

**MALAYSIAN SUSTAINABLE PALM OIL  
– INITIAL ASSESSMENT /  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Client company Address: Head Office: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
<b>Strategic Operating Unit (SOU 7)</b> <b>Bukit Kerayong Palm Oil Mill</b> Jalan Bukit Kerayong 42200 Kapar Klang, Selangor Malaysia

**Report prepared by:**  
Elzy Ovktafia (Lead Auditor)

**Report Number:** 8845506

**Assessment Conducted by:**  
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## Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Bukit Kerayong POM: 526188002000		
Company Name	Sime Darby Plantation Berhad – SOU 7 Bukit Kerayong		
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 7) – Bukit Kerayong Palm Oil Mill, Bukit Kerayong Road 42200 Kapar, Klang, Selangor, Malaysia		
Group name if applicable:	SOU 7 BUKIT KERAYONG		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Senthilkumaran A/L Gopal		
Website	<a href="http://www.simedarby.com">www.simedarby.com</a>	E-mail	<a href="mailto:Kks.bk.kerayong@simedarbyplantation.com">Kks.bk.kerayong@simedarbyplantation.com</a>
Telephone	013 – 2086959	Facsimile	-

1.2 Certification Information			
Certificate Number	Mill : MSPO 682049 Estate : MSPO 690368		
Issue Date	14/03/2018	Expiry date	13/03/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	19-21/12/2017		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 550181	Roundtable Sustainable Palm Oil	BSI Services Malaysia	14/04/2021

<b>1.3 Location of Certification Unit</b>			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Bukit Kerayong Palm Oil Mill	Kilang Kelapa Sawit Bukit Kerayong 42200 Kapar, Klang, Selangor	101° 22' 29.6" E	3° 11' 12.7" N
Bukit Kerayong Estate	Bukit Kerayong Estate, P.O Box 204 42200 Kapar, Klang, Selangor	101° 21' 00.5" E	3° 10' 31.3" N
Bukit Cheraka Estate	Bukit Cheraka Estate, P.O Box 45809 Jeram, Selangor	101° 22' 01.7" E	3° 13' 38.6" N

<b>1.4 Plantings &amp; Cycle</b>					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Bukit Kerayong Estate	390.50	1,998.45	258.73	93.17	56.91
Bukit Cheraka Estate	466.30	1,040.36	1,527.26	287.26	67.52
Total	856.8	3,038.81	1,785.99	380.43	124.43

<b>1.5 FFB Production (Actual) and Projected (tonnage)</b>			
Producer Group	Projected from last audit	Actual production Nov 2016 – Oct 2017 or last 12 months	Projected production for next 12 months ( Nov 2016 – Oct 2017)
Bukit Kerayong Estate	N/A	64,311.78	74,601.01
Bukit Cheraka Estate	N/A	112,838.08	140,024.07
Total	N/A	177,149.86	214,625.08

<b>1.6 Certified CPO / PK Tonnage</b>						
Mill	Estimated (Previous Year)		Actual (This Year)		Forecast (Next Year)	
	CPO	PK	CPO	PK	CPO	PK
Bukit Kerayong Palm Oil Mill	<b>25,840.51</b> MT	<b>6,932.82</b> MT	<b>23,977.82</b> MT	<b>6,072.33</b> MT	<b>25,823.84</b> MT	<b>7,034.72</b> MT
<b>OER/KER (%)</b>	20.50 %	5.50 %	20.19%	4.97%	20.64%	5.50 %

**1.7 Details of Certification Assessment Scope and Certification Recommendation:**

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Sime Darby Bukit Kerayong POM SOU7 located in Jalan Bukit Kerayong, 42200 Kapar, Klang, Selangor Malaysia comprising 1 mill; 2 estates and infrastructures.

The scope of the assessment is the documented management system with relation to the requirements of MSP0 MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders & MSP0 MS 2530-4:2013 – General Principles for Palm Oil Mills and the defined assessment plan provided in terms of locations and areas of the system and organisation to be assessed.

The assessment is a combined assessment for the mill and the group of estates that is supplying to the mill. However the assessment criteria for the mill and the estates were separated following to the required standards. The certification assessment scope is Bukit Kerayong Palm Oil Mill SOU 7 which acts as the group manager for Bukit Kerayong Estate and Bukit Cheraka Estate. This report is the combine report for Bukit Kerayong Palm Oil Mill SOU 7 and Bukit Kerayong SOU 7 Estates.

The onsite assessment was conducted on 19/12/2017 – 21/12/2017.

Based on the assessment result, Sime Darby Bukit Kerayong POM SOU 7 complies with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill and recommended for certification.

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
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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 19/12/2017 – 21/12/2017. The audit programme is included as Appendix A. The approach to the audit was to treat the Bukit Kerayong Palm Oil Mill as as a MSPO Certification Unit and Bukit Kerayong SOU 7 Estates as another MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

Since this is the initial assessment, there is no previous nonconformities. The assessment findings for the initial assessment are detailed in Section 4.2.

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 4)</b>	<b>Year 5 (ASA 5)</b>
Bukit Kerayong POM	√	√	√	√	√
Bukit Kerayong Estate	√	√	√	√	√
Bukit Cheraka Estate	√	√	√	√	√

**Tentative Date of Next Visit: December 11, 2018 - December 13, 2018**

**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.

**Daniel Francis - Team Member**

Daniel Francis is a fulltime employee with BSI Services Malaysia. He holds a Bachelor of Applied Science Degree in Food Science, graduated from Charles Sturt University, Australia. He has over 8 years of working experience in the oil and gas industry and 3 years in the food & beverage industry. He is an experienced auditor for several management system standards including ISO 9001, ISO 14001, OHSAS 18001 and Integrated Management System. He had completed the ISO 9001:2015 Lead Auditor Course and RSPO SCC Lead Auditor Course. He had been involved in the RSPO audits with various companies in Malaysia.

**Accompanying Persons:** N/A

### Section 3: Assessment Findings

#### 3.1 Details of audit results

This assessment has been assessed using the following RSPO 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

During the Initial Certification Assessment there was no nonconformities raised. However there were 4 Opportunity For Improvement was raised.

Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1574726-201711-M1	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:	Compliance to the EMPLOYMENT ACT 1955 and Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 are not effectively implemented.	
Objective Evidence:	<p><u>Bukit Kerayong Estate:</u>            As per EMPLOYMENT ACT 1955, Work on rest day:  <i>60. (d) In the case of an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.</i></p> <p>However, sampled worker's pay slips showed that working on Sunday for worker ID (Myanmar): 0000096887 and Estate worker ID (Bangladesh): 0000107957 were not having the double paid which is incompliance with Malaysia Employment Act 1955.            The sampled pay slips are as below:            a. Estate worker ID (Bangladesh): 0000107957, pay slip for July 2017 &amp; March 2017.            b. Estate worker ID (Myanmar): 0000096887, pay slip for Nov 2017.</p> <p><u>Bukit Kerayong Estate &amp; Bukit Cheraka Estate:</u>            As per Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 Weekly inspection of workers' housing:  <i>(2) 'It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer who shall report to the resident manager...'</i></p> <p>For Bukit Kerayong Estate &amp; Bukit Cheraka Estate, linesite inspection was not conducted in weekly basis as evidenced in linesite records by Hospital Assistant.</p>	



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<p>Corrections:</p>	<p><u>Bukit Kerayong Estate</u></p> <p>The weekly inspection of the housing complex is carried out by the HA using the checklist provided by the PSQM.</p> <p><u>Bukit Kerayong &amp; Bukit Cheraka Estate</u></p> <p>The management of the Bukit Kerayong Estate temporarily not offering Sunday work. Management had agreed to reimburse double pay to the affected workers by stages.</p>
<p>Root cause analysis:</p>	<p><u>Bukit Kerayong Estate</u></p> <p>Management offered the task on voluntary basis to the workers and the working hours is not exceeding 4 hours. The salary paid as piece rated as indicated in the collective agreement. This is a current practice in estate and the management offered piece rated pay which is higher than daily rated pay.</p> <p><u>Bukit Kerayong &amp; Bukit Cheraka Estate</u></p> <p>Inspection was conducted by the Visiting Medical Officer (VMO) and assisted by the Hospital Assistant (HA), however the inspection schedule was inconsistent and no standard record. The schedule of the VMO visit by the bi-weekly basis and the issues related on housing recorded in the log book.</p>
<p>Corrective Actions:</p>	<p><u>Bukit Kerayong Estate</u></p> <ol style="list-style-type: none"> <li>1. The management had issued memo dated 5 January 2018 on no working on Sunday except for harvesting activity.</li> <li>2. If the management required piece rated work on the Sunday, the double pay is applicable to the workers.</li> </ol> <p><u>Bukit Kerayong &amp; Bukit Cheraka Estate</u></p> <ol style="list-style-type: none"> <li>1. Management will conduct the SOP Workers Minimum Housing Standard and Social Amenities training to the Hospital Assistant on January 2018.</li> <li>2. The HA required to submit the checklist for the verification by the Assistant Manager on the weekly basis.</li> </ol>
<p>Close out evidence:</p>	<p><u>Bukit Kerayong Estate</u></p> <ol style="list-style-type: none"> <li>1. List of all the affected workers who worked on rest day but paid by normal rate identified with the reimbursed rate to be paid in year 2017.</li> <li>2. Pay slips for 3 sampled workers in previous audit in January 2017 on the reimbursed rate paid in stages (Worker ID: 107957, 96887, 110449)</li> <li>3. Memo circulated from the Estate Manager to Estate Management, that mentioned the double pay will be paid to the worker work on rest day for piece rate or hourly rate basis dated 27.12.2017.</li> </ol> <p><u>Bukit Kerayong &amp; Bukit Cheraka Estate</u></p> <ol style="list-style-type: none"> <li>4. Bukit Kerayong Estate: Memo dated 27.12.2017 circulated from the Estate Manager to Estate Management, mentioned the sechedule for linesite inspection to be conducted weekly by the assigned person in charge.</li> <li>5. Bukit Kerayong Estate: Bukit Worker’s Housing Complex Inspection with the line site checklist for January 2018.</li> <li>6. Bukit Cheraka Estate: BCE Linesite Inspection checklist for January 2018.</li> </ol>

Assessment Conclusion:	Audit team have reviewed the evidence submitted and of the view that the major NC is satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 08/3/2018.
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Major Nonconformities:		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1574726-201711-M2	4.3.1.1-Part 4
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Compliance to the Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 is not effectively implemented.	
Objective Evidence:	<p>As per Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 Weekly inspection of workers' housing:  <i>(2) 'It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer who shall report to the resident manager...'</i></p> <p>For Bukit Kerayong POM, linesite inspection was not conducted in weekly basis as evidenced in linesite records by staff in-charge.</p>	
Corrections:	The inspection of the housing complex is being carried out weekly as per requirements. The standard checklist have been provided by PSQM.	
Root cause analysis:	No inspection conducted due to any issues related to housing will be reported to the Management. The issues recorded in the 'Buku Rekod Kerosakan Rumah'.	
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Person in charge have been appointed to conduct the housing inspection.</li> <li>2. Management will conduct the SOP Workers Minimum Housing Standard and Social Amenities training on 12 January 2018.</li> <li>3. The completed checklist to be submitted to the assistant Manager for verification.</li> </ol>	
Close out evidence:	<p><u>Bukit Kerayong POM</u></p> <ol style="list-style-type: none"> <li>1. Appointment letter to the PIC for the line site inspection dated 03.01.18 to Mr Zahariman Salleh (Mill Operator).</li> <li>2. Bukit Kerayong POM: Linesite Inspection checklist for 27.02.2018.</li> <li>3. Attendance list for SOP Training on Linesite Inspection on 27.02.2018 to 7 attendees.</li> <li>4. Training Photos on 27.02.2018.</li> </ol>	
Assessment Conclusion:	Audit team have reviewed the evidence submitted and of the view that the major NC is satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 08/3/2018.	

