

**MALAYSIAN SUSTAINABLE PALM OIL –
MSPO-RSPO Differential Requirement (ASA 1-2)
Public Summary Report**

Sime Darby Plantations Berhad
Client company Address: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Diamond Jubilee Palm Oil Mill (SOU 18) & Plantations of Diamond Jubilee SOU 18 including Diamond Jubilee Estate, Bukit Asahan Estate and Serkam Estate
Location of Certification Unit: Jasin – Simpang Bekoh Road, District of Jasin 77100 Jasin, Melaka Malaysia

Report prepared by:
Elzy Ovktafia (Lead Auditor)

Report Number: 8852161

Assessment Conducted by:
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TABLE of CONTENTS	Page No
Section 1: Executive Summary	3
1.1 Organizational Information and Contact Person	3
6a. Certified Tonnage of FFB (Part 2 of MS2530 – Independent Smallholders)	5
6b. Certified Tonnage of FFB (Part 3 of MS2530 – Plantations and Organized Smallholders)	5
7. Certified Tonnage CPO (Part 4 of MS2530 – Palm Oil Mill)	6
1.2 Details of Certification Assessment Scope and Certification Recommendation:	6
Section 2: Assessment Process	7
1. Assessment Program	8
Section 3: Assessment Findings	9
3.1 Details of audit results	9
3.2 Details of Nonconformities and Opportunity for improvement.....	9
3.3 Status of Nonconformities Previously Identified and OFI	10
3.4 Issues Raised by Stakeholders	12
3.5 Summary of the Nonconformities and Status.....	13
3.6 Summary of the findings by Principles and Criteria	14
Compliance.....	14
4.1 Principle 1: Management commitment & responsibility	14
Criterion 4.1.3 – Management Review	15
Criterion 4.1.4 – Continual Improvement.....	15
4.2 Principle 2: Transparency	16
Compliance.....	46
4.1 Principle 1: Management commitment & responsibility	46
Criterion 4.1.3 – Management Review	47
Criterion 4.1.4 – Continual Improvement	47
4.2 Principle 2: Transparency.....	48
Section 4: Assessment Conclusion and Recommendation	91
Appendix A: Assessment Plan	92
Appendix B: List of Stakeholders Contacted	93
Appendix C: Smallholder Member Details.....	93
Appendix F: Location and Field Map.....	94
Appendix G: List of Abbreviations	98

Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Diamond Jubilee POM: 500288804000 Serkam Estate: 525462002000 Diamond Jubilee Estate: 522967002000 Bukit Asahan Estate: 527615002000		
Company Name	Sime Darby Plantation Berhad (Diamond Jubilee Strategic Operating Unit (SOU 18))		
Address	Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia Certification Unit: Strategic Operating Unit (SOU 18) – Diamond Jubilee Palm Oil Mill, KM 8, Jasin-Simpang Bekoh Road, District of Jasin, Melaka, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	N/A		
Contact Person Name	SHYLAJA DEVI VASUDEVAN NAIR (Head of Sustainability Unit)		
Website	www.simedarby.com	E-mail	1. Shylaja.vasudevan@simedarbyplantation.com
Telephone	603-78484379 (HEAD OFFICE)	Facsimile	603-78484356 (Head Office)

2a. Certification Information (Part 2 of MS2530 – Independent Smallholders)			
MSP0 Certificate Number	N/A	Date	N/A
Scope of Certification	N/A		
2b. Certification Information (Part 3 of MS2530 – Plantations and Organized Smallholders)			
MSP0 Certificate Number	MSPO 688335	Date	10.01.2018
Scope of Certification	Production of Sustainable Oil Palm Fruits		
2c. Certification Information (Part 4 of MS2530 – Palm Oil Mill)			
MSP0 Certificate Number	MSPO 682043	Date	10.01.2018
Scope of Certification	Production of Sustainable Palm Oil and Palm Oil Products		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 591224	RSPO P&C	BSI MALAYSIA	04/10/2021

MSPO Public Summary Report
Revision 0 (Aug 2017)

3a. Location details (Part 2 of MS2530 – Independent Smallholders)				
Group Manager: N/A		Address: N/A		
City:	Post Code:	Country:		
Contact Person:		Position:		
Phone:	Mobile number:	Fax:	E-Mail:	
Number of Smallholder member:				
Estate / Plantation Name	MPOB Licence No.	Location	GPS	
			Northing	Easting
3b. Location details (Part 3 of MS2530 – Plantations and Organized Smallholders)				
Main Contact Person: SHYLAJA DEVI VASUDEVAN NAIR		Position: Head of Sustainability Unit		
Address: Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia . Certification Unit: Strategic Operating Unit (SOU 18) – Diamond Jubilee Palm Oil Mill, KM 8, Jasin-Simpang Bekoh Road, District of Jasin, Melaka, Malaysia				
City:	Ara Damansara JASin	Post Code: 47301	Country: Malaysia	
Phone: 603-78484379 (HEAD OFFICE)	Fax:		E-Mail: Shylaja.vasudevan@simedaryplantation.com	
Estate / Plantation Name	MPOB Licence No.	Location	GPS	
			Northing	Easting
Diamond Jubilee Estate	522967002000	Ladang Diamond Jubilee, KM 8, Jasin – Simpang Bekoh Road, District of Jasin 77100 Jasin, Melaka, Malaysia	2° 19' 50"	102° 29' 18"
Bukit Asahan Estate	527615002000	Ladang Bukit Asahan, Jalan Asahan 77100 Melaka, Malaysia	2° 23' 38"	102° 32' 45"
Serkam Estate	525462002000	Ladang Serkam, Kemendore Div. 77009 Jasin, Melaka, Malaysia	2° 19' 24"	102° 24' 59"
3c. Location details (Part 4 of MS2530 – Palm Oil Mill)				
Mill Name: Diamond Jubilee Palm Oil Mill		Address: KM 8, Jasin – Simpang Bekoh		
City: Jasin	Post Code: 77100	Country: Malaysia		
MPOB License No:	500288804000	GPS reference:	Latitude: 2° 2' 35"	Longitude: 102° 33' 6"

MSPO Public Summary Report
Revision 0 (Aug 2017)

Contact Person:	SHYLAJA DEVI VASUDEVAN NAIR	Position:	Head of Sustainability Unit		
Phone:	603-78484379 (HEAD OFFICE)	Mobile No.:	Fax:	603-78484356 (Head Office)	E-Mail: shylaja.vasudevan@simedarbyplantation.com

5a. Plantings & Cycle (Part 2 of MS2530 – Independent Smallholders)							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
N/A							
Total (ha)							
5b. Plantings & Cycle (Part 3 of MS2530 – Plantations and Organized Smallholders)							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Diamond Jubilee	358.75	711.76	1129.25	443.23	-	2284.24	358.75
Serkam	435.32	482.31	613.5	257.27	45.35	1398.43	435.32
Bukit Asahan	-	324.08	2546.78	70.9	23.05	2965.53	-
Total (ha)	838.7	1577.62	4340.31	771.4	68.4	6758.45	838.7

6a. Certified Tonnage of FFB (Part 2 of MS2530 – Independent Smallholders)			
	N/A		
6b. Certified Tonnage of FFB (Part 3 of MS2530 – Plantations and Organized Smallholders)			
Estate	Tonnage / year		
	Estimated (July 17 - June18 + (July18 Oct18)	Actual (July 17 – Aug 18)	Forecast (Oct 18 – Sept 19)

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Diamond Jubilee	55,762.63 *(5,122.75+4,732.85+5,735.77+5,746.57)	67833.6	52,450.00
Serkam	33,665.66 *(2,400+2,500+2,500+2,700)	13896.6	33,599.00
Bukit Asahan	64,006.55 *(3000+3500+4000+4800)	69455.6	65,230.00
Total	200,172.78	151,185.82	151,279.00

*The red colour indicates the additional volume added from the date of audit until the expiry date of RSPO Palmtrace transaction.

7. Certified Tonnage CPO (Part 4 of MS2530 – Palm Oil Mill)			
	Estimated (July 17 – June18 + July18 – Oct18)	Actual (July 17 – Aug 18)	Forecast (Oct 18 – Sept 19)
	FFB	FFB	FFB
Mill Capacity: 25MT/hr	136,602.00 (12051.34+12051.34+13245.67+13245.67)	158,086.55	195,499.79
	CPO (OER: 22.50%)	CPO (OER: 21.50%)	CPO (OER: 21.50%)
	30,735.45 (2530.78+2543.98+2781.59+2811.24)	33,362.889*	34,962.74
	PK (KER: 5.50%)	PK (KER: 21.50%)	PK (KER: 5.50%)
	7,513.11+602.57+605.71+662.28+669.34	8,446.63*	8,376.07

*Value obtained from KKS Diamond Jubilee Mill Reporting (SAP)

1.2 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the **MSP0-RSPO Differential Requirement Assessment** Certification Assessment of **Sime Darby Plantation Berhad-Diamond Jubilee POM** located in **Jasin** comprising **1 Mill and 3 Estates** and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the **MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder** and **MS 2530-4:2013 MSPO Part 4: General principles for palm oil mills**.

The onsite assessment was conducted on **5-7 September 2018**.

Based on the assessment result, **Sime Darby Plantation Berhad-Diamond Jubilee POM** complies with the **MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder** and **MS 2530-4:2013 MSPO Part 4: General principles for palm oil mills** and recommended for certification.

Section 2: Assessment Process

Certification Body:

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from **05-07 September 2018**. The audit programme is included as Appendix A. The approach to the audit was to treat the **mill or plantations** as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. **MS 2530-3:2013 MSP0 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSP0 Part 4: General principles for palm oil mill** were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $N = 1.0\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defer to 1.2 and 1.4 depending on risk), where y is total number of group members and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

The assessment findings for the initial assessment are detailed in Section 4.2.

MSPO Public Summary Report
Revision 0 (Aug 2017)

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

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

The comments made by external stakeholders were also taken into account in the initial assessment where the stakeholder notification was made on 19th October 2017 through BSI website: https://www.bsigroup.com/LocalFiles/en-MY/MSPO/Public%20Notification/MSPO%20stakeholder%20letter_SD%20Diamond%20Jubilee_english.pdf

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Diamond Jubilee Palm Oil Mill	√	√	√	√	√
Diamond Jubilee Estate	√	√		√	
Bukit Asahan Estate	√		√	√	√
Serkam Estate		√	√		√

Tentative Date of Next Visit: August 5, 2019 – August 7, 2019

Total No. of Mandays: 6

BSI Assessment Team:

Elzy Ovktafia - Lead Assessor

She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP from the Incorporated Society of Planters and currently in the midst of completing the AISP level (professional certificate and recognition from the Incorporated Society of Planters). She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO, MSPO and 2nd Party Audit for Social Compliance Programme (URSA, ETI, etc) for 2 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015 and Social Compliance Audit by Verite. Prior to this, she was the Agronomist in R&D Department for almost 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were 0 Major, 1 Minor nonconformities and 0 Opportunities of Improvement raised. Sime Darby-Diamond Jubilee POM 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.

Minor Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1681230-201809-N1	4.3.1.1-Part 3
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Certain legal compliance is not adequately demonstrated in Serkam Estate.	
Objective Evidence:	Sighted during site visit, SW 305 used lubricant oil and SW 306 used hydraulic oil generated from Nov 2017 still yet to be disposed until the day of visit. Verified the inventory of Scheduled Waste from E-SWISS system sent to DOE, confirmed the waste generated is yet to be disposed. The estate supposed to write letter for Extension of Time for storage Scheduled Waste more than 180 days to DOE in May 2018. However, the estate only submits the letter and application form on 6/8/2018. The application has yet to be approved.	
Root Cause:	The newly recruited store clerk was not trained in scheduled waste management.	
Corrections:	The management has arranged for disposal of schedule waste on 18/9/2018.	
Correction Action Plan:	To train new store clerk on schedule waste management.	
Assessment Conclusion:	The effectiveness of the NC closure will be verified in the next surveillance assessment.	

Noteworthy Positive Comments	
1	Excellent support from the operating units and SQM
2	Good document retrieval

3.3 Status of Nonconformities Previously Identified and OFI

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1553604-201711-01	4.1.2.2 - Part 3 & Part 4
Requirements:	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	
Objective Evidence:	The corrective actions (to prevent future same occurrence) needs to be related to the root cause identified. Example, the root cause of missing the examination was due to the person went for annual leave. However, the corrective action does not show how it can eliminate the root cause. During the 1 st surveillance assessment, the recent internal audit has shown the effective determination of correction action plan, therefore the OFI is deemed closed.	

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1540280-201709-I3	4.4.2.4 - Part 4
Requirements:	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	
Objective Evidence:	At DJ POM, the housing maintenance records were reviewed. The implementation on reporting the completion of the request or addressing the request is not consistent. During the 1 st surveillance assessment, the housing maintenance records for Diamond Jubilee POM, Serkam Estate and Diamond Jubilee Estate are available with the solution within timeframe, therefore the OFI is deemed closed.	

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1553604-201711-03	4.4.5.6 - Part 4 & Part 3
Requirements:	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.	
Objective Evidence:	According to the cooking oil distribution records, there were no cooking distributed to the workers for the month of July 2017 and September 2017. However the company had replaced another 5kg rice in compensate to not able to distribute the cooking oil. Despite that there is no complain from the worker, the benefits are not consistent to the employment contract. During the 1 st surveillance assessment, the records of rice and cooking oil distribution list is sighted. The previous issue is related to the delay of rice distribution due to supplier's issue in November 2017. The rice has been distributed in January 2018 together with November 2017 rice. All workers who have received the rice will sign and acknowledge the receipt. The cooking oil is replace with fully rice of 10kgs.	

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1553604-201711-04	4.2.2.3 - Part 3
Requirements:	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	
Objective Evidence:	<p>The list of stakeholders for Bkt Asahan is incomplete. Stakeholders like Majilis Daerah Jasin, Pusat Kesihatan etc is not included.</p> <p>The list of stakeholder for Bukit Asahan has been updated and includes the new stakeholder's such as Majlis Perbandaran Jasin, Hospital Jasin, etc.</p> <p>During the surveillance audit, sighted the updated list stakeholder as per FY 2018/2019 where the other government bodies or interested parties has been includes such as Majlis Perbandaran Jasin, Hospital Jasin for Diamond Jubilee POM and Jabatan Tenaga Kerja.</p>	

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1553604-201711-05	4.4.5.11 - Part 3
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable Legislation.	
Objective Evidence:	<p>1. In Bkt Asahan Estate, there are several items were reported for 4 months and no action is yet to be taken e.g. not available of assembly point signage, replace of damage bins/stands.</p> <p>2. The linesite inspection has only be conducted externally. During the field assessment, it was found the internal condition of the houses requires maintenance (e.g. toilet doors, windows, house water tank leaking). If the occupant does not request for maintenance, the condition will remains unfixed.</p> <p>During the surveillance audit, linesite inspection has covering inside the housing complex and captured the issue in the complaint book. No other issue noted.</p>	

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1553604-201711-06	4.2.2.3 - Part 3
Requirements:	<p>An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; 	
Objective Evidence:	<p>In field 03E Bukit Asahan found workers has cut the rubber boot's length.</p> <p>During the surveillance audit, the is no re-occur incidence of PPE usage.</p>	

3.4 Issues Raised by Stakeholders

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Flemington POM Certification Unit’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	<p>Issues: Contractors and suppliers – They informed that they have good relationship with the management. Payment was made promptly and according to the signed agreement.</p> <p>Management Responses: The management will ensure the payment make according to the agreed contract terms.</p> <p>Audit Team Findings: Verified the payment voucher and confirmed that the payment was made promptly.</p>
2	<p>Issues: Police Representative – The representative informed that the management has maintained good relationship and giving good corporation with the authority. The management has assisted whenever the authority requested. However, the authority requested the management to inform and educate the workers in order to wear helmet when riding the motorcycle.</p> <p>Management Responses: The management will act accordingly.</p> <p>Audit Team Findings: No further issue.</p>
3	<p>Issues: Schools’ Representative (SJK T Ladang Bukit Asahan, SK Asahan, SJK T Ladang Diamond Jubilee) – The representatives have informed that they have good relationship with the managements. The managements have provided assistance and contribution such as extended the football field, usage of community hall and donation for school events.</p> <p>Management Responses: The management will continue to maintain good relationship and provided assistance whenever possible.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Issues: Workers’ Representatives (included NUPW representatives) – The workers have informed that their wages were according to Minimum Wage Order 2016. No discrimination was occurred and they were treated equally does not matter the gender and nationalities. However, some workers did not understand the rate per piece for piece-rated workers and the PPE issuance.</p>

	<p>Management Responses: The management has explained the rate per piece prior to work to the piece-rated workers. However, the management will explain again to the workers for clearer understanding for both rate per piece and PPE issuance.</p>
	<p>Audit Team Findings: This will be verified during next assessment.</p>
<p>5</p>	<p>Issues: Neighbouring village and smallholder (Ho Seng San Estate) – They informed that no land encroachment by the company as to date. Trenches, poles and boundary stones were available to demarcate the boundary of the land. Safety issues were well maintained.</p> <p>Management Responses: The management will maintain the boundaries to avoid any land conflict.</p> <p>Audit Team Findings: No other issue.</p>

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1681230-201809-N1	Minor	ASA 1	Open
1553604-201711-O1	OFI	IAV	Closed
1540280-201709-I3	OFI	IAV	Closed
1553604-201711-O3	OFI	IAV	Closed
1553604-201711-O4	OFI	IAV	Closed
1553604-201711-O5	OFI	IAV	Closed
1553604-201711-O6	OFI	IAV	Closed

3.6 Summary of the findings by Principles and Criteria

Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mills.

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation has the Corporate Policy Statement for MSPO which was signed by Datuk Franki Anthony Dass, Managing Director on January 2015. Also, there is internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills.	Yes
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The policy mention that they are committed to making a conscious and concerted effort towards the conservation and protection of wildlife and enhancement of the well-being of communities within and around our operations. In addition, the sustainable policy also mention: 'In support of sustainability, we believe in the principles of quality, safety & health, environmental and social & humanity'.	Yes
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was planned and conducted as per the documented Internal audit procedure, Doc No: SD/SDP/PSQM/IAP Rev 1 dated 1/5/15 Annual audit schedule for 2018 was scheduled for April. The 'MSPO internal audit was carried out together with RSPO on 16 th – 23 rd July 2018 by sustainability Unit, GSQM Department & SQM Central West Region. Both positive and negative are raised as a result for the estate and mill improvement.	Yes
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to	The Internal audit procedure, Doc No: SD/SDP/PSQM/IAP Rev 1 dated 1/5/15 was used as reference for audit process. Audit results of both audits were documented under internal audit summary. Many NCRs were issued and some sighted were:	Yes

Criterion / Indicator		Assessment Findings	Compliance
	implement the necessary corrective action. - Major compliance -	-MSPO Part 3 & 4: 4.1.1.1 Inadequate proof of all policies on MSPO implementation is communicated to all employees (Minor NC). -MSPO Part 3 & 4: 3.1.1 Indicator 1: All Operations shall be in compliance with applicable local, national and ratified international laws and regulations (Major NC).	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	As per SOP, the internal audit team will conduct Auditors' Meeting to discuss their audit finding among them and the review is done through the corrective action plans submitted for the Major & Minor NCs raised within 40 days after the date of closing meeting. Seen the root cause, correction and corrective action plan for each NCs.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Based on the established management review meeting procedure, the meeting frequency was once per year, SOM, Section 5, Management responsibility version 2, year 2015. The management review committee consists of SQM, Assistant Managers, Engineers, Managers. All pertinent elements were discussed at the meetings and were minutes recorded. Among other issues discussed, matters arising, review on status/issue of input and output, sustainability management, changes that could affect the management systems and recommendations for improvement. Sighted the management review minutes of meeting which was conducted on 23.07.2018 for FY 2018.	Yes
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	The continual improvement plan for POM and all estate was established as follow: 1. To reduce manuring cost 2. To reduce water management cost 3. To reduce cost of replacing signboard 4. To reduce cost of road and bridges 5. To reduce housing repair cost 6. To increase KER produce 7. To reduce external cost for roofing and cladding cleaning 8. To increase revenue selling palm kernel	Yes

