

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

<b>Sime Darby Plantation Berhad</b>
Client company Address: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: East Palm Oil Mill (SOU 8) & Plantations of SOU 8 including East Estate, Dusun Durian Estate & Sepang Estate
Location of Certification Unit: 42960 Carey Island Selangor, Malaysia

**Report prepared by:**

Valence Shem (Lead Auditor)

**Report Number:****Assessment Conducted by:**

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### Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Mill: 533088004000 East Estate: 531308002000 Sepang Estate: 533798002000 Dusun Durian Estate:		
Company Name	Sime Darby Plantation Berhad [East Palm Oil Mill (SOU 8)]		
Address	Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia		
Group name if applicable:	Sime Darby Plantation Berhad		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM)		
Website	www.simedarby.com	E-mail	kks.east@simedary.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682045 Plantations: MSPO 687976		
Issue Date	10/01/2018	Expiry date	09/01/2023
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)	8/11/2017 – 10/11/2017		
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 543543	Roundtable Sustainable Palm Oil	BSI Services Malaysia	18/05/2020

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<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
East Palm Oil Mill	SOU 8 Management Unit (East Palm Oil Mill) 42960 Carey Island, Selangor, Malaysia	101° 21' 36.36'	2° 54' 21.81"
East Estate	East Estate, 42960 Carey Island, Selangor, Malaysia	101° 23' 27.60"	2° 53' 37.75"
Dusun Durian Estate	Ladang Dusun Durian 42700 Banting, Selangor, Malaysia	101° 27' 54.00"	2° 45' 41.90"
Sepang Estate	Ladang Sepang 43900 Sepang, Selangor, Malaysia	101° 43' 26.4"	2° 41' 11.32"

<b>1.4 Plantings &amp; Cycle</b>					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
<b>East</b>	1153	1820.31	1765.01	256.83	0
<b>Dusun Durian</b>	151.02	1081.74	597.25	131.13	0
<b>Sepang</b>	516.64	615.09	1149.08	443.43	0

<b>1.5 FFB Production (Actual) and Projected (tonnage)</b>			
Producer Group	Budget FY16/17	Actual FY 16/17	Budget 17/18
<b>East</b>	33,066.52	45,895.41	44,701.04
<b>Dusun Durian</b>	50,609.66	47,975.15	55,851.80
<b>Sepang</b>	55,160.51	47,306.57	50,496.20

<b>1.6 Certified CPO / PK Tonnage</b>						
Mill	Budget FY 16/17		Actual FY16/17		Budget FY17/18	
	CPO	PK	CPO	PK	CPO	PK
<b>East POM</b>	30,544.07	7,636.02	30,208.32	5,795.45	33,524.76	8,307.70

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

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Sime Darby East SOU 8 located at 42960 Carey Island, Selangor, Malaysia comprising 1 mill, 3 estates and infrastructures.

The onsite assessment was conducted to assess the compliance of the certification unit against 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.

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 East Palm Oil Mill SOU 8 and East SOU 8 Estates which acts as the group manager for East Estate, Dusun Durian Estate and Sepang Estate. This report is the combined report for East Palm Oil Mill SOU 8 and East SOU 8 Estates.

The onsite assessment was conducted on 8/11/2017 – 10/11/2017.

Based on the assessment result, Sime Darby East SOU 8 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  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
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[www.bsigroup.com](http://www.bsigroup.com)

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 8/11/2017 – 10/11/2017. The audit programme is included as Appendix A. The approach to the audit was to treat the East Palm Oil Mill as an MSP0 Certification Unit and East SOU 8 Estates as another MSP0 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 MSP0 Certification Requirement. The sampling of smallholders were based on the formula  $(1.0\sqrt{y}) \times (z)$ ; where 1.0 is the risk factor (may defer to 1.2 and 1.4 depending on risk), where  $y$  is total number of group members and where  $z$  is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C.

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

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

All the previous nonconformities are remains closed. 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 3)</b>	<b>Year 5 (ASA 4)</b>
East Palm Oil Mill	✓	✓	✓	✓	✓
East Estate	✓		✓	✓	
Sepang Estate	✓	✓		✓	✓
Dusun Durian Estate		✓	✓		✓

**Tentative Date of Next Visit: November 7, 2018 - November 9, 2018**

**Total No. of Mandays: 6**

**BSI Assessment Team:**

**Valence Shem - Lead Assessor**

He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 14001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental and biodiversity and best practices. Able to communicate in Bahasa Malaysia and English.

**Amir Bin Bahari – Team Member**

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the OHS and aspects of social. Able to communicate in Bahasa Malaysia and English.

**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 Certification Assessment there 3 minor nonconformities raised (1 from MSPO Part 3 and 2 from MSPO Part 4). The corrective action plans for all the NCRs have been accepted by the audit team members and the effectiveness and evidence of implementation shall be verified in the next surveillance assessment.

<b>Ref. no</b>	1553467-201711-N1
<b>Area/Process</b>	East Palm Oil Mill
<b>Clause</b>	MSPO Part 4, Indicator 4.5.1.3
<b>Scope</b>	MSPO 682045
<b>Certificate Standard</b>	MS2530-2:2013
<b>Category</b>	Minor
<b>Statement of non conformance:</b>	The environment improvement plan was found not effectively implemented.
<b>Clause requirements</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.
<b>Objective evidence</b>	During the site visit at East POM's EFB collection point, it was found that there was no channel to drain the leachate to the effluent treatment plant.
<b>Cause</b>	The management team has identified the root cause from the operational issue. 1) Due to the high crop recently, the volume of EFB is high and the management decided to dump the EFB for temporary at the said area. The actual practice is, evacuation the EFB on the daily basis. 2) Lack of the evacuation by the estate. Due to the rainy season. The EFB application at the field need to stop.
<b>Correction / containment</b>	To construct a leachate collection pit with drain and containment complete with pump and piping system to pump all leachate to ETP.



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<b>Corrective action</b>	<p>To include EFB disposal in the waste management action plan and monitor regularly the volume of the EFB.</p> <p>To inform immediately to the estate if the EFB stock getting high and the estate will responsible to evacuate the EFB.</p> <p>All the estate shall to establish the EFB application plan for ensure the stock at EFB yard in the minimum level.</p>
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<b>Ref. no</b>	1553467-201711-N2
<b>Area/Process</b>	As per public summary report
<b>Clause</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders - 4.4.1.1
<b>Scope</b>	MSPO 682045
<b>Certificate Standard</b>	MS2530-2:2013
<b>Category</b>	Minor
<b>Statement of non conformance:</b>	Timetable for mitigate to negative impact was not available and no record to show that actions taken in response to the feedback from local community.
<b>Clause requirements</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
<b>Objective evidence</b>	<p>East Estate &amp; Sepang Estate:  SIA action plan for SIA FY17/18 to monitor the issues raised during assessment and stakeholder meetings was developed. The plan only incorporated the action plan, person in charge and the status.</p> <p>East Estate &amp; Sepang Estate:  The school representative has requested the management to carry out cleaning of pond in the school compound, the villagers has requested to carry out grass cutting activity in their compound and etc. The management has taken action to rectify the problems but no record to show that actions have been taken.</p>
<b>Cause</b>	The template of the Social Action Plan is not incorporated the acknowledgment by the concerned parties. All the action taken is not update in the SIA and lack to keep the evidence.
<b>Correction / containment</b>	Management agreed to develop new template and to include acknowledgment from the stakeholders. All the responded or action taken will documented as an evidence.

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<b>Corrective action</b>	Verification the document will be carry out by the PSQM or SQM team during the internal audit or during the routine visiting. The team will inform the management if the document insufficient or not available in the records and also consider to raise as a finding in the internal audit. All the evidence like payment, picture and letter shall be kept as an evidence.
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<b>Ref. no</b>	1553467-201711-N3
<b>Area/Process</b>	As per public summary report
<b>Clause</b>	Part 4: General Principles for Palm Oil Mills - 4.4.1.1
<b>Scope</b>	MSPO 682045
<b>Certificate Standard</b>	MS2530-2:2013
<b>Category</b>	Minor
<b>Statement of non conformance:</b>	No record to show that actions taken in response to the feedback from local community.
<b>Clause requirements</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
<b>Objective evidence</b>	The worker informed that the children of employees were driving motorcycles at fast speed in Sg Kluang's linesite area. The management has discussed with their parents to advice their children to drive slowly on 19/9/2017 as recorded in the action plan. However, no evidence to show that the discussion was carried out.
<b>Cause</b>	The template of the Social Action Plan is not incorporated the acknowledgment by the concerned parties. All the action taken was not update in the SIA and lack to keep the evidence.
<b>Correction / containment</b>	Management agreed to develop new template and to include acknowledgment from the stakeholders. All the responded or action taken will documented as an evidence.
<b>Corrective action</b>	Verification the document will be carry out by the PSQM or SQM team during the internal audit or during the routine visiting. The team will inform the management if the document insufficient or not available in the records and also consider to raise as a finding in the internal audit. All the evidence like payment, picture and letter shall be kept as an evidence.

**Noteworthy Positive Comments**

1	Good relationship being maintained with surrounding communities.
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2	Mill has continued maximized the use of renewable energy by consuming fibre and shell which produced through internal process.
3	Alternative for class I chemical was used, Acephate under Class III chemical for leaf-eating pest treatment.

**3.3 Status of Nonconformities Previously Identified and OFI**

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

**3.4 Issues Raised by Stakeholders**

IS #	Description
	<b>Issues</b> None
	<b>Management Responses</b> None
	<b>Audit Team Findings</b> None

**3.5 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1553467-201711-N1	Minor	10/11/2017	Open
1553467-201711-N2			
1553467-201711-N3			

**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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	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 8 <sup>th</sup> September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Yes
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	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> <li>• The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad.</li> </ul>	Yes
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>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.</p> <p><u>East</u></p> <p>The last internal audit for sustainable palm oil was conducted on 23rd October 2017. The internal audit had covered all the MSPO MS2530-3:2013 elements. It was conducted by 3 auditors from HQ [Siti Norralakmam, Ra'anon &amp; Sharifah Sharina]. There were 8 minor NC [against 4.4.5.4, 4.1.3.1, 4.4.1.1+4.2.2.3, 4.2.2.3, 4.5.6.3, 4.5.1.5, 4.3.1.1+4.5.3.3, 5.5.1.1] and 7 OFI raised from that exercise. East Estate is in the process of closing them.</p> <p><u>Sepang</u></p> <p>The last internal audit for sustainable palm oil was conducted on 25th October 2017. The internal audit had covered all the MSPO MS2530-3:2013 elements. It was conducted by 3 auditors from HQ [Siti Norralakmam, Ra'anon (LA) &amp; Sharifah Sharina]. There were 2 major, 5 minor NC [against 4.3.1.1, 4.4.2.2, 4.1.3.1, 4.4.6.1+4.4.6.2+4.4.6.3, 4.5.1.3+4.5.1.4, 4.5.1.3+4.5.1.4, 4.5.1.5, 4.5.1.6] and 4 OFI raised from that exercise. Sepang Estate is in the process of closing them.</p>	
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	The internal audit report dated 23/10/2017 (East) and 25/10/2017 (Sepang) had included root cause analysis and corrective action plan. Since the audit has just been conducted, the NCRs have yet to be closed. Nonetheless, interview with the estate's staff showed that they understand the establishment of root cause and corrective action.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<b>4.1.2.3</b>	Report shall be made available to the management for their review.  - <b>Major compliance</b> -	The internal audit report has distributed to the Estate management and Sime Darby Plantation HQ management. There is a monthly SQM meeting at HQ level to review the trending of findings raised in both internal and external audit.	Yes
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.  - <b>Major compliance</b> -	In Operating Unit level (East Estate), the last management review was conducted on 26/10/2017. The meeting was chaired by the Estate Manager En Suhaimi Abu Bakar and attended by 22 members. The minutes of the meeting and review presentation was sighted. It was noted that the agenda discussed was mainly on estate operations and safety issues. The agenda can be improved based on the established procedure [i.e. SOM, Section 5 Management Responsibility, Sub Section 5.6 Management Review] which include: <ul style="list-style-type: none"> <li>a) Follow-up action from previous MR</li> <li>b) Analysis of data and preview of objectives/management programme</li> <li>c) Evaluation of key performance indicators – OHS &amp; environmental performance</li> <li>d) Review of estate’s quality, documents change, customer feedback, legal, resources, security, EPR, new development, QIPs/QPPs and innovations</li> <li>e) Production problems</li> </ul>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		f) Audit results g) Status of corrective and preventive actions h) Actions required improving the system, product and process Nonetheless, this issue has been identified in internal audit and recorded under NCR#2. To close the Internal Audit's NC, the estate has conducted MR on 27/10/17, chaired by EM (Kamarul Bahrin) attended by 13 members. Among the agenda: <ul style="list-style-type: none"> <li>• Review of crop production</li> <li>• Water management plan</li> <li>• Fuel consumption</li> <li>• Waste management plan</li> <li>• Review of HIRARC</li> <li>• SIA action plan</li> <li>• EAI/EIE change</li> <li>• Internal audit results</li> <li>• Changes can affect RSPO/MSPO/ISCC</li> <li>• Recommendation for improvement</li> </ul>	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	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. The operating units also adopted the Lean Six Sigma continual improvement. The improvement projects for 2017 was sighted.	Yes

Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></p>	<p>Among the new technology adopted by the estate are:</p> <ul style="list-style-type: none"> <li>• Mechanical spray (ST101) – chemical spray for palm circle using sprayer attached to tractor</li> <li>• Multi Bin Silo (MBS) – fertilizer spreader</li> <li>• Air blower (petrol powered) for circle raking</li> <li>• Disilting subsidiary drain using Dondi Ditcher</li> <li>• Replacement of methamidophos with acephate for leaf-eating caterpillar control</li> </ul>	Yes
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p><b>- Major compliance -</b></p>	<p>The action plan is included in the CIP for FY 2017/2018 and the Lean Six Sigma. Trainings on best practices and new technology were among the important elements included in the action plan.</p>	Yes
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>Both visited estates have maintained records of requests and responses, Land titles/user rights, Safety and health plans, plans and impact assessments relating to environmental and social impact, plans for pollution prevention, records of complaints and grievances, plans for continuous improvement and make available upon request. Most of the stakeholders were requested for assistance from the management such as to get permission for vehicles to enter the estate compound for festival celebration, request to use the land in estate for festival celebration and etc.</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>Both of the estates hold copies of each of the management documents that are required to be publicly available. Copies of the document that are not confidential were available upon request. The company has developed a procedure on Documentation and Communication under Section 3, version: 1, year 2008 where the information on sustainable activities will be made publicly available to the general public through Annual Reports, circulars, agreements, Sime Darby website and other publications.</p>	Yes
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>SDPSB has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/4/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p>	Yes
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p><b>- Minor compliance -</b></p>	<p>Assistant Manager of the East Estate and Sepang Estate has been appointed as person-in-charge for handling social issue in the estate. Seen the appointment letter dated 18/10/2017 issued by the Senior Manager for East Estate and 1/7/2017 issued by Manager for Sepang Estate.</p>	Yes
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p><b>- Major compliance -</b></p>	<p>Stakeholder list was available where relevant stakeholders such as local communities, government authorities, contractors, neighbouring smallholders and etc were included into the list for both estates.</p> <p>Stakeholder meeting was conducted on 31/10/2017 in East Estate with the participation of stakeholder such as school's representative,</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>contractors, local communities’ representatives and etc. Meeting minutes was sighted and there were some requests raised during the meeting by the stakeholders. For eg:</p> <ul style="list-style-type: none"> <li>i. The school’s representative has requested the estate’s management to clean up the pond in the school and to install new electric cable as the current one was old. Action to be taken: The management has agreed to clean up the pond and the installation of electric cable will be included into the next financial year budget.</li> <li>ii. The local communities’ representatives have requested the estate’s management to carry out grass cutting at the field in the village. Action to be taken: The management has agreed to carry out grass cutting for the local village and still in progress as currently there was flooding happened in the area.</li> </ul> <p>Stakeholder meeting was conducted on 22/12/2016 in Sepang Estate with the participation of relevant stakeholders such as government authorities, local communities, contractor and etc. There were some comments and enquiries raised during the meeting and the management has explained during the meeting immediately.</p>	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements	East Estate and Sepang Estate send their FFB to East POM.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>for traceability of the relevant product(s).</p> <p><b>- Major compliance -</b></p>	<p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> <li>• Product (FFB or Loose fruit)</li> <li>• Delivery note from estates stating the weight and fruit grade (A or B).</li> <li>• D.O Number</li> <li>• Date of the shipment</li> <li>• The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</li> <li>• The procedure had identified critical control points to prevent contamination of non-certified FFB.</li> <li>• The current traceability system is Sime Weigh System.</li> <li>• The responsible personal for the traceability is the Estate Manager.</li> </ul>	
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>Regular inspections on compliance with the traceability system were covered in the internal audit.</p>	Yes
<b>4.2.3.3</b>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>The overall personal in charge for the traceability is the Estate Manager and this is addressed in the established procedure [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].</p>	Yes

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 per say as East Estate and Sepang estate is the identified supply base to East POM. Both of the visited estates are belonged to Sime Darby Plantation Bhd.  The delivery records 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.	Yes
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
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 SOU4. 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.  Sample of licenses or permit viewed were:  <u>East</u> <ul style="list-style-type: none"> <li>MPOB sell and transport FFB license: 531308002000 (validity period 1/8/2017 – 31/07/2018).</li> <li>Diesel Storage permit: B025311 (validity period 21/2/2017 – 20/2/2018), permitted to purchase at one time 15,000 lt</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Selangor</u></p> <ul style="list-style-type: none"> <li>MPOB sell and transport FFB license: 533798002000 (validity period 1/11/2017 – 31/10/2018) and 533267002000 (validity period 1/10/2017 – 30/9/2018) Sg Rawang and Main Div respectively.</li> <li>Diesel Storage permit: B008189 (validity period 25/1/2017 – 24/1/2018), permitted to purchase at one time 12,000 lt</li> </ul>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>List of applicable legal and other requirements was made available during the assessment and compiled 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 were last reviewed in January 2017 for East and September 2017 for Sepang.</p>	Yes
<b>4.3.1.3</b>	<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><b>- Major compliance -</b></p>	<p>Documented procedure has been established and implemented [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008]. List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder.</p> <p>All the legal and other requirements were registered accordingly in the legal requirement register including Minimum Wages Order 2016.</p>	Yes
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS &amp; MQMS (Estate &amp; Mill Quality</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	requirements. <b>- Minor compliance -</b>	<p>Management System) under Standard Operation Manual distributed to all operating units under SOU 8. 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 [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008].</p> <p>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. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The land titles for the estates have clearly stated the " <i>Syarat-syarat Nyata</i> " for " <i>Tanaman Kekal (Industri)</i> ". The estates have planted the lands with oil palm crops.	Yes
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	<p>East Palm Oil Mill and East Estate operation is on freehold and leasehold land. The lands are belong to Sime Darby Plantation Sdn Bhd. Sampled of land titles are as below:</p> <ul style="list-style-type: none"> <li>i. Land Title No.: 4143, Lot No.: 12358, Hectare: 0.8727 ha</li> <li>ii. Land Title No.: 4136, Lot No.: 12351, Hectare: 0.0664 ha</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		iii. Land Title No.: 4139, Lot No.: 12354, Hectare: 0.2485 ha	
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	Field visit to OP07B2 at East Estate and Field No. 02C1 at Sepang Estate found that the estates has made a huge bund and trenches to demarcate the boundary between them and the smallholders. No encroachment of land was reported through interview with the smallholders.	Yes
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	There was no land disputes noted during the audit at East Estate and Sepang Estate as the company has the legal ownership documents which was under the Sime Darby Plantation Sdn. Bhd.	Yes
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	There is no customary land or negotiated agreements at East Estate and Sepang Estate.	Yes
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	There is no customary land or negotiated agreements at East Estate and Sepang Estate.	Yes
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	There is no customary land or negotiated agreements at East Estate and Sepang Estate.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>		
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>		
<b>4.4.1.1</b>	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p><b>- Minor compliance –</b></p> <p>SIA was carried out by PSQM Department on 24-26/3/2014 where it covered for the whole SOU 8 Complex. The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers’ representatives, local communities and etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc.</p> <p>East Estate and Sepang Estate has developed action plan for SIA FY17/18 to monitor the issues raised during assessment and stakeholder meetings. The plan has incorporated the action plan, person in charge and the status. There was no timetable for mitigating the negative impacts.</p> <p><b><u>East Estate &amp; Sepang Estate:</u></b></p> <p>The school representative has requested the management to carry out cleaning of pond in the school compound, the villagers has requested to carry out grass cutting activity in their compound and etc. The management has taken action to rectify the problems but no record to show that actions have been taken.</p>	<p>No</p>



Criterion / Indicator		Assessment Findings	Compliance
		<b>Timetable to mitigate the negative impact was not available and no record to show that actions taken in response to the feedback from local community. Thus, a minor NC was raised.</b>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation, for communication required investigation.	Yes
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	There were some comments/ complaints raised during the stakeholder meeting in East Estate and Sepang Estate. For eg: The school representative has requested the management to carry out cleaning of pond in the school compound, the villagers have complaint on the damage of their banana trees caused by the water flowed into their plantations from the estate and etc.	Yes
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	East Estate and Sepang Estate has implemented Workers Linesite Repair Record for internal workers. For the external stakeholders, they will write in letter to request and the management will response to them. Most of the complaints were related to housing repair such as	Yes