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<b>Major Nonconformities:</b>		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1574726-201711-M3	4.4.4.2-Part 3
Requirements:	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).	
Statement of Nonconformity:	The use of appropriate Personal Protective Equipment (PPE) was not effectively implemented.	
Objective Evidence:	<p>1. During the site visit (Bukit Kerayong Estate) to the sprayer gang at block P10 sighted that all 9 sprayers do not have eye protection PPE.</p> <p>a. As per the Sime Darby Plantation Sdn Bhd Bukit Kerayong Estate (Tatacara Kerja Selamat – Keselamatan Penggunaan Bahan Racun) SOPP – Chemical, the PPE approved by JKKP includes Eye Protection PPE.</p> <p>b. CHRA (03-04/02/CHRA/2015/3) dated 03/08/2015 by NIOSH (JKKP HIE 127/2(353) also requires sprayers to wear eye protection (google) during spraying activities.</p> <p>2. During the site visit (Bukit Cheraka Estate) to the manuring gang at block OP14C sighted that all 15 manuring gang do not have eye protection PPE.</p> <p>a. As per the Sime Darby Plantation Sdn Bhd Bukit Cheraka Estate (Tatacara Kerja Selamat – Keselamatan Penggunaan Baja) the PPE approved by JKKP includes Eye Protection PPE.</p> <p>b. CHRA (03-04/02/CHRA/2015/3) dated 06/08/2015 by NIOSH (JKKP HIE 127/2(353) also requires manuring gang to wear eye protection (google) during manuring activities.</p>	
Corrections:	<p><u>Bukit Kerayong Estate</u></p> <p>The Estate management decided to provide suitable eye protection for sprayer. The management will review the SOP and provide the suitable PPE (spackle type) for sprayer.</p> <p><u>Bukit Cheraka Estate.</u></p> <p>The Estate management decided to provide the PPE to manuring gang as per mention in the CHRA report. PPE is only for eye protection (spackle), for others PPE still remain unchanged.</p>	
Root cause analysis:	<p><u>Bukit Kerayong Estate</u></p> <p>The Management did not provide eye protection to the sprayer as it may fog the eye glasses. The management did not provide the eye protection due to complaints received on fogged goggle and uncomfortable to wear during working.</p> <p><u>Bukit Cheraka Estate.</u></p> <p>The Management did not provide eye protection to the manuring gang as the fertilizer is in granular type and less hazardous to the eyes.</p>	
Corrective Actions:	<p><u>Bukit Kerayong Estate</u></p> <p>1. The SOP spraying activity and PPE training will be conducted on January 2018.</p> <p>2. The management will enforce the PPE monitoring during the morning muster. The records of monitoring will be established.</p>	

	<p><u>Bukit Cheraka Estate.</u></p> <p>1. The SOP manuring and PPE training will be conducted on January 2018.</p> <p>2. The management will enforce the PPE monitoring during the morning muster. The records of monitoring will be established.</p>
Close out evidence:	<p><u>Bukit Kerayong Estate</u></p> <p>1. SOP Training for sprayer attendance list with photos on 03.01.2018.</p> <p>2. PPE and Tool for Harvesting list distributions to all 10 workers on 15.01.2018.</p> <p><u>Bukit Cheraka Estate.</u></p> <p>3. Manuring Application Training &amp; PPE Equipment Training for sprayer attendance list with photos on 10.01.2018.</p> <p>4. PPE and Tool for Harvesting list distributions to all 11 workers on 08.01.2018. Revised SOP titled 'Tatakerja Kerja Selamat Keselamatan Penggunaan Baja'.</p>
Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted and of the view that the major NC is satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 08/3/2018.</p>

Noteworthy Positive Comments	
1	Good relationship being maintained with surrounding villages, schools and contractors.
2	No stakeholder's compliant or negative feedback received during stakeholder's consultation.

### 3.3 Status of Nonconformities Previously Identified and OFI

This is the Initial Assessment. There is no previously raised nonconformities and OFI.

### 3.4 Issues Raised by Stakeholders

IS #	Description
1	<p><b>Issues</b></p> <p><u>NUPW Representative</u></p> <p>No complaint made from the workers so far and company has been treating workers without discrimination.</p>
	<p><b>Management Responses</b></p> <p>Estate will continue maintain the harmonization for its employees and treating them fairly.</p>
	<p><b>Audit Team Findings</b></p> <p>No further issue.</p>
2	<p><b>Issues</b></p> <p><u>Head Village of Kampung Bukit Kerayong.</u></p> <p>Appreciate the support and cooperation given by company for the issues on villager's cattle and flood problem in Kampung Bukit Kerayong.</p>
	<p><b>Management Responses</b></p> <p>Estate will always give cooperation and concern with the neighbour village issue.</p>
	<p><b>Audit Team Findings</b></p> <p>No further issue.</p>
3	<p><b>Issues</b></p>

	<p><u>SJK(T) Ladang Brafferton</u>  The headmaster thanks the management for the contributions and donations given to support the government school.</p> <p><b>Management Responses</b>  Management will continue to support SJK(T) Ladang Brafferton.</p> <p><b>Audit Team Findings</b>  Positive comment given. No further issue.</p>
<b>4</b>	<p><b>Issues</b>  <u>Gender Committee</u>  So far, there is no critical or any sexual harassment reported for both West Oil Mill and West Estate.</p> <p><b>Management Responses</b>  Management will continue to maintain the mechanism in grievance and complaint regarding sexual harassment.</p> <p><b>Audit Team Findings</b>  No further issue.</p>
<b>5</b>	<p><b>Issues</b>  <u>Contractors</u>  So far, payment was made in timely manner and accurate to all the contractors engaged with Bukit Kerayong POM, Bukit Kerayong Estate and Bukit Cheraka Estate.</p> <p><b>Management Responses</b>  Management will maintain good relationship with the contractors.</p> <p><b>Audit Team Findings</b>  No further issue.</p>
<b>6</b>	<p><b>Issues</b>  <u>Balai Polis Kapar</u>  No criminal issues reported involving Sime Darby-Bukit Kerayong POM and supply bases received at Balai Polis Kapar.</p> <p><b>Management Responses</b>  Management will continue to maintain the safety and security issues within Sime Darby complexes.</p> <p><b>Audit Team Findings</b>  No further issue.</p>

**3.5 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
N/A	N/A	N/A	N/A

**3.6 Summary of the findings by Principles and Criteria**

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: <ul style="list-style-type: none"> <li>• Quality Management Policy dated January 2015</li> <li>• Lean Six Sigma Policy dated January 2015</li> <li>• Quality Policy dated January 2015</li> </ul> The commitments are made by Datuk Franki Anthony Dass, Managing Director of Sime Darby Plantations Berhad.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/05/2015 documented the process to conduct internal audit. The internal audit checklist is available to cover all the required MSPO requirements. This is the initial certification of MSPO. The internal audit schedule for 2017 has been planned and communicated by Regional SQM to all central east region Estates and Mills. <u>Bukit Kerayong Estate</u> The last internal audit for sustainable palm oil was conducted on 7 <sup>th</sup>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>November 2017. The internal audit had covered all the MSPO MS:2530 Part 3 elements.</p> <p><u>Bukit Cheraka Estate</u></p> <p>The last internal audit for sustainable palm oil was conducted on 6<sup>th</sup> November 2017. The internal audit had covered all the MSPO MS:2530 Part 3 elements.</p>	
4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p><u>Bukit Kerayong Estate</u></p> <p>The internal audit report dated 07/09/2017 had included root cause analysis and corrective action plan.</p> <p>Sampled on the finding closure from the last internal audit was verified.</p> <p>The finding raised was on indicator 4.5.3 Indicator 2 on waste management plan. The closing of the finding was to update the waste management plan and record keeping.</p> <p><u>Bukit Cheraka Estate</u></p> <p>Sample of finding closure from the last internal audit was verified. The finding raised was on indicator 4.4.4 Indicator 1 regarding HIRARC. The closing of the finding was to review and update HIRARC.</p>	Complied
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report has been distributed to the estate management and Sime Darby Plantation HQ management.</p> <p>There is a monthly SQM meeting at HQ level to review the treading of findings raised in both internal and external audit.</p>	Complied
<b>Criterion 4.1.3 – Management Review</b>			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p>	<p><u>Bukit Kerayong Estate</u></p> <p>Sime Darby is RSPO certified. On annual basis management review is conducted on regional level. The last management review was conducted on 8<sup>th</sup> November 2017. The management review had included internal and external sustainable palm oil audit results review.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>The status of the correction and preventive actions are being discussed and reviewed.</p> <p>The management review was conducted on Operating Unit level. The meeting was chaired by the Estate Manager, En Amirudin Said. The minutes of the meeting and review presentation was sighted.</p> <p><u>Bukit Cheraka Estate</u></p> <p>In Operating Unit level, the last management review was conducted on 18/11/2017. The meeting was chaired by the Estate Manager En Syed Muzharel Azhar Bin Syed Mohamad. The minutes of the meeting and review presentation was sighted.</p>	
<b>Criterion 4.1.4 – Continual Improvement</b>			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The latest Continual Improvement Plan for FY 2017/2018 was adopting the RSPO CIP. The improvement plan includes occupational health and safety, operation improvement and training.</p> <p>The operating units also adopted the Lean Six Sigma continual improvement. The improvement project for 2017 has sighted.</p>	Complied
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 was established. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has includes training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings are provided by company on regular basis.</p>	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable)</p>	<p>The action plan is included in the CIP for FY 2017/2018 and the Lean Six Sigma.</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
	shall be established. - Major compliance -		
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Assistant Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.  Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the mill. In addition to the website, 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. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at <a href="http://www.simedarbyplantation.com/Sustainability.aspx">http://www.simedarbyplantation.com/Sustainability.aspx</a> .	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5,	

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Bukit Kerayong Estate & Bukit Cheraka Estate: The Senior Assistant Manager is responsible to deal with the external communication and social issue as per appointment letter dated 01.03.17 and 30.06.17.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	The latest stakeholders list was updated as for FY 2017/18 covering contractors, vendor/suppliers, local community heads and other interested parties.  The external stakeholder consultation is conduct once a year. The last meeting was conducted for Bukit Kerayong Estate, Bukit Cheraka and Bukit Kerayong POM on 28/11/2017.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
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 -	Bukit Kerayong POM is receiving FFB mainly from Bukit Kerayong Estate & Bukit Cheraka Esatte and no outside FFB supplier.  The weighbridge ticket provided the following details:  Product: FFB or Loose fruit Supplier: Bukit Kerayong Estate Ticket Number: 010267 Date: 19/12/17 No of bunch: 2396	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Product: FFB or Loose fruit            Supplier: Bukit Cheraka Estate            Ticket Number: 22080            Date: 21/12/17            No of bunch: 782</p> <p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Assistant I as for letter of appointment dated 01.01.17 for Bukit Kerayong Estate and Nur Nadiah (Assistant Manager) as per appointment letter 30.09.17 for Bukit Cheraka Estate.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2016, dated Oct 2016 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of RSPO/ISCC/MSPO.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The responsible personal for the traceability is the Assistant I as for letter of appointment dated 01.01.17 for Bukit Kerayong Estate and Nur Nadiah (Assistant Manager) as per appointment letter 30.09.17 for Bukit Cheraka Estate. The training on the traceability was provided by PSQM through the MSPO awareness training on 12.1.17 which combined altogether with Bukit Cheraka Estate, Bukit Kerayong POM and Bukit Kerayong Estate through Sustainability Journey in SDP and Supply Chain Certification System.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	There is no sales of the FFB as Bukit Kerayong & Bukit Cheraka estate is the only supply bases to Bukit Kerayong POM, and belongs to the Sime Darby Plantation Bhd.  The delivery note of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	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 under SOU7. 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.  <u>Bukit Kerayong Estate</u>  Sample of licenses or permit viewed were:  1. MPOB sell and transport FFB license: 525572002000 (validity period 01/01/2018 – 31/12/2018).  2. Weighbridge License: B1322966 (validity of 1 year from 22/03/2017).  3. Diesel permit: B023688; ref: B.PGK.SEL/00533 (validity period	Major nonconformance

Criterion / Indicator	Assessment Findings	Compliance
	<p>02/11/2016 – 01/11/2017). Sighted BLESS: BL2017066562 submitted for renewal on 10/11/2017.</p> <p>4. Air compressor license for Air Receiver Tank: SL PMT 21473 (validity period until 11/04/2017).</p> <p><u>Bukit Cheraka Estate</u></p> <ol style="list-style-type: none"> <li>1. MPOB sell and transport FFB license: 526188002000 (validity period 01/02/2018 – 31/01/2019).</li> <li>2. MPOB Nursery license: 589377011000 (validity period 01/10/2017 – 30/09/2018).</li> <li>3. Weighbridge License: B1318919 (validity of 1 year from 14/07/2017).</li> </ol> <p>Diesel permit: B024362 (validity period 20/01/2017 – 19/01/2018).</p> <p><b><u>Bukit Kerayong Estate:</u></b>  <b>As per EMPLOYMENT ACT 1955, Work on rest day:</b>  <b><i>60. (d) In the case of an employee employed on piece rates who works on a rest day, he shall be paid twice his ordinary rate per piece.</i></b>  <b>However, sampled worker’s pay slips showed that working on Sunday for worker ID (Myanmar): 0000096887 and Estate worker ID (Bangladesh): 0000107957 were not having the double paid which is incompliance with Malaysia Employment Act 1955.</b></p> <p><b>The sampled pay slips are as below:</b></p> <p><b>a. Estate worker ID (Bangladesh): 0000107957, pay slip for July 2017 &amp; March 2017.</b></p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p><b>b. Estate worker ID (Myanmar): 0000096887, pay slip for Nov 2017.</b></p> <p><b><u>Bukit Kerayong Estate &amp; Bukit Cheraka Estate:</u></b></p> <p><b>As per Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 Weekly inspection of workers' housing:</b></p> <p><i>(2) 'It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer who shall report to the resident manager...'</i></p> <p><b>2. For Bukit Kerayong Estate &amp; Bukit Cheraka Estate, linesite inspection was not conducted in weekly basis as evidenced in linesite records by Hospital Assistant.</b></p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment and complied in the QSHE/04/5.2.4 folder. 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>The Legal &amp; Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was reviewed on 04/07/2017 for Bukit Kerayong Estate and 01/11/2017 for Bukit Cheraka Estate.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the</p>	

Criterion / Indicator		Assessment Findings	Compliance
	regulations coming into force. - Major compliance -	information are communicated from the Group Head Office. The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was reviewed on 04/07/2017 for Bukit Kerayong Estate and 01/11/2017 for Bukit Cheraka Estate.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	<p><u>Bukit Kerayong POM &amp; Bukit Kerayong Estate</u></p> <p>The land title, Grant number 46219 (Lot 2601) for area of 5012 Acre, registered to Sime Darby Plantation (Peninsular) Sdn Bhd (now Sime Darby Plantation Berhad) on 27/08/02. The usage of land is not stated. The land was granted by Kanun Tanah Negara. Hence it is applicable for any usage. Sampled the quit rent payment voucher no 1600050155 dated 20.03.17, cheque no: MBB 614527 for 2017 for divison Jalan Acob and payment voucher no 1600050154 dated 20.03.17, cheque no: MBB 614526 for 2017 for divison Sungai Kapar &amp; Bukit Kerayong.</p> <p><u>Bukit Cheraka Estate</u></p> <p>There are a total of 105 land titles under Bukit Cheraka Estate, for total of RM 40,926.25 (drainage cess), RM 42,800 (quit rent) registered to Sime Plantation Sdn Bhd. The usage of land is not stated. The land was granted by Kanun Tanah Negara. Hence it is applicable for any usage. Sampled the quit rent dated 16.03.17, for geran 02, no hakmilik 0027639, amounted RM 2,533.00.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Refer to 4.3.2.1 The perimeter survey map of the land portion is provided together with the land title. The map is provided with the coordinated demarcation.	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land for the portion of land.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land for the portion of land.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of	There is no customary land for the portion of land.	