Criterion / Indicator		Assessment Findings	Compliance
		9. To reduce manuring application cost	
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>System to improve practices in line with new information and techniques was carried out by Mill Management through program namely 'Lean Six Sigma'. The management on receiving these information, was responsible for the implementation of the new projects. The summary of the projects is as below:</p> <ol style="list-style-type: none"> 1. PM035002: To increase revenue selling palm kernel shell from 0.0mt/year to 100mt/year at KKS Diamond Jubilee by July 17. 2. PM035004: To reduce external cost for roofing and cladding cleaning at KKS Diamond Jubilee by January 2018. 3. PM035003: To increase KER produce up to 0.40%/FFB from last financial year at KKS Diamond Jubilee by July 2017. 	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to MSP0 Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOE quarterly reports were attended and no noncompliance or complaints were noted. Information on environmental, social and legal issues relevant to MSP0 Criteria was made available to relevant stakeholders for effective participation in decision making.</p> <p>Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.</p>	Yes
4.2.1.2	<p>The management documents shall be publicly available, except where this</p>	<p>There was no restriction noted as to the documents made available to the public except private and confidential information. The public can browse through the internet to access to</p>	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	public information such as policies and corporate social responsibility. Other than that, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Sime Darby Plantation Berhad has developed Procedure for External Communication, Sime Darby Plantation Estate Quality Management System – Standard Operation Manual, Sub-section 5.5, Appendix 5.5.3.2, version 1, issue date 1/11/2008. The procedure has outlined 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 from the date of receipt of communication and within one week of the completion of the investigation.	Yes
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Mill Manager of Diamond Jubilee POM has appointed Assistant Manager to be the officer to handle social issues and appointment letter dated 1/7/2018 was sighted.	Yes
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Stakeholder list was developed where stakeholders such as local communities, smallholders, government authorities, contractors and suppliers were included into the list. Stakeholder meeting was conducted on 13/7/2018 with the participation from government authorities, NUPW representatives, contractors and suppliers and the internal workers. Meeting minutes was sighted and issues were recorded in the minutes. The issues were incorporated into the Social Management Plan SOU 18 for Year 2018/2019. A combine stakeholder meeting was carried out for Diamond Jubilee POM and Diamond Jubilee Estate on 14/8/2018. The meeting has involved the stakeholders such as local communities, government authorities, neighbouring schools	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		and cattle's owners. The meeting minutes was sighted and issues raised during the meeting have been incorporated into Social Management Plan.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Diamond Jubilee POM has SOP for Sustainable Supply Chain and Traceability version 2, year 2018, issue no 3, issue date Feb 2018, where if there is contamination of RSPO/MSPO certified material during receiving, processing, storage and despatch, the mill/estate shall downgrade the materials following the downgrade from certified MSPO to Non-certified and the volume of downgraded material shall be recorded accordingly. So far, there is no non-conforming FFB or document received.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Records showed that management conducted regular inspections on compliance with the established traceability system. Example seen for Internal Audit report as clause 4.1.2.1 & 4.1.2.2.	Yes
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The person having overall responsibility for and authority over the implementation is Head of Operating Unit as per the SOP for Sustainable Supply Chain and Traceability version 2, year 2018, issue no 3, issue date Feb 2018 and for assisted by Assistant Manager, Mr Muhamad Nasrudin bin Alam as person in charge for Environmental/Quality Management systems related internal/external certification for Supply Chain Certification System (SCCS) as per appointment letter dated 01 July 2018.	Yes
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Diamond Jubilee POM is only received FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill. Records of storage, sales, delivery or transportation of crude palm oil and palm kernel were maintained at the mill. Example of records evidence are as below: a. Daily production Summary Record dated 05.09.2018 sampled: i. FFB	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		ii. CPO iii. PK iv. Mill performance based on FFB processed v. CPO storage tank vi. PK location The mill has generated a daily and monthly CPO/ PK production statement.	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	SOU18 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU18 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were: Diamond Jubilee POM: 1. Energy commission license no: 000728/2018 (validity period 16/3/2018 – 15/3/2019) for 1054.85 kW installation capacity. 2. MPOB License: 500288804000 (validity period 1/10/18 – 30/9/19) 3. DOE License: 004043, validity period 1/7/2018 – 30/6/2019, effluent discharge: land application with BOD limit 5,000mg/l. 4. The inspection for all machineries permit were done on 2/5/2018. The new CF yet to be issued by DOSH department. 5. Authorized Entrant and standby person- NW-HQ-AE-R-0149-0 (valid until 31/10/2018) 6. Authorized Gas Tester – NW-HQ-AGT-R-0313-P (valid until 18/4/2019) 7. Electrical chargemen: PJ 10704032 (PJ-T-2-B-0356-2009), Category: A1 8. Engine Driver: MA038/2005 (Grade 1) 9. Engine Driver: MA042/2005 (Grade 1) 10. CePPOMETS: Mill Manager, attended training on 26-30/3/2018 11. CePSWaM: Mill Manager, attended training on 18-22/12/2017 12. Diamond Jubilee POM has obtained approval from <i>Jabatan Tenaga Kerja</i>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><i>Semenanjung Malaysia</i> for the total 130 hours' maximum limit of overtime per month. The approval letter with Ref. No. BHG. PU/9/134 JLD 9(11) dated 27/3/2017 was sighted.</p> <p>13. Sime Darby Plantation Sdn Bhd has obtained approval from <i>Jabatan Tenaga Kerja Semenanjung Malaysia</i> with approval letter Ref. No. BHG. PU/9/129 JLD 3 (53) dated 6/7/2017 for the deduction of salary for electricity bill. The approval is valid for all the plantations under Sime Darby in West Malaysia.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>SOU18 had documented the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment.</p> <p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Diamond Jubilee POM – Latest review was done on 7/7/2017.</p>	Yes
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Tracking system to identify changes in the relevant regulations is available through the head office, website information and is communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units. PSQM Department and respective</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Diamond Jubilee POM – Latest review was done on 7/7/2017.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee Palm Oil Mill and Estate operation is on freehold and leasehold land. Land titles and copy of land titles are available during the audit.</p> <p>Mill land ownership is under Diamond Jubilee Estate, within the plot title # 5368, Lot 228.</p>	Yes
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee Palm Oil Mill and Estate operation is on freehold and leasehold land. Land titles and copy of land titles are available during the audit.</p> <p>Mill land ownership is under Diamond Jubilee Estate, within the plot title # 5368, Lot 228.</p>	Yes
4.3.2.3	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Noted during visit that legal boundaries are clearly demarcated and visibly maintained. Boundaries with jungle was demarcated with boundary peg while boundaries with smallholders and village demarcated with boundary peg and physical trenches.</p> <p><u>Diamond Jubilee Estate</u></p> <p>Boundary stone are visibly maintained. The boundary stone are clearly demarcated with red colour GI pipe as observed in P06H adjacent with smallholders. Estate legal boundary demarcated with physical trenches.</p>	Yes
4.3.2.4	<p>Where there are, or haven been disputes, documented</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company.</p>	
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches and gate were constructed to demarcate the boundary of the company.</p>	N/A
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights shall be made available.</p> <p>- Minor compliance -</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches and gate were constructed to demarcate the boundary of the company.</p>	N/A
4.3.3.3	<p>Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.</p> <p>- Major compliance -</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company.</p>	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sustainability Strategy Unit, Department of Plantation Sustainability & Quality Management (PSQM) has conducted Social Impact Assessment (SIA) on 12 – 15 July 2016 for the whole SOU 18 Diamond Jubilee which covered for Diamond Jubilee POM, Diamond Jubilee Estate, Bukit Asahan Estate and Serkam Estate.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		The objectives of the assessment are to identify the existing social issues and to develop social management plan. The methodology of the assessment was through interview with stakeholders, site observation and documentation review. The assessment has involved the participation of stakeholders and attendance list of stakeholders was sighted. The issues raised by the stakeholders were recorded in the SIA report.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. 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>Meeting was conducted in Diamond Jubilee POM and Diamond Jubilee Estate on 4/8/2018 and 12/3/2018. However, the frequency of the meeting was not according to their procedure which should be conducted on quarterly basis. The gap of the meeting was exceeded 5 months. Thus, a minor non-conformance was raised. Activities such as aerobic exercise, Mother's Day celebration and badminton were carried out together with gender committee in Diamond Jubilee Estate. Seen the photos of activities conducted and interviewed with the female workers confirmed that no case of sexual harassment and violence has been reported.</p>	Yes
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	<p>Social Management Plan for SOU Diamond Jubilee for Year 2018/2019 was developed. The management plan has included the negative and positive issues into the plan and proposed the action to be taken with the person in charge. Frequency and monitoring period was incorporated into the plan as well. For example:</p> <ul style="list-style-type: none"> a. Issue: To assist to clean the surrounding of the school. Action: To continue the clean-up activity on monthly basis. Status: Seen the grass cutting monitoring book where the management has carried out grass 	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>cutting activity in the field in front of the school's compound. The last grass cutting was conducted on 1/7/2018 and 15/7/2018.</p> <p>b. Issue: No banana trees could be planted in the housing area. Action: To carry out "gotong-royong" with all the workers. Status: Photo evidences have been sighted where the management has carried out "gotong-royong" at housing area to clear all the banana trees on August 2018.</p> <p>c. Issue: Maintenance and installation of street light, maintenance of drainage school/ linesite. Action: Installation and maintenance of school/ housing complex area. Status: Photo evidences of installation of street light in the school area and invoices of installation dated 30/8/2018 was sighted.</p> <p>d. Issue: Cattle intrusion at replanting and immature field. Action: To deepen estate boundary trenches. Status: Seen the photo evident of the desilting of security drain to prevent cattle intrusion dated 25/8/2018.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>Complaint Book for Internal and External was implemented in Bukit Asahan Estate, Diamond Jubilee POM, Serkam Estate and Diamond Jubilee Estate. There were no complaints received from the internal and external stakeholders. Besides, Complaint Form for housing repair/ Housing Repair Requisition Form was implemented as well. Sampled of the complaint forms and evidences that rectified the problem as below:</p> <p>a. House No.: 1 dated 20/7/2018 in Diamond Jubilee POM Issue: Mosquitoes netting need to be installed for all the windows. Status: Seen the Store Issue Note #009875 dated 27/7/2018 where mosquitoes netting for 1 roll was issued and installed at the respective house on 30/7/2018.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. 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. Verified during the site visit and stakeholder's interview.</p>	Yes
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.</p>	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>In Diamond Jubilee POM, they have organized activities that involved the workers and local stakeholders such as Hari Raya festival celebration on 15/7/2018. Serkam Estate has made contribution to the local communities such as allowed the access of estate's road to the workers' relatives during festival/ events celebration, provided paints to the temple upon requested. Seen the tax invoice # 00011448 dated 20/12/2017.</p>	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>SOU18 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p>	<p>a) The policy has been established and elaborated in item 4.4.4.1 above. The policy amongst others has mentioned the details of the policy statement and the direction of the</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible</p>	<p>organisation towards implementing ESH practices. The clause "A safety and health policy, which is communicated and implemented" is mentioned in the policy. Safety briefing to employees & contractors was made in several training sessions inclusive of safety requirement of the organisation.</p> <p>Refer details of training records in 4.4.6.3 showing conducted in relation to safety and health for the mill employees.</p> <p>b) The risk of all operations were assessed and documented under HIRARC. HIRARC was reviewed on 9/7/2018 and approved by the Manager. Mill activities was identified and risk assessed with respect to weighbridge, office, ramp, sterilization, threshing station, pressing station, clarification station, depericarping station, cpo storage, effluent plant, water treatment, laboratory, store, boiler, engine room.</p> <p>SOU18 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English.</p> <p>c) The mill has an OSH program for Financial Year 2018/19. OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 28/7/2018. The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p>OSH Committee Members for 2018</p> <p>Chairman – Mill Manager</p> <p>Appointment letters for OSH committee members dated 01/07/2018 was sighted. OSH/EHS meeting: 26/4/2018, 26/1/2018 and 26/10/2017.</p> <p>d) The mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <p>i. Boiler/Engine operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff.</p> <p>ii. Field workers (sprayer, manure & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover.</p> <p>During the site visit, it was noted that the PPE will be replaced by the workers when damaged or lost. The PPE was implemented effectively at all site visited.</p> <p>The chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. CSDS was placed at the chemical stores and is available. The person in charge understands the information written in CSDS.</p> <p>e) SOP of handling of chemicals is available. The document was dated 26/02/17 titled "chemical safety management" 17 pages. Therein is shown requirement & selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals. Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000) The guidelines are adequate to address the requirement needed. The manual of the SOP is filed and functional.</p> <p>f) The Mill Manager through letters dated 15/11/2017 appointed the following executives as the persons in charge for environment / quality management system for the entire mill operations.</p> <p>Assistant Manager, Mr Muhamad Nasrudin bin Alam as person in charge for Environmental/Quality Management systems related internal/external certification for Supply Chain Certification System (SCCS) as per appointment letter dated 01 July 2018..</p> <p>Their role among others are to oversee the safety & health issues and compliance of the staff/workers/contractors engaged inside the mill. The Mill Manager in turn is appointed as</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>the Commander for safety and health role which also covers the Chairman in the ESH committee meeting. . The appointment letter dated 01/9/2017 issued by the Zone Head was sighted and verified. All appointments have a validity period of 2 years (01/7/2017 – 30/6/2018).</p> <p>g) Diamond Jubilee POM</p> <p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 28/7/2018. The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p>OSH Committee Members for 2018</p> <p>Chairman – Mill Manager</p> <p>Appointment letters for OSH committee members dated 01/07/2018 was sighted.</p> <p>OSH/EHS meeting: 26/4/2018, 26/1/2018 and 26/10/2017.</p> <p>h) Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <ol style="list-style-type: none"> 1. Training for First Aid is conducted once in two years. Last training was conducted on 25/7/2018. 2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. 3. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date. 4. Emergency eye wash facility available at chemical store and laboratory. Both are in good working condition. <p>Quarterly review on accident cases carried out during OSH quarterly meeting.</p> <p>Diamond Jubilee POM</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>No accident reported for 2018. JKPP 8 was sent to DOSH on 15/1/2018.</p> <p>DOSH visits (02/05/2018) been recorded in the DOSH log book and comments highlighted by DOSH was noted and action taken accordingly.</p> <p>h. Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <p>Diamond Jubilee POM - Fire evacuation drill was last conducted on 3/5/18 to test the state of readiness during emergency situation.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>The Social and Humanity Management Policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 in Diamond Jubilee POM and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office.</p>	Yes
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>SDPB has implemented Social Policy, Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office.</p>	Yes
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry</p>	<p>Employment contract are available and explained in language that understood by</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> a. Employee No.: 134520 (DJPOM) b. Employee No.: 144529 (DJPOM) c. Employee No.: 10538 (DJPOM) d. Employee No.: 10556 (DJPOM) <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> a. Employee No.: 111727 (DJPOM) b. Employee No.: 118478 (DJPOM) c. Employee No.: 120303 (DJPOM) <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/day.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for November 2017, February 2018, May 2018, July 2018 and August 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 43987 (DJPOM) b. Employee No.: 111727 (DJPOM) c. Employee No.: 120303 (DJPOM) d. Employee No.: 118478 (DJPOM) e. Employee No.: 134520 (DJPOM) <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/day.</p>	Yes
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. Sighted the master list of the workers having the information of full names,</p>	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	
<p>4.4.5.6</p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> <p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ol style="list-style-type: none"> 1. Employee No.: 134520 (DJPOM) 2. Employee No.: 144529 (DJPOM) 3. Employee No.: 10538 (DJPOM) 4. Employee No.: 10556 (DJPOM) <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ol style="list-style-type: none"> 1. Employee No.: 111727 (DJPOM) 2. Employee No.: 118478 (DJPOM) 3. Employee No.: 120303 (DJPOM) <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment in their national language was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ol style="list-style-type: none"> a. Permit No.: PD 0510957 valid until 17/2/2019 (DJPOM) b. Permit No.: PE 0594895 valid until 9/6/2019 (DJPOM) c. Permit No.: PD 9191370 valid until 17/11/2018 (DJPOM) d. Permit No.: PD 9665398 valid until 7/3/2019 (DJPOM) <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain.	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund.</p> <p>Payslip for November 2017, February 2018, May 2018, July 2018 and August 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 43987 (DJPOM) b. Employee No.: 111727 (DJPOM) c. Employee No.: 120303 (DJPOM) d. Employee No.: 118478 (DJPOM) e. Employee No.: 134520 (DJPOM) 	Yes
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>There is individual punch card for Sime Darby Plantation-Diamond Jubilee POM to record the accurate working hours and overtime and recorded in Mill Daily Attendance Report For Nov 2017.</p> <p>In case the worker is on leave or absence, it is recorded in the same system.</p>	Yes
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, allowances, overtime, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for November 2017, February 2018, May 2018, July 2018 and August 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 43987 (DJPOM) b. Employee No.: 111727 (DJPOM) c. Employee No.: 120303 (DJPOM) d. Employee No.: 118478 (DJPOM) e. Employee No.: 134520 (DJPOM) 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/day.	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Free water supply and accommodation was supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.	Yes
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The estate & mill were located nearby the town where the workers could be easily access to the foods and goods. Access to foods was adequately sufficient and affordable through interviewed with the workers. Free water supply and accommodation was supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.	Yes
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office.	Yes
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own	Sime Darby has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. The policy was developed in Bahasa Malaysia and English.	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	
<p>4.4.5.14</p>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p> <p>Sime Darby Plantation Berhad has developed Child Protection Policy and Social Policy dated January 2015 where they are committed to comply with the minimum age of employees. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office. Document reviewed on the master listing of the employees found that all workers employed were above 18 years old. Interviewed with the workers confirmed that no child labour was found in the plantations.</p> <p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment in their national language was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ol style="list-style-type: none"> a. Permit No.: PD 0510957 valid until 17/2/2019 (DJPOM) b. Permit No.: PE 0594895 valid until 9/6/2019 (DJPOM) c. Permit No.: PD 9191370 valid until 17/11/2018 (DJPOM) 	<p>Yes</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>d. Permit No.: PD 9665398 valid until 7/3/2019 (DJPOM)</p> <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain</p>	
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p> <p>Suitable PPE has been provided to the workers based on the information in the MSDS and CHRA assessor’s recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <p>i. Boiler/Engine operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff.</p> <p>During the site visit, it was noted that the PPE will be replaced by the workers when damaged or lost. The PPE was implemented effectively at all site visited.</p> <p>The chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. CSDS was placed at the chemical stores and is available. The person in charge understands the information written in CSDS.</p>	Yes
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all</p>	<p>Operating unit in SOU 18 has established the annual training program that covers all MSPO requirement. The training programme reviewed annually. Sighted the document as follows:</p> <p><u>Diamond Jubilee Mill:</u></p> <p>Diamond Jubilee Mill has established the training plan and documented in Training</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	employees based on their job description. - Major compliance -	Requirements for Operating Unit – Diamond Jubilee Mill. 32 training requirements has been identified for FY 2018/19. The implementation is still in progress.	
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	Operating unit in SOU 18 has established the annual training program that covers all MSPO Requirement. The training programme reviewed annually. Sighted the document as follows: <u>Diamond Jubilee Mill:</u> Diamond Jubilee Mill has established the training plan and documented in Training Requirements for Operating Unit – Diamond Jubilee Mill. 32 training requirements has been identified for FY 2018/19. The implementation is still in progress.	Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation Sdn Bhd has established the Environment & Biodiversity Policy signed by Datuk Franki Anthony Dass on January 2015 and Environmental Management Plan which covers EAI/EIE Management Plan, Waste Management Plan, Water Management Plan ,HCV Area and Pollution Prevention Plan.	Yes
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	All mill and estates visited has established the Environmental Management Plan which covers EAI/EIE Management Plan, Waste Management Plan, Water Management Plan ,HCV Area and Pollution Prevention Plan.	Yes
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The mill has established Environmental Management Plan for FY 2018/19. The plan has been monitored quarterly. In the plan stated the person in charge to monitor the implementation on each plan as per programmed. The latest reviewed done during Management Review Meeting on 23/7/2018.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts.</p> <p>The mill has established the Environmental Aspect Identification and Environmental Impact Evaluation. The document are available to be reviewed. The last review was for FY 2018/19 was on 9/7/2018. No changes been made since last FY 2017/18. The identification include all mill main and support operation including FFB reception, oil and kernel production and etc.</p>	Yes
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p>	<p>Operating unit in SOU 18 has established the annual training program that covers MSPO. The training programme reviewed annually. Sighted the document as follows:</p> <p>Diamond Jubilee Mill has established the training plan and documented in Training Requirements for Operating Unit – Diamond Jubilee Mill. 32 training requirements has been identified for FY 2018/19. The implementation is still in progress.</p>	Yes
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Operating unit in SOU 18 has established the annual training program that covers MSPO. The training programme reviewed annually. Sighted the document as follows:</p> <p>Diamond Jubilee Mill has established the training plan and documented in Training Requirements for Operating Unit – Diamond Jubilee Mill. 32 training requirements has been identified for FY 2018/19. The implementation is still in progress.</p>	Yes
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable</p>	<p>The operating units has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy.</p> <p>Mill has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy. The management plan has categorised three</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>energy including fossil fuel, electricity in the operations over the base period.</p> <p>- Major compliance -</p> <p>type of energy for the management plan, Electricity, Diesel and Fiber and Shell. For boiler fuel, they targeted the ratio of 90% fiber and 10% shell.</p> <p>The mill monitored the fuel usage/ton CPO monthly. Average diesel useage/ton CPO for FY 2017/18 at 0.33/ton CPO. Sighted the diesel usage record for the following months (FY 2017/18):-</p> <p>a. Apr 18 – 0.28 L/CPO MT b. May 18 – 0.33 L/CPO MT c. Jun 18 – 0.34 L/CPO MT</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends. Sighted the diesel usage record for the following months (FY 2017/18):-</p>	
<p>4.5.2.2</p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p> <p>The operating units has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy.</p> <p>Mill has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy. The management plan has categorised three type of energy for the management plan, Electricity, Diesel and Fiber and Shell. For boiler fuel, they targeted the ration of 90% fiber and 10% shell.</p> <p>The mill monitored the fuel usage/ton CPO monthly. Average diesel useage/ton CPO for FY 2017/18 at 0.33/ton CPO. Sighted the diesel usage record for the following months (FY 2017/18):-</p> <p>a. Apr 18 – 0.28 L/CPO MT b. May 18 – 0.33 L/CPO MT c. Jun 18 – 0.34 L/CPO MT</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		Sighted the diesel usage record for the following months (FY 2017/18):-	
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The operating units has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy.</p> <p>Mill has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy. The management plan has categorised three type of energy for the management plan, Electricity, Diesel and Fiber and Shell. For boiler fuel, they targeted the ration of 90% fiber and 10% shell.</p> <p>The mill monitored the fuel usage/ton CPO monthly. Average diesel useage/ton CPO for FY 2017/18 at 0.33/ton CPO. Sighted the diesel usage record for the following months (FY 2017/18):-</p> <p>a. Apr 18 – 0.28 L/CPO MT b. May 18 – 0.33 L/CPO MT c. Jun 18 – 0.34 L/CPO MT</p>	Yes
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>SOU 18 has identified waste products and sources of pollution and documented in Waste Management Plan. The waste has been categorized into three group:</p> <ol style="list-style-type: none"> i. Domestic Waste i.e. Rubbish and Sewage ii. Industrial Waste i.e. Scrap Metal, EFB, POME. iii. Scheduled Waste i.e. used lubricant, used lubricant container, Spent Chemicals, Clinical waste. 	Yes
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ol style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by 	<p>Nutrient recycling strategy is in place and includes use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. EFB applied at selected fields at the estates. Recommended rate is 45mt/ha.</p> <p>Additional, the waste management plan has identified four category of waste and source pollution. The waste has been categorized into three group:</p> <ol style="list-style-type: none"> i. Domestic Waste ii. Industrial Waste 	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>converting them into value-added products.</p> <p>- Major compliance -</p>	<p>iii. Scheduled Waste iv. Recyclable waste</p> <p>The mill has established waste management plan FY 2018/19 and has identified four category of waste and source pollution. The waste has been categorized into three group:</p> <p>i. Domestic Waste ii. Industrial Waste iii. Scheduled Waste iv. Recyclable waste</p> <p>Observed all Scheduled waste stored in designated area and disposed with licensed contractors. Noted the latest disposal of SW 322, SW 409 and SW 410 disposed 24/3/2018 CN no. 7404 to Ranama Resource Sdn. Bhd.</p>	
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>Sighted latest disposal of SW 322, SW 409 and SW 410 disposed 24/3/2018 CN no. 7404 to Ranama Resource Sdn. Bhd.</p>	Yes
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management disposes waste material as per regulation for schedule waste and domestic waste.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as</p>	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Scheduled Waste and stored in designated storage.</p> <p>Sighted latest disposal of SW 322, SW 409 and SW 410 disposed 24/3/2018 CN no. 7404 to Ranama Resource Sdn. Bhd.</p> <p>Additional, the waste management plan has identified four category of waste and source pollution. The waste has been categorized into three group:</p> <ul style="list-style-type: none"> v. Domestic Waste vi. Industrial Waste vii. Scheduled Waste viii. Recyclable waste <p>The mill has established waste management plan FY 2018/19 and has identified four category of waste and source pollution. The waste has been categorized into three group:</p> <ul style="list-style-type: none"> i. Domestic Waste ii. Industrial Waste iii. Scheduled Waste iv. Recyclable waste <p>Observed all Scheduled waste stored in designated area and disposed with licensed contractors. Noted the latest disposal of SW 322, SW 409 and SW 410 disposed 24/3/2018 CN no. 7404 to Ranama Resource Sdn. Bhd.</p>	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>For POM, the assessment of all polluting activities was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Diamond Jubilee Mill</p> <p>Observed the stack emission monitoring report to Dept. of Environmental as follows</p> <ul style="list-style-type: none"> I. Monitored date: 14/7/2017 Report date: 15/7/2017 Report no.: E/SE/1707/18656 Result: 0.023 g/m3 dry@ 12% CO2 II. Monitored date: 16/11/2017 Report date: 3/11/2017 	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Report no.: E/SE/1711/19471 Result: 0.009 g/m3 dry@ 12% CO2</p> <p>III. Monitored date: 20/7/2018 Report date: 31/7/2018 Report no.: E/SE/1807/21154 Result: 0.023 g/m3 dry@ 12% CO2</p> <p>Sighted report for Domestic Water analysis test report no. ML309/2018 dated 29/6/2018. 3 sampling point were taken for the water sampling on 11/6/2018. All sampling point are conforms to NSDWQ.</p> <p>Effluent analysis report to DOE for the month of August 2018 dated 1/9/2018 sighted at the mill. Verified report no. EP374/2018 dated 27/8/2018. Final discharge conforms to parameter limits for land application.</p>	
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>For mill, GHG emission identified from POME, fuel consumption and grid electricity utilization. 5 years plan for GHG reduction (phase I, 20 mills (Malaysia) was sighted.</p> <p>Programme such as feed in tariff (FIT), flaring, CNG, CaP, Co-gen was included in the plan.</p>	Yes
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system through land application as per approval licensed by DOE. The limit for Final discharge BOD allowed was 5000mg/L. The mill monitored the discharge quality by conducting effluent water sampling analysis on monthly basis. Parameter monitored are pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN,O&G. Samples were taken from each point of treatment in the system consist of raw pond, acid ponds, digester tanks and final pond before field application.</p> <p>Observed the effluent analysis report to DOE for the month of August 2018 dated 1/9/2018 sighted at the mill. Verified report no. EP374/2018 dated 27/8/2018. Final discharge conforms to parameter limits for land application.</p>	Yes
Criterion 4.5.5: Natural water resources			

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>SOU 18 has established water management plan and documented as one of the management plan in the Environmental Management Plan. The management plan has been reviewed annually.</p> <p>The mill has established the water management plan FY 2018/19 and documented in Environmental Management Plan. The plan reviewed annually and monitored on quarterly basis. The management plan focusing on:</p> <ul style="list-style-type: none"> i. To monitor the quality of main water inlet/outlet for pollutants from mill operations. ii. To monitor usage of treated water on monthly basis iii. Protection of water course and wetland. iv. To reuse/recycle wastewater <p>Observed the monitoring of water usage for FY 2017/18 for Domestic, Process and Softener usage. Total usage for the FY at 201304 m3 @ 1.39m3/ton FFB.</p>	Yes
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Details of effluent treatment and report as per item 4.5.4.3 above.</p> <p>Diamond Jubilee Palm Oil Mill practiced land application and the limit allowed for the Biochemical Oxygen Demand (BOD) discharge is <5000 mg/l.</p>	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation – Diamond Jubilee POM has established SOP for all operation as below:</p> <ul style="list-style-type: none"> 1. EQMS Standard Operation Manual (SOM) year 2008. 2. EQMS Standard Operation Procedure (SOP) 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>This document provides guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception station, fruit handling station, sterilisation station, threshing, empty bunch pressing, clarification, depericarping station, effluent treatment/waste management, kernel recovery station and water treatment plant.</p> <p>SOP available for the Palm Oil Mill and estates. POM holds two SOP, Mill Quality Management Manual ver. 1, 2008 and Sustainability Plantation Management System ver. 1 2008 issued on 1/11/2008 as guideline for mill operation. The SOP covers on the mill daily operation and support operation including production of sustainable palm oil.</p> <p>Noted updated procedure under SOP for water analysis:</p> <ul style="list-style-type: none"> I. SPMS, Appendix 7: SOP for water quality monitoring, issue: 2 dated 1/6/16. SOP for sampling guideline II. Water and Wastewater Sampling Guideline, issue: 1 dated 1/6/16. 	
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>The monitoring of the mill process is made through the daily inspection by Engineer. All process parameters are documented and summarized in a daily report.</p> <p>At operational level, Mill Advisory will have a visit to mill and sighted the Mill Advisory (MA) Report No: SOU 18/DJM/01/2018, date of visit: 6-8 August 2018.</p>	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Reviewed the documented 5 years business plan covering period 2018 – 2023. The plan reviewed annually, latest reviewed was done in May 2018 prior to end of financial year 2017/2018. The plan includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement.</p> <p>The mill has budgeted for CAPEX on new facilities and machinery i.e. Emergency Eye Shower, Boiler Dust Particulate Analyser and ETP Lab.</p>	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Diamond Jubilee POM is only received FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled of Letter of Award/ contract of agreement as below: a. Ref. No.: T/SDPSB/PEN/FFB/0815/007 dated 30/8/2018 for FFB transporter which is the extension contract which valid until 30/9/2018. b. Company No.: 231954-X dated 19/12/2017 for CPO transporter which valid until 30/4/2019.	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Sime Darby Plantation – Diamond Jubilee POM had informed its contractors regarding the need to follow the MSPO requirements through MSPO briefing to contractors. The latest training conducted was on 20.08.18.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sampled of Letter of Award/ contract of agreement as below: a. Ref. No.: T/SDPSB/PEN/FFB/0815/007 dated 30/8/2018 for FFB transporter which is the extension contract which valid until 30/9/2018. b. Company No.: 231954-X dated 19/12/2017 for CPO transporter which valid until 30/4/2019.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated to the contractor through MSPO training and formal letter to contractor. Example seen for contractor: Teo Tuah Kwee Sdn Bhd, signed on 20.08.18.	Yes

Malaysian Sustainable Palm Oil Part 3: General principles for Plantations and Organized Smallholders

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation has the Corporate Policy Statement for MSPO which was signed by Datuk Franki Anthony Dass, Managing Director on January 2015. Also, there is internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy mention that they are committed to making a conscious and concerted effort towards the conservation and protection of wildlife abd enhancement of the well-being of communities within and around our operations. In addition, the sustainable policy also mention: 'In support of sustainability, we believe in the principles of quality, safety & health, environmental and social & humanity'.	Yes
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was planned and conducted as per the documented Internal audit procedure, Doc No: SD/SDP/PSQM/IAP Rev 1 dated 1/5/15 Annual audit schedule for 2018 was scheduled for April. The 'MSPO internal audit was carried out together with RSPO on 16 th – 23 rd July 2018 by sustainability Unit, GSQM Department & SQM Central West Region. Both positive and negative are raised as a result for the estate and mill improvement.	Yes
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The Internal audit procedure, Doc No: SD/SDP/PSQM/IAP Rev 1 dated 1/5/15 was used as reference for audit process. Audit results of both audits were documented under internal audit summary. Many NCRs were issued and some sighted were: -MSPO Part 3 & 4: 4.1.1.1 Inadequate proof of all policies on MSPO implementation is communicated to all employees (Minor NC).	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		-MSPO Part 3 & 4: 3.1.1 Indicator 1: All Operations shall be in compliance with applicable local, national and ratified international laws and regulations (Major NC).	
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	As per SOP, the internal audit team will conduct Auditors' Meeting to discuss their audit finding among them and the review is done through the corrective action plans submitted for the Major & Minor NCs raised within 40 days after the date of closing meeting. Seen the root cause, correction and corrective action plan for each NCs.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Based on the established management review meeting procedure, the meeting frequency was once per year, SOM, Section 5, Management responsibility version 2, year 2015. The management review committee consists of SQM, Assistant Managers, Engineers, Managers. All pertinent elements were discussed at the meetings and were minutes recorded. Among other issues discussed, matters arising, review on status/issue of input and output, sustainability management, changes that could affect the management systems and recommendations for improvement. Sighted the management review minutes of meeting which was conducted on 23.07.2018 for FY 2018.	Yes
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	The continual improvement plan for POM and all estate was established as follow: <ul style="list-style-type: none"> a. To reduce manuring cost b. To reduce water management cost c. To reduce cost of replacing signboard d. To reduce cost of road and bridges e. To reduce housing repair cost f. To increase KER produce g. To reduce external cost for roofing and cladding cleaning h. To increase revenue selling palm kernel i. To reduce manuring application cost 	Yes
4.1.4.2	The company shall establish a system to improve practices in	System to improve practices in line with new information and techniques was carried out by	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>Estate Management through program namely 'Lean Six Sigma'. The management on receiving these information, was responsible for the implementation of the new projects. The summary of the projects is as below:</p> <ol style="list-style-type: none"> 1. To reduce the maintenance cost of MTG from RM2259/MTG to RM490/MTG at Serkam Estate by April 2018. 2. High cost incurred in construction of rain shelter by contractors. 3. To reduce manuring application cost at Serkam Estate from RM97/Ha to RM80/Ha by May 2018. 4. To reduce harvesting cost RM54.94/mt to RM54/mt at Diamond Jubilee Estate by April 2018. 5. To reduce labour cost for servicing tractors Kubota at Diamond Jubilee Estate by Jan 2018. 6. To reduce cost clinical waste disposal by Jan 2018. 	
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>Action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) was established in the estates annual budgets and projected business plans.</p> <p>Operating unit in SOU 18 has established the annual training program that covers all MSPO requirement. The training programme reviewed annually. Sighted the document as follows:</p> <p>Serkam Estate has documented the training plan in Environmental Safety and Health Program FY 2018/19. The training has been group under 14 main programme, identified for various categories of operating unit. Same document sighted in Diamond Jubilee Estate. The Implementation is still on going.</p>	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to MSPO requirement and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOE quarterly reports were attended and no noncompliance or complaints were noted. Information on environmental, social and legal issues relevant to MSPO requirement was made available to relevant stakeholders for effective participation in decision making.</p> <p>Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.</p>	Yes
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>There was no restriction noted as to the documents made available to the public except private and confidential information. The public can browse through the internet to access to public information such as policies and corporate social responsibility.</p> <p>Other than that, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Procedure for External Communication, Sime Darby Plantation Estate Quality Management System – Standard Operation Manual, Sub-section 5.5, Appendix 5.5.3.2, version 1, issue date 1/11/2008. The procedure has outlined 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 from the date of receipt of communication and within one week of the completion of the investigation.</p>	Yes
4.2.2.2	<p>A management official should be nominated to be responsible for issues related</p>	<p>Senior Assistant Manager in Serkam Estate has been appointed as Social Officer to handle social</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	to Indicator 1 at each operating unit. - Minor compliance -	issues in Serkam Estate. Appointment letter dated 1/7/2018 was sighted. Assistant of Diamond Jubilee Estate has been appointed as Social Officer by the Manager and appointment letter dated 15/12/2017 was sighted.	
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Stakeholder list was developed where stakeholders such as local communities, smallholders, government authorities, contractors and suppliers were included into the list. Stakeholder meeting was conducted on 13/7/2018 with the participation from government authorities, NUPW representatives, contractors and suppliers and the internal workers. Meeting minutes was sighted and issues were recorded in the minutes. The issues were incorporated into the Social Management Plan SOU 18 for Year 2018/2019. A combine stakeholder meeting was carried out for Diamond Jubilee POM and Diamond Jubilee Estate on 14/8/2018. The meeting has involved the stakeholders such as local communities, government authorities, neighbouring schools and cattle's owners. The meeting minutes was sighted and issues raised during the meeting have been incorporated into Social Management Plan. Stakeholder meeting was conducted on 18/7/2018 in Serkam Estate where the stakeholders such as NUPW representative, government authorities, contractors and suppliers have attended the meeting. Meeting minutes was sighted with no issue reported during the meeting.	Yes
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Serkam Estate and Diamond Jubilee Estate has SOP for Sustainable Supply Chain and Traceability version 2, year 2018, issue no 3, issue date Feb 2018. The procedure mention the traceability system from FFB harvested until CPO despatched.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Records showed that management conducted regular inspections on compliance with the established traceability system. Example seen for Internal Audit report as clause 4.1.2.1 & 4.1.2.2.	Yes
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The person having overall responsibility for and authority over the implementation is Head of Operating Unit as per the SOP for Sustainable Supply Chain and Traceability version 2, year 2018, issue no 3, issue date Feb 2018 and for assisted by Assistant Manager in each estate, Mr Muhamad Najdi Bin Ahmad Hifni (Kemendore, Jasin & Kesang Division), Mr Khairil Amri Bin Sahlan (Serkam Division) and Mr. Mohd Akhbar bin Ahmad (Diamond Jubilee Estate) as person in charge for Environmental/Quality Management systems as per appointment letter dated 03 rd July 2018, 25 th Dec 2017 and 15 th Dec 2017 respectively.	Yes
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	There is no sales of FFB as Serkam & Diamond Jubilee estate are the supply bases to Diamond Jubilee Mill, and belongs to the Sime Darby Plantation. Sampled the weighbridge ticket provided the following details: Product: FFB (Serkam Estate) Ticket Number: 10459 Date: 30.08.18 Net weight: 10,300 kg Vehicle no: MBW4322S12 D/O: 10559 Cert No: RSPO 005 Product: FFB (Diamond Jubilee Estate) C/N NO DJE: 531751 Date: 27.08.18 Estimated tonnage: 11990 kg Vehicle no: JQS 8842 Divison/block: Main/07 HI Diamond Jubilee POM is only received FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill.	Yes

4.3 Principle 3: Compliance to legal requirements

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.3.1 – Regulatory requirements		
<p>4.3.1.1</p> <p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>SOU18 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU18 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p>Diamond Jubilee Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Unfired Pressure Vessels: MK PMT 5827 (valid till 4/3/2019). 2. MPOB license: 522967002000 (validity until 31/8/2019) 3. Diesel permit: M009098 (validity period 25/10/2017-24/10/2018) <p>Serkam Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Unfired Pressure Vessels: MK PMT 3090 (valid till 12/10/2018) 2. MPOB license: 525462002000 (validity until 31/12/2018) 3. Diesel permit: M007287 and M007288 (validity period 6/7/2018-5/7/2018) <p>Serkam Estate:</p> <p>Sighted during site visit, SW 305 used lubricant oil and SW 306 used hydraulic oil generated from Nov 2017 still yet to be disposed until the day of visit. Verified the inventory of Scheduled Waste from E-SWISS system sent to DOE, confirmed the waste generated is yet to be disposed. The estate supposed to write letter for Extension of Time for storage Scheduled Waste more than 180 days to DOE in May 2018. However, the estate only submits the letter and application form on 6/8/2018. The application has yet to be approved.</p>	<p style="text-align: center;">Major downgraded to Minor NC</p>
<p>4.3.1.2</p>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p>	<p style="text-align: center;">Yes</p>

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Serkam Estate – Latest review was done on 7/8/2018.</p> <p>Diamond Jubilee – Latest review was done on 2/7/2018.</p>	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Tracking system to identify changes in the relevant regulations is available through the head office, website information and is communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Serkam Estate – Latest review was done on 7/8/2018.</p> <p>Diamond Jubilee – Latest review was done on 2/7/2018.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.3.2 – Lands use rights		
<p>4.3.2.1</p> <p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Estate operation is on freehold and leasehold land. Land titles and copy of land titles are available during the audit.</p> <p>Serkam Estate hold 45 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ul style="list-style-type: none"> a. Grant No: 15080, (Lot 123) b. Grant No: 22617, (Lot 2736) c. Grant No: 22767, (Lot 1582) d. Grant No: 22725 (Lot 12) <p>Diamond Jubilee Estate hold 32 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ul style="list-style-type: none"> a. Grant No: 20718, (Lot 3) b. Grant No: 11651, (Lot 6) c. Grant No: 20719, (Lot 12) d. Grant No: 288, (Lot 26) 	<p>Yes</p>
<p>4.3.2.2</p> <p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Estate operation is on freehold and leasehold land. Land titles and copy of land titles are available during the audit.</p> <p>Serkam Estate hold 45 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ul style="list-style-type: none"> a. Grant No: 15080, (Lot 123) b. Grant No: 22617, (Lot 2736) c. Grant No: 22767, (Lot 1582) d. Grant No: 22725 (Lot 12) <p>Diamond Jubilee Estate hold 32 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ul style="list-style-type: none"> a. Grant No: 20718, (Lot 3) b. Grant No: 11651, (Lot 6) c. Grant No: 20719, (Lot 12) d. Grant No: 288, (Lot 26) 	<p>Yes</p>
<p>4.3.2.3</p> <p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Noted during visit that legal boundaries are clearly demarcated and visibly maintained. Boundaries with jungle was demarcated with boundary peg while boundaries with smallholders and village demarcated with boundary peg and physical trenches.</p> <p>Serkam Estate</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Boundary stone are clearly demarcated and visibly maintained with red colour GI pipe as observed in Serkam Div at P17B adjacent to village. Additionally, estate legal boundary demarcated with physical trenches.</p> <p>Diamond Jubilee Estate</p> <p>Boundary stone are visibly maintained. The boundary stone are clearly demarcated with red colour GI pipe as observed in P06H adjacent with smallholders. Estate legal boundary demarcated with physical trenches.</p>	
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company.</p>	Yes
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches and gate were constructed to demarcate the boundary of the company.</p>	N/A
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches and gate were constructed to demarcate the boundary of the company.</p>	N/A
4.3.3.3	<p>Negotiation and FPIC shall be recorded and copies of</p>	<p>There is no land dispute in SOU 18 Diamond Jubilee certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>negotiated agreements should be made available.</p> <p>- Major compliance -</p>	<p>and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches and gate were constructed to demarcate the boundary of the company.</p>	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sustainability Strategy Unit, Department of Plantation Sustainability & Quality Management (PSQM) has conducted Social Impact Assessment (SIA) on 12 – 15 July 2016 for the whole SOU 18 Diamond Jubilee which covered for Diamond Jubilee POM, Diamond Jubilee Estate, Bukit Asahan Estate and Serkam Estate. The objectives of the assessment are to identify the existing social issues and to develop social management plan. The methodology of the assessment was through interview with stakeholders, site observation and documentation review. The assessment has involved the participation of stakeholders and attendance list of stakeholders was sighted. The issues raised by the stakeholders were recorded in the SIA report.</p>	Yes
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. 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>Meeting was conducted in Diamond Jubilee POM and Diamond Jubilee Estate on 4/8/2018 and 12/3/2018. However, the frequency of the meeting was not according to their procedure which should be conducted on quarterly basis. The gap of the meeting was exceeded 5 months. Thus, a minor non-conformance was raised.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Activities such as aerobic exercise, Mother’s Day celebration and badminton were carried out together with gender committee in Diamond Jubilee Estate. Seen the photos of activities conducted and interviewed with the female workers confirmed that no case of sexual harassment and violence has been reported.</p> <p>Gender committee was established in Serkam Estate and seen the organization chart for the committee which lead by Chief Clerk. Meeting was conducted on quarterly basis. The last meetings were carried out on 23/1/2018, 25/4/2018 and 17/7/2018. No issue was reported during the meeting. Activity such as play badminton was organized for the female workers.</p>	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. 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>	Yes
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>Complaint Book for Internal and External was implemented in Serkam Estate and Diamond Jubilee Estate. There were no complaints received from the internal and external stakeholders. Besides, Complaint Form for housing repair/ Housing Repair Requisition Form was implemented as well. Sampled of the complaint forms and evidences that rectified the problem as below:</p> <ol style="list-style-type: none"> a. House No.: Foreman dated 23/6/2018 in Serkam Estate Issue: 2 units of toilet door broken and roof was damaged. Status: Contractor has repaired the following works on 30/6/2018 and seen the tax invoice issued to Serkam Estate with INV# 5026/2018 dated 2/7/2018. b. House No.: 121A dated 27/7/2018 in Diamond Jubilee Estate Issue: Ceiling fan is not functioning. Status: Contractor has repaired the ceiling fan and seen the tax invoice#0711 dated 30/8/2018. The 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		complainant also had acknowledged on the repair works done 2/8/2018.	
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. 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. Verified during the site visit and stakeholder's interview.</p>	Yes
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Complaint Book for Internal and External was implemented in Serkam Estate and Diamond Jubilee Estate. There were no complaints received from the internal and external stakeholders. Besides, Complaint Form for housing repair/ Housing Repair Requisition Form was implemented as well. Sampled of the complaint forms and evidences that rectified the problem as below:</p> <ul style="list-style-type: none"> a. House No.: Foreman dated 23/6/2018 in Serkam Estate Issue: 2 units of toilet door broken and roof was damaged. Status: Contractor has repaired the following works on 30/6/2018 and seen the tax invoice issued to Serkam Estate with INV# 5026/2018 dated 2/7/2018. b. House No.: 121A dated 27/7/2018 in Diamond Jubilee Estate Issue: Ceiling fan is not functioning. Status: Contractor has repaired the ceiling fan and seen the tax invoice#0711 dated 30/8/2018. The complainant also had acknowledged on the repair works done 2/8/2018. 	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>Serkam Estate has made contribution to the local communities such as allowed the access of estate's road to the workers' relatives during festival/ events celebration, provided paints to the temple upon requested. Seen the tax invoice # 00011448 dated 20/12/2017.</p>	Yes
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator		Assessment Findings	Compliance
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>SOU18 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification</p>	<p>a) The policy has been established and elaborated in item 4.4.4.1 above. The policy amongst others has mentioned the details of the policy statement and the direction of the organisation towards implementing ESH practices. The clause "A safety and health policy, which is communicated and implemented" is mentioned in the policy. Safety briefing to employees & contractors was made in several training sessions inclusive of safety requirement of the organisation.</p> <p>Refer details of training records in 4.4.6.3 showing conducted in relation to safety and health for the mill employees.</p> <p>b) The risk of all operations were assessed and documented under HIRARC. At the estate, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. Example seen as below:</p> <p>Serkam Estate - HIRARC was reviewed on 5/3/18 and approved by the Manager. SOU18 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English.</p> <p>b) The Estates has an OSH program for Financial Year 2018/19. OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 28/8/2018 (Serkam Estate) & 02/08/2018 (Diamond Jubilee Estate). The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>Serkam Estate</u></p> <p>The work place inspection and review of accident record was discussed during the OSH</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u></p> <p>Chairman – Estate Manager</p> <p>Appointment letters for OSH committee members dated 01/07/2018 was sighted.</p> <p>OSH/EHS meeting: 28/8/18, 25/5/18, 21/2/18 and 27/11/18.</p> <p><u>Diamond Jubilee Estate</u></p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p>f) <u>OSH Committee Members for 2018</u></p> <p>Chairman – Estate Manager</p> <p>Appointment letters for OSH committee members dated 24/01/2018 was sighted.</p> <p>OSH/EHS meeting: 2/8/18, 26/4/18, 25/1/18 and 25/10/17.</p> <p>g) Serkam Estate</p> <p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 28/8/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p>OSH Committee Members for 2018</p> <p>Chairman – Estate Manager</p> <p>Appointment letters for OSH committee members dated 01/07/2018 was sighted.</p> <p>OSH/EHS meeting: 28/8/18, 25/5/18, 21/2/18 and 27/11/18.</p> <p>Diamond Jubilee Estate</p> <p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 2/8/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>OSH Committee Members for 2018</p> <p>Chairman – Estate Manager</p> <p>Appointment letters for OSH committee members dated 24/01/2018 was sighted.</p> <p>OSH/EHS meeting: 2/8/18, 26/4/18, 25/1/18 and 25/10/17.</p> <p>h) Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <p>Serkam Estate - Fire evacuation drill was last conducted on 28/8/18 to test the state of readiness during emergency situation.</p> <p>Diamond Jubilee Estate - Fire evacuation drill was last conducted on 11/8/18 to test the state of readiness during emergency situation.</p> <ol style="list-style-type: none"> 1. Training for First Aid is conducted once in two years. Last training was conducted on 25/7/2018. 2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. 3. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date. 4. Emergency eye wash facility available at chemical store and laboratory. Both are in good working condition. <p>Quarterly review on accident cases carried out during OSH quarterly meeting.</p> <p>Serkam Estate</p> <p>08 accidents reported. Eg: Accident on 31/5/2018 at field 2013A. The JKKP 6 was sent to DOSH on 2/6/2018. JKKP 8 was sent to DOSH on 10/07/18 after DOSH visit (Notice of improvement was issued by DOSH officer).</p> <p>Diamond Jubilee Estate</p> <p>No accidents reported for 2018. JKKP 8 was sent to DOSH on 22/01/18.</p>	

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The Social and Humanity Management Policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office.</p>	Yes
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>SDPB has implemented Social Policy, Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office.</p>	Yes
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 128789 (SE) b) Employee No.: 133686 (SE) c) Employee No.: 136613 (SE) d) Employee No.: 140323 (SE) e) Employee No.: 133685 (SE) f) Passport ID: B2095182 (SE's Contract Worker) g) Passport ID: B9252347 (SE's Contract Worker) h) Passport ID: AT109217 (SE's Contract Worker) i) Passport ID: AT914465 (SE's Contract Worker) 	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>j) Employee No.: 133358 (DJE) k) Employee No.: 133467 (DJE)</p> <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <p>a) Employee No.: 92073 (SE) b) Employee No.: 114504 (SE) c) Employee No.: 115084 (SE) d) Employee No.: 51591 (SE) e) Employee No.: 116955 (SE) f) Employee No.: 107440 (DJE) g) Employee No.: 83964 (DJE) h) Employee No.: 101947 (DJE) i) Employee No.: 84625 (DJE)</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	
<p>4.4.5.4</p>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>n. Employee No.: 133358 (DJE)</p> <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/day.</p>	
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. Sighted the master list of the workers having the information of full names, gender, date of birth, job description and other relevant information.</p>	Yes
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 128789 (SE) b) Employee No.: 133686 (SE) c) Employee No.: 136613 (SE) d) Employee No.: 140323 (SE) e) Employee No.: 133685 (SE) f) Passport ID: B2095182 (SE's Contract Worker) g) Passport ID: B9252347 (SE's Contract Worker) h) Passport ID: AT109217 (SE's Contract Worker) i) Passport ID: AT914465 (SE's Contract Worker) j) Employee No.: 133358 (DJE) k) Employee No.: 133467 (DJE) <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> a) Employee No.: 92073 (SE) b) Employee No.: 114504 (SE) c) Employee No.: 115084 (SE) d) Employee No.: 51591 (SE) e) Employee No.: 116955 (SE) f) Employee No.: 107440 (DJE) g) Employee No.: 83964 (DJE) 	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>h) Employee No.: 101947 (DJE) i) Employee No.: 84625 (DJE)</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment in their national language was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> a. Permit No.: PE 0816591 valid until 17/6/2019 (SE) b. Permit No.: PD 9634506 valid until 12/1/2019 (SE) c. Permit No.: PD 9835644 valid until 11/2/2019 (SE) d. Permit No.: PE 1372728 valid until 6/9/2019 (SE) e. Permit No.: PE 0446051 valid until 20/2/2019 (SE) f. Permit No.: PE 0178734 valid until 17/4/2019 (SE's Contract Worker) g. Permit No.: PE 1205951 valid until 14/7/2019 (SE's Contract Worker) h. Permit No.: PD 9917216 valid until 27/1/2019 (SE's Contract Worker) i. Permit No.: PD 9633834 valid until 23/1/2019 (SE's Contract Worker) j. Permit No.: PD 8829983 valid until 29/10/2018 (DJE) k. Permit No.: PD 9904090 valid until 23/11/2018 (DJE) l. Permit No.: PE 0495341 valid until 4/5/2019 (DJE) m. Permit No.: PE 0505112 valid until 4/5/2019 (DJE) <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety reason as they worried the passport</p>	

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	will be lost if kept by themselves. They have signed on the passport retain	
<p>4.4.5.7</p> <p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund.</p> <p>Payslip for November 2017, February 2018, May 2018, July 2018 and August 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 114504 (SE) b. Employee No.: 51591 (SE) c. Employee No.: 115084 (SE) d. Employee No.: 133685 (SE) e. Employee No.: 102105 (SE) f. Passport ID: B2095182 (SE's Contract Worker) g. Passport ID: B9252347 (SE's Contract Worker) h. Passport ID: AT109217 (SE's Contract Worker) i. Passport ID: AT914465 (SE's Contract Worker) j. Employee No.: 108656 (DJE) k. Employee No.: 107440 (DJE) l. Employee No.: 84625 (DJE) m. Employee No.: 133467 (DJE) n. Employee No.: 133358 (DJE) 	<p>Yes</p>
<p>4.4.5.8</p> <p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 128789 (SE) b) Employee No.: 133686 (SE) c) Employee No.: 136613 (SE) d) Employee No.: 140323 (SE) e) Employee No.: 133685 (SE) f) Passport ID: B2095182 (SE's Contract Worker) g) Passport ID: B9252347 (SE's Contract Worker) h) Passport ID: AT109217 (SE's Contract Worker) i) Passport ID: AT914465 (SE's Contract Worker) j) Employee No.: 133358 (DJE) 	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>k) Employee No.: 133467 (DJE)</p> <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> a) Employee No.: 92073 (SE) b) Employee No.: 114504 (SE) c) Employee No.: 115084 (SE) d) Employee No.: 51591 (SE) e) Employee No.: 116955 (SE) f) Employee No.: 107440 (DJE) g) Employee No.: 83964 (DJE) h) Employee No.: 101947 (DJE) i) Employee No.: 84625 (DJE) <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	
<p>4.4.5.9</p> <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for November 2017, February 2018, May 2018, July 2018 and August 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 114504 (SE) b. Employee No.: 51591 (SE) c. Employee No.: 115084 (SE) d. Employee No.: 133685 (SE) e. Employee No.: 102105 (SE) f. Passport ID: B2095182 (SE's Contract Worker) g. Passport ID: B9252347 (SE's Contract Worker) h. Passport ID: AT109217 (SE's Contract Worker) i. Passport ID: AT914465 (SE's Contract Worker) j. Employee No.: 108656 (DJE) k. Employee No.: 107440 (DJE) l. Employee No.: 84625 (DJE) m. Employee No.: 133467 (DJE) n. Employee No.: 133358 (DJE) 	<p>Yes</p>

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/day.	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Free water supply and accommodation was supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.	Yes
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	In Serkam Estate, there are 4 divisions and consisted 4 different linesites. Inspection has been carried out in all the divisions via the Housing Complex/ Nest/ Community Hall Inspections Form by Hospital Assistant. All the inspections were conducted once a week as per the requirements. Linesite inspection was carried out by Medical Assistant in both division, Main and Bukit Kajang Division. The inspection was carried out on weekly basis. Some activities such as spraying and opening burning in housing area were sighted during linesite inspection. Warning letters were issued to the respective workers. Seen the warning letter dated 3/9/2018 for the worker who sprayed in the housing area.	Yes
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. The policy was developed in Bahasa Malaysia and English. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office. Interviewed with the workers confirmed that they understood on the policy and aware that they are freely to join any association.</p>	Yes
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Child Protection Policy and Social Policy dated January 2015 where they are committed to comply with the minimum age of employees. The policy has been briefed to all the workers on 30/7/2018 and to the relevant external stakeholders during the briefing on 20/8/2018 and 23/5/2018 in Serkam Estate during Town Hall meeting. Seen the attendance list and acknowledgement from the stakeholders upon receipt of the briefing. The policy was displayed at the notice board outside the office. Document reviewed on the master listing of the employees found that all workers employed were above 18 years old. Interviewed with the workers confirmed that no child labour was found in the plantations.</p> <p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment in their national language was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <p>a. Permit No.: PE 0816591 valid until 17/6/2019 (SE)</p>	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> b. Permit No.: PD 9634506 valid until 12/1/2019 (SE) c. Permit No.: PD 9835644 valid until 11/2/2019 (SE) d. Permit No.: PE 1372728 valid until 6/9/2019 (SE) e. Permit No.: PE 0446051 valid until 20/2/2019 (SE) f. Permit No.: PE 0178734 valid until 17/4/2019 (SE's Contract Worker) g. Permit No.: PE 1205951 valid until 14/7/2019 (SE's Contract Worker) h. Permit No.: PD 9917216 valid until 27/1/2019 (SE's Contract Worker) i. Permit No.: PD 9633834 valid until 23/1/2019 (SE's Contract Worker) j. Permit No.: PD 8829983 valid until 29/10/2018 (DJE) k. Permit No.: PD 9904090 valid until 23/11/2018 (DJE) l. Permit No.: PE 0495341 valid until 4/5/2019 (DJE) m. Permit No.: PE 0505112 valid until 4/5/2019 (DJE) <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain</p>	
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p> <p>Suitable PPE has been provided to the workers based on the information in the MSDS and CHRA assessor's recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> i. Boiler/Engine operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff. ii. Field workers (sprayer, manure & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. <p>During the site visit, it was noted that the PPE will be replaced by the workers when damaged or lost. The PPE was implemented effectively at all site visited.</p> <p>The chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. CSDS was placed at the chemical stores and is available. The person in charge understands the information written in CSDS.</p>	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Operating unit in SOU 18 has established the annual training program that covers all MSPO. The training programme reviewed annually. Sighted the document as follows:</p> <p>Estate has documented the training plan in Environmental Safety and Health Program FY 2018/19. The training has been group under 14 main programme, identified for various categories of operating unit. Same document sighted in Serkam Estae and Diamond Jubilee Estate. The Implementation is still on going.</p>	Yes
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Operating unit in SOU 18 has established the annual training program that covers all MSPO requirement. The training programme reviewed annually. Sighted the document as follows:</p> <p>Estate has documented the training plan in Environmental Safety and Health Program FY 2018/19. The training has been group under 14 main programme, identified for various categories of operating unit. Same document sighted in Serkam Estae and Diamond Jubilee Estate. The Implementation is still on going.</p>	Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Sdn Bhd has established the Environment & Biodiversity Policy signed by Datuk Franki Anthony Dass on January 2015 and Environmental Management Plan which covers EAI/EIE Management Plan, Waste Management Plan, Water Management Plan ,HCV Area and Pollution Prevention Plan.</p>	Yes
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>All mill and estates visited has established the Environmental Management Plan which covers EAI/EIE Management Plan, Waste Management Plan, Water Management Plan ,HCV Area and Pollution Prevention Plan.</p>	Yes
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>All estate visited has established the Environmental Management Plan which covers EAI/EIE Management Plan, Waste Management Plan, Water Management Plan ,HCV Area and Pollution Prevention Plan.</p> <p>Serkam Estate The latest reviewed on the Environmental Management Plan for FY 2018/2019 was done on 9/7/2018. The management plan has been monitored quarterly. The estate has appointed person in charge to monitor the implementation of each plan as per time frame.</p>	Yes
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts.</p> <p>Serkam Estate The estate has established the Environmental Aspect Identification and Environmental Impact Evaluation. The document are available to be reviewed. The last review was for FY 2018/19 was on 6/7/2018. No changes been made since last FY 2017/18. The identification include all estate main and support operation.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Diamond Jubilee Estate</p> <p>The Environmental Aspect Identification and Environmental Impact Evaluation for FY 2018/19 has been reviewed on 2/7/2018. No changes been made since reviewed on FY 2017/18.</p>	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>Operating unit in SOU 18 has established the annual training program that covers all MSPO requirement. The training programme reviewed annually. Sighted the document as follows:</p> <p>Estate has documented the training plan in Environmental Safety and Health Program FY 2018/19. The training has been group under 14 main programme, identified for various categories of operating unit. Same document sighted in Serkam Estae and Diamond Jubilee Estate. The Implementation is still on going.</p>	Yes
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Operating unit in SOU 18 has established the annual training program that covers all MSPO requirement. The training programme reviewed annually. Sighted the document as follows:</p> <p>Estate has documented the training plan in Environmental Safety and Health Program FY 2018/19. The training has been group under 14 main programme, identified for various categories of operating unit. Same document sighted in Serkam Estae and Diamond Jubilee Estate. The Implementation is still on going.</p>	Yes
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The operating units has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy.</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends. Sighted the diesel usage record for the following months (FY 2017/18):-</p> <p>Serkam Estate</p> <p>a. Apr 18 – 1.75 L/FFB MT b. May 18 – 1.27 L/FFB MT c. Jun 18 – 1.49 L/FFB MT</p>	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Diamond Jubilee Estate</p> <p>a. Apr 18 – 1.73 L/FFB MT</p> <p>b. May 18 – 1.66 L/FFB MT</p> <p>c. Jun 18 – 1.78 L/FFB MT</p>	
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The operating units has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy.</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends. Sighted the diesel usage record for the following months (FY 2017/18):-</p> <p>Serkam Estate</p> <p>a. Apr 18 – 1.75 L/FFB MT</p> <p>b. May 18 – 1.27 L/FFB MT</p> <p>c. Jun 18 – 1.49 L/FFB MT</p> <p>Diamond Jubilee Estate</p> <p>a. Apr 18 – 1.73 L/FFB MT</p> <p>b. May 18 – 1.66 L/FFB MT</p> <p>c. Jun 18 – 1.78 L/FFB MT</p>	Yes
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The operating units has established the Energy Management Plan which focusing on the efficiency usage of non-renewable energy and renewable energy.</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends. Sighted the diesel usage record for the following months (FY 2017/18):-</p> <p>Serkam Estate</p> <p>a. Apr 18 – 1.75 L/FFB MT</p> <p>b. May 18 – 1.27 L/FFB MT</p> <p>c. Jun 18 – 1.49 L/FFB MT</p> <p>Diamond Jubilee Estate</p> <p>a. Apr 18 – 1.73 L/FFB MT</p> <p>b. May 18 – 1.66 L/FFB MT</p> <p>c. Jun 18 – 1.78 L/FFB MT</p>	Yes
<p>Criterion 4.5.3: Waste management and disposal</p>			

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The estate has identified waste products and sources of pollution and documented in Waste Management Plan. The waste has been categorized into three group:</p> <ul style="list-style-type: none"> i. Domestic Waste ii. Industrial Waste iii. Scheduled Waste 	Yes
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>Nutrient recycling strategy is in place and includes use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. EFB applied at selected fields at the estates. Recommended rate is 45mt/ha.</p> <p>Serkam Estate (Serkam Division)</p> <p>Observed the EFB field application for month of July in field 2009A @ 168.57 ton and 2010B @ 109.91 ton. To date EFB application as at July 2018 @ 6136.54 ton.</p> <p>The operating units has established Pollution Prevention Plan FY 2018/19 and it has been monitored quarterly. The management plan focusing on;</p> <ul style="list-style-type: none"> i. No open burning in linesite area ii. To ensure proper landfill management iii. To ensure spraying activity not polluting the environment iv. To comply with EQA 1974 v. Replanting: to prevent the destruction of riparian vi. Replanting: to minimize soil erosion <p>Additional, the waste management plan has identified four category of waste and source pollution. The waste has been categorized into three group:</p> <ul style="list-style-type: none"> i. Domestic Waste ii. Industrial Waste iii. Scheduled Waste iv. Recyclable waste <p>Serkam Estate</p> <p>The estate has established Pollution Prevention Plan FY 2018/19 and it has been monitored quarterly. Latest reviewed of the plan done in 9/7/2018. Observed the implementation of the management plan is Serkam Estate.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Observed the planting of LCC (cover crop) in P18 to minimize soil erosion.</p> <p>Landfill for Serkam div. located in field P06. The domestic waste collected once a week. Observed the domestic waste collection record for month of August 2018.</p> <p>Clinical waste was collected by VMO to be disposed. Observed the collection records for the month of Nov 17 and May 18 dated 23/11/2017 and 8/5/2018 respectively.</p>	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>For estates, the empty pesticides container were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container.</p> <p>The used chemical containers has been sold to SS Setia Teknologi Enterprise to be recycle. Observed the Sales note no 1149 from SS Setia Teknologi Enterprise dated 5/9/2018 for collection of empty chemical container.</p>	Yes
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management disposes waste material as per regulation for schedule waste and domestic waste.</p> <p>Observed during workers interview, noted that the workers understand the proper disposal of Schedule Waste such as empty pesticide container to be collected and stored at designated storage before disposed by licensed contractors.</p> <p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>For estates, the empty pesticides container were collected in scheduled waste store after</p>	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>being triple rinsing and punctured at the bottom of the container.</p> <p>The used chemical containers has been sold to SS Setia Teknologi Enterprise to be recycle. Observed the Sales note no 1149 from SS Setia Teknologi Enterprise dated 5/9/2018 for collection of empty chemical container.</p> <p>The operating units has established Pollution Prevention Plan FY 2018/19 and it has been monitored quarterly. The management plan focusing on;</p> <ul style="list-style-type: none"> i. No open burning in linesite area ii. To ensure proper landfill management iii. To ensure spraying activity not polluting the environment iv. To comply with EQA 1974 v. Replanting: to prevent the destruction of riparian vi. Replanting: to minimize soil erosion <p>Additional, the waste management plan has identified four category of waste and source pollution. The waste has been categorized into three group:</p> <ul style="list-style-type: none"> i. Domestic Waste ii. Industrial Waste iii. Scheduled Waste iv. Recyclable waste 	
<p>4.5.3.5</p>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	For estates, the assessment of all polluting activities conducted by water sampling analysis. Sighted the water sampling analysis as follows:- Bukit Asahan Estate water analysis: Pesticide in water analysis Report no. PL589/2018 dated 8/8/2018 by Sime Darby Research Sdn. Bhd. Report shown result conforms to the INWQS requirements.	Yes
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	For the estate, GHG emissions identified including CO _x , SO _x and NO _x from various sources including fossil fuel, chemical, peat oxidation, sinks, crop sequestration, fertilizer consumptions and sequestration in conservation area.	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all	SOU 18 has established water management plan and documented as one of the management plan in the Environmental Management Plan. The management plan has been reviewed annually. The estate has established the water management plan FY 2018/19 and documented in Environmental Management Plan. The plan reviewed annually and monitored on quarterly basis. The management plan focusing on: i. To monitor the quality of main water inlet/outlet for pollutants from estate operations. ii. Contingency plan during water shortage iii. To monitor usage of treated water on monthly basis iv. To reuse/recycle wastewater Observed during site visit the rain water harvesting was used for general cleaning operation and gardening at the workshop and office area. Same document available at Serkam Estate and Diamond Jubilee Estate. All estate has monitored the rainfall data and the data can be reviewed in the Agronomic and Fertiliser Recommendations Report.	Yes

Criterion / Indicator		Assessment Findings	Compliance												
	<p>natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>														
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1" data-bbox="735 1077 1141 1440"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 1/11/2008.</p> <p>The water sampling exercise for river samples as well as water for domestic usage requirements need to be carried out on quarterly basis (January, April, July and October) as following:</p> <p>Serkam Estate</p> <p>Sighted the water sampling analysis domestic water no IE954/2018 dated 15/8/2018. The report shown the result was not conform to NSDWR as the pH is lower at 6.2 compare to</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	Yes
River width	Buffer zone														
> 40 meters	50 meters														
20 to 40 meters	40 meters														
10 to 20 meters	20 meters														
5 to 10 meters	10 meters														
< 5 meters	5 meters														

Criterion / Indicator		Assessment Findings	Compliance
		standard at 6.6 – 9.0. Investigation has been done on 30/8/2018. Weather condition during sampling period has been identified as root cause. Corrective action to be taken in next sampling period are to take sample during dry weather.	
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>During the site visit it was observed that water harvesting was practised during the dry season.</p> <p>All fields in Serkam Estate were in flat to undulating terrain and saw the road site pits for water were constructed for moisture conservation.</p> <p>In terrace planting, it is evident that water from road-side drains was directed and stored in conservation terraces.</p>	Yes
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>HCV Re-Assessment for Strategic Operating Unit (SOU) 18 Diamond Jubilee has been conducted on July 2016 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. Interim Report (Version II). Total HCV area identified for SOU 18 Diamond Jubilee Estate falls under:</p> <ol style="list-style-type: none"> 1. Water Catchment area – category HCV 4 (Bukit Asahan Estate, Ayer Tekah Division) 2. Water Catchment area – category HCV 4 (Bukit Asahan Estate, Main Div) 3. Water Catchment area – category HCV 4 (Diamond Jubilee Estate) 	Yes
4.5.6.2	If rare, threatened or endangered species or high biodiversity value, are present,	No RTE was identified within the planted or surrounding village area based on the HCV assessment report dated February 2015.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Signage that no fishing, no swimming and water polluting activities were verified on-site at the estates visited (i.e. Bukit Asahan estate) found to have been satisfactorily maintained.</p>	
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Action Plan Biodiversity FY18/19 SOU Diamond Jubilee was sighted. The scope includes muster briefing, awareness training, signage prohibiting illegal activities, marking of slope. Verification were also made during on-site assessment (water catchment at 02A, Bukit Asahan Estate) and found to be satisfactory. However, there is no RTE species found at both estate visited.</p>	Yes
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as (felling & chipping, cambering/land forming and path construction).</p>	Yes
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p>	<p>No use of fire for land preparation during replanting.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No use of fire for land preparation during replanting.	Yes
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	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 noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as (felling & chipping, cambering/land forming and path construction). As observed in the 2018 replants, all previous oil palms were felled, chipped, shredded, windrowed and left to decompose.	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	SOP available for the Palm Oil Mill and estates. POM holds two SOP, Mill Quality Management Manual ver. 1, 2008 and Sustainability Plantation Management System ver. 1 2008 issued on 1/11/2008 as guideline for mill operation. The SOP covers on the mill daily operation and support operation including production of sustainable palm oil. Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc. Noted updated procedure under SOP for water analysis : i. SPMS, Appendix 7: SOP for water quality monitoring, issue: 2 dated 1/6/16. SOP for sampling guideline ii. Water and Wastewater Sampling Guideline, issue: 1 dated 1/6/16.	Yes
4.6.1.2	Where oil palm is grown within	Soil series map available. Refer to soil series map dated August 2016 prepared by R&D-TTAS	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Precision Agriculture Unit (NHM). There are no peat soils or soil categorised as problematic or fragile soil at all estates. Soil series summary as follow:</p> <p>Serkam Estate (Kesang Division) Majority: Serdang (50.67%), Pohoi (21.07%), Local Alluvium I (2.56%), Local Alluvium II (6.11%), Gajah Mati (10.37%), Bungor (8.59%).</p> <p>Diamond Jubilee (Main Div.) Majority: Rengam (81.80%), Malacca (13.59%), Jerangau (4.43%)</p>	
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>Soil series map available. Refer to soil series map dated August 2016 prepared by R&D-TTAS Precision Agriculture Unit (NHM). There are no peat soils or soil categorised as problematic or fragile soil at all estates. Soil series summary as follow:</p> <p>Serkam Estate (Kesang Division) Majority: Serdang (50.67%), Pohoi (21.07%), Local Alluvium I (2.56%), Local Alluvium II (6.11%), Gajah Mati (10.37%), Bungor (8.59%).</p> <p>Diamond Jubilee (Main Div.) Majority: Rengam (81.80%), Malacca (13.59%), Jerangau (4.43%)</p>	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Reviewed the documented 5 years business plan covering period 2018 – 2023. The plan reviewed annually, latest reviewed was done in May 2018 prior to end of financial year 2017/2018. The plan includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement.</p>	Yes
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p>	<p>SOU 18 have long range replanting programme until FY 2036/37. Replanting planned for the palm older than 25 years, non-performance field (yield) and ganoderma infected palm. Observed the replanting programme for the next financial year as follows:</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Serkam Estate Estate has reviewed the LRRP since last visit. Sighted the latest replanting programme for FY 2018/19 and 2019/20 as follows: FY 2018/2019 – For field 1993K and 1994K @ 180.85 ha. Completed felling for 1993K. For field 1994K, the felling will be commenced in January 2019. FY 2019/20 – For field 1991A, 1994B and 1994C @ 121.77 ha.</p> <p>Diamond Jubilee Estate Replanting programme for the next two financial year as follows: FY 2018/19 – For field 1996H1A and 1996 H1B @ 145.08 ha FY 2020 – For field 1996H, 1996H2B and 1996H3 @ 128.40 ha</p>	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>Reviewed the documented 5 years business plan covering period 2018 – 2023. The plan reviewed annually, latest reviewed was done in May 2018 prior to end of financial year 2017/2018. The plan includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement.</p>	Yes
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis. The supervisory personnel maintained a daily cost for the field operations. The SOU meeting involving the Managers sits monthly with the Head Zone for the performance review.</p>	Yes
<p>Criterion 4.6.3: Transparent and fair price dealing</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	Diamond Jubilee POM is only received FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill.	Yes
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Sampled of Letter of Award/ contract of agreement as below:</p> <ul style="list-style-type: none"> i. Ref. No.: T/SDPSB/PEN/FFB/0815/007 dated 30/8/2018 for FFB transporter which is the extension contract which valid until 30/9/2018. ii. Company No.: 231954-X dated 19/12/2017 for CPO transporter which valid until 30/4/2019. iii. Contract No.: 02/2018/(Q2) for supplying labour for harvesting which valid from 1/7/2018 to 31/12/2018. iv. Company No.: 1114905-W dated 1/7/2018 for replanting work which valid until for 36 months. 	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	Serkam Estate and Diamond Jubilee Estate had informed its contractors regarding the need to follow the MSPO requirements through MSPO briefing to contractors. The latest training conducted was on 20.08.18.	Yes
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Sampled of Letter of Award/ contract of agreement as below:</p> <ul style="list-style-type: none"> i. Ref. No.: T/SDPSB/PEN/FFB/0815/007 dated 30/8/2018 for FFB transporter which is the extension contract which valid until 30/9/2018. ii. Company No.: 231954-X dated 19/12/2017 for CPO transporter which valid until 30/4/2019. iii. Contract No.: 02/2018/(Q2) for supplying labour for harvesting which valid from 1/7/2018 to 31/12/2018. 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		iv. Company No.: 1114905-W dated 1/7/2018 for replanting work which valid until for 36 months.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated to the contractor through MSPO training and contract form to contractor. Example seen for contractor: Yong Siew Tiam & Sons Sdn Bhd, for FFB harvesting signed on 05.09.18 and Sam Wun Hoon Replanting Contractor Sdn Bhd on 1 st July 2018.	Yes
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel before payment been made to the contractors. Example Yong Siew Tiam & Sons Sdn Bhd, Sales contract no: 02/2018/(Q2) dated 05.09.2018., the progress works are recorded in the 'Replanting Book History 2018A from 1993k' (Serkam Estate) and Sam Wun Hoon Replanting Contractor Sdn Bhd and works recorded in "Replanting 2018D & 2018C Shredding, Deboling & Infilling of Bole Pits' (Diamond Jubilee Estate) by estate personnel.	Yes
4.7 Principle 7: Development of new planting (if there is any new planting after January 2015)			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no new planting in both the estates visited	Yes
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above	There is no new planting in both the estates visited	Yes

Criterion / Indicator		Assessment Findings	Compliance
	100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -		
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There is no new planting in both the estates visited	Yes
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There is no new planting in both the estates visited	Yes
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	There is no new planting in both the estates visited	Yes
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There is no new planting in both the estates visited	Yes
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be	There was no scheme smallholder involves in the certification unit.	Yes

MSP0 Public Summary Report
Revision 0 (Aug 2017)

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



MSP0 Public Summary Report
Revision 0 (Aug 2017)

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

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There is no new planting in both the estates visited	Yes
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no new planting in both the estates visited	Yes
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no new planting in both the estates visited	Yes

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Sime Darby Plantations Berhad – Diamond Jubilee POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of Sime Darby Plantations Berhad – Diamond Jubilee POM Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Nathan A/L Kannan	Name: Elzy Ovktafia Chairul
Company name: Sime Darby Plantations Berhad	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Manager/SOU Chairman	Title: Client Manager
Signature:  Date: 12.10.2018	Signature:  Date: 29.09.2018

Appendix A: Assessment Plan

Date	Time	Subjects	(EO)
Tuesday 4/9/2018	-	Travel to Seri Malaysia Hotel	√
Wednesday 5/9/2018 Diamond Jubilee Palm Oil Mill	0900- 1200	MSPO-RSPO Differential Requirement Assessment: Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√
	1000- 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√
	1200- 1300	Lunch	√
	1300- 1630	MSPO-RSPO Differential Requirement Assessment: Visit to laboratory, weighbridge and palm product storage area. Document Review SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc.	√
	1630- 1700	Interim Closing Briefing and end of day 1	√
Thursday 6/9/2018 Serkam Estate	0830- 1300	MSPO-RSPO Differential Requirement Assessment: 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	√
	1300- 1630	MSPO-RSPO Differential Requirement Assessment: Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√
	1630- 1700	Interim Closing Briefing and end of day 2	√
Friday 7/9/2018 Diamond Jubilee Estate	0830- 1300	MSPO-RSPO Differential Requirement Assessment: 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- 1400	Lunch and Friday Prayer	√
	1400- 1630	MSPO-RSPO Differential Requirement Assessment: Document review P1 – P8: (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).	√
	1400- 1630	Closing Meeting	√

Appendix B: List of Stakeholders Contacted

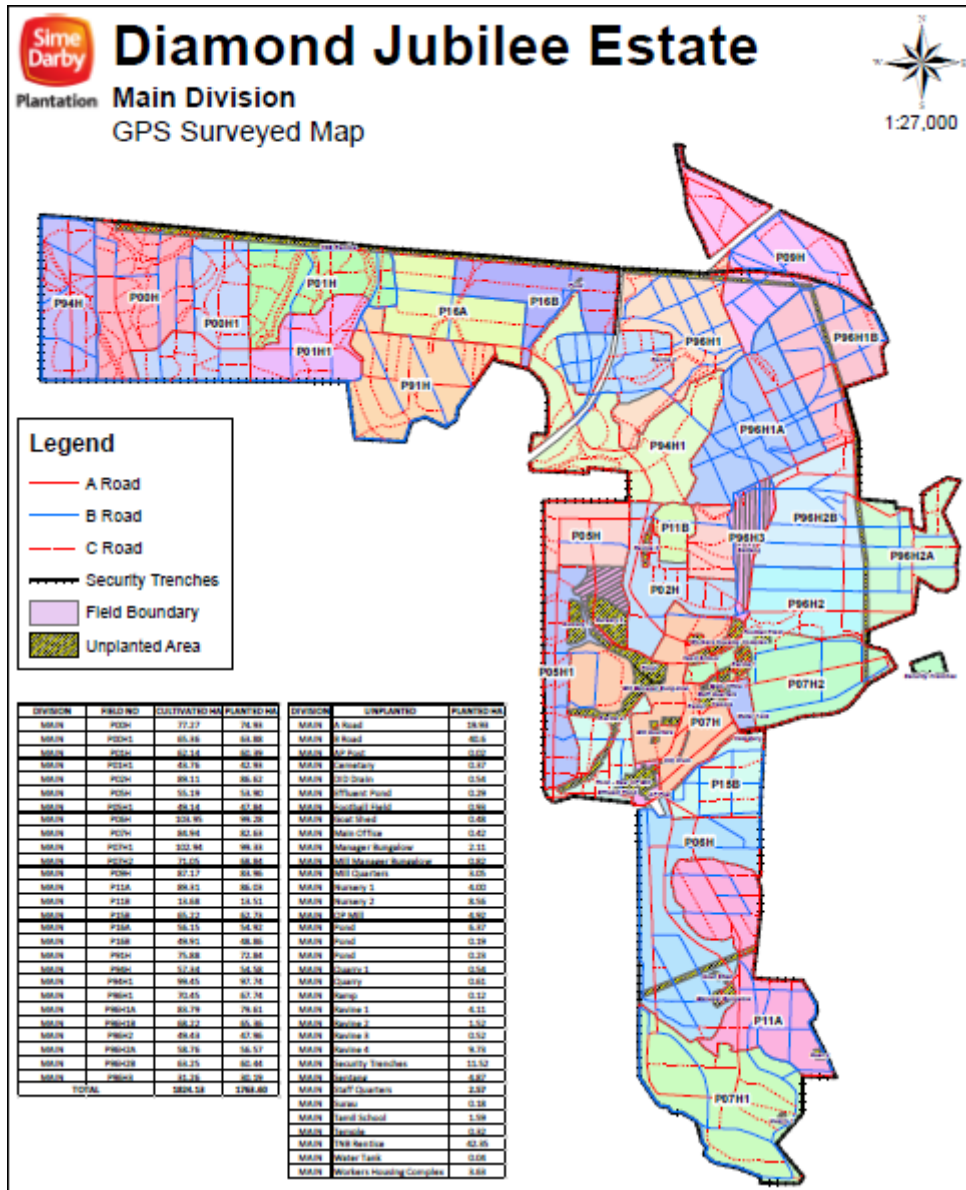
Internal Stakeholders	External Stakeholders
Workers Representatives Gender Committee Joint Consultative Committee Workers Union Representatives Hospital Assistant	Contractors & Suppliers Police Representative School Representatives Neighbouring village & smallholders.

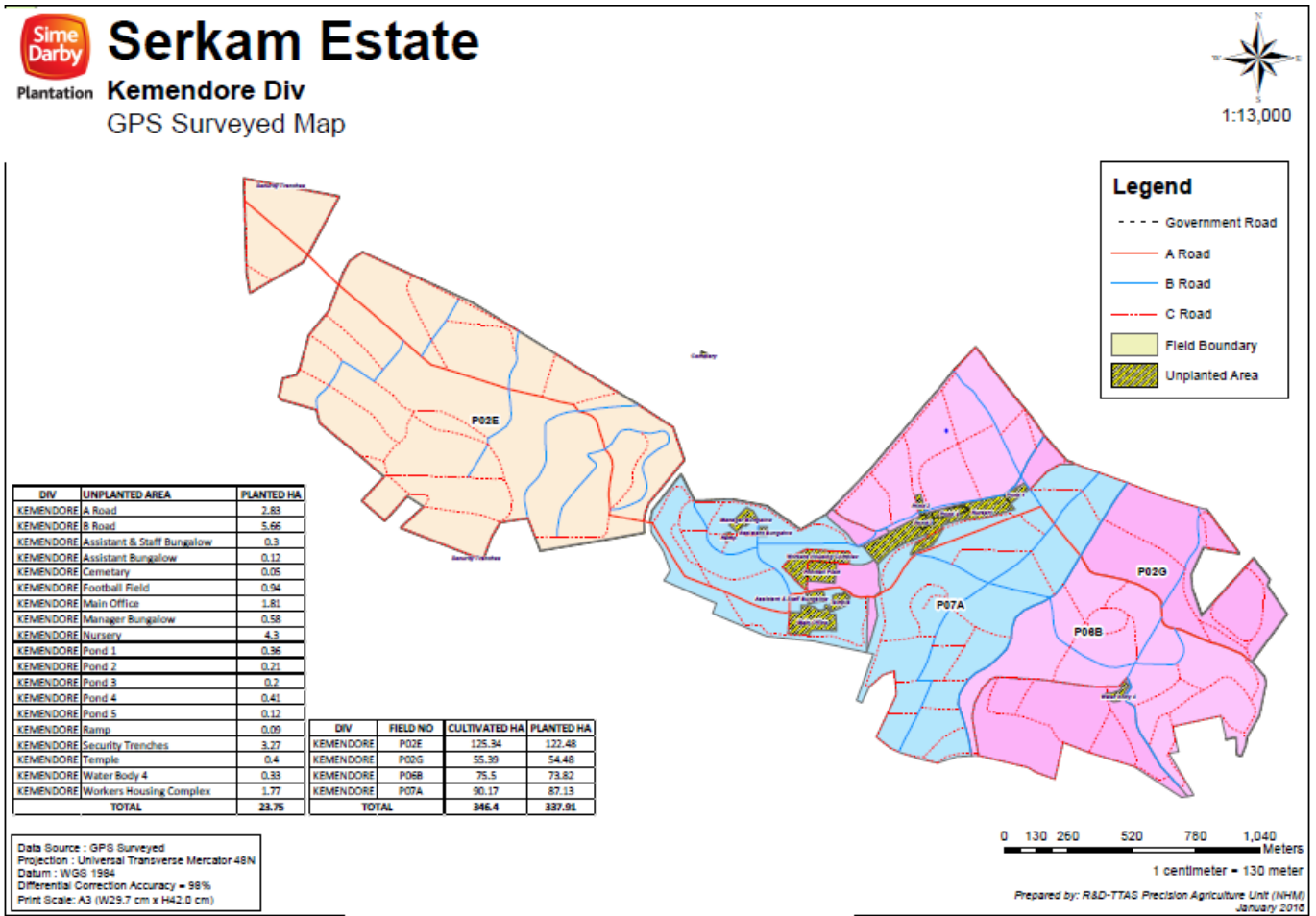
Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable as no smallholder's scheme involved in the scope of certification.			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
TOTAL				

Appendix F: Location and Field Map







Appendix G: List of Abbreviations

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