Criterion / Indicator		Assessment Findings	Compliance
		clogged at the toilet, installation of grill, light no functioning and etc. Photo evident was sighted for the repair works done.	
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.  - <b>Minor compliance</b> -	Interviewed with the stakeholders such as contractors, local communities and workers found that they are aware of the complaint procedure and no other outstanding issue to be follow-up. The internal and external stakeholders were invited to attend stakeholder meeting, OSH meeting, Union meeting and etc to report their grievances if any.	Yes
<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.  - <b>Major compliance</b> -	Records of the Workers Linesite Repair Record were available from year 2011 to 2017 for both estates.	Yes
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities.  - <b>Minor compliance</b> -	East Estate’s management has made contribution to the local communities such as donation to the school’s event, provide assistance on grass cutting at the school compound and etc. Seen the payment voucher dated 18/4/2017 for the donation of International Children Festival of total amount RM 4500.  The Sepang Estate’s management has made donation to the local communities upon request from the stakeholders such as donation for Merdeka Day for Union Association in the estate, donation to the kindergarten and etc. Seen the payment vouchers for all the donations made.	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby Plantations Sdn Bhd has established Safety & Health Policy which was signed by Managing Director dated January 2015. The OSH plan 2017/2018 for the East Estate was which covered the incident reporting, risk management, emergency preparedness & response, inspections and etc was available and prepared on 1/9/2017. The plan was prepared by the Medical Assistant and verified by the Senior Manager.	Yes
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).	Sime Darby Plantations Sdn Bhd has developed Safety & Health Policy which has been communicated to the staff and workers during morning muster. Besides, the policy was displayed at the muster ground area which is easily access by all the workers.  PSQM Department has established a procedure for Chemical Safety Management with Doc. No. SD/SDP/PSQM(ESH)/202-OH4, dated 26/2/2015. The objective of the procedure is to enhance chemical safety and prevent chemical-related injuries, illness or diseases at the place of work in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.  <b>East Estate:</b> The latest review of HIRARC for the Workshop (Foreman) was carried out on 4/8/2017. Coverage of activities such as removing nut and tyre from rim, removing air pressure to check for puncture site, filling air pressure and etc.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Training on safe use and handling of chemical was conducted on 8/1/2017 with participation of sprayers from all the divisions in the estate. Seen the attendance list and photo evident of the training that have been conducted.</p> <p>Chemical register was reviewed on 1/9/2017 by the Assistant Manager and approved by the Senior Manager. The chemicals that have been used in the estate such as Ally, Basta 15, Garlon 250EC and etc.</p> <p>During site visit to the Chemical Store found that SDS for the said chemicals are displayed at the store which are in bilingual.</p> <p>OSH meeting was conducted on quarterly basis and the last meeting was conducted on 27/7/2017 with total 38 participants from management's representatives, employees' representatives and representatives from contractor. Number of accidents have been discussed during the meeting. Total 3 cases (Class 3) that have been reported to DOSH from April – July 2017.</p> <p>The last CHRA was conducted on 23/11/2015 by National Institute of Occupational Safety &amp; Health (NIOSH) Malaysia with JKKP HIE 127/171-2(353). Recommendations for Health Surveillance Program due to exposure to chemical are for foreman and fogger and Baseline Monitoring for trunk injection gang and chemical mixer &amp; sprayer.</p> <p>Medical surveillance was carried out on October 2017 and received the reports on 7/11/2017 by Occupational Health Doctor DOSH Reg. No. JKKP HQ/08/DOC/00/709. Total 36 workers were sent for medical</p>	

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	<p>surveillance on Cholinesterase level. 1 worker was found unfit for temporary MRP. The worker has been reassigned from chemical mixture operator to field worker for a period of 6 months or until condition fit for work and seen the notification letter on 6/11/2017.</p> <p>First aid training &amp; CPR was carried out on 24/1/2017 which involved mandore, workers and staffs. Seen the photo evident and interviewed with the mandore found that he is aware of the usage medication in the first aid kit.</p> <p>A proposed of fire drill training with the <i>Pertubuhan Pencegah Kebakaran</i> Kuala Lumpur to be conducted on 15/11/2017. Seen the confirmation letter of the training to be conducted.</p> <p>First Aid Kits are provided at various work sites at the estates and inspection confirmed these had been appropriately stocked. Seen the first aid kit location for F17/18. Verified at the harvesting gang found that the mandore has good knowledge on the usage of first aid kits.</p> <p>Emergency Response Plan for fire, flood, accident in workplace and etc was developed. Emergency evacuation route map was available and displayed at notice board.</p> <p>Total 3 cases of Class 3 accidents that have been reported to DOSH. JKPP 6 was submitted and investigation has been carried out for each of the accident. Sampled of accident investigation report was reported on 19/1/2017 for the foreman. Re-training was given to the foreman</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>and review of HIRARC was conducted as well.</p> <p><b><u>Sepang Estate:</u></b></p> <p>OSH meeting was carried out on quarterly basis and the last meeting was held on 13/9/2017 with total 10 representatives from management and 8 representatives from employees that attended the meeting. Accident incident was discussed in the meeting.</p> <p>Appointment letter for the Chairman and Secretary of the OSH Committee dated 1/9/2017 was available. The Chairman is the manager of the estate, Mr. Kamarul Bahrin and the Secretary is Mr. Raja Mohd Yusri.</p> <p>There was training for the sprayer and manuring gang on August 2017. Seen the photo evident of the trainings that have been conducted.</p> <p>The last review of the chemical register was done on 1/7/2017 by the Store Clerk and reviewed by the Manager. Total 12 types of chemicals, 5 types of fertilizers and 3 types of lubricants and diesel registered in the estate. Site visit to the chemical store, fertilizer store and workshop found that SDSs were displayed at the respective stores and are in bilingual.</p> <p>The last Chemical Health Risk Assessment conducted at Sepang Estate</p>	

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	<p>by registered officer JKPP HIE 127/171-2(353) from National Institute of Occupational Safety and Health on 22/9/2015. The recommendation for health surveillance programme are for foreman, fogger, trunk injection gang and chemical mixer &amp; sprayer. Total 35 sprayers, 2 trunk injection workers, 1 fogger and 1 foreman have been sent for medical surveillance on 18-19/2/2017 by register doctor HQ/15/DOC/00/446. The results for all the workers were found fit to work.</p> <p>Emergency evacuation map and the allocation map for first aid kits &amp; fire extinguisher were sighted. All the relevant emergency plan were available such as chemical spillage, fire, accident and etc.</p> <p>HIRARC was last reviewed on 27/10/2017 for the work station of cutting FFB and fronds due to accident occurred. It has been approved by the manager.</p> <p>Total 4 accidents occurred on January 2017 – October 2017. 2 out of 4 cases were reported to DOSH which classified as Class III for temporary disability case. Details of accidents were uploaded into the GSQM ESH Portal and the latest accident occurred on 26/10/2017 and the investigation is still open and under progress.</p> <p>PPE issuance record and PPE Daily record was sighted for individual worker. For eg: The sprayer has been issued with Wellington boots, apron, mask N95, goggle, rubber glove and etc.</p>	

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	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.  <b>- Major compliance -</b>	Sime Darby Plantations Sdn Bhd has developed Social and Humanity Management policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. Briefing of policies were given to the workers on 3/11/2017 during RSPO and MSPO trainings.	Yes
<b>4.4.5.2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.  <b>- Major compliance -</b>	SDPSB has implemented Social Policy, Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interviewed with the workers with different nationalities found that no discrimination has occurred in the estate. They were treated equally and no bias on job offered.	Yes
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.  <b>- Major compliance -</b>	There was employment contracts for workers. Pay and conditions are documented and are above the Minimum Wage Order 2016. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled of payslip for December 2016, March 2017 and October 2017 as below:  i. Employee ID: 6173 (EE) ii. Employee ID: 94431 (EE) iii. Employee ID: 109700 (EE) iv. Employee ID: 6181 (EE) v. Employee ID: 120703 (EE) vi. Employee ID: 97153 (SE) vii. Employee ID: 123989 (SE)	Yes



Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>viii. Employee ID: 124325 (SE)</li> <li>ix. Employee ID: 127684 (SE)</li> <li>x. Employee ID: 126706 (SE)</li> </ul>	
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></p>	<p>The contractors have signed on the contract agreement prior commencement of work in the estate. In the agreement, it was clearly stated that the contractors shall ensure their workers are paid according to legal requirements.</p> <p>Interviewed with the contractors confirmed that they understood the terms and conditions stated in the contract. Their workers were paid according to Minimum Wage Order 2016 and they were entitled with EPF and SOCSO for local workers.</p>	Yes
<b>4.4.5.5</b>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>All the personal details such as full name, gender, date of birth, date join of the company, job description and etc were recorded in the Employee Master Details Listing for each of the workers. Sampled of Employee Master Details Listing as below:</p> <ul style="list-style-type: none"> <li>i. Employee ID: 108426 (EE)</li> <li>ii. Employee ID: 96279 (EE)</li> <li>iii. Employee ID: 120633 (EE)</li> <li>iv. Employee ID: 116231 (EE)</li> <li>v. Employee ID: 126838 (EE)</li> <li>vi. Employee ID: 52524 (SE)</li> <li>vii. Employee ID: 93397 (SE)</li> <li>viii. Employee ID: 97153 (SE)</li> <li>ix. Employee ID: 108242 (SE)</li> <li>x. Employee ID: 123958 (SE)</li> </ul>	Yes
<b>4.4.5.6</b>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of</p>	<p>The employees that recruited by the estates are from local, Indonesia, Nepal, Bangladesh and India. They are all under direct employment to</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>the estates. All of them have signed on the employment contract prior to work. Duration of contract/ probation period, position offered, wages, annual leave, allowances and etc was stated in the employment contract. Sampled of employment contracts as below:</p> <ul style="list-style-type: none"> <li>i. Employee ID: 120703 (EE)</li> <li>ii. Employee ID: 119098 (EE)</li> <li>iii. Employee ID: 120702 (EE)</li> <li>iv. Employee ID: 109700 (EE)</li> <li>v. Employee ID: 123958 (SE)</li> <li>vi. Employee ID: 123989 (SE)</li> <li>vii. Employee ID: 126706 (SE)</li> <li>viii. Employee ID: 122798 (SE)</li> </ul> <p>Extension contract of employment for workers who have worked more than 3 years were available where the terms of the contract were clearly stated in the extension contract. Sampled of extension contract as below:</p> <ul style="list-style-type: none"> <li>i. Employee ID: 6173 (EE)</li> <li>ii. Employee ID: 108426 (EE)</li> <li>iii. Employee ID: 94431 (EE)</li> <li>iv. Employee ID: 96279 (EE)</li> <li>v. Employee ID: 93397 (SE)</li> <li>vi. Employee ID: 102212 (SE)</li> <li>vii. Employee ID: 108242 (SE)</li> <li>viii. Employee ID: 89014 (SE)</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. <b>- Major compliance -</b>	Seen the Estate Daily Attendance Report for monthly basis where it recorded the number of days work and hours of overtime work. The data was transferred from the check-roll record book for the workers.	Yes
<b>4.4.5.8</b>	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. <b>- Major compliance -</b>	Interviewed with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Yes
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements.	Yes
<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. <b>- Minor compliance -</b>	Food subsidized of 5kg of cooking oil and 5 kg of rice to every workers. Phone allowance of RM 5. Water supply was free to all the workers without any charges. The workers are entitled with the free medical facilities provided in the estates. The company also provided free school transportation to send the children to school.	Yes
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards	The estate's management has provided free housing facilities to all the workers. Basic amenities such as water, electricity, football field and etc were provided to the workers. The housing condition was accordance to the Workers' Minimum Standards Housing and	Yes

Criterion / Indicator		Assessment Findings	Compliance
	Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. <b>- Major compliance -</b>	Amenities Act 1990 (Act 446). Interviewed with the workers confirmed that they did not have any complain or grievance related to housing to be reported.	
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	SDPSB has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. Gender Committee was established to monitor and take care of the welfare of female workers to ensure no case of sexual harassment or violence happened. Seen the Gender Committee Meeting conducted on 18/8/2017 in Sepang Estate and found that no case reported. Interviewed with the female workers found that no sexual harassment or violence case reported so far.	Yes
<b>4.4.5.13</b>	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. <b>- Major compliance -</b>	SDPSB has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Union Meeting in East Estate was conducted on 2/11/2017 with total 19 participants from management and employees. Issue raised during the meeting was recorded into the action plan for SIA and monitor accordingly.  There was a Union Meeting conducted on 30/12/2016 in Sepang Estate. Total 14 participants from management and employees attended the meeting. Issues raised during the meeting were rectified by the management. For eg: The worker complaint that outsiders were found staying inside the area. The management has taken action by carried linesite census with the photo of each resident and personal	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>details such as name, identification no., passport no. and etc in the census records.</p> <p>Interviewed with the workers from different nationalities confirmed that they are allowed to join Union freely without any restriction.</p>	
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not be exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>The company has developed Child Protection policy dated January 2015. Operating units are complied with the minimum age requirement. Through document reviewed on the Employee Master Listing confirmed that no employee under 18 years was recruited by the company. Interviewed with the workers and contractors also found that no child labour was practice in the estates.</p>	Yes
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>Training matrix was available which was established based on training needs analysis. The training matrix has the information about type of trainings, type of participants and tentative dates of the training to be conducted. Generally, the type of trainings can be classified to OHS, environment, field operation, legal requirements and social. Records of training were found to be appropriately maintained.</p>	Yes
<b>4.4.6.2</b>	<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>E.g. of trainings conducted:</p> <p><u>Sepang Estate:</u></p> <ul style="list-style-type: none"> <li>• Fire drill on 10/3/2016, attended by 37 employees</li> <li>• Herbicide &amp; pesticide training on 7/10/2016, attended by 10 operators</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	<ul style="list-style-type: none"> <li>Town hall talk (OHS &amp; environmental aspects in workplace) on 13/10/17, attended by 208 workers and contractors (estates + mill)</li> </ul>	
<b>4.4.6.3</b>	<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>- <b>Minor compliance</b> -</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 program are made on annual basis. In addition it is subject for a review during the financial year should need arises.</p>	Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<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>- <b>Major compliance</b> -</p>	<p>Environmental Policy issued on Group level signed by the Managing Director in Jan 2015 was available on site. Communications to the employees were normally through training and briefing at muster grounds. Apart from that the documented policy is also displayed on notice board.</p>	Yes
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ol style="list-style-type: none"> <li>An environmental policy and objectives;</li> <li>The aspects and impacts analysis of all operations.</li> </ol> <p>- <b>Major compliance</b> -</p>	<p>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>E.g. for Sepang Estate, last reviewed was done on 1/7/17 by AM (Mohd Nazri). There was no significant change in the estate's activities.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.  - <b>Major compliance</b> -	The continuous implementation of the improvements activities was checked during the field and document audit. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment. Last reviewed was done on 1/7/17 (East and Sepang Estate). A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented. Continuous awareness training programme has been carried out on 5/10/17 by the company to its workers and other stakeholders.	Yes
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.  - <b>Minor compliance</b> -	This is available in the SIA action plan. Activities/areas identified at working area, induction program for new workers & housing facilities.	Yes
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.  - <b>Major compliance</b> -	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.	Yes
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.  - <b>Major compliance</b> -	Concerns about environmental quality would be discussed in the EHS quarterly meeting where the participants consists of both employers and employees. The EHS meetings were conducted in accordance to the legal requirement. However, the environmental issues has yet to be included as part of the meeting agenda. Nevertheless, this lapse was detected through the internal audit and NCR had been issued in order to establish the corrective action.	Yes

Criterion / Indicator	Assessment Findings	Compliance																		
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																				
<p><b>4.5.2.1</b></p> <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p><b>- Major compliance -</b></p>	<p>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.</p> <p>Monitored diesel/mt FFB, commentary given target 1.5 ratio.</p> <p>Example data at Sepang Estate:</p> <table border="1" data-bbox="1088 794 1906 1058"> <thead> <tr> <th></th> <th>Baseline</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18 as at Oct</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>1.49 lt/mt FFB</td> <td>1.51</td> <td>1.80</td> <td>1.20</td> <td>0.94</td> </tr> <tr> <td>Electricity</td> <td>15.17 kWh/mt FFB</td> <td>14.11</td> <td>17.52</td> <td>14.30</td> <td>12.19</td> </tr> </tbody> </table>		Baseline	2014/15	2015/16	2016/17	2017/18 as at Oct	Diesel	1.49 lt/mt FFB	1.51	1.80	1.20	0.94	Electricity	15.17 kWh/mt FFB	14.11	17.52	14.30	12.19	<p>Yes</p>
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<p><b>4.5.2.2</b></p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p>	<p>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>																		



Criterion / Indicator		Assessment Findings	Compliance																		
	- Major compliance -																				
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	East Estate is using solar energy to power its hazard lights along main roads. No renewable energy used in Sepang.	Yes																		
<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 -	<p>All waste and pollution are identified and documented in the Waste Management Action 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>Source of generation</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Line-sites, office, workshop, store,</td> <td>Disposed through Majlis Daerah Kuala Langat or landfill</td> </tr> <tr> <td>Industrial waste - fertiliser bags</td> <td>Empty bags store</td> <td>Inventory of bags, reuse for LF collection and filling soil for bunding</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> <td>Inventory maintained, tender at zone level for sale to licensed contractor.</td> </tr> <tr> <td>SW 404 Clinical waste</td> <td>clinic</td> <td>Inventory maintained. Storage in sharp bin in clinic. Disposal through licensed vendor (e.g. Kualiti Alam)</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>workshop</td> <td>Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.</td> </tr> </tbody> </table>	Type of waste	Source of generation	Action to be taken	Domestic waste rubbish	Line-sites, office, workshop, store,	Disposed through Majlis Daerah Kuala Langat or landfill	Industrial waste - fertiliser bags	Empty bags store	Inventory of bags, reuse for LF collection and filling soil for bunding	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 licensed vendor (e.g. Kualiti Alam)	SW rags, plastics, filters	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.	Yes
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Criterion / Indicator		Assessment Findings			Compliance
		Spent lubricant & hydraulic oil	workshop	Disposed through licensed vendors	
		Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	Inventory maintained. Storage in SW store. All containers are labelled. Empty containers collected by authorized vendor after triple rinsed (e.g. SS Setia Sdn Bhd)	
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	Details of the types and management plan is shown in 4.5.3.1 above.			Yes
<b>4.5.3.3</b>	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005, 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;</p> <p>Management of class 1 chemical containers</p>			Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Management of class 2 (and higher) chemical containers.</p> <p>Management of fertiliser bags</p> <p>This document was established on 28/2/2015 and remain effective for practice in all estates and mills.</p>	
<b>4.5.3.4</b>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>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;</p> <p>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.</p> <p>Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process.</p> <p>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. Receipt from SS Setia Teknologi Enterprise #1000, dated 30/10/2017, quantity 1,880 kg was seen.</p>	Yes
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>Under the action plan of the waste management plan, the site of landfill is identified at min 3 km away from water course and housing complex. Collection is 2 to 3x/week. Monitoring is made by an Executive/staff. The estate manages the mill domestic disposal.</p>	Yes
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid</p>	<p>Assessment of all polluting activities was done through the Environment Aspect and Impact assessment. This includes all th</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	wastes and effluent. <b>- Major compliance -</b>	polluting activities such as greenhouse gas emissions, scheduled and solid wastes generations. The management of wastes were as of mentioned in Indicator 4.5.3.1.	
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Details of action plan for identified pollutants are shown in 4.5.4.1 above.	Yes
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> <li>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</li> </ul>	<u>East Estate</u> Sighted an implemented plan established as East Estate Water Management Plan FY 1617 included the normal water usage mainly for process, cleaning & etc. Water management action plan identified: <ol style="list-style-type: none"> <li>1. Bund management</li> <li>2. Tide gate management</li> <li>3. Sluice gate/drain block</li> <li>4. Desilting program</li> <li>5. Water level marker</li> <li>6. Water sampling</li> </ol> The estate has just taken water samples at its drains outlets for analysis after had been highlighted by internal audit finding NCR #14.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p><u>Sepang Estate</u></p> <p>Sighted an implemented plan established as Identification and Management of Wastewaters for Financial Year 16/17 – SOU (8) Sepang Estate included the normal water usage mainly for process, cleaning &amp; etc. Action plan to reduce fresh water usage identified rainwater collection using containers and recycle the rainwater for washing office compounds. Contingency plan during water shortage identified water storage/dry spell where water bought from SYABAS for domestic use.</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	No main river crossing both East and Sepang estates.	Yes
<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	Rain water harvesting is implemented in various ways such as collection of rainwater through rain gutter at the office and retention of water in the field such as in-field drainage system and water gate management.	Yes
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	<p>A Peer Review Report on HCV Re-Assessment for Strategic Operation Unit (SOU) 8, 9 &amp; 9a.</p> <p>Dr. Wan Asma Ibrahim</p> <p>FRIM Kepong</p> <p>Dated 14/2/2015</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p><b>- Major compliance -</b></p>	<p>Re-assessment of HCV was conducted by Sustainability Department (Social &amp; Environment Projects Unit) on February 2015. The assessment incorporating SOU8 East, SOU9 West and SOU9A Sepang. In summary, the areas covered within these SOU landholdings in this report are 17,711.16 hectares and the HCV area presence are 277.57 ha (HCV4 &amp; HCV6). HCV identified at East Estate are wildlife sanctuary, Mah Meri graveyard, Fringe mangroves,</p> <p>The assessment concluded with recommendations that incorporated basic conservation planning principles for consideration into management regimes of preserving the HCV and conservation areas. The proposed management and monitoring for HCVA possible threats also recorded.</p> <p>Visits to HCV site such as Wildlife sanctuary and Mah Meri graveyard at East estate confirmed that the area are well maintain.</p> <p>No RTE was identified within the planted or surrounding village area based on the HCV assessment report dated February 2015. Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signage that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited (i.e. East &amp; Sepang estates) found to have been satisfactorily maintained.</p>	
<p><b>4.5.6.2</b> If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for</p>	<p>There is not RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
	<p>management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.</p>	
<b>4.5.6.3</b>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></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>	Yes
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	<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><b>- Major compliance -</b></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 [Field 2017A, B &amp; C – in progress of planting and land preparation] and interviews with the workers, there is no open burning being practiced in the estates.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.7.2</b>	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.  - Major compliance -	N/A. Details in 4.5.7.1 above	Yes
<b>4.5.7.3</b>	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.  - Major compliance -	N/A. Details in 4.5.7.1 above	Yes
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.  - Minor compliance -	Based on site visit at replanting fields 2017 at both East and Sepang, previous oil palms were seen to be felled, chipped, windrowed and mulched.	Yes
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - 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;  Level 1 Estate quality management system standard operation manual Level 2 EQMS quality management manual Level 3 standard operating procedure	



Criterion / Indicator		Assessment Findings	Compliance
		<p>Level 4 work instruction</p> <p>Level 5 records.</p> <p>One of the important mechanism of ensuring the practice is implemented accordingly is through Planning &amp; Monitoring Unit (PMU) quarterly visit. For East, the last PMU visit was on 12-14/09/17 and noted that the scoring was above average. Last 3 visits at Sepang were on 19/9/17, 10/5/17, 7/2/17 which covered among others the replanting activities, manuring, OP mature P&amp;D. It was noted that the ratings were all above average.</p>	
<b>4.6.1.2</b>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>There is no sloping terrain at East Estate and Sepang Estate. This can be seen on their topography map. The terrain at both estates is generally flat.</p>	
<b>4.6.1.3</b>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>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 signage at the boundary/corners of every fields. This is observed during the field visit in both East &amp; Sepang Estates.</p>	
<p><b>Criterion 4.6.2:</b> Economic and financial viability plan</p>			

Criterion / Indicator		Assessment Findings	Compliance																		
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>The annual business plan is available. Both estates and the mill had a similar format i.e. in the form of annual budget with a 5-year projection. (Budget year, PY2, PY3, PY4, PY5). This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.</p> <p>Component of operating expenditure includes Administration, harvesting &amp; collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements &amp; tractors. 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 both the estates was sighted and verified.</p>																			
<b>4.6.2.2</b>	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p><b>- Major compliance -</b></p>	<p>Verification of the estate's Long Range Replanting Programme (LRRP), the 5-year replanting programme in Ha is as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>East</td> <td>308.67</td> <td>222.83</td> <td>203.24</td> <td>178.58</td> <td>65.40</td> </tr> <tr> <td>Sepang</td> <td>117.40</td> <td>84.03</td> <td>179.24</td> <td>158.52</td> <td>133.99</td> </tr> </tbody> </table>	Estate	2017/18	2018/19	2019/20	2020/21	2021/22	East	308.67	222.83	203.24	178.58	65.40	Sepang	117.40	84.03	179.24	158.52	133.99	
Estate	2017/18	2018/19	2019/20	2020/21	2021/22																
East	308.67	222.83	203.24	178.58	65.40																
Sepang	117.40	84.03	179.24	158.52	133.99																
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <p>a) Attention to quality of planting materials and FFB</p>	<p>Verification of 3-year projection budget found the following information:</p> <table border="1"> <thead> <tr> <th>East Estate</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	East Estate	2017/18	2018/19	2019/20															
East Estate	2017/18	2018/19	2019/20																		

Criterion / Indicator		Assessment Findings				Compliance	
	b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>	Crop (mt)	111,752.61	111,778.24	114,471.51		
		Crop (mt/Ha)	28.39	28.55	28.47		
		RM/mt	184.98	192.07	188.80		
		RM/Ha	4,070.19	4,046.38	3,964.43		
		Sepang Estate					
		Crop (mt)	50,496.20	52,674.22	55,517.09		
		Crop (mt/Ha)	23.92	24.44	25.01		
		RM/mt	182.57	143.98	153.55		
		RM/Ha	5,182.37	4,659.83	4,902.05		
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis through SAP system. Through this system, the expenses can be seen by top management. The SOU monthly meeting involves the Managers and the Head Zone for the performance review.					
<b>Criterion 4.6.3: Transparent and fair price dealing</b>							

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Sampled of the contract forms prior the commencement of work as below:  i. Doc. No.: 4300393877 dated 1/11/2017 for replanting work. ii. Doc. No.: 4300393446 dated 1/11/2017 for grass cutting. iii. Doc. No.: 4300395811 dated 2/11/2017 for transporting FFB and loose fruits from Sepang Estate to mill.  Purchase Order was recorded for the works that have been completed.	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	The payment was made by Head Office after the estates have sent the invoice to Head Office. Interviewed with the contractors confirmed that the payment was made promptly.	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System	
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	This is in compliance. All estates maintain contract with the vendors as specified in the financial procedure. A contract was sighted. Transaction between M/S CVM Transport Sdn Bhd and Welch Estate dated 18/7/2016. Inclusive in the contract is a clause for compliance with all the relevant governing law.	
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	This is specified in the letter dated 01/7/2017 as shown in item 4.6.4.1 above.	

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
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 usually from the Engineering Dept.	
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.  - Major compliance -	There is no development of new planting at both visited estates.	
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.  - Major compliance -	There is no development of new planting at both visited estates.	
<b>Criterion 4.7.2: Peat Land</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.  - Major compliance -	There is no development of new planting at both visited estates.	
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.  - Major compliance -	There is no development of new planting at both visited estates.	
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.  - Major compliance -	There is no development of new planting at both visited estates.	
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.  - Major compliance -	There is no development of new planting at both visited estates.	
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	There is no development of new planting at both visited estates.	

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

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - Major compliance -	There is no development of new planting at both visited estates.	
<b>Criterion 4.7.6: Customary land</b>			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.  - Major compliance -	There is no development of new planting at both visited estates.	
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.  - Minor compliance -	There is no development of new planting at both visited estates.	
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.  - Major compliance -	There is no development of new planting at both visited estates.	



Criterion / Indicator		Assessment Findings	Compliance
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	There is no development of new planting at both visited estates.	
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	There is no development of new planting at both visited estates.	

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	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 8 <sup>th</sup> September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Yes
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	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> <li>• The commitments are made by Datu Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad.</li> </ul>	Yes
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit.	Yes

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		<p>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.</p> <p>The last internal audit for sustainable palm oil was conducted on 26/10/2017. The internal audit had covered all the MSPO MS2530-4:2013 elements. It was conducted by 2 auditors from HQ [Ra'anon &amp; Sharifah Sharina]. There were 1 minor NC [against 4.4.6.1 – training on employees and contractors] and 6 OFI raised from that exercise. The mill is in the process of closing them.</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><b>- Major compliance -</b></p>	<p>The internal audit report dated 26/10/2017 had included root cause analysis and corrective action plan. One sample on the finding closure from the last internal audit was verified. The finding raised was on multiple indicators [i.e. 4.4.4.1/2/3, 4.6.4.1/3, 4.5.1.5] regarding lack of evidence that training for all employees and contractors conducted especially for MSPO implementation and training needs &amp; programme for MSPO requirements has yet to be identified. The identified root cause was MSPO still new and still in the initial phase of implementation. The MSPO training for contractors has been conducted on 2/11/2017 and for employees on 3/11/2017 – training records were available.</p>	Yes
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The internal audit report has been distributed to the POM management and Sime Darby Plantation HQ management. There is a monthly SQM meeting at HQ level to review the trending of findings raised in both internal and external audit.</p>	Yes
<p><b>Criterion 4.1.3 – Management Review</b></p>			

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<p><b>4.1.3.1</b></p>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year. The 1st MSPO Management Review was conducted on 23/10/2017 which was chaired by Mill Manager. The agenda discussed was mainly on the mill performance, OHS and environmental issues. The MRM report was made available at mill office. A finding raised as an OFI from the internal audit to include other agenda such as compliance status and continual improvement as part of the discussions. The mill is planning to conduct an ad hock management review in a very near future which includes the review on effectiveness implementation of MSPO requirements.</p>	<p>Yes</p>
<p><b>Criterion 4.1.4 – Continual Improvement</b></p>			
<p><b>4.1.4.1</b></p>	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p><b>- Major compliance -</b></p>	<p>The continual improvement plan for FY 2017/18 is incorporated in various mechanisms which among others the Quality, Environment &amp; Safety Management programme and LSS benefit. The improvement plan includes workers’ welfare, waste management, occupational health and safety and operation improvement.</p>	<p>Yes</p>
<p><b>4.1.4.2</b></p>	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p><b>- Major compliance -</b></p>	<p>The staff/workers competency training plan for FY 2017/2018 has been 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 include training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p>	<p>Yes</p>

		Interview with workers confirmed trainings were provided by company on regular basis.	
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.  - <b>Major compliance</b> -	East Palm Oil Mill has maintained records of requests and responses, Land titles/user rights, Safety and health plans, plans and impact assessments relating to environmental and social impact, plans for pollution prevention, records of complaints and grievances, plans for continuous improvement and make available upon request.	Yes
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.  - <b>Major compliance</b> -	The company has developed a procedure on Documentation and Communication under Section 3, version: 1, year 2008 where the information on sustainable activities will be made publicly available to the general public through Annual Reports, circulars, agreements, Sime Darby website and other publications. Copies of the document such as impact assessment reports and monitoring plans relating to environmental and social, pollution prevention plans, records of complaints and grievances were available on request.	Yes
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders.  - <b>Major compliance</b> -	SDPSB has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/4/2008. The procedure has detailing the process of handling social issues raised by the	Yes

		stakeholders and resolve in an effective, timely and appropriate manner.	
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	Assistant Manager of the East POM has been appointed as Social Responsible Person to handle any issue related to social. Seen the appointment letter dated 1/10/2016 issued by the Mill Manager.	Yes
<b>4.2.2.3</b>	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. <b>- Major compliance -</b>	Stakeholder meeting was conducted on 12/10/2017 with the participation of stakeholders such as contractors, school representatives, government authorities and local communities. Seen the meeting minutes and photo evident of the meeting. There were some issues raised during the meeting as below:  i. Local people informed that there are numbers of lorry are transporting the FFB nearby the village at night and some of the lorry not having adequate head lamp.  Action: The mill management has discussed with the estate's assistant on this issue and seen the record on 14/10/2017.  Stakeholder list was developed which included local communities, suppliers, contractors, government authorities and etc.	Yes
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	East POM is receiving FFB mainly from it supply base - East Estate, Sepang Estate and Dusun Durian Estate. Nonetheless, East POM also occasionally received crop from other POM's supply base such as West, Labu, etc.  The weighbridge ticket provided the following details: - Supplied from which estate	Yes

		<ul style="list-style-type: none"> <li>- Product (FFB or Loose fruit)</li> <li>- Delivery note from estates stating the weight and fruit grade (A or B).</li> <li>- D.O Number</li> <li>- Weight of the shipment</li> <li>- Date of the shipment</li> </ul> <p>For despatch of CPO, the weighbridge ticket includes the following information to enable the customer to trace the CPO source</p> <ul style="list-style-type: none"> <li>- Customer Name</li> <li>- Destination of the CPO</li> <li>- Product</li> <li>- DO number</li> <li>- PO number</li> <li>- Weight of the product.</li> </ul> <p>There is no external FFB processed in this POM. All fruits are obtained within Sime Darby's estates.</p>	
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></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 procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager.</p>	Yes
<b>4.2.3.3</b>	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>Based on the company's traceability procedure, the overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description. Hence there is no required to have a formal letter of appointment.</p>	Yes

		The responsible person for traceability is Ms. Nurul Atikah MD Daud appointed on 01/07/2017 [ref.: letter from Mill Manager dated 1/7/17]. The training on the traceability was provided by PSQM on 21/8/2017.	
<b>4.2.3.4</b>	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.  - <b>Major compliance</b> -	The records of delivery of CPO & PK to refinery and KCP were verified. The dispatch of the CPO & PK is determined by HQ Sales & Marketing and will be entered into the Sime Weigh System. The delivery records of the CPO & PK 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.	Yes
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.  - <b>Major compliance</b> -	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 SOU4. 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.  Sample of licenses or permit viewed were: <ul style="list-style-type: none"> <li>• MPOB license: 533088004000 (validity 18/8/2017 - 30/9/2018) for 144,000MT.</li> </ul>	Yes



		<ul style="list-style-type: none"> <li>DOE License: # 001456 (validity period 1/7/2017 - 30/6/2018) for 30 MT/hr and method of POME discharge is land application</li> <li>Permit Barang Kawalan Berjadual, No. B024360, validity 27/12/2016 to 26/12/2017, qty-15,500 lt</li> </ul>	
<b>4.3.1.2</b>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>The Legal &amp; Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 20/7/2017.</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>	Yes
<b>4.3.1.3</b>	<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><b>- Major compliance -</b></p>	<p>The Legal &amp; Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 20/7/2017 by Mr. N. Vellu.</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>	Yes
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></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.</p>	Yes
<b>Criterion 4.3.2 – Lands use rights</b>			

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<p><b>4.3.2.1</b></p>	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>East POM is located inside East Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.</p>	<p>Yes</p>
<p><b>4.3.2.2</b></p>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p><b>- Major compliance -</b></p>	<p>East POM is located inside East Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.</p>	<p>Yes</p>
<p><b>4.3.2.3</b></p>	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>East POM is located inside East Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.</p>	<p>Yes</p>
<p><b>4.3.2.4</b></p>	<p>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).</p> <p><b>- Minor compliance -</b></p>	<p>There was no land disputes noted during the audit at East Oil Mill as East POM is located inside East Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.</p>	<p>Yes</p>
<p><b>Criterion 4.3.3 – Customary rights</b></p>			
<p><b>4.3.3.1</b></p>	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p><b>- Major compliance -</b></p>	<p>There is no customary land or negotiated agreements within the Sime Darby East Palm Oil Mill land area.</p>	<p>Yes</p>
<p><b>4.3.3.2</b></p>	<p>Maps of an appropriate scale showing extent of recognized customary rights shall be made available.</p> <p><b>- Minor compliance -</b></p>	<p>The right to use the land is not disputed and there were no customary land within the Sime Darby East Palm Oil Mill land area.</p>	<p>Yes</p>

4.3.3.3	<p>Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.</p> <p>- <b>Major compliance</b> -</p>	<p>Not applicable for Sime Darby East Palm Oil Mill as there were no negotiation has occurred. No encroachment of land from the management to local communities was sighted.</p>	
<p><b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b></p>			
<p><b>Criterion 4.4.1: Social Impact Assessment (SIA)</b></p>			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- <b>Minor compliance</b> -</p>	<p>SIA was carried out by Social &amp; Environment Projects Unit, PSQM Department on 24-26/3/2014 to cover whole SOU 8 (East Palm Oil Mill, East Estate, Dusun Durian Estate and Sepang Estate). The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities and etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc.</p> <p>Social Management Plan was developed and monitored by the mill management. The latest management plan for FY2017/2018 was sighted where areas of concern raised during meeting and SIA was incorporated into the plan. For eg:</p> <ul style="list-style-type: none"> <li>i. Area of concern: Housing condition of workers was poor.            Action Plan: The mill will repair the housing based on complaint issue by workers.            Status: Repairing is in progress based on complaints received.            Evidence: The company has repaired the housing quarters on 19/9/2017 as company social responsibility for total 36 houses. Seen the photo evident and details of housing that need to be repaired to the contractors.</li> </ul>	No

		<p><b>However, no record to show that actions taken in response to the feedback from local community for the sampled issues such as below:</b></p> <ul style="list-style-type: none"> <li><b>i. The worker informed that the children of employees were driving motorcycles at fast speed in Sg Kluang's linesite area. The management has discussed with their parents to advice their children to drive slowly on 19/9/2017 as recorded in the action plan.</b></li> </ul> <p><b>Thus, a minor NC was raised.</b></p>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation, for communication required investigation.</p>	Yes
<b>4.4.2.2</b>	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p><b>- Major compliance -</b></p>	<p>The mill has implemented Complaint Book to record whatever complaints reported by the stakeholders. Seen the records of complaint from year 2014 – 2017.</p>	Yes

<p><b>4.4.2.3</b></p>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p><b>- Minor compliance -</b></p>	<p>The mill management has maintained Complaint Book and Houses Repair Record to receive any complaints or grievances from stakeholders. The complaints lodged related to housing repair were resolved accordingly and it was acknowledged by the complaints after the action has been taken.</p>	<p>Yes</p>
<p><b>4.4.2.4</b></p>	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p><b>- Minor compliance -</b></p>	<p>Interviewed with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.</p>	<p>Yes</p>
<p><b>4.4.2.5</b></p>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>Record review found that previous complaints and requests from 2011 were still available.</p>	<p>Yes</p>
<p><b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b></p>			
<p><b>4.4.3.1</b></p>	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p><b>- Minor compliance -</b></p>	<p>Sime Darby Plantations Sdn Bhd has taken initiative to supply the rice and cooking oil to the all the workers once every 2 months. Besides, the mill has helped the flood victims by providing foods, furniture and repair of drainage and houses. Seen the photo evident of the assistance provided during flood. In additional, the mill has made monetary donation to the school upon request from the school management for the contribution of photocopy machine, chairs and tables for students. Seen the payment voucher dated 22/3/2017.</p>	<p>Yes</p>
<p><b>Criterion 4.4.4: Employees safety and health</b></p>			

<p><b>4.4.4.1</b></p>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantations Sdn Bhd has established Safety &amp; Health Policy which was signed by Managing Director dated January 2015. The OSH plan 2017-2018 for the mill was developed to cover the safety meeting, workplace inspection, health surveillance, yearly inspection of LEV, review of chemical register, first aid kits checking and etc which prepared by the Mill Manager.</p>	<p>Yes</p>
<p><b>4.4.4.2</b></p>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:             <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust</li> </ul>	<ul style="list-style-type: none"> <li>a) The East Palm Oil Mill has developed Occupational Safety and Health Policy on 1/7/2017 that has been communicated to the staff and workers. On site supervisors and Mill assistant managers ensure the implementation of it.              Sample of OSH activities that have been carried out as below:             <ul style="list-style-type: none"> <li>i. Baseline &amp; annual audiometric testing was conducted on 4-5/01/17 by Specialist Mobile Safety Supplies Sdn Bhd with registration No. for the Doctor of HQ/13/DOC/00/39. There were total of 23 workers were sent for the baseline audiogram testing and 73 workers for annual testing. Results found that a total of 21 workers are with hearing impairment, 10 workers are with standard threshold shift and 12 workers are with no test required. A retest of audiometric testing was carried out for the total 10 workers with STS on 9/3 and 23/3/2017. Total 5 workers with hearing impairment and 6 workers with STS.</li> <li>ii. Medical surveillance was carried out on 23/8/2017 for laboratory personnel and 16/8/2017 for workshop attendants by Klinik Hartati - HQ/08/DOC/00/709. Workers were found fit to work.</li> </ul> </li> <li>b) The Mill reviewed the HIRARC for sterilization station on 22/9/2017. All activities has been identified and documented.</li> </ul>	<p>Yes</p>

	<p>shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>c) Training for chemical handling and scheduled waste was held on 27/9/2017 to all the employees who handled chemicals. Seen the training records the lab analyst and samplers for the training conducted. Besides, SDS for all the chemicals used are displayed at the store in bilingual (Bahasa Malaysia and English). Sample of SDS sighted such as IPA, Hexane and etc.</p> <p>d) Records were available of PPE issued to individual workers including signatures to confirm receipt. Standard of PPE used for lab analyst:</p> <ul style="list-style-type: none"> <li>• Safety goggles</li> <li>• Respirator – 3M Organic Vapor Cartridge</li> <li>• Lab coat</li> </ul> <p>SDPSB has developed a SOP for Handling of Chemicals dated 1/7/2017 for the lab.</p> <p>e) SDPSB has developed a SOP for Handling of Chemicals dated 1/7/2017 to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>CHRA dated 19/11/2014 was sighted which conducted by Procoma Environmental (M) Sdn Bhd where the officer with JKKP HIE 127/171-2(129) was sighted.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> <li>• Medical Surveillance (Lab analyst, workshop attendant)</li> <li>• PCEM (Personal Chemical Exposure Monitoring)</li> <li>• LEV monitoring</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Training (Legislative requirement, information on chemical hazardous to health, personal safety and emergency procedures)</li> </ul> <p>The LEV monitoring was conducted on 3/11/2017 by Procoma Environmental (M) Sdn Bhd and currently waiting for report. Seen the email correspondence between the contractor and mill management.</p> <p>Chemical Exposure Monitoring (PCEM) was conducted on 6/1/2017 by JKKP HIE 127/171-3/1(20) for n-Hexane and Isopropyl alcohol (IPA). Results found below permissible exposure limit.</p> <p>f) At the Mill, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents. The Safety and Health Committee Chairman was the Mill Manager and OSH Secretary was the Quality Assurance Executive. Appointment letter dated 1/1/2015 was sighted.</p> <p>g) Meeting was held on quarterly basis which the committee consisted of representatives from management and employees. Seen the meeting minutes for the past OSH meeting conducted on #1 on 28/7/2017, #2 on 30/10/2017.</p> <p>h) The Mill has the emergency assembly point maps showing assembly areas and the location of fire extinguishers, fire hydrant and first aid boxes. Emergency Preparedness and Response Procedure dated 1/10/2013 was established. Emergency drill was conducted on 17/2/2017 and 14/10/2017 that involved all the employees in the mill. Seen the attendance list and photo evident of the trainings conducted. Interviewed with the Kernel Plant</p>	
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		<p>operator and Lab Analyst found that they were aware of the emergency response procedure.</p> <p>i) First Aid Kits are installed at various work stations at the Mill such as AP post, office, lab, store, workshop, effluent treatment plant and etc. First aid kits inspection carried out on monthly basis and restock whenever necessary.</p> <p>j) All accidents are investigated and reported to Head Office by using Incident Detailed Report. There were total 5 accidents been reported from January 2017 – October 2017.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>Sime Darby Plantations Sdn Bhd has developed Social and Humanity Management policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. Briefing of policies were given to the workers on 3/11/2017 during RSPO and MSPO trainings.</p>	Yes
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>SDPSB has implemented Social Policy, Social &amp; Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interviewed with the workers found that no discrimination has occurred in the mill. They were allowed to change any work station if they found not fit or capable on the job offered by the management.</p>	Yes

<p><b>4.4.5.3</b></p>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>There was employment contracts for staffs and workers. Pay and conditions are documented and are above the Minimum Wage Order 2016. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled of payslip for December 2016, March 2017 and October 2017 as below:</p> <ul style="list-style-type: none"> <li>xi. Employee ID: 52594</li> <li>xii. Employee ID: 77300</li> <li>xiii. Employee ID: 101820</li> <li>xiv. Employee ID: 122370</li> <li>xv. Employee ID: 123254</li> </ul>	
<p><b>4.4.5.4</b></p>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>The contractors have signed on the contract agreement prior commencement of work in the mill area. In the agreement, it was clearly stated that the contractors shall ensure their workers are paid according to legal requirements.</p> <p>Interviewed with the contractors confirmed that they understood the terms and conditions stated in the contract.</p>	<p>Yes</p>
<p><b>4.4.5.5</b></p>	<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><b>- Major compliance -</b></p>	<p>The mill management has registered all their workers into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages and etc. The employment contract, copy of permit and passport and induction training certificate were kept in the personal file.</p>	<p>Yes</p>
<p><b>4.4.5.6</b></p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p>	<p>The employees that recruited by the mill are from local, Indonesia, Nepal and India. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work. Duration of contract/ probation period, position offered, wages,</p>	<p>Yes</p>

	- <b>Major compliance</b> -	annual leave, allowances and etc was stated in the employment contract. Sampled of employment contracts as below: i. Employee ID: 101820 ii. Employee ID: 115506 iii. Employee ID: 129772 iv. Employee ID: 123254	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.  - <b>Major compliance</b> -	All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month was developed and maintained as well.	Yes
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.  - <b>Major compliance</b> -	Interview with workers and document reviewed on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes. The mill has obtained a permit from Jabatan Tenaga Kerja Selangor on 25/9/2013 with Ref. No. JTKS€ 6/119. Jld 2 (42) to allow their workers to work not more than 130 hours of overtime per month. Verified the summary of Mill Daily Attendance Report found that the maximum overtime was 120 hours.	Yes
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.  - <b>Major compliance</b> -	Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in the individual card. Sampled the payslip based on the crop summary for March 2017 (highest crop), December 2016 (lowest crop) and October 2017 (latest month) as below: i. Employee ID: 52594 ii. Employee ID: 77300 iii. Employee ID: 85294 iv. Employee ID: 115506	Yes

		<p>All of them above have achieved the Minimum Wage Order 2016 for RM 1000/ month or RM 38.46/ day.</p> <p>Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.</p>	
<b>4.4.5.10</b>	<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><b>- Minor compliance -</b></p>	<p>The management has contributed 5kg of cooking oil and 5kg of rice once every 2 months for all their workers. Besides, all the workers are provided with free medical facilities. In additional, all the workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families.</p>	Yes
<b>4.4.5.11</b>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p><b>- Major compliance -</b></p>	<p>The mill management has provided free housing facilities to all the workers. Basic amenities such as water, electricity, football field and etc were provided to the workers. The housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interviewed with the workers confirmed that they did not have any complain or grievance related to housing to be reported.</p>	Yes
<b>4.4.5.12</b>	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>SDPSB has implemented Social Policy and Social &amp; Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. Interviewed with the female workers found that no sexual harassment or violence case reported so far.</p>	Yes
<b>4.4.5.13</b>	<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</p>	<p>SDPSB has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to</p>	Yes

	<p>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><b>- Major compliance -</b></p>	<p>bargain collectively. The mill management allowed their workers to form or join any association such as NUPW. Document reviewed on their payslip found that they are deducted for the UNION subscription fees of RM 8 monthly. UNION meeting was conducted on 13/10/2017 with the members and management representatives to discuss issues related to workers. Seen the meeting minutes and found properly documented. Interviewed with the workers confirmed that they are allowed to join UNION upon their wishes.</p>	
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p><b>- Major compliance -</b></p>	<p>The company has developed Child Protection policy dated January 2015. Operating units are complied with the minimum age requirement. No employees below the age of 18 were sighted through verified the employees register records and interviewed with the workers.</p>	Yes
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p><b>- Major compliance -</b></p>	<p>The annual training program has been established and significantly covers all aspects of the MSP0 standard requirements. 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.</p> <p>The program mainly covers both requirement of the estates and mill in the SOU 8. The subject for the training are issued and assisted by the PSQM personnel.</p> <p>The following topics included in the annual training program 2017/18 among others are shown below; OSH Act 7 regulations 1994. Environmental Quality Act 1974 USECHH 2000</p>	Yes

		<p>OSH Committee and function.          First Aid Training          Scheduled waste training          RSPO/MSPO training          Water treatment          HCV &amp; Biodiversity training.</p> <p>Records of training for East POM were found to be adequately maintained.</p>	
<b>4.4.6.2</b>	<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><b>- Major compliance -</b></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.</p> <p>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, etc.</p>	Yes
<b>4.4.6.3</b>	<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><b>- Minor compliance -</b></p>	<p>This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition it is subject for a review during the financial year should need arises.</p>	Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be</p>	<p>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</p>	Yes

	<p>established, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>protecting the environment and conserving biodiversity through sustainable development.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p><b>- Major compliance -</b></p>	<p>Policy is available and objectives stated therein.</p> <p>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.</p>	Yes
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 31/12/2016. There was no change to the current operation or activities for the mill. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment. The coverage of the assessment found to be adequate for all the mill operation. However, during the site visit at the EFB stock yard, it was found that there was no drainage system to channel any potential EFB leachate from the yard to the ETP. Nonetheless, it was also observed that at the point of the visit there was no leachate escaped to the environment. Therefore, a minor NCR is raised due to this lapse.</p>	No
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>This is available as per item 4.5.1.3 above. All programme for improvement are shown in the 'action to be taken' column.</p>	Yes
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>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 &amp; health policy, scheduled</p>	Yes

		waste management, environmental responsibility, HCV & Biodiversity training.	
<b>4.5.1.6</b>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>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 POM. The last meeting was conducted on 27/09/2017. It was chaired by the Mill Manager and attended by 8 employees. Among the agenda discussed were</p> <ul style="list-style-type: none"> <li>- review of progress against environmental objectives &amp; targets</li> <li>- review of environmental performance indicators &amp; status of corrective action and preventive action</li> <li>- environmental complaints</li> <li>- emergency situation</li> <li>- staff/training matters</li> <li>- legal and other requirements</li> <li>- review of environmental aspect and impacts</li> </ul>	Yes
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p><b>- Major compliance -</b></p>	<p>The monitoring is recorded in environment performance indicator- electricity generated by steam turbine tabulated for the financial year 2017/18. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB.</p> <p>A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimise use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel. E.g. TNB's electricity consumption in 2016/17 – 1,232,713 kWh, diesel 26,856 lt.</p> <p>Under the energy management plan 2017/18 the mill aimed for reduction plan among others;</p>	Yes



		- educate workers on fuel saving practice - avoid leakages during vehicles maintenance.	
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.  <b>- Major compliance -</b>	For FY 2017/18, the mill has estimated the usage of electricity at 90,000 kWh/month and 15,000 lt of diesel. Achievement to date – 100K-120K kWh/month.	Yes
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible.  <b>- Minor compliance -</b>	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.	Yes
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented.  <b>- Major compliance -</b>	All waste and pollution are identified and documented in the Waste Management Plan for Financial Year 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)  Recyclable/reusable 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 boiler are 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.	Yes

<p><b>4.5.3.2</b></p>	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution.</li> <li>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The Waste Management Plan for Financial Year 2017/2018 is available for verification. Generally, there were 3 types of wastes i.e. domestic wastes (from labour quarters, office and other facilities), recyclable/reusable wastes (POME, EFB, shell &amp; fibre, plastic bottles, scrap iron, papers, etc.) and scheduled wastes (spent lubricants, spent lab chemicals, contaminated rags &amp; filters). Among the methods of waste management observed at the mill were:</p> <p>Domestic waste – rubbish from the mill complex and employees quarters - disposed by estate management through jurisdiction of Majlis Daerah Kuala Langat. To provide adequate dustbins at mill &amp; line-sites. Create awareness on hygiene among the employees and regular monitoring on action plan effectiveness.</p> <p>Recyclable/reusable wastes:          Shell &amp; fibre – reused for boiler combustion          Scrap iron, plastics, etc. – sold to registered buyers/recycle centre</p> <p>Scheduled wastes – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries – disposed through authorised vendors in accordance to EQ (SW) Regulations.</p>	<p>Yes</p>
<p><b>4.5.3.3</b></p>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste (Hazardous Waste) Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016). The management of scheduled wastes by the mill starting from collection until disposal was found to be in accordance to the established procedure. The inventory of the waste generated is recorded using the “eSwis” inventory system. The last update on the eSwis was on September 2017.</p>	<p>Yes</p>

4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.  - <b>Minor compliance</b> -	Disposal of domestic wastes is handled by East Estate management i.e. dispose through Majlis Daerah Kuala Langat.	Yes
<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.  - <b>Major compliance</b> -	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.	Yes
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  - <b>Major compliance</b> -	East POM Waste Management Plan FY17/18 has been integrated into environmental improvement plan which is being reviewed on yearly basis. Based on action plan, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment. The company are monitored POME application on daily basis. GHG emission calculated using RSPO approved calculator (version 3.0).	Yes
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.  - <b>Major compliance</b> -	The POME is treated with open anaerobic, aerobic and stabilization lagoon. 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. The permitted limit for BOD of the effluent final discharge is 5,000 ppm. Based on the mill's four latest quarterly report, the BOD results varied between 1,070 ppm to 4,570 ppm.	Yes
<b>Criterion 4.5.5: Natural water resources</b>			

<p><b>4.5.5.1</b></p>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>Water supply to the mill is 100% sourced from Syabas. FY2016/17 consumption was 1.12 m<sup>3</sup>/mt FFB vs. its target (1.05 m<sup>3</sup>/mt FFB), hence the water management plan.</p> <p>The Water Management Plan for the mill has been established. It was last reviewed on 15/7/2017 for the 2017/2018 plan. Included therein are collection of rain water, collection of boiler blow down water, reduce water for mill cleaning by using jet nozzle, collection of steam condensate.</p> <p>The mill management has provided contingency 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>- to pump water from mill water storage tank (2,000 mt)</li> <li>- to train/educate staff/workers to conserve water</li> <li>- to arrange tankers to collect water from Syabas for domestic use</li> </ul>	<p>Yes</p>
<p><b>4.5.5.2</b></p>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p>	<p>Mill effluent is 100% sent to land application. No discharge to water course.</p>	<p>Yes</p>
<p><b>4.6 Principle 6: Best Practices</b></p>			
<p><b>Criterion 4.6.1: Mill Management</b></p>			
<p><b>4.6.1.1</b></p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>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. These documents</p>	<p>Yes</p>


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		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.	
<b>4.6.1.2</b>	All palm oil mills shall implement best practices. <b>- Major compliance -</b>	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the Mill Advisor scheduled on a 6 monthly basis. 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.	Yes
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	The annual business 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.	Yes
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	East POM process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.	Yes

	- Major compliance -		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Seen the contract agreement between the management and the contractor with the Ref. No.: KKSEAST/1718/02 to assist the mill for loading palm kernel shell and rubbish collection in the mill. The agreement is valid from 1/10/2017 to 30/9/2018. The rate of payment was clearly stated in the agreement. The payment was made by the Head Quarter after received invoice from the contractor. Interviewed with the contractors found that the payment was made promptly.	Yes
<b>Criterion 4.6.4: Contractor</b>			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	East POM had informed its contractors regarding the need to follow the MSPO requirements, through a session called MSPO Training for Contractor conducted on 2/11/2017. There were 15 representatives from various contractors attended for the meeting – attendance list available. Among the topics presented were general idea of sustainability (people, planet, profit) and responsibilities of contractors in the premise i.e. legal compliance, having legal contract with Sime Darby, to allow external auditor to have access whenever necessary, possessing specific permits for works and to provide PPE to their employees.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers’ welfare, safety and environmental issues. Contracts between Ast Maju Ent., P Ikhtiar Ent., were viewed.	Yes

<p><b>4.6.4.3</b></p>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p><b>- Minor compliance -</b></p>	<p>The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through slide presentation material.</p>	<p>Yes</p>
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**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 East Palm Oil Mill and East SOU 8 Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of East Palm Oil Mill and East SOU 8 Estates Certification Unit is approved.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> <i>Shylaja Devi Vasudevan Nair</i>	<b>Name:</b> <b>Valence Shem</b>
<b>Company name:</b> <i>Sime Darby Plantation Bhd.</i>	<b>Company name:</b> <b>BSI Services Malaysia Sdn Bhd</b>
<b>Title:</b> <i>Head, Sustainability Unit.</i>	<b>Title:</b> <b>Lead Auditor</b>
<b>Signature:</b>  SIME DARBY PLANTATION SDN BHD SHYLAJA DEVI VASUDEVAN NAIR Sustainability Unit Plantation Sustainability & Quality Management <b>Date: 26/12/2017</b>	<b>Signature:</b>  <b>Date: 26/12/2017</b>



**Appendix A: Assessment Plan**

Date	Time	Subjects	Valence	Ning Shing
Wednesday 08/11/2017  <b>East Palm Oil Mill</b>	0730	Audit team traveling to site		
	0830-0900	Opening meeting: <ul style="list-style-type: none"> <li>Opening presentation by audit team leader</li> <li>Confirmation of assessment scope and finalize audit plan</li> </ul>	√	√
	0900-1230	<b>East Palm Oil Mill</b> Inspection: 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.  Stakeholder interviews (combine with estate's stakeholder)	√	√
	1230-1330	Lunch	√	√
	1330-1630	Continue with unfinished elements Document Review (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 P4: Social responsibility, health safety and employment condition, P6 : Best practices .	√	√
1630-1700	Interim closing briefing	√	√	
Thursday 09/11/2017  <b>East Estate</b>	0900-1230	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.  Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement	√	√
	1230-1330	Lunch	√	√
	1330-1630	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	√	√
	1630-1700	Interim closing briefing	√	√
Friday 10/11/2017  <b>Sepang Estate</b>	0900-1030	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.	√	√

		Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement		
	1230-1330	Lunch	√	√
	1330-1600	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	1600-1700	Audit team discussion and closing meeting	√	√
	1700	End of audit/audit team traveling back to KL	√	√

**Appendix B: List of Stakeholders Contacted**

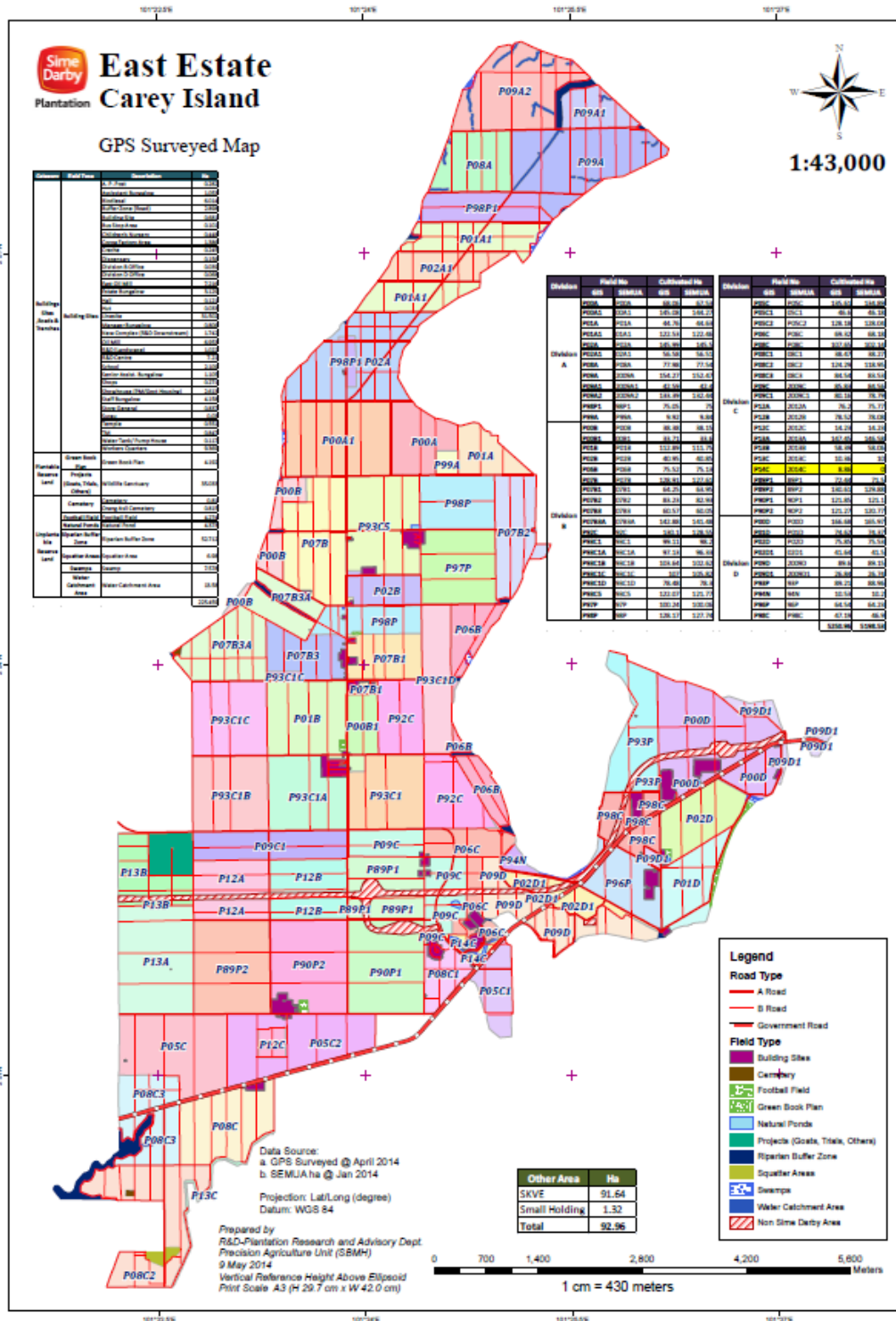


**Appendix C: Smallholder Member Details**

N/A

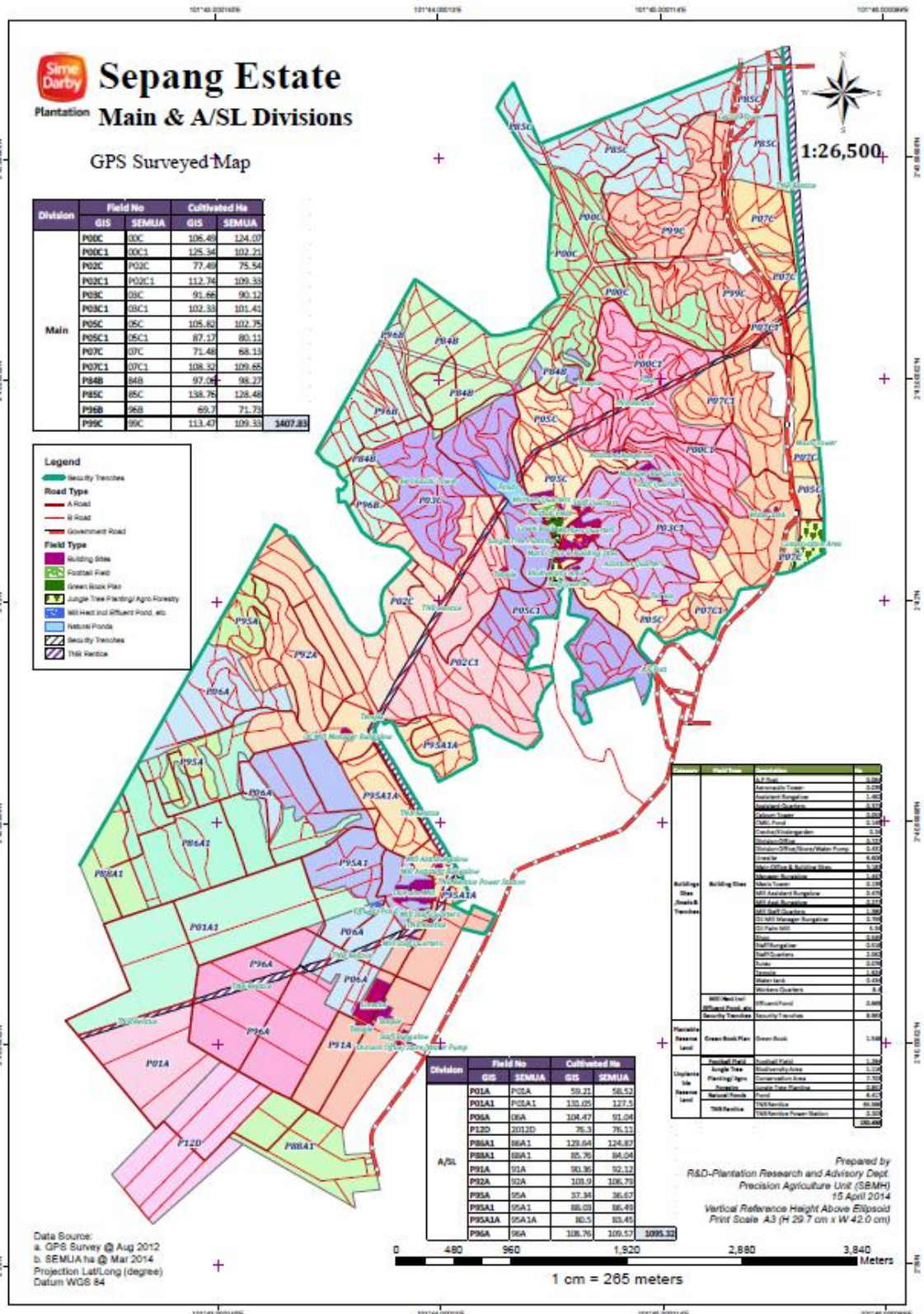
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**Appendix D: Location and Field Map**

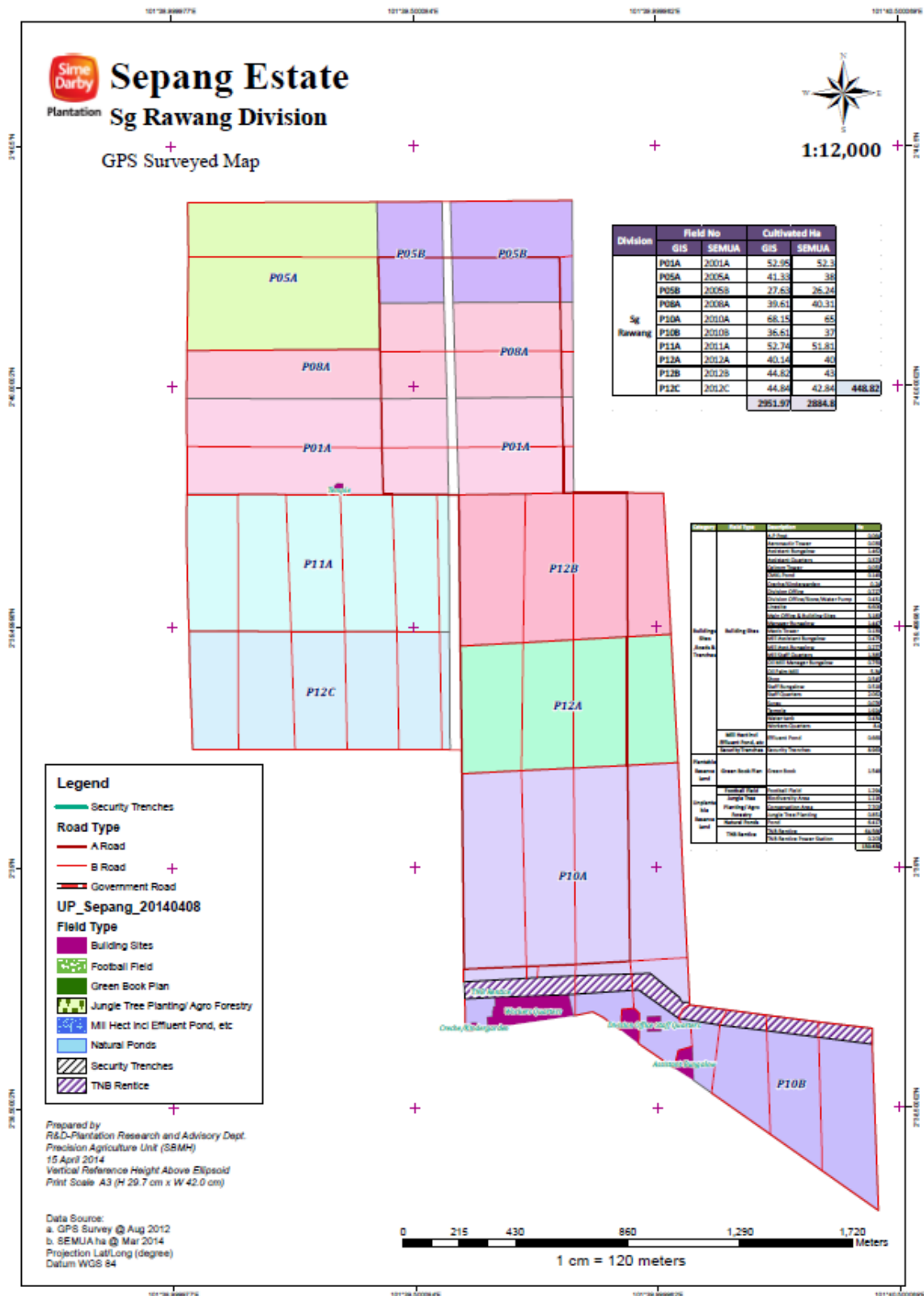




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**Appendix E: List of Abbreviations**

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