Criterion / Indicator		Assessment Findings	Compliance
	<p>negotiated agreements should be made available.</p> <p>- Major compliance -</p>		Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
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>The Social &amp; Environment Projects Unit, was conducted for Bukit Kerayong POM, Bukit Kerayong Estate &amp; Bukit Cheraka Estate internally by the PSQM Department. The last SIA was conducted in 2<sup>nd</sup> – 4<sup>th</sup> November 2015. Key areas identified in the SIA were on good practices/findings, issues, complaints, suggestions by workers and other stakeholders.</p> <p>The recommendation from the SIA report was transferred to action plan. The action plan identified the issues &amp; strategies, action plan, responsible person and time frame for both positive and negative impact.</p>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p>	Complied
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>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	Complied

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	- Major compliance -	<p>For Internal employee, there is complaint book keep in office and suggestion box located in front of office and the respond time is 2 weeks. Normally in Bukit Kerayong Estate and Bukit Cheraka Estate, the complaints received for housing repairs work for internal.</p> <p>For external, the complainant can write in directly to Estate and keep the record in the file. In Bukit Cheraka Estate, there is communication file to keep all the request and respond from internal and external. Sampled the request for water to clean the graveyard on 13.10.17, request to go home early for Deepavali celebration on 16.10.17 and genset for social used (temple) on 05.10.17.</p>	
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>The complaint is recorded in Buku Aduan Kerosakan (Bukit Kerayong Estate) and Linesite book (Bukit Cheraka Estate).</p> <p>In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint in whistleblowing e-form. This information is available in Sime Darby Website and suggestion box in mill office.</p>	Complied
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>Interview conducted with workers to confirm their understanding of the complaint and grievance process.</p> <p>There is no critical grievance recorded for the pass one year. Only request for maintenance and repairing housing, machine, etc are made by workers.</p>	Complied
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>The complaint record for request for maintenance are available and kept for 5 years (communications file (internal) according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>Bukit Kerayong Estate have made contribution to the internal and external stakeholders. For example, the management has contributed and supported the activities such as permission to use the field school for Perkhemahan Badan Beruniform dated 29.09.17, permission to conduct pray at Estate Temple on 21-30.9.17 and suggestion to held the blood donation and medical check up on 13.09.17. In Bukit Cheraka Estate, the contribution made to SK Jeram (donation of RM300) on 17.11.17, SRJK(T) Bukit Cheraka (RM300) on 24.10.17, request to use estate road as running track for school (SMK Jeram) on 17.09.17, etc.</p> <p>Apart from that, Bukit Cheraka Estate has the budget for request for grasscutting at football field and temple, provide cow for festival eve (Hari Raya Qurban), etc.</p>	Complied
Criterion 4.4.4: Employees safety and health			
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>The Group Occupational Safety &amp; Health Management Policy had been established and implemented for all the estates. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees &amp; contractors &amp; visitors. In interviews with the workers and staff during the site visit revealed that the employees has been briefed and has understood the policy.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>A safety and health policy, which is communicated and implemented.</p> <p>The risks of all operations shall be assessed and documented.</p> <p>An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p>all employees involved shall be adequately trained on safe working practices</p> <p>all precautions attached to products shall be properly observed and applied</p> <p>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>The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>The management shall appoint responsible person(s) for</p>	<p>Briefing to all employees, staffs and stakeholders made through townhall session. Sighted Bukit Kerayong Estate training records for townhall session held on 07/10/2017 attended 342 employees, 12 contractors and 3 dependents. During the townhall session subject on safety policies, road safety, zero harm, accident history and precautionary measures and dialogue were briefed and shown in slides presentation to the employees.</p> <p>Similar session was held in Bukit Cheraka Estate by PSQM. Sighted Bukit Cheraka Estate training records for the Safety Townhall 5.0 session held on 13-14/10/2017 attended 20 management staff, 20 AP, 19 R&amp;D (Banting) and 21 daily rated workers. Content includes among others to prioritise safety, execute work safely, adhere all safety rules and regulations and to target zero accident.</p> <p>HIRARC for both estates are available. HIRARC revision (Bukit Kerayong Estate) as sighted was made on 01/09/2017 for harvesting involving the frond stalk and loose fruit collector.</p> <p>HIRARC revision (Bukit Cheraka Estate) as sighted was made on 06/11/2017 following an accident while sharpening the sickle where injury to the finger happened. Therefore an accident sharing session during morning muster was conducted and a review on done for the SOP for sharpening of sickle.</p> <p>Both estates provide training to the works and staff.</p> <p>Training related to pesticides exposure are held;</p> <ol style="list-style-type: none"> <li>1. Bukit Kerayong Estate; Date: 26/03/2016; Title: Chemical Handling Training; attended by 32 workers.</li> <li>2. Bukit Cheraka Estate; Date: 02/08/2016; Title: Inter 16 Pump Handling and Operation Training; attended by 25 workers.</li> </ol>	<p>Major nonconformance</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>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>Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>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>Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Details of training is available 4.4.6.1 under training and competency.</p> <p>OSH programs are also implemented. Common programs were initiated from HQ level e.g. OSH meeting, workplace inspection, inspection on PPE, training on MSPO/RSPO etc.</p> <p>The estates provide PPE to the employees such as apron, safety helmets, safety shoes relevant to the work handled by the workers. Records of PPE issuance for both estates were sighted. During the site visit workers was observed to wear PPE.</p> <p><b>During the site visit (Bukit Kerayong Estate) to the sprayer gang at block P10 sighted that all 9 sprayers do not have eye protection PPE as per the Sime Darby Plantation Sdn Bhd Bukit Kerayong Estate (Tatacara Kerja Selamat – Keselamatan Penggunaan Bahan Racun) SOPP – Chemical, the PPE approved by JKKP includes Eye Protection PPE and CHRA (03-04/02/CHRA/2015/3) dated 03/08/2015 by NIOSH (JKKP HIE 127/2(353) also requires sprayers to wear eye protection (google) during spraying activities.</b></p> <p><b>During the site visit (Bukit Cheraka Estate) to the manuring gang at block OP14C sighted that all 15 manuring gang do not have eye protection PPE ass per the Sime Darby Plantation Sdn Bhd Bukit Kerayong Estate (Tatacara Kerja Selamat – Keselamatan Penggunaan Baja) the PPE approved by JKKP includes Eye Protection PPE and CHRA (03-04/02/CHRA/2015/3) dated 06/08/2015 by NIOSH (JKKP HIE 127/2(353) also requires manuring gang to wear eye protection (google) during manuring activities.</b></p> <p>Both estates has established SOP for chemical handling. This is available.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>PSQM – Operational Control Procedure under subject Chemical Safety Management.            This includes compliance related to:-</p> <ul style="list-style-type: none"> <li>• Conduct/reassess CHRA</li> <li>• Review of chemical register</li> <li>• Chemical management assessment review</li> <li>• Conduct health surveillance.</li> </ul> <p>Bukit Kerayong Estate appointed person MR for ESH-Secretary for period of 01/01/2017 – 31/12/2018 is En Mohammad Aiman Aqem Bin Azizan (Assistant II) through a letter dated 01/01/2017.            Bukit Cheraka Estate similarly had Puan Nur Nadiah Hani Binti Mohmad Natni (Assistant Manager) in charge of the employees safety and health through an appointment letter dated 30/06/2017.            Both estates management conduct regular two-way communication with their employees. There are made quarterly during the OSH meeting.</p> <p>Bukit Kerayong Estate held meeting on 04/10/2017, 21/07/2017, 15/05/2017 and 16/02/2017.            Bukit Cheraka Estate held meeting on 12/10/2017, 12/07/2017, 12/04/2017 &amp; 09/01/2017.            Workers during the meeting participated in the discussion mainly on line site and safety.</p> <p>Accident and emergency procedures are available. There is a formation of ERP Team &amp; ERP for all the identified incidences. The organisation chart for the ERP team was appointed and displayed for information of the employees ERT initiated for accident/incident, fire, explosion, diesel spillage &amp; pesticide spillage procedure from HQ.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Records of evacuation exercise/drill was sighted.</p> <ol style="list-style-type: none"> <li>1. Bukit Kerayong Estate had the fire drill on 10/01/2017 attended by 15 people.</li> <li>2. Bukit Cheraka Estate had the fire drill on 14/10/2016. Sighted formal request to BOMBA was submitted on 09/08/2017 &amp; 10/10/2017 to conduct the fire drill but still waiting for date from BOMBA.</li> </ol> <p>Details of other training are available 4.4.6.1 under training and competency for both the estates. Both estates trained their nominated employees First Aid mainly those involved in the field operations. A First Aid Kit equipped with approved contents was available and checked during the site visit at both estates.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
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>Bukit Kerayong Estate implemented Social Policy since January 2015. Human rights is one of the elements under the Social Policy. The management is treated the workers with respect and fair. Awareness training on human rights has been conducted on 10/08/2017 through Muster ground: Main Division, Penerangan Berkenaan Polisi Pengurusan Sosial dan Kemasyarakatan for Bukit Kerayong Estate and 04.12.17 through Briefing on Social Policy (Taklimat Polisi Sosial) to all 13 workers for Bukit Cheraka Estate.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Migrant workers are recruited with (2+1) and 3 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, subsidized water and electric supplier (connect to national water and electricity supply) and medical care (HA &amp; panel clinic) are given to all employees without discrimination.</p> <p>Foreign migrant workers. Refer to Letter of Employment,</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Employment Contract para" 14 – Annual leave : 14 days for &lt; 5 years and 16 days for &gt; 5 years.</p> <p>Overtime paid as per Employment Act 1995 (EA).</p> <p>a. Estate worker ID (Malaysian): 0000135525 (Bukit Kerayong Estate)</p> <p>b. Estate worker ID (Indonesian): 0000107475 (Bukit Kerayong Estate)</p> <p>c. Estate worker ID (Nepal): 0000108081 (Bukit Kerayong Estate)</p> <p>d. Estate worker ID (Myanmar): 0000096887 (Bukit Kerayong Estate)</p> <p>e. Estate worker ID (Nepal): 0000132809 (Bukit Kerayong Estate)</p> <p>f. Estate worker ID (Bangladesh): 0000107957 (Bukit Kerayong Estate)</p> <p>g. Estate worker ID (Malaysian): 0000137998 (Bukit Cheraka Estate)</p> <p>h. Estate worker ID (Indonesian): 0000111275 (Bukit Cheraka Estate)</p> <p>i. Estate worker ID (Bangladesh): 0000102321 (Bukit Cheraka Estate)</p> <p>j. Estate worker ID (India): 0000110924 (Bukit Cheraka Estate)</p>	
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>All the workers are under direct employment and some workshops are under contracts workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc as per employment contract. The payroll for the following sampled workers for March, July and November 2017 were verified to be consistent with the Minimum Wages Order 2016.</p> <p>a. Estate worker ID (Malaysian): 0000135525 (Bukit Kerayong Estate)</p> <p>b. Estate worker ID (Indonesian): 0000107475 (Bukit Kerayong Estate)</p> <p>c. Estate worker ID (Nepal): 0000108081 (Bukit Kerayong Estate)</p> <p>d. Estate worker ID (Myanmar): 0000096887 (Bukit Kerayong Estate)</p> <p>e. Estate worker ID (Nepal): 0000132809 (Bukit Kerayong Estate)</p> <p>f. Estate worker ID (Bangladesh): 0000107957 (Bukit Kerayong Estate)</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
		<p>g. Estate worker ID (Malaysian): 0000137998 (Bukit Cheraka Estate)            h. Estate worker ID (Indonesian): 0000111275 (Bukit Cheraka Estate)            i. Estate worker ID (Bangladesh): 0000102321 (Bukit Cheraka Estate)            j. Estate worker ID (India): 0000110924 (Bukit Cheraka Estate)</p> <p>There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/month.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There are contract workers in the estate for varioud types of works, which are transportation services, supplying things, etc.            In Bukit Kerayong Estate, there is no contract workers used in operation. In Bukit Cheraka Estate, the contract workers used for general worker (loose fruit loading) and drivers by CNRJ Resources and RCLS Enterprise. All contract workers are having valid employment contract, pay slip with salary above minimum wages of RM1000 and valid work permit and passport.</p> <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The workers master list was reviewed. The list includes date of birth, date joined, gender etc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <p>a. Estate worker ID (Malaysian): 0000135525 (Bukit Kerayong Estate)            b. Estate worker ID (Indonesian): 0000107475 (Bukit Kerayong Estate)            c. Estate worker ID (Nepal): 0000108081 (Bukit Kerayong Estate)            d. Estate worker ID (Myanmar): 0000096887 (Bukit Kerayong Estate)            e. Estate worker ID (Nepal): 0000132809 (Bukit Kerayong Estate)            f. Estate worker ID (Bangladesh): 0000107957 (Bukit Kerayong Estate)            g. Estate worker ID (Malaysian): 0000137998 (Bukit Cheraka Estate)            h. Estate worker ID (Indonesian): 0000111275 (Bukit Cheraka Estate)            i. Estate worker ID (Bangladesh): 0000102321 (Bukit Cheraka Estate)            j. Estate worker ID (India): 0000110924 (Bukit Cheraka Estate)</p> <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>The recording of work attendance is being done during muster call. Any overtime will be monitored and recorded by mandos and will be verified by Estate Assistant Manager/Manager. During the muster call, the previous day overtime will be verified by asking workers if they have any dispute.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p>	<p>Overtime is paid 1.5 times; Rest day work is paid 2 times and Public Holiday is paid 3 times.</p> <p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements the MAPA/NUPW regulations.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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>	The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements the MAPA/NUPW regulations.	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <p>5kg rice and 5kg cooking oil to all workers once every 2 months.</p> <p>RM5 mobile subsidy to all workers.</p> <p>Free medical benefit to workers dependent at the estates clinics.</p> <p>Once a year festival token to all workers</p> <p>The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>The basic amenities and facilities at the quarters provided by the company to it workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is free with subsidize rate as per employment contract.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 2-3 each people per house.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basis amenities (e.g. mattress, cooking utilises).</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.  The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively. The workers union representative for the Bukit Kerayong Estate is Mr T. Ganesan, Ugenteran & Mathan as union representatives as per letter dated 28.11.17 titled 'Sg Kapar Division-Union Representatives' while for Bukit Cheraka Estate, the union representative is Mohan Raj (secretary) as per 'Election of NUPW Committee Members' letter dated 26.10.16.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions. - Major compliance -	The Social Policy and Social & Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.  Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate	Both estates have organised trainings for their employees. There were also sessions organised with presence of contractors and neighbouring	

Criterion / Indicator	Assessment Findings	Compliance																																													
<p>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>community.</p> <p>In Bukit Kerayong Estate the following training records were sighted;</p> <table border="1" data-bbox="1021 512 1854 858"> <thead> <tr> <th>Date</th> <th>Training Subject</th> <th>No of attendees</th> </tr> </thead> <tbody> <tr> <td>12/01/2017</td> <td>RSPO Training</td> <td>15</td> </tr> <tr> <td>01/11/2017</td> <td>First Aid Training</td> <td>21</td> </tr> <tr> <td>07/10/2017</td> <td>Safety Townhall Selangor Zone</td> <td>357</td> </tr> <tr> <td>17/08/2017</td> <td>Acephate Training</td> <td>11</td> </tr> <tr> <td>17/07/2017</td> <td>Inter Pump Training by MyCrop</td> <td>15</td> </tr> <tr> <td>06/06/2017</td> <td>Bagworm census training</td> <td>10</td> </tr> </tbody> </table> <p>Bukit Cheraka Estate organised similar training as follows;</p> <table border="1" data-bbox="1021 959 1854 1375"> <thead> <tr> <th>Date</th> <th>Training Subject</th> <th>No of attendees</th> </tr> </thead> <tbody> <tr> <td>21/11/2017</td> <td>MSPO Training for Contractor</td> <td>15</td> </tr> <tr> <td>20/11/2017</td> <td>EAI/EIE Training</td> <td>16</td> </tr> <tr> <td>17/11/2017</td> <td>Biodiversity &amp; HCV Training</td> <td>16</td> </tr> <tr> <td>13/10/2017</td> <td>Safety Townhall 5.0</td> <td>372</td> </tr> <tr> <td>05/10/2017</td> <td>Planting Plm – Replant FY17/18</td> <td>13</td> </tr> <tr> <td>03/10/2017</td> <td>Nursery Training Shower Head – T&amp;C Indomal</td> <td>18</td> </tr> <tr> <td>29/09/2017</td> <td>MSPO Training</td> <td>24</td> </tr> </tbody> </table>	Date	Training Subject	No of attendees	12/01/2017	RSPO Training	15	01/11/2017	First Aid Training	21	07/10/2017	Safety Townhall Selangor Zone	357	17/08/2017	Acephate Training	11	17/07/2017	Inter Pump Training by MyCrop	15	06/06/2017	Bagworm census training	10	Date	Training Subject	No of attendees	21/11/2017	MSPO Training for Contractor	15	20/11/2017	EAI/EIE Training	16	17/11/2017	Biodiversity & HCV Training	16	13/10/2017	Safety Townhall 5.0	372	05/10/2017	Planting Plm – Replant FY17/18	13	03/10/2017	Nursery Training Shower Head – T&C Indomal	18	29/09/2017	MSPO Training	24	<p>Complied</p>
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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>Similar method for identifying the training needs are used in SOU operating units both estates. The training needs for both Bukit Kerayong Estate &amp; Bukit Cheraka Estate for the FY 2017/18 training program has been established. The details of the training needs include categories of job descriptions, sections, and employees group. Included in this program are subjects related to environment e.g. environmental, safety &amp; health policy, scheduled waste management, environmental responsibility, HCV &amp; Biodiversity training, field activities, equipment handling, vehicles maintenance etc.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Training details are planned and summarised in the OSH program. This is in compliance and detailed in 4.4.6.1 above. Training programs are based on annual basis. In addition it is subject for a review during the financial year should need arises.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>There is an environmental management policy issued on Group level signed by the Managing Director in Jan 2015. Communications to the employees were through training session and briefing at muster grounds. Sighted training dated 08/11/2017 in Bukit Kerayong Estate on MSPO briefing which includes the environmental attended by 15 employees. Sighted also training on Biodiversity &amp; HCV Training for SOU 7 dated 17/11/2017 attended by 15 employees. Subjects on environmental are included the annual training program titled "environmental responsibility &amp; biodiversity-environmental aspect impact assessment". Sighted training dated 20/11/17 in Bukit Cheraka Estate on EAI/EIE training which includes the environmental attended by 16 employees.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Sighted also training on Biodiversity & HCV Training dated 17/11/2017 attended by 16 employees. Subjects on environmental are included the annual training program titled "environmental responsibility & biodiversity-environmental aspect impact assessment".	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>An environmental policy and objectives;</p> <p>The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>The EMP policy is available as specified in 4.5.1.1 above. Objectives, target and duration are shown in the Environmental Management program (EMP) incorporating the action plan to be initiated by the estates.</p> <p>The EMP for both Bukit Kerayong Estate and Bukit Cheraka Estate were sighted. Details of the objectives were also mentioned in 4.5.4.1. The estates identified the aspects and impacts analysis of its operations. Areas are activities at main entrance / compound / petrol / dispensary / store / scheduled waste / workshop / weeding / spraying / FFB transportation / manuring / harvesting and collection. Findings were discussed in OSH meetings.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The improvement plans were sighted.</p> <p>The estates identified the following activities and areas for Improvement plan;</p> <p><u>Bukit Kerayong Estate &amp; Bukit Cheraka Estate</u></p> <ol style="list-style-type: none"> <li>1. Reduce engine oils spillage from farm vehicles by doing regular inspection and service of farm vehicles and cleaning the workshop drain and oil trap to avoid water contamination.</li> <li>2. Improve waste management and handling of schedules waste at estate premise by ensuring compliance to EQ scheduled waste regulations 2005, amended 2007 and to promote waste recycling program.</li> <li>3. Monitoring is made through data analysis and the daily field supervision.</li> </ol>	Complied

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4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	This is available in the SIA action plan. Activities/areas identified at working area, induction program for new workers & housing facilities.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	A training program is available in the SOU Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Similar forum are used by the estates in discussing concerns on environmental. A management review meeting is held annually to discuss issues on water management plan, electricity use, diesel consumption, waste management, SIA action plan, renewable energy, aspect/impact & HIRARC.  Minutes of meeting for Bukit Kerayong Estate held on 28/11/2017 was sighted and verified.  Minutes of meeting for Bukit Cheraka Estate held on 29/09/2017 was sighted and verified.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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.	Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement.  Monitored diesel/mt FFB, commentary given target 1.5 ratio.	Complied



Criterion / Indicator		Assessment Findings	Compliance									
	- Major compliance -											
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.</p> <p>Monitoring of diesel use per ton of FFB FY 2017/2018 was sighted for:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr> <td>Bukit Kerayong Estate</td> <td>1.77</td> </tr> <tr> <td>Bukit Cheraka Estate</td> <td>2.21</td> </tr> </tbody> </table>	Estate	Diesel/FFB	Bukit Kerayong Estate	1.77	Bukit Cheraka Estate	2.21	Complied			
Estate	Diesel/FFB											
Bukit Kerayong Estate	1.77											
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4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>EFB is used in the estates for mulching. Records are available in both estates.</p>	Complied									
<b>Criterion 4.5.3: Waste management and disposal</b>												
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste Management Plan. The compilation for Financial Year 2017/2018 was made at SOU level. Details of waste generated from the estates and mill operations among others are shown below;</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Linesites, office, workshop, store,</td> <td>Collection/disposal 2 to 3x /week at designated landfill</td> </tr> <tr> <td>Industrial waste-fertiliser bags</td> <td>Empty bags store</td> <td>Inventory of bags, reuse for LF collection, sell to appointed contractor</td> </tr> </tbody> </table>	Type of waste	Location	Action to be taken	Domestic waste rubbish	Linesites, office, workshop, store,	Collection/disposal 2 to 3x /week at designated landfill	Industrial waste-fertiliser bags	Empty bags store	Inventory of bags, reuse for LF collection, sell to appointed contractor	Complied
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Industrial waste-fertiliser bags	Empty bags store	Inventory of bags, reuse for LF collection, sell to appointed contractor										

Criterion / Indicator		Assessment Findings			Compliance
		Scrap metal	workshop	Inventory maintained, tender at zone level for sale to licensed contractor.	
		SW 404 Clinical waste	clinic	Inventory maintained. Storage in sharp bin in clinic. Disposal through VMO clinic.	
		SW rags, plastics, filters	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.	
		Spent lubricant & hydraulic oil	workshop	Collection by SDI upon completion of maintenance.	
		Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor.	
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: Identifying and monitoring sources of waste and pollution Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	Details of the types and management plan is shown in 4.5.3.1 above.			Complied
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are	The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005,			

Criterion / Indicator		Assessment Findings	Compliance
	classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. - Major compliance -	Environmental Quality Act, 1974 are available prepared on Group level by PSQM and implemented in all estates and mills for all the applicable practices. The operational control procedures for the scheduled wastes management provides guidelines as follows; <ul style="list-style-type: none"> <li>• Management of class 1 chemical containers</li> <li>• Management of class 2 (and higher) chemical containers.</li> <li>• Management of fertiliser bags</li> </ul> This documents was established on 28/02/2015 and remain effective for practice in all estates.	Complied
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	Under the operational control procedure established as given in 4.5.3.3 above the guideline and practice for handling empty pesticides are as follows; All class 2 and above containers are tripled rinsed and holes punctured at the bottom only if the waste generator is to dispose as non-scheduled waste. Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process. These guidelines are based on Dept Of Agriculture ref 91/120/038/014 dated 7/11/2002. During the site visit this has been adhered mainly containers are tripled rinsed and holes punctured at the container base.	Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Domestic wastes are disposed by Majlis Perbandaran Klang (MPK).	Complied
Criterion 4.5.4: Reduction of pollution and emission			

Criterion / Indicator		Assessment Findings	Compliance																
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Both estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective &amp; targets and action to be taken.</p> <p>Sighted targeted area assessed among other as follows;</p> <table border="1"> <thead> <tr> <th>Sources/objective &amp; target</th> <th>Action steps</th> </tr> </thead> <tbody> <tr> <td>Management of HCV river reserve (Sg Muar) &amp; buffer zone conservation</td> <td>To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area</td> </tr> <tr> <td>To monitor waste management plan for its suitability</td> <td>SW disposal monitoring</td> </tr> <tr> <td>To improve employees awareness on pollution prevention at housing complex including zero burning policy.</td> <td>Continuous reminders</td> </tr> <tr> <td>To improve employees awareness on pollution prevention at housing complex including zero burning policy.</td> <td>Continuous reminders</td> </tr> <tr> <td>To minimise spillage of oil/chemical onto the ground</td> <td>Continuous training and use of spill trays</td> </tr> <tr> <td>To review aspect identification &amp; impact evaluation to identify significant critical points for control.</td> <td>Review through EA/EIE</td> </tr> <tr> <td>Maintenance of sentang trees</td> <td>Ensure signage &amp; demarcation are visible to avoid chemical intervention. To monitor pollution/erosion</td> </tr> </tbody> </table>	Sources/objective & target	Action steps	Management of HCV river reserve (Sg Muar) & buffer zone conservation	To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area	To monitor waste management plan for its suitability	SW disposal monitoring	To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	To minimise spillage of oil/chemical onto the ground	Continuous training and use of spill trays	To review aspect identification & impact evaluation to identify significant critical points for control.	Review through EA/EIE	Maintenance of sentang trees	Ensure signage & demarcation are visible to avoid chemical intervention. To monitor pollution/erosion	Complied
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Criterion / Indicator		Assessment Findings	Compliance
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Details of action plan for identified pollutants are shown in 4.5.4.1 above</p>	<p>Complied</p>
<p><b>Criterion 4.5.5: Natural water resources</b></p>			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>Assessment of water usage and sources of supply.</p> <p>Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>Where bore well is being use for water supply, the level of the ground water table should be measured at least</p>	<p>The Water Management Plan for the estates has been established. This is compiled on Group basis and amended to meet demands of specific issue in each operating units.</p> <p>Bukit Kerayong Estate Water Reduction Plan was last reviewed on 05/07/2017 for FY2017/2018 SOU 7.</p> <p>Included therein are inspection of line site water usage, water leakages and workshop.</p> <p>The estate management has provided the water contingency action plans in event of water crisis for financial year 2017/2018.</p> <p>Steps/options to be adopted taken are;</p> <ul style="list-style-type: none"> <li>• Fill up drains with water from waterways</li> <li>• Fill up drains with water from water catchment area</li> <li>• Used rain-harvesting tank</li> <li>• Buy water from SYABAS</li> </ul> <p>In event of a flood situation:</p> <ul style="list-style-type: none"> <li>• Desilting drain on regular basis</li> <li>• Deepening and widening drains</li> </ul> <p>Bukit Cheraka Estate Water Management Action Plan for FY2017/2018 was last reviewed on 01/07/2017.</p> <p>Included therein are inspection of line site water usage, office and compound, water leakages, nursery and workshop.</p> <p>The estate management has provided the water contingency action plans in event of water crisis for financial year 2017/2018.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance												
<p>annually.</p> <p>- Major compliance -</p>	<p>Steps/options to be adopted taken are;</p> <ul style="list-style-type: none"> <li>• Fill up drains with water from waterways</li> <li>• Fill up drains with water from water catchment area</li> <li>• Used rain-harvesting tank</li> <li>• Buy water from SYABAS</li> </ul> <p>In event of a flood situation:</p> <ul style="list-style-type: none"> <li>• Desilting drain on regular basis</li> <li>• Deepening and widening drains</li> <li>• Shift OP seedling to secured area</li> </ul> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in Sime Darby Plantation dated April 2014). The buffer zones established are as following:</p> <table border="1" data-bbox="1189 935 1677 1158"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>&gt;40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 - 10 meters</td> <td>10 meters</td> </tr> <tr> <td>&lt; 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Bukit Kerayong Estate monitors the water quality through water sampling:</p> <ol style="list-style-type: none"> <li>1. Monitoring of upstream, midstream and downstream of Sg Sembilang, Pesticide Analysis test report ref PL754/2017 dated 08/11/2017 was sighted.</li> <li>2. Domestic water is supplied by SYABAS.</li> </ol>	River width	Buffer zone	>40 meters	50 meters	20 - 40 meters	40 meters	10 - 20 meters	20 meters	5 - 10 meters	10 meters	< 5 meters	5 meters	
River width	Buffer zone													
>40 meters	50 meters													
20 - 40 meters	40 meters													
10 - 20 meters	20 meters													
5 - 10 meters	10 meters													
< 5 meters	5 meters													

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	This is in compliance by the estates. This requirement is also audited internally by the PQSM personnel. During the field visit no construction of such was observed.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	During the site visit practices of water harvesting are noted mainly in both the estates. There were construction of MCP = Moisture Conservation Pit at interval of every 40 ft & every 2 palms. Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and also to benefit the nearest palm at the pit end to obtain additional moisture.	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:  Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.  Conservation status ( <i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	The biodiversity is included in the HCV Re-assessment report for Selangor Central Zone (Strategic Operating Unit) SOU 6 & 7 dated December 2015 by PSQM Department.  Birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report. For example vulnerable animal; bearded pig (mammals) under category totally protected. The established management plan has been incorporated the action plan for those identified animals (IUCN and WCA 2010) for proper monitoring.	Complied
4.5.6.2	If rare, threatened or endangered species, or high	RTE sightings are recorded in the Buku Permantauan HCV 2017 for	

Criterion / Indicator		Assessment Findings	Compliance
	<p>biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>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>Bukit Kerayong Estate and in the Monitoring of HCV &amp; Conservation Area (Slope Area Field 1994A &amp; 2004B) for Bukit Cheraka Estate. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires. Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.</p>	Complied
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>The Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in both estates. Furthermore Sime Darby Plantation assigned 1 person based in HQ being in charge to detect any open fire in the Companys' fields using</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
		the Global Spot Watch.	
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.  - Major compliance -	Not applicable. Details in 4.5.7.1 above	Complied
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 -	Not applicable. Details in 4.5.7.1 above	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.  - Minor compliance -	No replanting of OP. Details in 4.5.7.1 above	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - Major compliance -	The SOP for the estates and mill operations are available which is prepared on Group basis. There are levels of the documentation identified as follows; <ol style="list-style-type: none"> <li>1. Level 1 Estate quality management system standard operation manual</li> <li>2. Level 2 EQMS quality management manual</li> <li>3. Level 3 standard operating procedure</li> <li>4. Level 4 work instruction</li> <li>5. Level 5 records.</li> </ol>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.  - Major compliance -	The estates construct terraces at slope area of more than 6 degree. Planting of cover crop are made to retain the soil structure and conservation. Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. Terraces are constructed inclined towards the terrace wall.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field.  - Major compliance -	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signages at the boundary/corners of every fields. This is observed during the field visit in both Bukit Kerayong Estate and Bukit Cheraka Estates.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - Major compliance -	The annual business plan is available. Bukit Kerayong & Bukit Cheraka Estate had an annual budget with a 20 year projection as stated in Bukit Kerayong & Bukit Cheraka Estate LRRP. This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.  Component of operating expenditure includes buildings, computers, electrical fittings, facilities, furniture & fittings, ground facilities, lab equipment, office, etc. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles replacement, workers amenities etc. the budget for 2017/18 for estate was sighted and verified.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable	There is replanting program for Bukit Kerayong & Bukit Cheraka Estate for the forthcoming 5 years as per Bukit Kerayong Estate & Bukit Cheraka Estate LRRP, in FY/18 and FY18/19.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	every 3-5 years. - Major compliance -		
4.6.2.3	The business or management plan may contain: Attention to quality of planting materials and FFB Crop projection: site yield potential, age profile, FFB yield trends Cost of production : cost per tonne of FFB Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance -	This requirement i.e crop material, crop projection, yield, production cost are available. It is provided in the business management plan shown in item 4.6.2.1 above.	Complied
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the Estate Mature Production Cost Report by Cost Elements. 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.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	This is available in the guidelines LOA (limit of authority)-Tender Preparation Guideline as at August 2017 and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management and also tender by Estate for budget below RM10K. Projects are tendered from the	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the estate personnel.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and estates.	Complied
<b>Criterion 4.6.4: Contractor</b>			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Bukit Kerayong Estate & Bukit Cheraka Estate had informed its contractors regarding the need to follow the MSPO requirements through MSPO Review & Training-Staff, Stakeholder & workers was done the stakeholders including contractors on the MSPO requirements on 10.11.17.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	This is in compliance. A contract between Bukit Kerayong Estate and Syarikat Perniagaan Chin Hin (supplier) and KSG Enterprise Sdn Bhd (Replanting) were sighted. Transaction dated 07.12.2017 sighted as per agreed in price/unit. Further sampled the payment voucher between KSG Enterprise Sdn Bhd and Bukit Kerayong Estate on agreed price per unit as per invoice reference no: IV-09170 dated 21.11.17. Inclusive in the contract, is a clause for compliance with all the relevant governing law.  For Bukit Cheraka Estate, there is a contract between Bukit Cheraka Estate and DNRJ Resources (Contract Form: 4300394419) and RCLS Enterprise (4300395721) sighted. Seen the summary contract payment RCLS Enterprise Oct 2017 amounted RM 139,284.92 as per contract and DNRJ Resources for month 09 and 10/2017 amounted RM 12,210.00.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 are being mentioned in the MSPO Review & Training-Staff, Stakeholder & workers was done the stakeholders including contractors on the MSPO requirements on 10.11.17.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representative from HQ.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no new planting in both the estates visited.	Not applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	Not applicable	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.7.2: Peat Land</b>			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	Not applicable	Not applicable
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	No NPP for Bukit Kerayong & Bukit Cheraka Estate.	Not applicable
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 -	No NPP for Bukit Kerayong & Bukit Cheraka Estate.	Not applicable
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 -	No NPP for Bukit Kerayong & Bukit Cheraka Estate.	Not applicable
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.	No NPP for Bukit Kerayong & Bukit Cheraka Estate.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	Not applicable	Not applicable
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	Not applicable	Not applicable
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	Not applicable	Not applicable
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	Not applicable	Not applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	Not applicable	Not applicable

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 -	Not applicable	Not applicable
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	Not applicable	Not applicable
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 -	Not applicable	Not applicable
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 -	Not applicable	Not applicable
4.7.6.5	Identification and assessment of legal and recognised	Not applicable	



Criterion / Indicator		Assessment Findings	Compliance
	customary rights shall be documented. - Major compliance -		Not applicable
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	Not applicable	Not applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	Not applicable	Not applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	Not applicable	Not applicable

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.**

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation.  The internal memo dated 8th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: <ul style="list-style-type: none"> <li>• Quality Management Policy dated January 2015</li> <li>• Lean Six Sigma Policy dated January 2015</li> <li>• Quality Policy dated January 2015</li> </ul> The commitments are made by Datuk Franki Anthony Dass, Managing Director of Sime Darby Plantations Berhad.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/05/2015 documented the process to conduct internal audit.  This is the initial certification of MSPO. The internal audit schedule for 2017 has been planned and communicated by Regional SQM to all central west region Estates and Mills. The last internal audit for sustainable palm oil was conducted on 8 <sup>th</sup>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		November 2017. The internal audit had covered all the MSPO elements.	
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 report dated 8th November 2017 had included root cause analysis and corrective action plan. Sampled on the finding closure from the last internal audit was verified.  The finding raised was on indicator 4.5.1 Indicator 1 regarding environmental management plan. The closing of the finding was to conduct training for Aspect identified and Impact evaluation (EIA/EIE).	Complied
4.1.2.3	Reports shall be made available to the management for their review.  - Major compliance -	The internal audit report has distributed to the POM management and Sime Darby Plantation HQ management. There is a monthly SQM meeting at HQ level to review the treading of findings raised in both internal and external audit.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
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 -	Sime Darby is RSPO certified. On annual basis management review is conducted on regional level. The last management review was conducted on 29th November 2017. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discussed and reviewed.  The management review was conducted on Operating Unit level. The meeting was chaired by the Mill Manager, En Senthilkumaran A/L Gopal. The minutes of the meeting and review presentation was sighted.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
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 latest Continual Improvement Plan for FY 2017/2018 was adopting the RSPO CIP. The improvement plan includes workers welfare, waste management occupational health and safety and operation improvement.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 was established.</p> <p>The training identified including operations, understanding of MSPO/RSP0 requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has includes training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings are provided by company on regular basis.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO 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>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Assistant Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p>	Complied
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the mill.</p> <p>In addition to the website, 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> <p>Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at</p>	Complied

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		<a href="http://www.simedarbyplantation.com/Sustainability.aspx">http://www.simedarbyplantation.com/Sustainability.aspx</a> .	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The Mill Assistant Manager is responsible, Izham bin Ibrahim (letter dated 11.09.17) to deal with the stakeholder for social issues.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	The latest stakeholders list was updated as at January 2017. Bukit Kerayong POM will conduct once a year external stakeholder consultation. The last meeting was conducted on 28.11.2017. There was an action plan for the SIA for year 2017/18 available with the status and action taken.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
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 -	Bukit Kerayong POM is receiving FFB mainly from Bukit Kerayong Estate and Bukit Cheraka and no outside FFB supplier. The weighbridge ticket and related documents provided the following details: i) Supplied from which estate: Bukit Cheraka Estate, Ticket No: 060241, Date: 19.12.17 ii) Product: FFB/Loose fruit iii) Delivery note/despatch advise from estates (field number, number of bunches): Division Braunstan, 14A, 902 Bunches.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>During the MSPO assessment, the estates supplying to Bukit Kerayong POM are not yet MSPO certified. Once certified they will carry certified ID under MSPO/RSPO/ISCC.</p> <p>For despatch of CPO and PK, the weigh bridge ticket includes the following information to enable the customer to trace the CPO and PK source. Shipping documents includes:</p> <ul style="list-style-type: none"> <li>i) Customer Name: SD Futures Trading Sdn Bhd</li> <li>ii) Destination of the CPO/ Buyer: FELDA Bulkiers Sdn Bhd-port Klang bulking installation, Jalan Berembang, 42000 Port Klang.</li> <li>iii) Product/commodity : 0007-CPO</li> <li>iv) Despatch Ticket: 009783</li> <li>v) Transporter: 180-Jasa Korporat Sdn Bhd</li> <li>vi) Date: 16.12.17</li> <li>vii) Quantity: 34,360 kg</li> </ul>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2016, dated Oct 2016 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of RSPO/ISCC/MSPO.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>The overall responsible personal for the traceability implementation is the Head of Operating Unit. is stated in Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2016, dated Oct 2016.</p> <p>The responsible person for traceability is Assistant Mill Manager (Muhammad Iszat) on 12/09/2017. The training on the traceability was provided by Sustainability Department on 12.1.17.</p>	Complied
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p>	<p>The records of CPO sales has been verified. The dispatch of the CPO are determine by HQ Sales &amp; Marketing and will be entered into the CXC (online system for contracting) and SIME-WEIGH for producing the</p>	Complied

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	- Major compliance -	<p>dispatch ticket.</p> <p>The weigh bridge operator will check the system before releasing the dispatch.</p> <p>The sample dispatch documentation sighted was – ticket: 009783 dispatch to SD Futures Trading Sdn Bhd dated 16.12.17 for 007- CPO for 34,360 kg of CPO.</p>	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p><b>As per Act 446 WORKERS’ MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 Weekly inspection of workers’ housing:</b></p> <p><b><i>(2) ‘It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer who shall report to the resident manager...’</i></b></p> <p><b>For Bukit Kerayong POM, linesite inspection was not conducted in weekly basis as evidenced in linesite records by staff in-charge.</b></p> <p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 7.</p> <p>PSQM Department and respective operating units will undertake the</p>	Major nonconformance

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Criterion / Indicator		Assessment Findings	Compliance
		<p>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>Sample of licenses or permit viewed were:</p> <ol style="list-style-type: none"> <li>1. MPOB license: 562906004000 (validity period 01/08/2017 - 31/07/2018) for 180,000MT.</li> <li>2. DOE License: JPKKS 003124 (validity period 01/07/2017 - 30/06/2018) for 30MT/hr.</li> <li>3. Energy commission license no: 2017/01033; serial no.: 21487 (validity period 25/05/2017 - 24/05/2018) for 2640 kW installation capacity.</li> </ol>	
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>The Legal &amp; Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 03/08/2017.</p> <p>List of applicable legal and other requirements was made available during the assessment and complied in the QSHE/04/5.2.4 folder. 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>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The Legal &amp; Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 03/08/2017.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. The latest change in regulation applicable to the POM operation is the Labour Law.</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.  - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.  - Major compliance -	Bukit Kerayong POM is sited at Kapar, Klang.  The land title, Grant number 44851 (2.3497 Ha), 44850 (39.5706 Ha), 51653 (404.7862 Ha), 52712 (11.7106 Ha) 52713 (424.0087 Ha), 4557 (0.5564 Ha), 4555 (0.5311 Ha), 4553 (0.5059 Ha), 44392 (182.2094 Ha), 24076 (33.4523 Ha), 47151 (550 Ekar) for area of 433 Acre, registered to Sime Darby Plantation (Peninsular) Sdn Bhd (now Sime Darby Plantation Berhad) on 22/06/2001. The usage of land is not stated. The land was granted by Kanun Tanah Negara. Hence it is applicable for any usage.  Sampled the quit rent payment voucher no 1600050155 dated 20.03.17, cheque no: MBB 614527 for 2017 for divison Jalan Acob and payment voucher no 1600050154 dated 20.03.17, cheque no: MBB 614526 for 2017 for divison Sungai Kapar & Bukit Kerayong.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.  - Major compliance -	Refer to 4.3.2.1  The perimeter survey map of the land portion is provided together with the land title. The map is has provided the coordinated demarcation and located at Mukim Jeram and Kapar.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute recorded. This was verified with stakeholders' consultation.  In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land for the portion of land.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no customary land for the portion of land.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote	The Social & Environment Projects Unit, was conducted for Bukit Kerayong POM, Bukit Kerayong Estate & Bukit Cheraka Estate internally	

Criterion / Indicator		Assessment Findings	Compliance
	<p>the positive ones.</p> <p>- Minor compliance -</p>	<p>by the PSQM Department. The last SIA was conducted in 2<sup>nd</sup> – 4<sup>th</sup> November 2015. Key areas identified in the SIA were on good practices/findings, issues, complaints, suggestions by workers and other stakeholders.</p> <p>The recommendation from the SIA report was transferred to action plan. The action plan identified the issues &amp; strategies, action plan, responsible person and time frame for both positive and negative impact.</p> <p>The Group Occupational Safety &amp; Health Management Policy had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p> <p>Under Sime Darby website, there is Whistleblowing e-form provide a mechanism for reporting, investigating and remedying any wrongdoing.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. For Internal employee, the complaint made during safety meeting and daily briefing. Sighted the latest safety meeting conducted on 11.10.17. For external party, sighted the complaint made by Lembaga Urus Air Selangor (LUAS) on 'Aduan Berkaitan Aliran Air Berwarna Hitam yang mengalir di Sungai Sembilang, Kuala Selangor' on 30.05.17 and solved on 14.07.17.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint form is made available in the auxiliary police post,. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint in whistleblowing e-form. This information is available in Sime Darby Website and suggestion box in mill office.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process.  There is no critical grievance recorded for the pass one year. Only request for maintenance and repairing housing are made by workers. Seen the invoice no. 261 for all repairing works (PO: 4300398123) for all the complaints received.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 5 years (communications file (internal) according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is	Mill management have made contribution to the internal and external stakeholders. For example: The management has made donation for	

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>PIBG SK Bukit Kerayong on 08.11.17.</p>	<p>Complied</p>
<b>Criterion 4.4.4: Employees safety and health</b>			
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>The Group Occupational Safety &amp; Health Management Policy had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees &amp; contractors &amp; visitors.</p> <p>Interviews with the workers and staff during the site visit revealed that the employees has been briefed and has understood the policy.</p>	<p>Complied</p>
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>A safety and health policy, which is communicated and implemented.</p> <p>The risk of all operations shall be assessed and documented.</p> <p>An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p>	<p>The policy has been established and elaborated in item 4.4.4.1 above.</p> <p>The risk of all operations were assessed and documented under HIRARC. The HIRARC for the mill operations was last reviewed on 03/08/2017.</p> <p>HIRARC for the following stations/activities were sighted; Steriliser/ security checking tanks/boilers/storage tanks/nut silos/kernel silo/ kernel storage/kernel station/oil room/workshop operation.</p> <p>Extracted at random from the training are the following session;</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>All employees involved are adequately trained on safe working practices;</p> <p>All precautions attached to products should be properly observed and applied;</p> <p>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>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>The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>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>	<ol style="list-style-type: none"> <li>1. Date: 20/11/2017; Title: EAI/EIE Training</li> <li>2. Date: 17/11/2017; Title: Biodiversity &amp; HCV Training</li> <li>3. Date: 29/09/2017; Title: MSPO Training</li> <li>4. Date: 17/02/2017; Title: Boiler Chemical Procedure, Handling and Usage Training by Woodsool.</li> </ol> <p>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> <p>SOP of handling of chemicals is available. The document was dated 26/02/2017 titled "chemical safety management" 17 pages. Therein is shown requirement &amp; selection of chemicals, assessment of chemicals hazards, selections of supplier and transportation of chemicals. Storage, handling and training of such is also stated therein.</p> <p>The management appointed En Muhammad Iszat Bin Mohamed Isa through a letter dated 02/07/2017 as the secretary of safety &amp; health/ESH MR.</p> <p>Communications are made through safety meeting /site supervision/ dialogue/briefing during the weekly muster; The safety meeting was held 3 monthly having a total of 4 meeting in a year.</p> <p>The dates of meeting organised in 2017 are on 11/10/2017, 19/07/2017, 17/05/2017 &amp; 27/03/2017.</p> <p>There were standard agenda discussed as provided by PSQM. Additional issue where deemed important by the committee will be included in the discussion.</p>	

Criterion / Indicator		Assessment Findings	Compliance
	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Minutes of 2 meeting 11/10/2017 &amp; 19/07/2017 was sighted. Among others the agenda discussed in the safety meeting are:</p> <ul style="list-style-type: none"> <li>• Workplace inspection</li> <li>• Line site visit report</li> <li>• Accident statistics/report</li> <li>• Unsafe act</li> <li>• Legislative requirement / update</li> <li>• GCAD/PSQM Audit highlight</li> </ul> <p>Accident and emergency procedures are available. There is a formation of ERP Team &amp; ERP for all the identified incidences. The organisation chart for the ERP team was appointed and displayed for information of the Employees.</p> <p>Drill for fire ERP and chemical spillage was organised on 18/11/2016. An in-house first aid training was conducted on 25/10/2016.</p> <p>Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Accidents records were sighted for 01/04/2017 at the workshop area.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
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>Bukit Kerayong POM has implemented Social Policy since January 2015. Human rights is one of the elements under the Social Policy. The management is treated the workers with respect and fair. Awareness training on human rights has been conducted on 21/11/2017 through MSPO training for contractors.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support</p>	<p>Migrant workers are recruited with (2 +1 ) and 3 years contract. Local</p>	

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, subsidized water and electric supplier (connect to national water and electricity supply) and medical care (panel clinic) are given to all employees without discrimination.</p> <p>Foreign migrant workers. Refer to Letter of Employment, Employment Contract para" 14 – Annual leave : 14 days for &lt; 5 years and 16 days for &gt; 5 years.</p> <p>Overtime paid as per Employment Act 1995 (EA).</p> <ul style="list-style-type: none"> <li>a. Mill worker ID (Indonesian): 0000130273</li> <li>b. Mill worker ID (Nepal): 0000097974</li> <li>c. Mill worker ID (Bangladesh): 0000006856</li> <li>d. Mill worker ID (Malaysian): 0000006766</li> <li>e. Mill worker ID (Malaysian): 0000006770</li> <li>f. Mill worker ID (Malaysian): 0000006767</li> <li>g. Mill contract workers: Hamayun (04.12.17)</li> <li>h. Mill contract workers: Romel (04.12.17)</li> <li>i. Mill contract workers: Sofikul Islam (04.12.17)</li> <li>j. Mill contract workers: Fakrul (04.12.17)</li> </ul>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>All the workers are under direct employment and some workshops are under contracts workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc as per employment contract. The payroll for the following sampled workers for March, July and November 2017 were verified to be consistent with the Minimum Wages Order 2016.</p> <ul style="list-style-type: none"> <li>a. Mill worker ID (Indonesian): 0000130273</li> <li>b. Mill worker ID (Nepal): 0000097974</li> <li>c. Mill worker ID (Bangladesh): 0000006856</li> <li>d. Mill worker ID (Malaysian): 0000006766</li> <li>e. Mill worker ID (Malaysian): 0000006770</li> </ul>	Complied



Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>f. Mill worker ID (Malaysian): 0000006767</li> <li>g. Mill contract workers: Hamayun (04.12.17)</li> <li>h. Mill contract workers: Romel (04.12.17)</li> <li>i. Mill contract workers: Sofikul Islam (04.12.17)</li> <li>j. Mill contract workers: Fakrul (04.12.17)</li> </ul> <p>All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM1000/ month or RM 38.46/day.            For overtime, sighted the JTK approval on maximum 130 hours/month as per letter dated 26/11/13. It was sighted that the sampled workers didn't take overtime more than 130 hours/month.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There are contract workers in the mill for workshop and grasscutters. Sampled below contractors and their worker's pay slip are comply with the Minimum Wages 2016:</p> <ul style="list-style-type: none"> <li>a. Lotus Two Enterprise, for labour Supply</li> <li>b. KRS Global Enterprise, grasscutting compound</li> </ul>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The workers master list was reviewed. The list includes date of birth, date joined, gender etc.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each</p>	<p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <ul style="list-style-type: none"> <li>a. Mill worker ID (Indonesian): 0000130273</li> <li>b. Mill worker ID (Nepal): 0000097974</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	and every employee indicated in the employment records. - Major compliance -	<ul style="list-style-type: none"> <li>c. Mill worker ID (Bangladesh): 0000006856</li> <li>d. Mill worker ID (Malaysian): 0000006766</li> <li>e. Mill worker ID (Malaysian): 0000006770</li> <li>f. Mill worker ID (Malaysian): 0000006767</li> </ul> <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	<p>The employment contract for the following worker was sighted:</p> <ul style="list-style-type: none"> <li>a. Mill worker ID (Indonesian): 0000130273</li> <li>b. Mill worker ID (Nepal): 0000097974</li> <li>c. Mill worker ID (Bangladesh): 0000006856</li> <li>d. Mill worker ID (Malaysian): 0000006766</li> <li>e. Mill worker ID (Malaysian): 0000006770</li> <li>f. Mill worker ID (Malaysian): 0000006767</li> </ul> <p>The terms of employment is as per MAPA/NUPW.</p>	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	<p>The working hours are recorded using "punch card" system. The punch card will be verified by supervisor daily. The checkroll clerks will input the information into SAP system (e.g. Normal Full Day, rest day work, paid holiday work etc) for the payroll clerk to compile the monthly salary.</p> <p>In case the worker is on leave or absence, it is recorded in the same system.</p>	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	<p>Overtime is paid 1.5 times; Rest day work is paid 2 times and Public Holiday is paid 3 times.</p> <p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <p>Free medical benefit to workers and dependent at the panel clinic.</p> <p>Free cooking oil and rice for each worker in every 2 months.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The basic amenities and facilities at the quarters provided by the company to its workers includes subsidized electricity, water and domestic waste disposal. Electricity and water is provided by government. Usage of electricity and water given for free with limit as stated in the workers contract.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 3 each per house.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basic amenities (e.g. mattress, cooking utilities).</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union. The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively. The workers union representative for the mill is Kumaran a/l Veramany (chairman), as per letter dated 02.12.11.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>The Social Policy and Social &amp; Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation. Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor hired in the complex.</p>	Complied
<b>Criterion 4.4.6: Training and competency</b>			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The annual training program has been established and significantly covers all aspects of the MSPO. Additional subjects include mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the SOU 7. The subject for the training are issued and assisted by the PSQM personnel. The following topics included in the annual training program 2017/18 among others are extracted below;</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> <li>1. OSH Act 7 regulations 1994.</li> <li>2. Environmental Quality Act 1974</li> <li>3. USECHH 2000</li> <li>4. OSH Committee and function.</li> <li>5. First Aid Training</li> <li>6. Scheduled waste training</li> <li>7. RSPO/MSPO training</li> <li>8. Water treatment</li> <li>9. HCV &amp; Biodiversity training.</li> </ol> <p>Record of trainings for Bukit Kerayong POM sighted during the audit is shown in item 4.4.4.2 above.</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>The training needs for the mill 2017/18 training program has been established. The details of the training needs include categories of stations, subjects, and employees group. Included in this program are subjects related to environment e.g. environmental, safety &amp; health policy, scheduled waste management, environmental responsibility, HCV &amp; Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>This is in compliance and detailed in 4.4.6.1 above. Training program is made on annual basis. In addition it is subject for a review during the financial year should need arises.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.  - Major compliance -	There is an Environmental Management Policy for the mill issued and endorsed in Jan 2015 by the Managing Director. Inside the policy among others has stated that the Company is committed to protecting the environment and conserving biodiversity through sustainable development.	Complied
4.5.1.2	The environmental management plan shall cover the following:  An environmental policy and objectives;  The aspects and impacts analysis of all operations  - Major compliance -	Policy is available and objectives stated therein. The environmental impact evaluation for boiler operation, power generation, crude palm oil storage leakage and spillage, ruptured, effluent pond ruptured, anaerobic process pong release of gas to atmosphere.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.  - Major compliance -	This plan is available and updated on 01/08/2017. The environmental issues for improvement outlined by the mill are sampled as follows; <ol style="list-style-type: none"> <li>1. Dust from movement of vehicle</li> <li>2. E/B spillage at E/B hopper</li> <li>3. Loose fruit spillage at FFB conveyor area</li> <li>4. Black smoke emission from boiler chimney</li> <li>5. Containment rags</li> <li>6. Oil dripping from kernel bulking silo</li> </ol> Leakages hydraulic and engine oil from lorries and tractors.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.  - Minor compliance -	This is available as per item 4.5.1.3 above. All programme for improvement are shown in the 'action to be taken' column.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working	A training program is available in the SOU 7 Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g	Complied

Criterion / Indicator		Assessment Findings	Compliance								
	towards achieving objectives. - Major compliance -	environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.									
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the Bukit Kerayong POM. The last meeting was conducted on 29/07/2017.	Complied								
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>											
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. Bukit Kerayong POM uses electric supply from TNB. The POM maintains records of energy usage, which is reported monthly to head office.	Complied								
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The mill records the following data and tabulated the ratio against the FFB processed and CPO produced to determine the efficiency of their operations; the diesel used (non-renewable) for the mill operations fibre/shell used (renewable). The use of the fossil fuel against the FFB production is being monitored. <table border="1"> <thead> <tr> <th>Electricity/mt FFB</th> <th>Fibre/mt FFB</th> <th>Shell/mt FFB</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td>7.52 kwh/FFB</td> <td>0.13 mt/FFB</td> <td>0.062 mt/FFB</td> <td>0.29 ltrs/mt</td> </tr> </tbody> </table>	Electricity/mt FFB	Fibre/mt FFB	Shell/mt FFB	Diesel/ mt FFB	7.52 kwh/FFB	0.13 mt/FFB	0.062 mt/FFB	0.29 ltrs/mt	Complied
Electricity/mt FFB	Fibre/mt FFB	Shell/mt FFB	Diesel/ mt FFB								
7.52 kwh/FFB	0.13 mt/FFB	0.062 mt/FFB	0.29 ltrs/mt								
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching.	Complied								

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Criterion / Indicator		Assessment Findings	Compliance
		The details of the renewable energy fibre/shell used in the mill, is shown in 4.5.2.2 above.	
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste and pollution are identified and documented in the Waste Management Plan 2017/2018. The waste generated from the mill operations as shown below; Domestic waste – rubbish from the mill complex and employees quarters (disposed by estate management). Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron. Scheduled waste – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries The source of mill pollution generated from the mill is the smoke from the boilers is monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE. There was no major issue.	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: Identifying and monitoring sources of waste and pollution. Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance -	The Waste Management Plan 2017/2018 is available and sighted. The plan listed the waste generated from the mill operations as shown below; 1. Scheduled Waste – used lubricants, used batteries, contaminated rags/gloves and absorbent (workshop). 2. Domestic Waste – rubbish (linesite, office, workshop, store, shop) 3. Scheduled waste – used waste (Laboratory)	Complied
4.5.3.3	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.	The SOP on Scheduled Waste disposal is established and implemented. The inventory of the waste generated is recorded using the “eswis” inventory system. The last update on the eswis was on November 2017.	Complied



Criterion / Indicator		Assessment Findings	Compliance
	Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -		
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	Not applicable	Not applicable
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste is disposed via the city council collection.	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact and any impact will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation.  Based on the assessment of all polluting activities as of the Form 1: Identification and significant determination of environmental aspect and setting objectives and targets identified source was boiler and	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>incinerator chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler and incinerator stack monitoring of dust particulate.</p> <p><u>Boiler no.2</u>            1st half of 2017 :            Date of monitoring – 27/02/2017            Date of reporting – 29/03/17            Ref# ALM/SIMEDARBY/0217/3019            Dust concentration: 20 mg/m3, dry @ 12% CO2 vs 0.4 g/Nm3, dry @ 12% CO2.</p> <p>2nd half of 2017 :            Date of monitoring – 13/09/2017            Date of reporting – 28/09/17            Ref# ALM/SIMEDARBY/0917/3435            Dust concentration: 28 mg/m3, dry @ 12% CO2 vs 0.4 g/Nm3, dry @ 12% CO2.</p> <p><u>Boiler no.3</u>            1st half of 2017 :            Date of monitoring – 27/02/2017            Date of reporting – 29/03/17            Ref# ALM/SIMEDARBY/0217/3019            Dust concentration: 15 mg/m3, dry @ 12% CO2 vs 0.4 g/Nm3, dry @ 12% CO2.</p> <p>2nd half of 2017 :            Date of monitoring – 13/09/2017            Date of reporting – 28/09/17</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Ref# ALM/SIMEDARBY/0917/3435            Dust concentration: 22 mg/m<sup>3</sup>, dry @ 12% CO<sub>2</sub> vs 0.4 g/Nm<sup>3</sup>, dry @ 12% CO<sub>2</sub>.</p> <p>Note: Boiler no 4 is out of order and under repair.</p>	
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The pollution preventive action plan dated 01/08/2017 has been reviewed. Mitigation plan, actions and time frame has been identified. On top of that the Environmental Management Plan for FY2017/2018 is available. The monitoring of the plan is available.</p>	Complied
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The POME is treated with an open anaerobic, aerobic and stabilization lagoon.</p> <p>Monthly monitoring on the final discharge is conducted. The effluent at the final discharge is tested to ensure it compliance to the DOE Licence discharge limits.</p> <p>The POME lab analysis record (EP616/2017 for October 2017 &amp; EP549/2017 for September 2017). The record shows the BOD level for final discharge for October is 1710mg/l and for September is 627mg/l). The result conforms to the parameter limits for land application.</p>	Complied
<b>Criterion 4.5.5: Natural water resources</b>			
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> <p>Assessment of water usage and sources.</p> <p>Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that</p>	<p>The Water Reduction Plan for the mill has been established. It was last reviewed on 01/08/2017 for the FY2017/2018. Included therein are inspection of reservoir, water treatment, monitoring of processed water, water leakages/overflow, run-off and ETP monitoring.</p> <p>The mill management has provided contingency plans in event of water crisis for financial year FY2017/2018.</p> <p>Steps/options to be adopted taken are;</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>reflects the mill's current activities.</p> <p>Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> <li>• to purchase water from SYABAS</li> <li>• use water from mill reserved water tank</li> <li>• use water from tubewell</li> <li>• used water from rain pond</li> </ul> <p>In event of a flood situation:</p> <ul style="list-style-type: none"> <li>• desilting drain on regular basis</li> <li>• deepening and widening drains at mill and line site are</li> <li>• to evacuate residence to higher ground</li> </ul>	
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. The effluents are retained for treatment in a flow through 4 ponds before being discharged onto the land. The compliance requirement is provided in the DOE 'Jadual Pematuhan' licensed to the mill. The final BOD is max 5,000 mg/l for the water discharge.</p> <p>The mill performs regular /scheduled desilting of ponds to sustain the designed capacity to maintain good efficiency of pond treatment.</p>	Complied
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>The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. This document provides guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition there are also manuals available within the industry and MPOB that are used as guidelines.</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. In addition there are audits by PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business management plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year, PY2, PY3, PY4, PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK. Component of operating expenditure includes process labour, maintenance external, maintenance parts, consumable, EVIT, admin cost, labour overhead. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement/upgrading of building/machinery, workers amenities for the mill.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	FFB supplier mainly from Bukit Kerayong Estate and Bukit Cheraka Estate, which is own estate. For contractors, the Lotus Two Enterprise, for labour Supply and KRS Global Enterprise for the grasscutting compound has the valid agreement with Bukit Kerayong POM with the agreed price mechanism.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and mill.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sample of contract sighted for Labour Supply:</p> <ul style="list-style-type: none"> <li>i) Lotus Two Enterprise</li> <li>ii) KRS Global Enterprise</li> </ul> <p>All contracts terms and conditions were made transparent and agreed from both parties. Verified the payment made according to the price agreed as per contract; i.e: KRS Global Enterprise (RM 4,620.52 for Total Tender Value (Total m<sup>2</sup> x 2 rounds (RM) on 25.09.17) and Lotus Two (RM 10,936.22/To supply skill labour for repair/maintenance contract July 2017 on 27.07.17).</p> <p>Verified during stakeholder interview, no pending payment as to date and all previous payments are prompt (paid within time frame of 60 days).</p>	
<b>Criterion 4.6.4: Contractor</b>			
4.6.4.1	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>Bukit Kerayong POM had informed its contractors regarding the need to follow the MSPO requirements on 21/11/2017 through MSPO training for contractors. Awareness briefing was done the stakeholders including contractors on the MSPO requirements.</p>	Complied
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Evidence of agreed contracts with the contractors were verified. Addendum contract terms and conditions:</p> <ul style="list-style-type: none"> <li>i) Lotus Two Enterprise (Contract no: 4300398178 dated 30.11.17 on monthly contract basis) and (Letter of Award (LOA) Ref No: SDP/PSSP/PROC/2017/LA-LS-BKRAYONG dated 18.04.17 for one year commencing from 01.07.17.</li> <li>ii) KRS Global Enterprise (Contract no: 4300398153 dated 26.07.17 on monthly contract basis).</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>The requirement of accepting MSPO accredited auditors to audit against the contractors are being mentioned on 21/11/2017 through MSPO training for contractors</p>	<p>Complied</p>

**4.0 Assessment Conclusion and Recommendation:**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment Bukit Kerayong Palm Oil Mill and Bukit Kerayong SOU 7 Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of Bukit Kerayong Palm Oil Mill and Bukit Kerayong SOU 7 Estates Certification Unit is approved.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Syed Muzharel Azhar bin Syed Mohamad	<b>Name:</b> Elzy Ovktafia
<b>Company name:</b> Sime Darby Plantation Berhad	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b> Chairman, Bukit Kerayong SOU7	<b>Title:</b> Lead Auditor
<b>Signature:</b> <i>Sime Darby Plantation Berhad            Bukit Cheraka Estate (647766-V)</i>  <b>Date:</b> 9/3/18	<b>Signature:</b>  <b>Date:</b> 03/01/2018



**Appendix A: Assessment Plan**

Date	Time	Subjects	(EO)	(DF)
Tuesday 19/12/2017	08:30 – 09:00	Opening Meeting (Bukit Kerayong Palm Oil Mill) Presentation by Sime Darby Team Presentation by BSI Lead Auditor -introduction of team member and assessment agenda Confirmation of assessment scope and finalizing audit scope	√	√
	09:00 – 11:00	<b>Bukit Kerayong Palm Oil Mill</b> Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	11:00 – 12:30	Document Review (MS2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√
Wednesday 20/12/2017	07:30 – 08:30	Travel to Bukit Kerayong Estate	√	√
	08:30- 11:00	<b>Bukit Kerayong Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√
Thursday 21/12/2017	07:30 – 08:30	Travel to Bukit Cheraka Estate	√	√
	08:30- 11:00	<b>Bukit Cheraka Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP,	√	√

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Time	Subjects	(EO)	(DF)
	workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		
11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment	√	√
12:30 – 13:30	Lunch / Break	√	√
13:30 – 15:30	Continue with Document review and site verification if deemed necessary.	√	√
15:30 – 16:30	Preparation for closing meeting	√	√
16:30 – 17:30	Closing meeting	√	√

**Appendix B: List of Stakeholders Contacted**

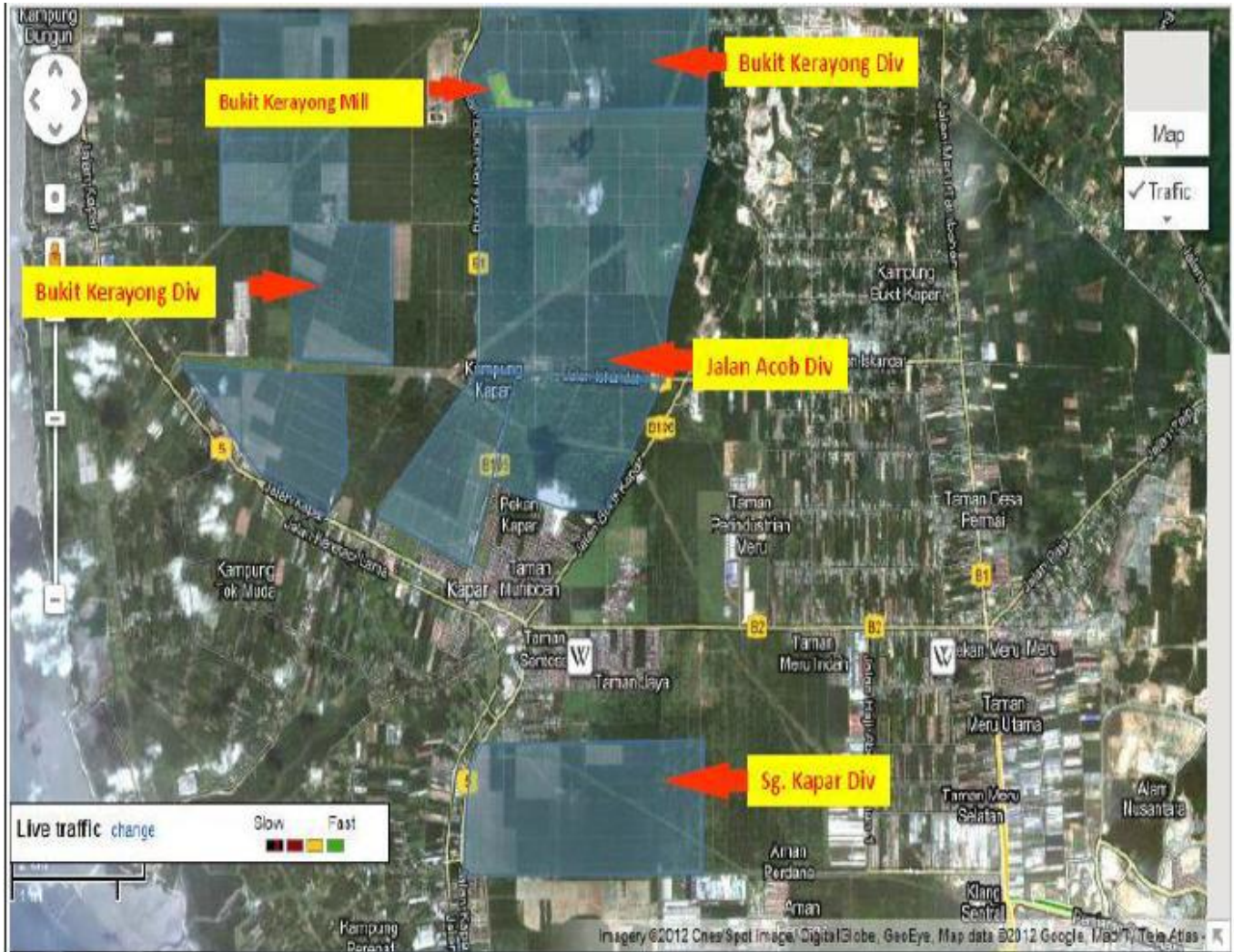
<b>Internal Stakeholders</b>	<b>External Stakeholders</b>
Managers	Headmistress, SJK(T) Ldg
Assistant Managers	Brafferton
Staffs	Contractors
NUPW Representatives	Suppliers
Gender Committee	Sundry Shop
Hospital Assistant (HA)	
General Workers	
Creche Workers	

<b>Government Department</b>	<b>Local Community</b>
Police officer, Balai Polis Kapar, Klang	Head of Villager, Kampung Bukit Kerayong

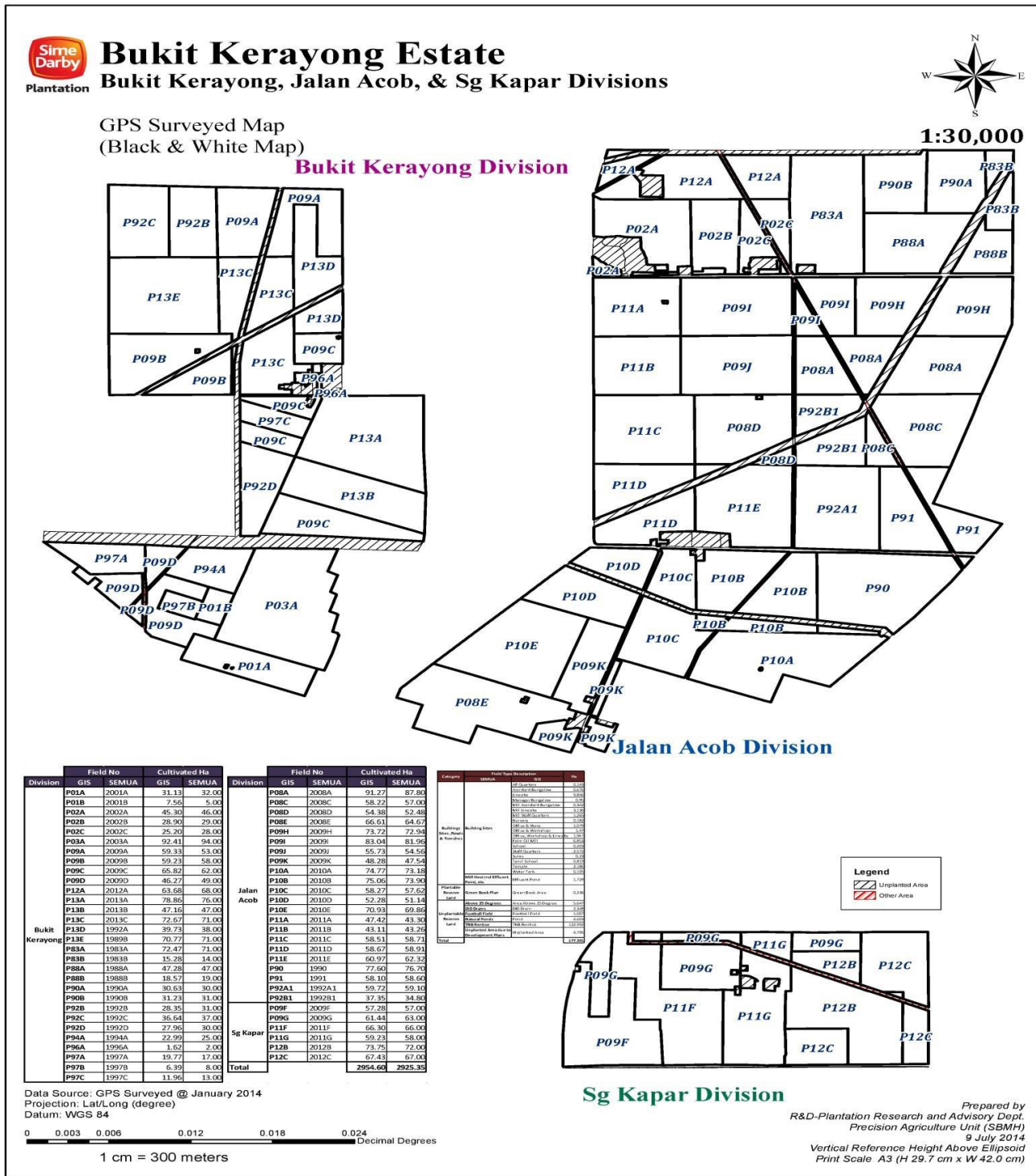
**Appendix C: Smallholder Member Details**

N/A

**Appendix D: Location Map of Bukit Kerayong Palm Oil Mill Certification Unit and Supply bases**

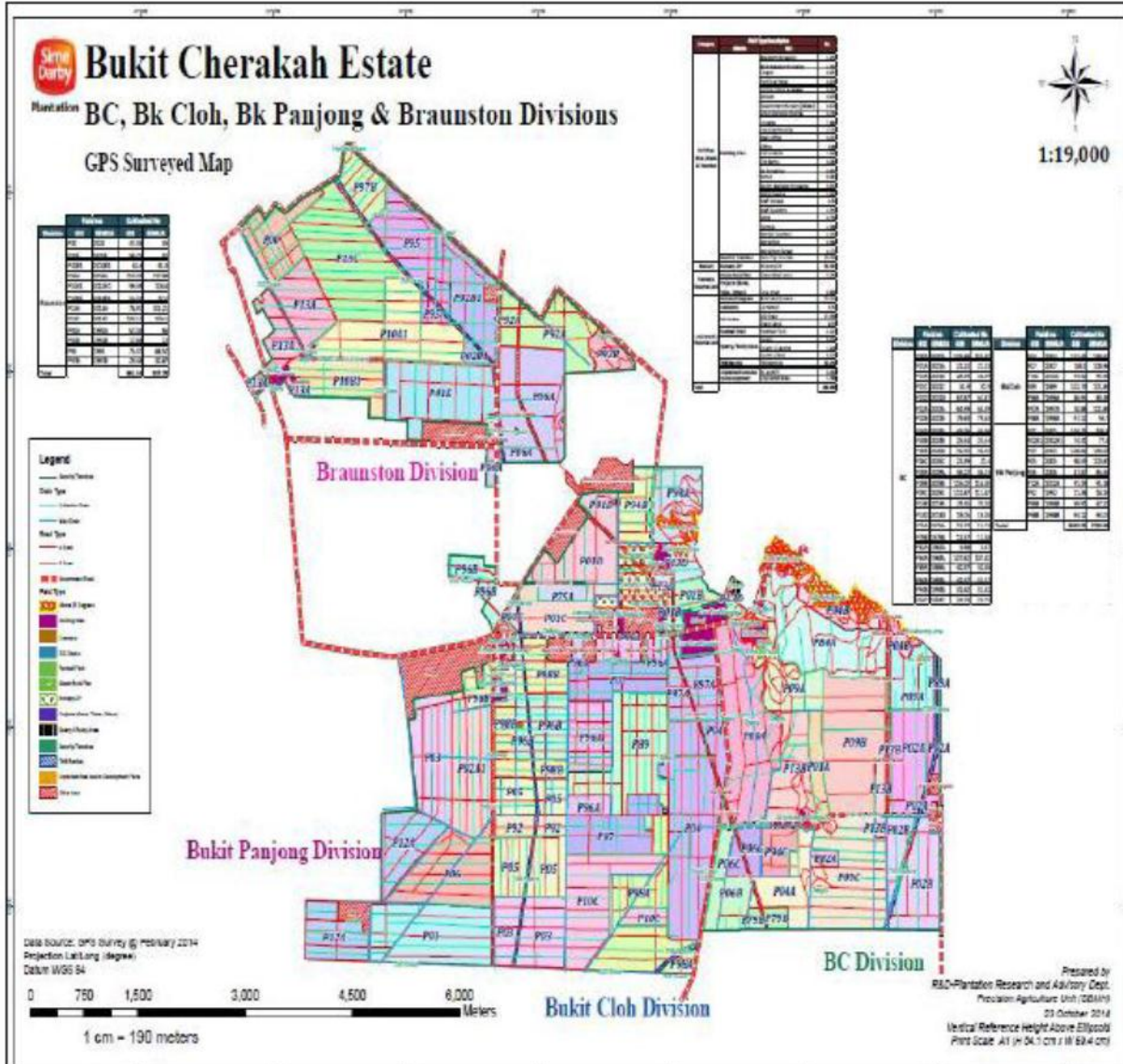


**Appendix E: Bukit Kerayong Estate Field Map**





**Appendix F: Bukit Cheraka Estate Field Map**



**Appendix G: List of Abbreviations**

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids