & Fertilizer Recommendations Report (Oil Palm) by Agronomist In-Charge (Abdullah Abdul Rahman). Agronomist visit was conducted on 24/05/2021 for the purpose of formulating the FY20/21 fertilizer program. Sighted sampled recommendation for Division: 1-Main Mature Field P02K and P02KA No Manuring since both fields were fall under Long Range Replanting Program (LRRP) 2021. For Division: 2-Pegalan Immature Field 2018A & 2018B, total area of 71.13 ha and 42.10 ha respectively, identical quantity (kg/palm) were recommended to be applied as following: - Sep 2019: Comp 45 (12:12:17:2) @ 1.75 kg/palm	Complied

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		<ul style="list-style-type: none"> - Dec 2019: Comp 45 (12:12:17:2) @ 2.00 kg/palm; Kiesrite (27% MgO) @ 0.50kg/palm; Borate (48% B2O3) @ 0.10 kg/palm - Mar 2020: Comp 45 (12:12:17:2) @ 2.25 kg/palm - Apr 2020: RP (28% P2O5) @ 2.00 kg/palm <p>Records of fertilizer application (Store Bin Card) shown all recommended program up to Sep 2021 has been completed.</p> <p>Based on Sapong Estate FY20/21 Agronomic & Fertilizer Recommendations Report (Oil Palm) by Agronomist In-Charge. No manuring recommended for Field OP 00A due to planned replanting on FY19, 02AC (LRRP 2021), 03A (LRRP 2020), 03A1 (LRRP 2020). For field OP 02AA Section 1 & 2 (77.06 ha) was applied with 1.75 kg/palm of AC (25% N) & 2.50 kg/palm of MOP (60%K2O). Application records match the recommendation tonnage.</p>	
Criterion 7.5: Practices minimise and control erosion and degradation of soils.			
7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>Maps available through study conducted on February 2013 as per report Soils of Melalap Estate – Sime Darby Estates Melalap Sub-District, Tenom District & Interior Residency, Sabah, Malaysia. Characteristics of soil map units shown the soil series, slope classes and extents as following:</p> <ul style="list-style-type: none"> - Local Alluvium (Level 0-4o) @ 3.76 ha (0.24%) - Koyah (Level 0-4o) @ 324.7 ha (20.8%) - Kelawat (Rolling 12-24o) @ 586.44 ha (37.56%) - Talisai (Hilly 24-38o) @ 547.55 ha (35.07%) - Antulai (Somewhat steep 38-50o) @ 55.77 ha (3.57%) - Luasong (Somewhat steep 38-50o) @ 43.13 ha (2.76%) 	Complied

		<p>Sapong Estate Soil Series maps prepared by R&D – Precision Agriculture Unit (VS) dated 27/04/2015 sighted available. Soil characteristics for Sapong Estate shown the soil series, slope classes and extents as following:</p> <ul style="list-style-type: none"> - Bangawat (Class II: Flat 0-2o) @ 161.29 ha (7.09%) - Kelawat (Class II: Undulating 3-10o) @ 483.00 ha (21.24%) - Talisai (Class III: Hilly 10-20o) @ 1307.59 ha (57.52%) - Antulai (Class III: Steep 20-24o) @ 230.80 ha (10.14%) - Luasong (Class IV: Very Steep >25) @ 91.30 ha (4.01%) 	
7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>Visit to the field in both estates confirmed no replanting on steep terrain. Management strategy in place for plantings on slopes above >10°. Planting terraces had been constructed where slope >10°. Melalap Estate is flat to undulating while Sapong Estate have slope >25° planted through terracing.</p>	Complied
7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>Visit to the field in both estates confirmed no new planting on steep terrain. Management strategy in place for plantings on slopes above >10°. Planting terraces had been constructed where slope >10°. Melalap Estate is flat to undulating while Sapong Estate have slope >25° planted through terracing.</p>	Complied
<p>Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>			
7.6.1	<p>(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>- Critical (Major) compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned.</p>	Complied

7.6.2	<p>Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> <p>- Minor compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned.</p>	Complied
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned.</p>	Complied
Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	<p>(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	Complied
7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE:</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil</p>	Complied

	<p>Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>	<p>categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	Complied
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	Complied
7.7.5	<p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting,</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil</p>	Complied

	<p>as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>	<p>categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	
7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	Complied
7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	<p>Neither new planting nor there is peat soil or soil categorised as problematic or fragile soil in both estates visited. Melalap Estate and Sapong Estate have individual maps identifying the soil series and degree terrains of their estates. There are no peat soil or soil categorized as marginal or fragile soil at both estates. Based on the field map, there are no plantings on slopes exceeding 25° in the estates as they are left abandoned. Nevertheless, the water and ground cover management programme is documented in the Sime Darby Agricultural Reference Manual (Water Management in Coastal and Peatlands) issued on 01/07/2011.</p>	Complied

Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p><u>Melalap POM</u></p> <p>The mill has established water management plan focusing on reducing the fresh water usage due to high usage for cleaning. Latest review was conducted in 20/02/2020. The action established as follows:</p> <ul style="list-style-type: none"> - To continue wet cleaning program using water jet installed at involved stations. - To enforce dry cleaning using fibre to minimise usage of water <p><u>Melalap & Sapong Estates</u></p> <p>The estates have established water management plan which mainly focuses on:</p> <ul style="list-style-type: none"> - Identification and management of waste water - Contingency plan during water shortage - Reduce fresh water usage The management plan stated the water source, areas of concern, monitoring, contingency plan, person responsible and time frame. 	Complied
7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>The estate and mill provided adequate treated water to their workers. Domestic water analysis was conducted on monthly basis to monitor the water quality. Sighted the sampled domestic water analysis result as per report no. as follows:</p> <ul style="list-style-type: none"> - IE 934/2020 dated 24/11/2020. The results for treated water were conform to NSDWQ for domestic use. - IE 776/2020 dated 06/10/2020. The results for treated water doesn't confirm to NSDWQ for domestic use. CAR form dated 06/01/2020 has been raised as per SOP. 	Complied

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7.8.3	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>Documented in Sime Darby Slope and River Protection Policy dated 15/01/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p> <p>Sighted during site visit to Melalap Estate at Sg. Pegalan & Sg. Makaniton, and to Sapong Estate at Sg. Bunut, the buffer zones were demarcated with red color stick. Additionally, palms along the buffer zone was painted with red color rings. There were no spraying activity along the river buffer zone and the vegetation along are well preserved.</p> <p>River water testing was done by Sime Darby Research Sdn Bhd. Tested parameters includes pH, TDS, Turbi. Chloride, Al+. Latest results in September 2021 indicated all tested parameters were within the allowable limit.</p>	Complied
7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>Mill effluent is treated through biological anaerobic treatment. Regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly as per sample sighted as following:</p> <ul style="list-style-type: none"> - Effluent Analysis Test Report # EP107/2021; Date: 29/06/2021; BOD = 16 mg/L; Analysis by Sime Darby Research Sdn. Bhd. LS Laboratories Sabah - Effluent Analysis Test Report # EP125/2021; Date: 30/07/2021; BOD = 16 mg/L; Analysis by Sime Darby Research Sdn. Bhd. LS Laboratories Sabah 	Complied
Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised			
7.9.1	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p>	<p>The mill has its own renewable energy fuel power generation facility i.e. steam turbine engine that received steam generated from boiler with mesocarp fibres and kernel shells used as boiler fuels. The mill</p>	Complied

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keep on improving its strategy to maintain the operational up-time to ensure power consumption sourced from steam turbine engine as diesel genset mostly run during down-time or start-up of process. Records of monitoring i.e. Penyata Statistik Penjanaan Persendirian; a monthly report to Energy Commission Monitored efficiency of generation and consumption of both source of power sighted shown as following:

Power source	Capacity	Average monthly generation & consumption	Ratio
Diesel genset	300 kW	300 kWh	0.20%
Steam turbine 1	1,000 kW	148,340 kWh (alternate operation)	99.80%
Steam turbine 2	800 kW		
Total	2,200 kW	148,640 kWh	100%

Monitored biomass fuels consumption record for FY 2021 as of 30/09/2021 sighted as following:
 Total CPO produced: 11,787.49 mt
 Total fibre usage: 7,545.14 mt
 Total shell usage: 1,902.27 mt
 Total biomass usage/CPO produced = 0.80
 Total diesel usage: 13,561.65 mt
 Total diesel usage/CPO produced = 1.15

Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

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7.10.1	<p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land were in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill's Environment Officer In-Charge and analysed to ensure compliance to DOE requirements at final discharge points.</p> <p>Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 4.0 which is submitted to the RSPO Secretariat. Based on verification of various record, the data in the RSPO PalmGHG Calculator was accurate and approved.</p>	Complied
7.10.2	<p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Critical (Major) compliance -</p>	<p>No new development within SOU 27 Melalap Certification Unit since 2014.</p>	Complied
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p>	<p>Significant pollutants identification and plans are documented under Environmental Management Plan/Pollution Prevention Plan for period of January to December 2020. Implementation of plan is being monitored by the appointed person in charge with target of time frame for completion.</p> <p>The mill conducted boiler stack sampling as per requirement stated in the compliance schedule for DOE license and "Contradiction License". Sighted the sample stack sampling as following:</p> <ul style="list-style-type: none"> - Dust emission monitoring report Melalap Palm Oil Mill 1st Quarter 2021; Emission source: Chimney # 1 of Boiler # SB PMD 	Complied

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		<p>2092; Report ref. # SAHEN/Melalap-099/21-01(1); Sampling date: 11/05/2021 by Sahen Engineering Sdn. Bhd.</p> <p>The result of Dust Emission Load average = 293.23 mg/Nm³, dry @ 12% CO₂ indicated that the limit of 150 mg/Nm³ exceeded. However, Melalap POM has been approved with a license to contravene from DOE with permissible limit at 400 mg/m³.</p>	
<p>Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area</p>			
7.11.1	<p>(C) Land for new planting or replanting is not prepared by burning.</p> <p>- Critical (Major) compliance -</p>	<p>Zero open burning policy as per SOP Section B2 -Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law (EQA) and Regulations 1974. No open burning found during the field visits in both estates.</p>	Complied
7.11.2	<p>The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification.</p> <p>- Minor compliance -</p>	<p>SOU 27 Melalap has established guidelines on fire prevention and control measures that includes of selection, placement, use, maintenance and inspection of fire extinguisher; fire drill training and stakeholder engagement to reduce the fire risks to minimal level.</p>	Complied
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>Engagement with adjacent stakeholders on the fire prevention was communicated through stakeholder meetings and phone calls as well as correspondent emails. Interview with stakeholder among neighbours confirmed that they were engaged on the fire prevention aspect.</p>	Complied
<p>Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.</p>			
7.12.1	<p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p>	<p>There's no new land clearing conducted in SOU 27 Melalap since 15/11/2018.</p>	Complied

	<p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p>		
7.12.2	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Critical (Major) compliance -</p>	<p>Information of HCV collated in the HCV Re-Assessment for Strategic Operating Unit (SOU) 27 – Melalap by PSQM Department Sime Darby Plantation Sdn. Bhd. Final Report (Version II); January 2016. Summary of assessment shown as following: Melalap Estate total HCV area: 88.2945 ha - HCV 4: Water catchment (P01KA @ 3.67 ha) & River (Pegalan) reserve (84.25 ha) - HCV 6: Aki Tampulan Stone (0.0045 ha) & Old Cemetery (P01MA @ 0.37 ha)</p> <p>Sapong Estate total HCV area: 45.72 ha - HCV 4: Ampat, Bunut & Biah rivers buffer zone (41.89 ha) & Slope (Ant Hill) area (P03AA @ 0.40 ha) - HCV 6: Old Cemetery (P02A & P02BA @ 3.43 ha)</p> <p>Total HCV 134.0145 ha.</p> <p>There's no new land clearing conducted in SOU 27 Melalap since 15/11/2018.</p>	Complied
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Indicator is not applicable in Malaysia context	Not Applicable
7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once</p>	<p>Melalap Estate and Sapong Estate established HCV management plan based on the HCV assessment conducted.</p> <p>The estates continue to monitor the HCV area within their vicinity. The issues monitored include, encroachment/Sign of trespassing,</p>	Complied

	<p>every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p>	<p>wildlife issues/conflicts/sightings, pollution/erosion issue and others.</p> <p>The monitoring was conducted on monthly basis. Sighted the monitoring records at both the estates.</p>	
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>There's no new land clearing conducted in SOU 27 Melalap since 15/11/2018.</p>	Complied
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>No RTE species identified in the both estates as per HCV Re-Assessment for Strategic operating Unit (SOU) 27 Melalap final Report Ver. III dated January 2016.</p> <p>The Melalap Estate and Sapong Estate's management continue to promote awareness on HCV/RTE to the workers during morning briefing and training.</p>	Complied
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>Appropriate measures of biodiversity, HCV and RTE maintenance and monitoring tabled in the Estate HCV Monitoring Plan. Implementation includes the following:</p> <ul style="list-style-type: none"> - Water catchment (P01KA) – signboard, patrolling of tress-passers - River (Sg. Pegalan) buffer zone – signage, demarcation (red paint at palm ring), no chemical - River (Sg. Makaniton) buffer zone (Block 02K) – signage, demarcation (red paint at palm ring), no chemical - Aki Tampulan Stone - signboard, patrolling of tress-passers - Cemetery (P01MA) - signboard, patrolling of tress-passers 	Complied

7.12.8	<p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p>	<p>There's no new land clearing conducted in SOU 27 Melalap prior to HCV assessment since November 2005 and since 15 November 2018.</p>	<p>Complied</p>
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Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in 2020 for SOU 27 Melalap Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 4.0. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in 2020 for SOU 27 Melalap Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.33
PKO	1.33

Extraction	%
OER	20.33
KER	4.99

Production	t/yr
FFB Process	62,592.39
CPO Produced	12,724.35
PKO Produced	3,121.35

Land Use	Ha
OP Planted Area	3,397.29
OP Planted on peat	0.00
Conservation (forested)	0.00
Conservation (non-forested)	0.00
Total	3,397.29

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	33,553.77	0.79	0.00	0.00	0.00	0.00	33,553.77	0.79
CO ₂ Emission from fertilizer	2,419.22	0.06	0.00	0.00	0.00	0.00	2,419.22	0.06
NO ₂ Emission	1,092.61	0.03	0.00	0.00	0.00	0.00	1,092.61	0.03
Fuel Consumption	331.40	0.01	0.00	0.00	0.00	0.00	331.40	0.01
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sink								
Crop Sequestration	-31,804.54	-0.75	0.00	0.00	0.00	0.00	-31,804.54	-0.75
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	5,592.46	0.13	0.00	0.00	2,639.45	0.00	8,231.92	0.13

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	12,269.17	0.20
Fuel Consumption	32.36	0.00
Grid Electricity Utilization	525.63	0.01
Credit		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	12,827.16	0.20

Summary of Kernel Crusher Emission and Credit (if applicable)

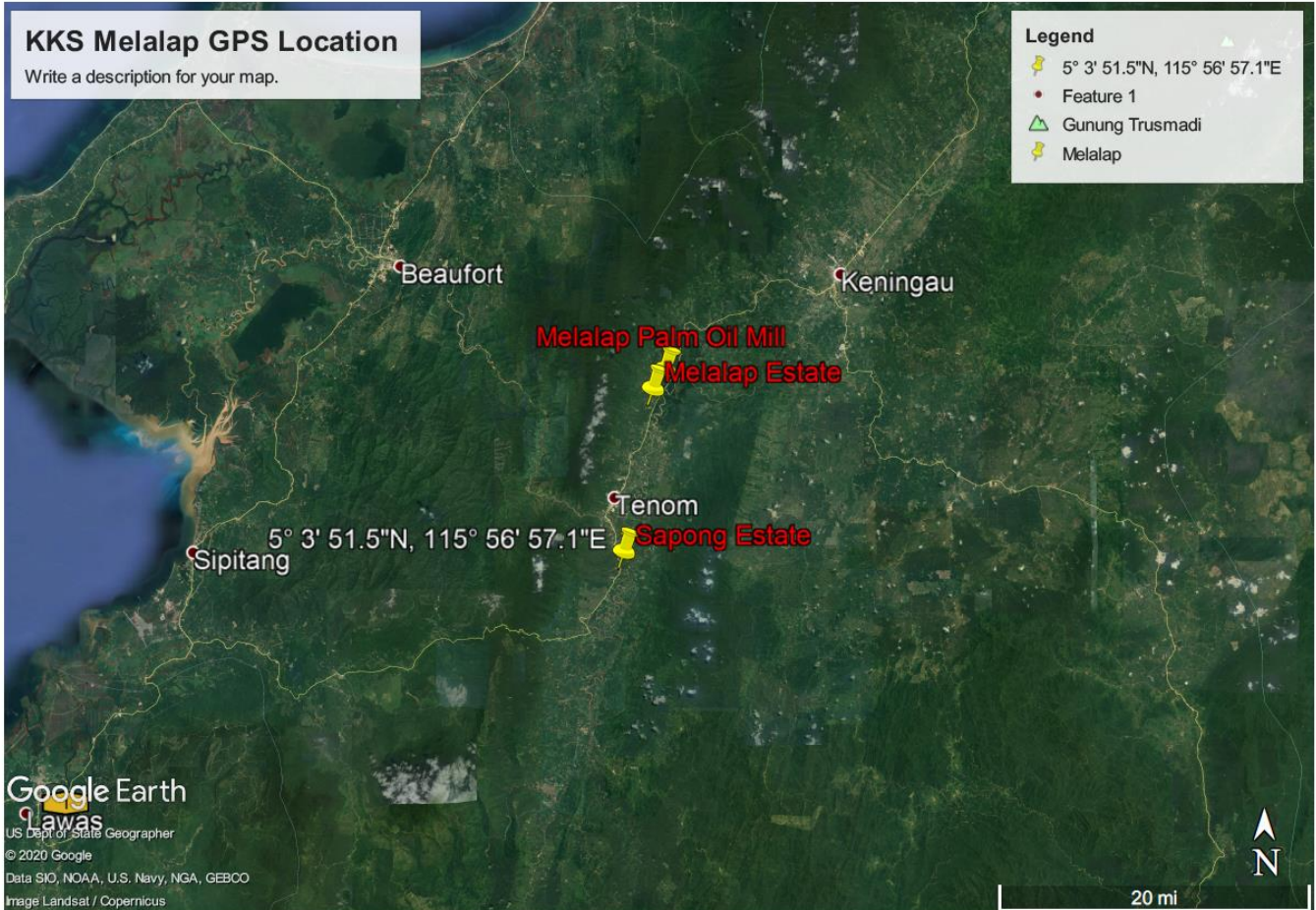
Emissions	tCO ₂ e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumptions	0.00
Total Crusher emissions	0.00

*This mill has no kernel crusher operation.

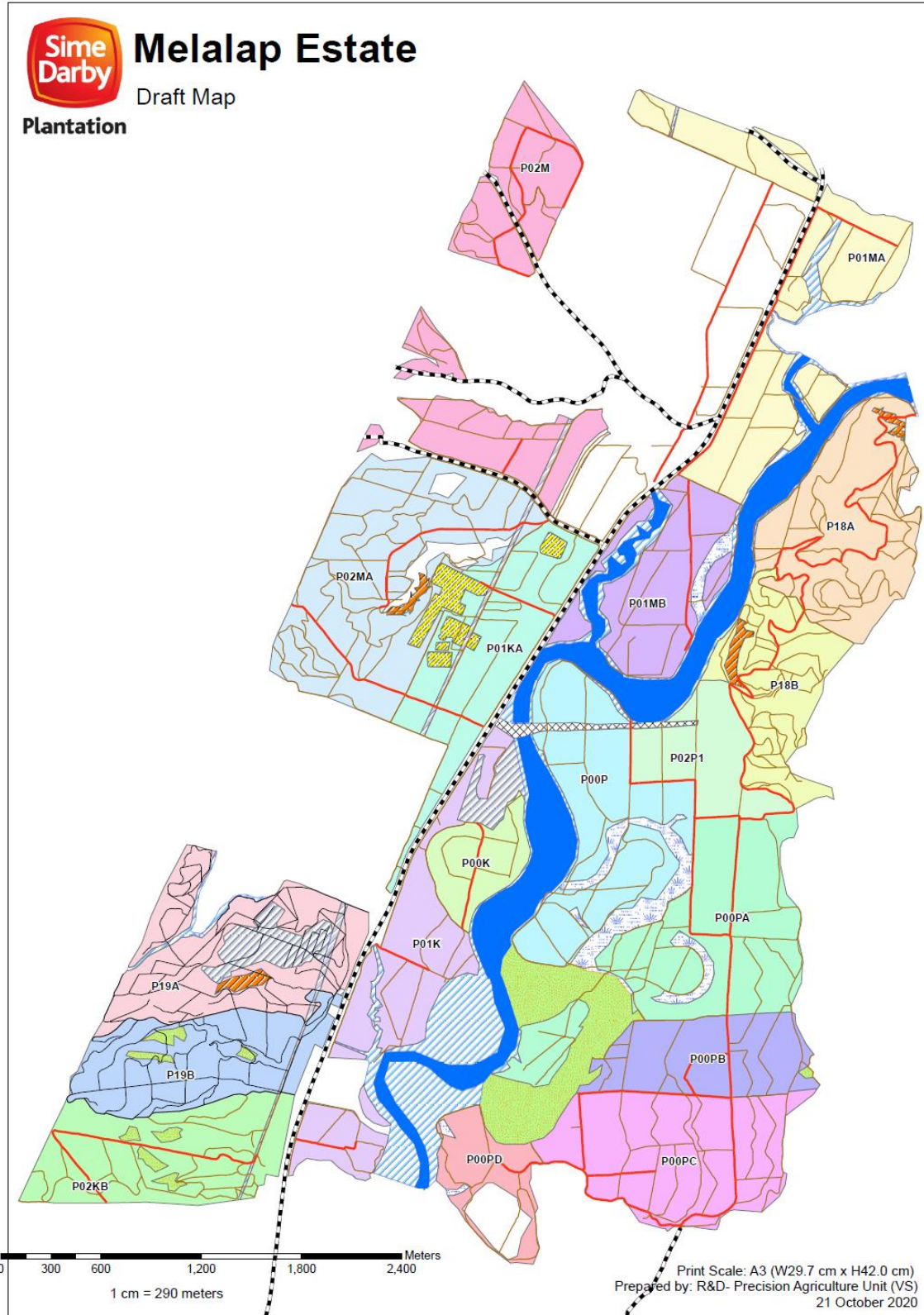
Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

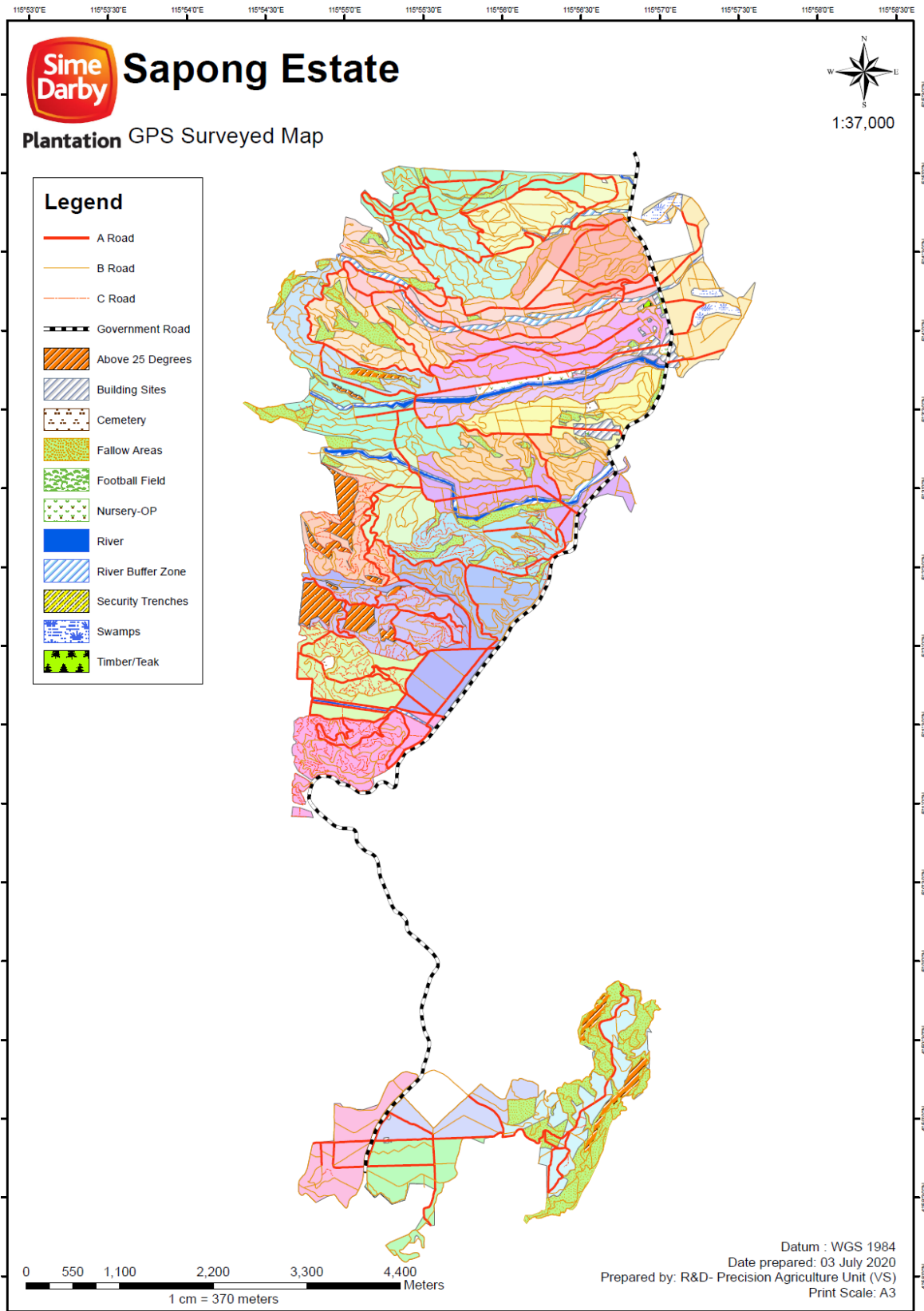
POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

Appendix C: Location Map of Certification Unit and Supply bases



Appendix D: Estate Field Map





Appendix E: List of Smallholder Registered and sampled

No	Name of farmer	Location	GPS Reference		Area Summary (Ha)		Forecasted annual FFB Production (MT)	Date of joining	Smallholder ID
			Latitude (N)	Longitude (E)	Total Certified Area	Planted Area			
Not applicable									
Total					N/A	N/A	N/A		

Note: * are smallholders sampled in this audit.

Appendix F: List of Abbreviations

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel 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
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
ISS	Independent Smallholder Standard
LD50	Lethal Dose for 50 sample
MB	Mass Balance
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
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure