

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

Sime Darby Plantation Berhad
Head Office: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Flemington Palm Oil Mill & Plantations including Flemington Estate, Bagan Datoh Estate, Sungai Samak Estate and Sabak Bernam Estate
Location of Certification Unit: Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill, Sungai Sumun 36369 Teluk Intan, Perak, Malaysia

Report prepared by:
Mohamed Hidhir Zainal Abidin (Lead Auditor)

Report Number: 8846762

Assessment Conducted by:
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
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person

MPOB License	Flemington POM – MPOB License; no: 529874004000 Sungai Samak Estate – MPOB License; no: 526340002000 Sabak Bernam – MPOB License; no: 545859002000 Bagan Datoh Estate – MPOB license no:: 525521002000 Flemington Estate – MPOB license no: 525193002000		
Company Name	Sime Darby Plantation Berhad (Flemington Palm Oil Mill SOU 4)		
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	Shylaja.vasudevan@simedarby.com kks.flemington@simedarby.com
Telephone	+603-78484379 (Head Office) +605-648 9153 (Mill)	Facsimile	+603-78484356 (Head Office) +605-648 9153 (Mill)

1.2 Certification Information

Certificate Number	Mill: MSPO 682042 Plantations: MSPO 690017		
Issue Date	09/02/2018	Expiry date	08/02/2023
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)	1,2 & 4 November 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 590802	RSPO	BSI Services (M) Sdn Bhd	4/10/2021

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Flemington Palm Oil Mill (60 mt/hr)	36369 Sungai Sumun, Teluk Itan, Perak, Malaysia	100° 51' 26"	3° 55' 41"
Flemington Estate	36369 Sungai Sumun, Teluk Itan, Perak, Malaysia	100° 52' 84"	3° 53' 46"
Bagan Datoh Estate	Bagan Datoh 36100 Perak, Malaysia	100° 47' 24"	3° 59' 33"
Sungai Samak Estate	Ulu Bernam 36500 Perak, Malaysia	101° 08' 87"	3° 44' 49"
Sabak Bernam Estate	Sabak Bernam	101° 00' 24"	3° 45' 33"

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Flemington Estate	790.23	271.42	314.46	523.39	0
Bagan Datoh Estate	1,021.93	925.32	332.7	1,368.59	68.18
Sungai Samak Estate	568.30	581.59	1574.19	0	0
Sabak Bernam Estate	983.46	192.15	270.19	870.56	0

1.5 FFB Production (Actual) and Projected (tonnage)		
Producer Group	Actual (previous 12 month) November 16 – October 17	Forecast (next 12 month) November 17 – October 18
Flemington Estate	26,721.75	27,897.00
Bagan Datoh Estate	50,835.07	56,755.46
Sungai Samak Estate	57,836.73	55,378.00
Sabak Bernam Estate	27,101.310	27,100
Total	162,494.86	167,130.46

1.6 Certified CPO / PK Tonnage						
Mill	Estimated		Actual (previous 12 month) November 17 – October 18		Forecast (next 12 month) November 17 – October 18	
	CPO	PK	CPO	PK	CPO	PK
Kemaman Palm Oil Mill	N/A	N/A	43,303.44	11,034.60	36,463.11	9,284.59

**Forecast OER: 21.60%, KER: 5.5%*

1.7 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill, Sungai Sumun 36369 Teluk Intan, Perak, Malaysia comprising 1 mill; 4 estates and infrastructures.</p> <p>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.</p> <p>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 Flemington Palm Oil Mill SOU 4 and Flemington SOU 4 Estates which acts as the group manager for Flemington Estate, Bagan Datoh Estate, Sabak Bernam Estate and Sungai Samak Estate. This report is the combine report for Flemington Palm Oil Mill SOU 4 and Flemington SOU 4 Estates.</p> <p>The onsite assessment was conducted on 1, 2 and 4 November 2017.</p> <p>Based on the assessment result, Sime Darby Flemington SOU4 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.</p>

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
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
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 1, 2 and 4 November 2017. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula $N = 1.0\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may 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. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 13 July 2017 through BSI website as per following link:

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

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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.

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Flemington Palm Oil Mill	√	√	√	√	√
Flemington Estate	√	-	√	-	√
Bagan Datoh Estate	√	-	√	-	√
Sabak Bernam Estate	-	√	-	√	-
Sungai Samak Estate	-	√	-	√	-

Tentative Date of Next Visit: November 5, 2018 - November 7, 2018

Total No. of Mandays: 6

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin – Lead Auditor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Nicholas Cheong – Team Member

He holds Master of Environmental Management from the University Putra Malaysia and Bachelor of Science (Food Science) from Charles Sturt University Australia. He has more than 5 years of working experience in sustainability

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auditing and carbon emissions accounting. He has also 2 years of working experience in wastewater treatment construction and operations. He has completed the ISO9001, ISO14001, RSPO P&C Lead Auditor and RSPO SCC Lead Auditor course and MSP0 Awareness Training (by MPOB). In his previous certification body experience, he was the Lead Assessor for Clean Development Mechanism, World Commission of Dam and ISCC. The CDM and WCD assessment focuses on social accountability. He had been involved in Sustainable Palm Oil auditing for more than 2 years. Able to communicate in Bahasa Malaysia and English

Selvasingam T Kandiah-Team Member

He holds a B. Sc (Hons) Agriculture. Had work as a planter with Kumpulan Guthrie Berhad for more than 10 years including one year in Liberia and 2 years in Estate Department of Kumpulan Guthrie Headquarters. During this assessment, he assessed on the aspects of legal, mill best practices, environmental and workers and stakeholders consultation.

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 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Compliance

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<p>4.1.1.2</p>	<p>The policy shall also emphasize commitment to continual improvement.</p> <p>- Major compliance -</p>	<p>The continual improvement commitment is documented in the following Management & Operation Policies:</p> <p>Quality Management Policy dated January 2015</p> <p>Lean Six Sigma Policy dated January 2015</p> <p>Quality Policy dated January 2015</p> <p>The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad..</p>	<p>Compliance</p>
<p>Criterion 4.1.2 – Internal Audit</p>			
<p>4.1.2.1</p>	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p>Records showed that an RSPO & MSPO Internal audit was carried out SQM department. The Internal Consultative Assessment Report dated 10/10/2017 for Bagan Datoh Estate was verified. The strong and weak points and potential area for further improvement were identified in the report.</p>	<p>Compliance</p>
<p>4.1.2.2</p>	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>An internal audit procedure (SD/SDP/PSQM/IAP dated 1/11/2017) had been established and documented.</p> <p>The results of the audit conducted on 10/10/2017 on Bagan Datoh Estate had also been documented. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action had been carried at the Management meeting held on 16/10/2017.</p> <p>Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Internal audit report was generated however, other related records @ toolkits to be consistently implemented for improvement. Refer to OFI, 1552403-201709-I2</p>	<p>Compliance</p>

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<p>4.1.2.3</p>	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The minutes of the Management meeting held on 16/10/2017 on the documented results of the audit conducted on 10/10/2017 on Bagan Datoh Estate was verified. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action had been discussed and the PIC was identified and time frame established.</p>	<p>Compliance</p>
<p>Criterion 4.1.3 – Management Review</p>			
<p>4.1.3.1</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>- Major compliance -</p>	<p>Sime Darby is RSPO certified. On annual basis management review is conducted on Regional level. The last management review was conducted on 07/08/2017. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed.</p>	<p>Compliance</p>
<p>Criterion 4.1.4 – Continual Improvement</p>			
<p>4.1.4.1</p>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Bagan Datoh Estate had a documented continual improvement plan for 2017. The plan was on:</p> <ul style="list-style-type: none"> ▪ Communication & whistle blower (Social): <ol style="list-style-type: none"> 1. To communicate it at Stakeholders meetings. 2. To communicate it to workers. 3. To display the procedure. ▪ Dumping of Rubbish (Environmental): 	<p>Compliance</p>

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		<ol style="list-style-type: none"> 1. To hire contractor to clear domestic waste 2. To provide bins and schedules for domestic waste removal. <ul style="list-style-type: none"> ▪ To increase awareness on Safety & Health (OSH): <ol style="list-style-type: none"> 1. To conduct safety campaigns. 2. To conduct safety trainings. <p>Bagan Datoh Estate had established a HIRARC document which was reviewed periodically, with the last done on 09/07/2017.</p>	
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>SDPB Research & Development department was responsible for improving practices in line with new information and techniques or new industry standards and technology. The improvements were then included as procedures into their best practices manuals like Agriculture Reference Manual (ARM), EQMS, etc.</p>	Compliance
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>Provisions were made in the annual and forecast business plans / budgets for the necessary resources including training, to implement the new techniques. The latest in best practices introduced and implemented was having separate Loose Fruits collecting gang who were paid, separately from the harvesting gang, on piece rated basis.</p>	Compliance
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and</p>	<p>The estate implemented the procedure for responding to all communications as outlined in their Estate Quality Management System</p>	Compliance

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	<p>forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>documents. The system required response to all communication within a certain time frame. Requests from workers and management’s responses were recorded and maintained. Action may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were logged and registered in a log book. The record included types of complaints and the dates when they were made and attended to and remarks. Most records were mainly for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.</p>	
<p>4.2.1.2</p>	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Management documents were publicly available, except those which was prevented by commercial confidentiality and those which when disclosed would result in negative environmental and social outcomes. Information was published in SDPB annual reports - latest sighted was Dec 2016. Information relating to land titles and relating to safety and health plans were available at the SDPB website at http://plantation.simedarby.com.</p>	<p>Compliance</p>
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>			
<p>4.2.2.1</p>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>The estate used the procedure for responding to all communications as outlined in their Estate Quality Management System documents. The system required response to all communication within a certain time frame. The procedures were in the EQMS manual Appendix 5.5.3 for Internal communication and Sub section 5.5.3.2 for external communications.</p>	<p>Compliance</p>
<p>4.2.2.2</p>	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p>	<p>The management official nominated to be responsible for issues related consultation and communication with the relevant stakeholders on Bagan Datoh Estate was the Senior Assistant</p>	<p>Compliance</p>

	- Minor compliance -	manager. The appointment letter dated 23 May 2016 was verified.	
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	<p>Bagan Datoh Estate had established and documented the list of stakeholders. The list had details like name of party, address, contact person and telephones numbers of contractors, vendors/suppliers, local community heads, government agencies, schools, hospitals, etc.</p> <p>Records of communication were maintained. For internal & external communication buku aduan were maintained; however, there were no request of complaints received. For worker a separate “repair book” was maintained with the latest complain recorded was on 22/09/2017 by worker named Mahsuri on clogged drains which was cleared on 28/09/2017.</p>	Compliance
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Bagan Datoh Estate used the SOP in the QMM manual Section 7 Product Realisation Sub section 7.5.3 Identification and traceability – Level 3 Reference SOP, Section C6 – FFB Identification & Traceability to comply with the requirements for traceability of its product which is FFB.	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	<p>The management conducted regular inspections on compliance with the established traceability system. Some verified during the audit were:</p> <ol style="list-style-type: none"> 1. On 31/10/2017: FFB from Flds 90M & 98 BD – DO 62121 – Lorry BDL4880 – WBT 194866 for 9,730 Kg. 2. On 17/08/2017: FFB from Flds 2014B & 2015A -DO 60827 – Lorry WAU1537 – WBT 190727 for 8,930 Kg. 	Compliance

<p>4.2.3.3</p>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The management of Bagan Datoh Estate had identified and assigned suitable employees to implement and maintain its traceability system. The employees were the Harvesting Mandors, Harvesting Staff and Assistant Managers.</p>	<p>Compliance</p>
<p>4.2.3.4</p>	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>The were no sale of product (FFB) done by Bagan Datoh Estate as all its FFB was sent SDPB own mill. However, records of FFB delivery to the mill were maintained and records verified were:</p> <ol style="list-style-type: none"> 1. On 31/10/2017: FFB from Flds 90M & 98 BD – DO 62121 – Lorry BDL4880 – WBT 194866 for 9,730 Kg. 2. On 17/08/2017: FFB from Flds 2014B & 2015A -DO 60827 – Lorry WAU1537 – WBT 190727 for 8,930 Kg. 	<p>Compliance</p>
<p>4.3 Principle 3: Compliance to legal requirements</p>			
<p>Criterion 4.3.1 – Regulatory requirements</p>			
<p>4.3.1.1</p>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Generally, Bagan Datoh Estate had demonstrated compliance with local, state, national and ratified international laws and regulations. Relevant licenses and permits such as MPOB license, Energy Commission and Ministry of Domestic Trade for diesel storage were valid and displayed at the estate office.</p> <p>Site audit at operational areas and supporting facilities confirmed evidence of compliance. Foreign Workers had valid work permits and passports. The renewal of work permits was carried by SDPB Foreign Workers Centre.</p> <p>Some of the relevant licenses and permits were verified:</p>	<p>Compliance</p>

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		<p>in Bagan Datoh Estate:</p> <ol style="list-style-type: none"> 1. MPOB Licence No. 525521002000 was valid till 31/12/2017. 2. Air compressor permit No. PMT-PK 57123 valid till 11/08/2017. Letter confirming visit by DOSH to inspect compressor for renewal on 08/11/2017 was verified. 3. Diesel Permit No. A 037417 was valid till 01/11/2018. 4. Tractor Driving Licence of Kumaran Subramaniam – valid until 21/04/2018 <p>Some of the Foreign workers checked to have valid work permits and passports were: Bagan Datoh Estate</p> <table border="1" data-bbox="1034 778 1872 970"> <thead> <tr> <th>Name</th> <th>Passport No</th> <th>From</th> </tr> </thead> <tbody> <tr> <td>Abdul Mutholib</td> <td>AT942398</td> <td>Indonesia</td> </tr> <tr> <td>Samad Abdus</td> <td>BN0644979</td> <td>Bangladesh</td> </tr> <tr> <td>Guria Ram Chandra</td> <td>N4420568</td> <td>India</td> </tr> <tr> <td>Chandana Pushpa Kumara</td> <td>N5338439</td> <td>Sri Lanka</td> </tr> </tbody> </table> <p>Medical surveillance was conducted for 40 sprayers between 10 & 15 February 2017 and on 16 sprayers, spraying mandors, workshop foremen and store clerk by the VMO a DOSH certified Doctor, Dr. Lee Teik Leong HQ/12/DOC/00/279.</p>	Name	Passport No	From	Abdul Mutholib	AT942398	Indonesia	Samad Abdus	BN0644979	Bangladesh	Guria Ram Chandra	N4420568	India	Chandana Pushpa Kumara	N5338439	Sri Lanka	
Name	Passport No	From																
Abdul Mutholib	AT942398	Indonesia																
Samad Abdus	BN0644979	Bangladesh																
Guria Ram Chandra	N4420568	India																
Chandana Pushpa Kumara	N5338439	Sri Lanka																
<p>4.3.1.2</p>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Bagan Datoh Estate maintained a list of all laws applicable to their operations in a legal requirement register (LORR).</p>	<p>Compliance</p>															
<p>4.3.1.3</p>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming</p>	<p>The LORR was updated as and when there were new amendments or any new regulations coming into force. On Bagan Datoh Estate, it was</p>	<p>Compliance</p>															

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	into force. - Major compliance -	last updated on 25/10/2017 with Factory and Machinery (Steam Boiler and Unfired Pressure Vessel) Regulation 1970 (Amendment) Regulation 2017 & with Factory and Machinery (Exemption of certificate of Fitness For Unfired Pressure Vessel) Order 2017 were added.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	PSQM Department in Sime Darby headquarters was responsible to track changes and the information was disseminated to all its SQM departments. When there is any applicable change, the SQM department will then communicate to the operating units and update the legal register.	Compliance
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The was no evidence to show that Oil Palm cultivation activities of Bagan Datoh Estate had diminished the land use rights of others. The management had documents to show legal ownership of its land.	Compliance
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	The legal ownership of land in Bagan Datoh Estate was verified. There was a total of 74 land titles for which evidence was provided that all quit rent had been paid. All were freehold under Sime Darby Plantations Sdn Bhd with land use mainly for Agriculture. Some with other land use were in the process of being rectified by SD headquarters. 40 ha from qrant #31784 lot 4919 had been acquired by Yayasan Akal Budi.	Compliance

<p>4.3.2.3</p>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Bagan Datoh Estate had a boundary marker and stone map updated April 2016 prepared by R & D -Plantation Research & Advisory Rubber, Soils & General Agriculture Unit (EIM). The 16 points shown on the map had been clearly demarcated and visibly maintained on the ground. The marker along a school boundary in field P15D was sighted and verified during the visit.</p>	<p>Compliance</p>
<p>4.3.2.4</p>	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>At time of visit, there was no evidence to show of any land disputes in Bagan Datoh Estate.</p>	<p>Compliance</p>
<p>Criterion 4.3.3 – Customary rights</p>			
<p>4.3.3.1</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>- Major compliance -</p>	<p>At time of visit, there was no evidence to show that any land was encumbered by customary rights in Bagan Datoh Estate</p>	<p>Compliance</p>
<p>4.3.3.2</p>	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>NA- as at time of visit, there was no evidence to show that any land was encumbered by customary rights in Bagan Datoh Estate</p>	<p>Compliance</p>
<p>4.3.3.3</p>	<p>Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- Major compliance -</p>	<p>NA as at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes in Bagan Datoh Estate</p>	<p>Compliance</p>
<p>4.4 Principle 4: Social responsibility, health, safety and employment condition</p>			

Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>A Social Impact Assessment (SIA) was prepared for the whole SOU 4 Flemington CU. The Social Impact Assessment (SIA) was conducted on 27th June to 1st July 2016.including consideration of feedbacks from the stakeholder engagement meeting Besides providing socio-economic baseline data, the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of the respective estates and mill (in SOU4), action plans for handling the identified issues were also presented in the report.</p>	Compliance
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The estate used the same procedure for responding to all communications inclusive of complaints and grievances as outlined in their Estate Quality Management System documents. The system required response to all communication within a certain time frame. The procedures were in the EQMS manual Appendix 5.5.3 for Internal communication and Sub section 5.5.3.2 for external communications. The “Flowchart and procedure on handling social issues” in PQMS, SQMS appendix 5 was available and exhibited on notice boards. The Senior Assistant Manager was appointed the PIC.</p>	Compliance
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The estate implemented the same procedure for responding to all communications as outlined in their Estate/Mill Quality Management System documents. The system required response to all communication within a certain time frame. Requests from workers and management’s responses were recorded and maintained. The record included types of complaints and the dates when they were made and attended to and remarks. Most records were mainly for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.</p>	Compliance

4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	A complain form 'Borang Aduan' was available and a flow chart "Flowchart and procedure on handling social issues" were exhibited on the notice boards.	Compliance
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through stakeholder meetings, union meetings and briefing conducted at muster grounds. Employees are not fully aware on the possible complaints and grievance channels. During interview with the workers, there were complaints on house maintenance and dispute on overtime. The workers complained to the mandor. However there were actions has not been taken by the mandor. The workers are not aware that they can make the complaints to the higher authority of the mandor. Refer to OFI, 1552403-201709-I5	Compliance
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Records of complaints were maintained. For internal & external communication buku aduan were maintained; however, there were no request of complaints received. For worker a separate repair book was maintained with the latest complain recorded was on 22/09/2017 by worker named Mahsuri on clogged drains which was cleared on 28/09/2017.	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	Bagan Datoh Estate did contribute to local development in consultation with the local communities. Records of requests from Local communities and surrounding schools were sighted. Some of activities recorded were:	Compliance

	- Minor compliance -	Grass cutting of school compounds, Donations to temple, Assisting in Gotong Royong and assisting in school cross country runs and sports.	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	<p>The OSH policy signed by the managing director dated January 2015 was in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The policy and plan had been communicated and implemented.</p> <p>The plan 2017/2018 covered awareness of safe working & living environment and legal compliance.</p> <p>In Bagan Datoh the policy was displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy was implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office. The latest ESH plan objective FY2017/2018 was made available during this assessment. The plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc.</p> <p>Chemical Health Risk Assessment (CHRA) was done between 25th May 2015 and 3rd June 2015 by Hj Shaari Chin 5/04/17-JKKP HIE 127/1717-2(124).</p>	Compliance
4.4.4.2	The occupational safety and health plan shall cover the		Compliance

	<p>following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied 	<ul style="list-style-type: none"> a. The OSH policy dated January 2015 signed by Managing Director was available. The OSH plan 2017/2018 had been communicated and implemented. b. Bagan Datoh Estate had a committee head by the Manager with the secretary HA and 12 management, 10 workers and 2 contractor representatives to assesses risk of operations. Risk of operations had been assessed and HIRARC document produced. It was updated on 9.07.2017 to add risk for Grass cutting operation, and heat stress risk for replanting operations, For use of chemicals a CHRA was done between 25th may & 3rd June 2017 by Hj Shaari Chin JKPP HIE 127/171/-2(124). c. Training program planned for year 2016/2017 had been implemented. The program included training for all categories of employees and carried out by the qualified Safety & Health Officer, Estate Managers and Assistant Managers and training records maintained. All staff and employees attended the training as indicated in the records maintained. Records of some of the trainings verified were: Harvesting on 28.04.2016 -for 55 workers and staff by an Assistant Manager. Spraying on 03.08.17 for 8 workers by supplier Mycrop. Chemical handling on 23.03. 2017 for 11 workers & staff by supplier Bayer. 	
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	<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 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>Precautions taken were in line with MSDS of the chemicals, CHRA and Sime Darby's Pictorial Safety Standard Manual (PSS).</p> <p>d. 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) was observed to be complied with. The spraying & manuring gangs in Field 2015E and harvesters in Field 2008M observed during the visit were sighted using all appropriate PPEs.</p> <p>PPE issues records were verified; records of issues from 2009 and the latest issue was on 31.10.2017.</p> <p>e. SOPs for handling of chemicals to ensure proper and safe handling and storage were available in the SPO manual of SDPB. In addition, the estate had established it's own SSOP for operations inclusive of handling and storage of chemicals. The SOPs for spraying and manuring were observed to be complied with.</p> <p>f. Bagan Datoh Estate had established an OSH committee which were headed by head by the Manager with the secretary HA and 12 management, 10 worker and 2 contractor representatives. Appointment letters dated 01.07.2017 were verified.</p>	
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	<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>g. The estate had conducted regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare were discussed openly at OSH meetings. Records of OSH meeting was kept and the concerns of the employees and any remedial actions taken were recorded. Work place inspections had been carried before these meetings.</p> <p>Minutes of meetings held on 20.09.17, 21.06.17, 21.03.17 & 21.12.16 were verified.</p> <p>h. Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. ERP for Accident, Chemical Spillage, Diesel spillage, fertilise spillage, Wild animal attack, Fire, flood & riot were available.</p> <p>i. Workers (Mandors) trained in First Aid were present in field operations. All operating gangs visited had First aid boxes at work site. However, content list has yet to be included in the box for the ease of monitoring and replenishment. Refer to OFI, 1552403-201709-I3</p> <p>j. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety & Health (OSH). Bagan Datoh Estate maintained accident records and reported to DOSH using JKPP 6 & JKPP 8 forms. Verified were JKPP 6 for a bicycle accident on 01.03.2016 with loss of 9 working days and JKPP 8 sent on 31.01.2017</p>	
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		3 cases with 27 days lost.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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. - Major compliance -	The top management of SDPB was committed to implement good social practices regarding human rights in respect of industrial harmony. Their commitment is clearly described with the statement indicated in the “Social Policy” and “Social & Humanity Management Policy” both dated January 2015 and signed by the Managing Director.	Compliance
4.4.5.2	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. - Major compliance -	The top management of SDPB was committed not to engage in or support discriminatory practices and would provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. Their commitment was clearly described with the statement indicated in the “Social Policy” dated January 2015 and signed by the Managing Director There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation. Interview with workers confirmed that there was no such discrimination in Bagan Datoh Estate.	Compliance
4.4.5.3	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.	The pay and conditions of employees in Bagan Datoh Estate met legal and industry minimum standards and as per agreed Collective Agreements. The Employees were mainly paid on piece rates and daily wages. The daily wage was as per the Minimum Wage Order 2016 which was MR38.46 /day. Harvesters were paid as per MAPA NUPW agreements. Payslips reviewed confirmed that the basic wages met	Compliance

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	<p>- Major compliance -</p>	<p>minimum standards. Some of those wage slips reviewed (September 2017):</p> <table border="1" data-bbox="1037 440 1872 794"> <thead> <tr> <th>Name</th> <th>Job Description</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>Kumaran Subramaniam</td> <td>Tractor Driver</td> <td>760421-08-5041</td> </tr> <tr> <td>Ram Shankar</td> <td>Sprayer</td> <td>N2231303</td> </tr> <tr> <td>Hairul Andri</td> <td>Loose Fruit Picker</td> <td>AT111564</td> </tr> <tr> <td>Muhamad Zohri</td> <td>Harvester - Cutter</td> <td>A4221493</td> </tr> </tbody> </table>	Name	Job Description	NRIC/Passport No	Kumaran Subramaniam	Tractor Driver	760421-08-5041	Ram Shankar	Sprayer	N2231303	Hairul Andri	Loose Fruit Picker	AT111564	Muhamad Zohri	Harvester - Cutter	A4221493	
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<p>4.4.5.4</p>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The driver of the Rajan Enterprise for Backhoe rental interviewed confirmed that he was paid RM1,500.00 per month. This confirmed by the contractor when interviewed.</p>	<p>Compliance</p>															
<p>4.4.5.5</p>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Bagan Datoh Estate maintained a record of all employees, SEMUA – Employee Master Listing – Ref ZCKRLM04, under the following categories:</p> <ol style="list-style-type: none"> 1) Monthly paid 2) Daily rated or General Worker 3) Staff <p>The list had the following information details for each employee:</p>	<p>Compliance</p>															

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		<ul style="list-style-type: none"> - Division - Employee Number - Employee Name - New NRIC/Passport Number - Date of Birth - Date joined Etc. <p>In addition each employee had details in individual registration forms and another for foreign workers with details of passport and work permits.</p>	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>All employees on Bagan Datoh Estate had been provided with fair contracts which were signed by both employee and employer.</p> <p>Employment Contract Form for local and foreign workers were available. Information indicated in the form showed that all employees were provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local and foreign worker indicated in the employment records were available.</p> <p>Foreign worker contract was valid for 3 years.</p>	Compliance
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p>	<p>Bagan Datoh Estate had established a time recording system for all employees</p> <p>Time recording system has been carried out manually on daily basis</p>	

	- Major compliance -	<p>for field and office staff & executives.</p> <p>For office staff & executives, the working hours are recorded in the Executives & Staff Attendance List.</p> <p>For field workers, they record the working hours in the Daily Time Record. The overtime working hours always mutually agreed and approved by the assistant manager.</p> <p>The documented working hours available in the daily check roll records</p>	
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of each individual employee as indicated in the time records and contract of employment met with legal regulations and collective agreements. Overtime was mutually agreed and was always paid at the applicable rate that met the applicable legal requirement.</p>	Compliance
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Wages and overtime payment documented on the pay slips on Bagan Datoh Estate was in line with legal regulations and collective agreements.</p> <p>Pay slips of all employees are available as evidence of salary payment.</p> <p>The pay slip contain the following information :</p> <ul style="list-style-type: none"> a. Jenis Pendapatan Termasuk Dalam Gaji Purata b. Jenis Pendapatan Tidak Termasuk Dalam Gaji Purata c. Tanggungan Perbelanjaan d. Potongan <p>Some pay slips verified were:</p>	Compliance

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		Name	Job Description	NRIC/Passport No	
		Kumaran Subramaniam	Tractor Driver	760421-08-5041	
		Ram Shankar	Sprayer	N2231303	
		Hairul Andri	Loose Fruit Picker	AT111564	
		Muhamad Zohri	Harvester - Cutter	A4221493	
<p>4.4.5.10</p>	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>On Bagan Datoh Estate other benefits like free housing, free water, telephone reimbursement of RM5.00, festive expenses RM100.00, insurance of RM13.00, school bus subsidy of RM34.40 paid to the transporter and rice & cooking oil were provided.</p>			<p>Compliance</p>
<p>4.4.5.11</p>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>On Bagan Datoh Estate on-site living quarters were provided to all employees. At time of visit these quarters were observed to be habitable with basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446).</p> <p>Line site inspections were carried weekly by the HA and biweekly inspections carried out by VMO. Line site inspection guided under operational control procedure, SD/SDP/PSQM(ESH)/204-OD6, rev:0 dated 26/2/15. The coverage of inspection has yet to consider other</p>			<p>Compliance</p>

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		<p>safety related requirements at line site (i.e gas stove/kitchen) and not only cover housing compound for improvement. Refer to OFI, 1552403-201709-14</p>	
<p>4.4.5.12</p>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>SDPB had established “Gender Policy” dated January 2015 and signed by the Managing Director which provided guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>Bagan Datoh Estate had established a Gender Committee with the Manager as Patron, a chairwoman, a vice chairman, a secretary, and 8 committee members. All were women except for the patron.</p> <p>Records showed that a training on Human Rights, Introduction to productive rights and refresher gender committee training was conducted on 24/10/2017.</p> <p>At time of visit there was no case reported on any form of sexual harassment or violence at the workplace.</p>	<p>Compliance</p>
<p>4.4.5.13</p>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer</p>	<p>The management of Bagan Datoh Estate respected the right of all employees to join a trade union relevant to the industry. This was evident from deductions made for union subscription and insurance in the pay slips of employees. This was further confirmed by workers during interviews. On both divisions on Bagan Datoh Estate there were a NUPW chairman and secretary and records on meeting held with management were sighted.</p>	<p>Compliance</p>

	repercussions. - Major compliance -		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions. - Major compliance -	SDPB had a “Child protection policy” which advocated compliance to all relevant local and internal laws. From the employments records and SEMUA – Employee Master Listing – Ref ZCKRLM04, On Bagan Datoh Estate, children and young persons were not employed or exploited. The minimum age complied with local, state and national legislation. A perusal of the employee master list found no employee below the national minimum age legislation. Consultations with estate employees confirmed that there was no employee under the minimum age.	Compliance
Criterion 4.4.6: Training and competency			
4.4.6.1	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. - Major compliance -	Records showed that all employees had been appropriately trained. A Formal training program for the year 2016/2017 was available and implemented. Regular assessment of training conducted to ensure understanding among the employees. The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards. The various trainings conducted and the training records maintained to be acceptable.	Compliance

		<p>Some of the trainings verified:</p> <p>Town hall training on 27/10/17for 80 staff and workers by SQM dept.</p> <p>Chemical (Acephate) handling 27/10/2017 for 8 workers by PSQM dept.</p> <p>MSPO awareness 27/10/2017 for 11 Contractors and ESH by SQM dept.</p> <p>Manuring on 02/08/2017 for 11 workers by Assistant Manager</p> <p>Spraying on 03/08/2017 for 8 workers by supplier Mycrop.</p> <p>Harvesting on 28/04/2016 for 55 workers by Assistant Manager.</p>	
<p>4.4.6.2</p>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Training needs of individual employees had been 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. The training matrix for 2017/2018 made available had 32 types of training to be conducted.</p>	<p>Compliance</p>
<p>4.4.6.3</p>	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>It was evident that from the training matrix for 2016/2017 and 2017/2018 and training records for 2016/2017 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.</p>	<p>Compliance</p>

4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services

Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	SDPB had established an "Environmental & Biodiversity Policy" and "Carbon Policy" both dated January 2015 and signed by the Managing Director. On Bagan Datoh Estate EIA plan was reviewed on 01/07/2017.	Compliance
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Bagan Datoh Estate maintained its documented environmental impact assessment. The information of environmental impact assessment contained in the Environmental Aspect Identification (EAI) and Environmental Impact Evaluation (EIE) register. The respective documents contain identification and evaluation of environmental aspects covering plantation operation, including replanting. Environment Aspect and Impact Identification for various activities- construction work, compound, dispensary, field, harvesting and collection, main entrance, pest and disease control, petrol and diesel, power station, replanting, road, schedule waste store, workshop. It was observed that the reviewing and updating on the registers were done annually if there's no any new activity within respective sites.	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. - Major compliance -	The latest plan was reviewed on Environmental Aspect and Impact using SDPB forms SM / 5.2 / EIE & SM/ 5.2 / EAI in 2017 – on 05/02/2017 on Fixing bridges and culverts in Oil Palm replants and on Bund Constructions in Oil Palm replants.	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	This is available in the SIA action plan. The continual improvement plan for 2017 for Bagan Datoh Estate had included on Rubbish	Compliance

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	- Minor compliance -	disposal.	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Formal training programs for 2017/2018 that covered aspects of the MSPO & RSPO requirements, with regular assessments of training needs were presented to auditors by both estates and mill. The training on RSPO & MSPO awareness included on the policy and objectives of the environmental management and improvement plans.	Compliance
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Environment Aspect and Impact Identification review meeting was last conducted on 5/2/2016. No changes identified. Informal discussing on environmental issues were carried out at stakeholders meeting and briefings at muster grounds.	Compliance
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	Consumption of non-renewable energy and plan to assess them was by recording and monitoring of energy consumption for both renewable and non-renewable sources. It was monitored to optimize use of renewable energy. Data was compiled for comparison and control for future improvement. On Bagan Datoh Estate electricity supply was from TNB.	Compliance
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	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.	Compliance

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	<p>- Major compliance -</p>	<p>Records showed:</p> <p>Electricity used in 2016/2017 was 487,485 KWH as against the budget of 480,000 KWH. Average of 9.59 KWH/Ton FFB- Range 14.60 to 6.53 KWH/Ton FFB.</p> <p>Diesel used was 118,266 Litres as against the budget of 131,040 litres. Average 2.33 litre/Ton FFB – Range 2.80 to 1.92 litres/Ton FFB.</p>	
<p>4.5.2.3</p>	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>There was no opportunity to use renewable energy.</p>	<p>Compliance</p>
<p>Criterion 4.5.3: Waste management and disposal</p>			
<p>4.5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Waste sources, waste products and sources of pollution had been identified accordingly and documented by Bagan Datoh Estate.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, were tabulated in SB/5.2/EAI and impacts evaluations were tabulated in SB/5.2/EIE</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers / drums (SW 409), used filters SW 410) and used batteries (SW 102).</p> <p>On Bagan Datoh Estate servicing of tractors was done by Sime Darby Industrial and Kobuta Malaysia. The spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used filters SW 410) and used batteries (SW 102) from the servicing's were taken away by respective companies. Clinical waste (spent hypodermic needles) was taken away by the VMO; records showed that on 12 pieces on 29/08/2107</p>	<p>Compliance</p>

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		and 16 pieces on 29/09/2017 were taken away by the VMO.	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>Waste sources, waste products and sources of pollution had been identified accordingly and documented by Bagan Datoh Estate.</p> <p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>On Bagan Datoh Estate, the empty pesticide containers were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container.</p>	Compliance
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Bagan Datoh Estate complied with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.</p>	Compliance
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>On Bagan Datoh Estate some empty pesticides containers were recycled for spraying purposes while the surplus containers were triple rinsed, punctured and disposed to vendors.</p>	Compliance

<p>4.5.3.5</p>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Domestic waste on Bagan Datoh Estate was disposed as such to minimize the risk of contamination of the environment and watercourses[STK1]. Domestic waste stored in bins at housing areas were removed using tractors twice a week and emptied in 10 tons bins. The bins were then removed to Government Landfills once a week by a contractor.</p> <p>No open burning of Domestic Waste was observed during the visit.</p>	<p>Compliance</p>										
<p>Criterion 4.5.4: Reduction of pollution and emission</p>													
<p>4.5.4.1</p>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Both estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective & targets and action to be taken. Sighted targeted area assessed among other as follows;</p> <table border="1" data-bbox="1034 906 1854 1321"> <thead> <tr> <th>Sources/objective & target</th> <th>Action steps</th> </tr> </thead> <tbody> <tr> <td>To monitor waste management plan for its suitability</td> <td>SW disposal monitoring</td> </tr> <tr> <td>To improve employees awareness on pollution prevention at housing complex including zero burning policy.</td> <td>Continuous reminders</td> </tr> <tr> <td>To minimise spillage of oil/chemical onto the ground</td> <td>Continuous training and use of spill trays</td> </tr> <tr> <td>To review aspect identification & impact evaluation to identify significant critical points for control.</td> <td>Review through EA/EIE</td> </tr> </tbody> </table>	Sources/objective & target	Action steps	To monitor waste management plan for its suitability	SW disposal monitoring	To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	To minimise spillage of oil/chemical onto the ground	Continuous training and use of spill trays	To review aspect identification & impact evaluation to identify significant critical points for control.	Review through EA/EIE	<p>Compliance</p>
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<p>4.5.4.2</p>	<p>An action plan to reduce identified significant pollutants and</p>	<p>The Pollution Prevention Program for 2017 – 2019 on Bagan Datoh Estate was verified. The plan covered on spillage of Fuel and chemical</p>	<p>Compliance</p>										

	<p>emissions shall be established and implemented.</p> <p>- Major compliance –</p>	<p>and rubbish disposal.</p>	
<p>Criterion 4.5.5: Natural water resources</p>			
<p>4.5.5.1</p>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p>	<p>a. On Bagan Datoh Estate water was supplied by Lembaga Air Perak. Monitoring of consumption/usage was on going. Records showed that in 2016/2017 water used was 206,020 m3.</p> <p>b. The quality of out-going water into rivers was monitored quaterly by carrying out water analysis. Out-going water sampling for analysis was done form 5 points.</p> <p>Analysis was carried out every 3 months by Sime Darby Research Sdn. Bhd. R&D Centre Carey Island. Analysis report ref# IE148/2107 dated 18/01/17, ref # IE451/2017 dated 05/04/2017, ref# IE782/2017 dated 6/7/17 were verified.</p> <p>The water was also sampled for pesticide contamination and analysis at the same frequency and records of analysis verified were # PL309/2017 dated05/04/17 and PL135 dated 18/01/2017.</p> <p>Bunds constructed along the river Sg Perak were monitored on a daily</p>	<p>Compliance</p>

	<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of</p>	<p>basis. 2 persons in charge was assigned to do patrolling along the river bund distance of 18.4 km. Verified the latest daily inspection book and no issue was noted.</p> <p>The Estate being a coastal estate and prone to flooding and sea water encroachment, water management was monitored using bunds and water level markers. Water levels in drains were maintained between 60 and 90 cm from ground level. This estate had 15 tidal gates to control the outflow & inflow of water.</p> <p>Furthermore, water salinity and PH were monitored on a weekly basis.</p> <p>c. Water usage was optimised and wastage reduced by advising workers to conserve water, checks carried to identify and repair leakages from pipes and equipment, having road side pits, etc. The water management plan 2017/2018 also had covered:</p> <ol style="list-style-type: none"> 1) To collect and reuse water from chemical mixing area. 2) Rain water harvesting – for washing tractors and to reduce usage other than for cooking & drinking in housing areas 3) Contingency plan for water shortage. <p>d. There was no riparian zones on Bagan Datoh Estate; only 18.4 km of bunds maintained. The buffer zones were beyond the bunds.</p>	
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	<p>the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>e. NA as there was no riparian zones on Bagan Datoh Estate</p> <p>f. There were no bore wells in Bagan Datoh Estate.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>NA ad there were rivers and waterways inside Bagan Datoh Estate.</p>	<p>Compliance</p>
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>The practice water harvesting of water from road-side drains being directed and stored in main drains with sand bunds was observed.</p>	<p>Compliance</p>
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>There was no HCV area and RTE species identified by Bagan Datoh Estate. Based site review, auditor also has verified and confirmed this. So, there was no need to conduct any monitoring on HCV and RTE species.</p>	<p>Compliance</p>

<p>4.5.6.2</p>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p>There was no HCV area and RTE species identified by Bagan Datoh Estate. Based site review, auditor also has verified and confirmed this.. So, there was no need to conduct any monitoring on HCV and RTE species.</p>	<p>Compliance</p>
<p>4.5.6.3</p>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>NA as There was no HCV area and RTE species identified by Bagan Datoh Estate. Based site review, auditor also has verified and confirmed this.. So, there was no need to conduct any monitoring on HCV and RTE species.</p>	<p>Compliance</p>
<p>Criterion 4.5.7: Zero burning practices</p>			
<p>4.5.7.1</p>	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>SDPSB had a policy of no open burning. Sub-section 5.7.3 “Zero Burning Technique” of Section 5 of SPMS, PQMS advocated zero burn land preparation. As advocated, Bagan Datoh Estate practiced zero burning. In 2017 replant visited during the visit it was evident that all palms were felled, shredded, windrowed and left to decompose. No open burning was observed during the visit.</p>	<p>Compliance</p>
<p>4.5.7.2</p>	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p>	<p>No open burning was observed during the visit and palms were felled, shredded, windrowed and left to decompose in the 2017 replant.</p>	<p>Compliance</p>

	- Major compliance -		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No open burning was observed during the visit and palms were felled, shredded, windrowed and left to decompose in the 2017 replant.	Compliance
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	On Bagan Datoh Estate previous crop, oil palm was felled, shredded, windrowed and left to decompose as evident in the 2017 replant visited.	Compliance
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The estates like all Sime darby Estates had the following documented manuals <ul style="list-style-type: none"> - Estate Quality Management (EQMM) Manual - Standard Operating Manual and Procedures (SOP) - Sustainable Plantation Management System (SPMS) Manual, - RSPO Supply Chain Manual, - ESH Management System Manual, - Occupational Safety and Health Manual, - Pictorial Safety Standards, and - Security Guidelines. <p>In addition to the EQMS, technical guidelines as listed in the Agricultural Reference Manual (ARM) were also used. Contents of the Manual were disseminated to the workers through morning roll call.</p>	Compliance

		<p>The ARM manual included operation activities in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and dispatch of CPO & PK and security in the CU.</p> <p>In Bagan Datoh Estate best agricultural practices, had been well implemented and monitored via work programs, visits by General Manager (29/11/2016), Plantation Advisor (21&22/08/2017) and Agronomist (27/09/2016).</p> <p>It was noted during the visit that palms looked healthy except for Ganoderma infection, palms circles and interlines clean, palms pruned well and fronds cut and well stacked and drains clean.</p>	
<p>4.6.1.2</p>	<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>- Major compliance -</p>	<p>SDPSB had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was in Slope & River Protection Policy – Buffer Zone & 25degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual.</p> <p>A topography map By Precision Agriculture Unit (NHR) dated Oct 2014 was available. The Estate was mainly flat with most of the land being between 1.29 to 2.59 meters above sea level.</p> <p>It was observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, avoidance of blanket spraying, road maintenance and maintenance of soft vegetation in interlines.</p> <p>Cover crop was observed planted in the replants. No bare ground was</p>	<p>Compliance</p>

		sighted during the visit.	
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	The Estate had a visual identification/reference system for each established field/block and maps established. Field numbers and hectareage were marked on palms and in some areas on concrete slaps.	Compliance
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2017/2018 to 2020/2021 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.	Compliance
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	The long-range replanting program (LRRP) until 2038 was sighted. This programme is reviewed once a year and is incorporated in their annual financial budget. The program for the next 5 years was as follows:	Compliance

	<p>- Major compliance –</p>	<table border="1"> <thead> <tr> <th>Financial year</th> <th>Hectarage</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>2017/2018</td> <td>388.4 ha</td> <td></td> </tr> <tr> <td>2018/2019</td> <td>340.39 ha</td> <td></td> </tr> <tr> <td>2020/2021</td> <td>331.88 ha</td> <td></td> </tr> <tr> <td>2021/2022</td> <td>331.64 ha</td> <td></td> </tr> </tbody> </table>	Financial year	Hectarage	Estate	2017/2018	388.4 ha		2018/2019	340.39 ha		2020/2021	331.88 ha		2021/2022	331.64 ha					
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<p>4.6.2.3</p>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance –</p>	<p>The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.</p> <p>Bagan Datoh Estate</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>FFB Yld/Ha</td> <td>23.03</td> <td>21.16</td> <td>22.74</td> <td>23.54</td> <td>25.17</td> </tr> <tr> <td>Cost/ton (RM)</td> <td>2,800</td> <td>3,063</td> <td>3,771</td> <td>3,831</td> <td>3,883</td> </tr> </tbody> </table>		2015/16	2016/17	2017/18	2018/19	2019/20	FFB Yld/Ha	23.03	21.16	22.74	23.54	25.17	Cost/ton (RM)	2,800	3,063	3,771	3,831	3,883	<p>Compliance</p>
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4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The management plan was effectively implemented and the achievement of the goals and objectives were regularly monitored, documented and reviewed through monthly progress reports, monthly accounts reports and annual financial reports.	Compliance
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the mill personnel	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contracts on Bagan Datoh Estate were legal, transparent and agreed upon and signed by both contractor and management. On completion of work, payment was effected by SDPSD headquarters. Contracts verified were: Backhoe Rental: Rajan Muthan dated 1/06/2017 valid from 1/06/2017	Compliance

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		to 30/06/2017. Replanting: Rajan Excavator Contractors Sdn Bhd dated 18/07/2017 valid from 1/08/2017 to 30/06/2018	
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Records on Bagan Datoh Estate showed that MSPO training for contractors was conducted on 25/10/2017. The contractor for backhoe rental confirmed attending the training and was aware of MSPO requirements.	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	All contracts examined at Bagan Datoh Estate had been signed by the respective contractors and management. The signature is evidence of agreement.	Compliance
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	During this audit the 2017 replant where work, done on contract, was in progress was inspected by MSPO auditor together with management representatives. There was no objection from the contractor's representative. The representative was also interviewed.	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.	Records showed that on Bagan Datoh Estate all contacted work operations were observed and monitored by management. On satisfactory completion of work, work completion was informed to SDPB headquarters, which then effects payment to the contractors.	Compliance

	- Major compliance -		
4.7 Principle 7: Development of new planting – Bagan Datoh and Flemington did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.			

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: Quality Management Policy dated January 2015 Lean Six Sigma Policy dated January 2015 Quality Policy dated January 2015 The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for	Internal audit was carried by RSPO & Certifications Unit, PSQM on 12/7/17 for Flemington Palm Oil Mill. Audit covered both	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	further improvement. - Major compliance -	documentation and field operation for the mill.	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Internal audit report was generated however, other related records @ toolkits to be consistently implemented for improvement. Refer to OFI reference number, 1552403-201709-I2	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the POM management and Sime Darby Plantation HQ management. There is a month SQM meeting at HQ level to review the treading of findings raised in both internal and external audit.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	There was no management review meeting carried out as to date to review effective implementation of MSPO at Flemington POM. Thus a major was issued. Refer to NC reference number 1552403-201709-M1.	Major non-compliance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and	Continual improvement plan for POM FY2016/2017. It cover the welfare and the operation aspect. For example:	Complied

Criterion / Indicator		Assessment Findings	Compliance
	opportunities for the company. - Major compliance -	Provide additional housing blocks Installing new water filtration system Building a new BioCompost Plant Install CCTV for ensuring the safety of all workers	
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	The staff/workers competency training plan for FY 2017/2018 was established. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety etc. The FY2017/2018 OPEX budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS etc. Interview with workers confirmed trainings are provided by company on regular basis.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p>	<p>The Mill Manager is responsible to deal with the external communication.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.2.2.3	<p>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.</p> <p>- Major compliance -</p>	<p>The latest stakeholders list was updated on 16/06/2017.</p> <p>The external stakeholder consultation is conduct once a year. The last stakeholder meeting was conducted on 16/6/2017 for mill and Flemington Estate . There were no issues raised with regards to the estate operation in the stakeholder consultation. Hence no action plan was required.</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Bagan Datoh and Flemington Estate is sending the FFB to Flemington POM.</p> <p>The weighbridge ticket provided the following details:</p> <p>Product (FFB or Loose fruit)</p> <p>Delivery note from estates stating the weight and fruit grade (A or B).</p> <p>D.O Number</p> <p>Date of the shipment</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>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Estate Manager.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System Appendix 15 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>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>The overall 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>	Complied
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>The records of CPO sales has been verified. The dispatch of the CPO are determine by HQ Sales & Marketing and will be entered into the Sime Weigh System. The weigh bridge operator will check the system before releasing the dispatch.</p> <p>The sample dispatch documentation sighted was date: 2/8/16, Lorry: BJR6327, WB ticket# 012196, weight; 35.02mt to SD Jomalina.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>SOU4 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU4 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p><u>Flemington POM</u></p> <ul style="list-style-type: none"> a. Environmental license no: 004234 valid till 30 June 2018 b. MPOB License; no: 529874004000 valid till 31 Mar 2018 c. Authorized Entrant and Standby Person for Confined Space; No: NW-HQ-AGT-0871-P valid till 14 Feb 2019 d. Sterilizer; PMT 147318 valid till 06 May 2018 e. Steam Separator; PMT147315 valid till 06 May 2018 f. Water softener certificate; PK PMT 7048 valid till 6 May 2018 g. License for generating electricity using biogas; no: 18348 valid till 29 Oct 2017 h. Weighbridge calibration certificate; no:1.9k-031471 and 031465 valid from 17 July 2017 	<p>Complied</p>
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 19/4/2017.</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</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		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	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on 20/7/2017. 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.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The Estates and Mill are on government lease land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes. For POM, the land title sharing with Flemington Estate. Sighted the copy of the land title onsite and the original keep at the headquarters.	Complied
4.3.2.2	The management shall provide documents showing legal	For POM, the land title sharing with Flemington Estate. Sighted the copy of the land title onsite and the original keep at the	Complied

Criterion / Indicator		Assessment Findings	Compliance
	ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	headquarters. There is no issue on land use claims evidence during the audit.	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	POM located within the compound of the Flemington estate. It was noted that legal boundaries are clearly demarcated and visibly maintained.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the Flemington POM operating units at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no land dispute or customary rights issues in the mill.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	There is no land dispute or customary rights issues in the mill.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) for the whole SOU 4 – Flemington which consisted of Flemington POM, Flemington Estate, Bagan Datoh Estate, Sungai Samak Estate and Sabak Bernam Estate on 27/6-1/7/2016. The assessment was carried out through interviewed with stakeholders, document reviewed and site visit. The assessment was involved the participation of internal and external stakeholders such as local authorities, local communities, contractors and workers. Seen the attendance list of the stakeholders that involved in the assessment.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Under the sustainable plantation management system Appendix 5, procedure on handling social issue (version 1; year 2008) has been implemented.</p> <p>Under Group policies and authorities GPA No 85 Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint form is made available in the mill office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded for the pass one year. Only request for maintenance housing are made by workers.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents..	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	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. - Minor compliance -	The mill and estates management have made contribution to the local communities and stakeholders such as donation to school for Sport Day, gotong- royong at office and weighbridge area, donation to Hindu temple, equipped the first aid kits in the school, assistance to upgrade the field in the school, provide transport to send students to school for free, fogging activities at linesite, health talk and etc.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.4: Employees safety and health			
<p>4.4.4.1</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>- Major compliance -</p>	<p>The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p> <p>Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.</p> <p>In Interviews with the workers and staff during the site visit revealed that the employees has been briefed and has understood the policy</p>	<p>Complied</p>
<p>4.4.4.2</p>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. 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"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly 	<p>a)Flemington POM has safety and health policy 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 carried out were:</p> <ul style="list-style-type: none">) Medical surveillance – Carried out at Sabak Dispensary on 29/8/16 by OHD, HQ/08/DOC/00/131 for total of 25 workers from kernel plant, workshop and laboratory. All workers are found fit to work with no detrimental of occupational related disease. Verified Operational Control Procedure, SD/SDP/PSQM(ESH)202-OH8, rev:0 dated 26/2/15 for the medical surveillance and related medical removal protection procedure. ii) Audiometric testing – For 2017, annual audiometric was conducted 	<p>Complied</p>

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<p>observed and applied;</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed</p>	<p>on 4/1/17 by Procoma Environmental (M) Sdn Bhd. Total of 86 workers send for audiometric testing. 4 workers were suspected with STS based on retest on 25/5/17. Next follow up to be referred to ENT clinic in August 2017 and will be further check in the next assessment.</p> <p>iii) LEV testing and inspection – the last inspection was carried out on 9/9/16 by Procoma Environmental (M) Sdn Bhd. DOSH registered IHT II, JKPP HIE 127/171-3/2(23). Face velocity (hood) and travel velocity (ducting) below recommended value of ACGIH. Monthly inspection done by internal technician. Refer to inspection checklist for the month of June 2017.</p> <p>iv) Personal chemical exposure monitoring (PCEM)- Last carried out on 6/4/17 by registered IHT 1 (JKPP HIE 127/171-3/1(20) for N-hexane and Manganese. Result of exposure as follow:</p> <table border="1" data-bbox="1070 874 1702 1040"> <thead> <tr> <th>Chemical</th> <th>PEL8 hours TWA (mg/m3)</th> <th>PEL8 hours TWA (mg/m3)</th> </tr> </thead> <tbody> <tr> <td>Manganese</td> <td>0.2</td> <td><0.001</td> </tr> <tr> <td>N-hexane</td> <td>176</td> <td><0.001</td> </tr> </tbody> </table> <p>The next PCEM will be carried out in August 2017. Refer to by Procoma Environmental (M) Sdn Bhd, PO# 4300381187 dated 11/7/17.</p> <p>c) In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>SDS for all the chemicals used are available at the store in Dual-language (Bahasa Malaysia and English). Sample of SDS sighted – PAC, Soda Ash, n-Hexane and Pottasium Chromate.</p> <p>d) Records were available of PPE issued to individual workers</p>	Chemical	PEL8 hours TWA (mg/m3)	PEL8 hours TWA (mg/m3)	Manganese	0.2	<0.001	N-hexane	176	<0.001	
Chemical	PEL8 hours TWA (mg/m3)	PEL8 hours TWA (mg/m3)									
Manganese	0.2	<0.001									
N-hexane	176	<0.001									

Criterion / Indicator	Assessment Findings	Compliance
<p>periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>and contractors, including signatures to confirm receipt. Standard of PPE used for lab analyst :</p> <ul style="list-style-type: none"> i)Nitrile glove – (37-176-9) ii)Respirator – 3M 8210 (N95), double cartridge type (3M 6003) organic vapor cartridge. iii) Anti–fog goggle <p>e)SOP established for laboratory and chemical handling – SOP on Chemical Storage and Handling for PPOM. Last training was conducted on (Spillage Training – 10/6/16, chemical handling (WTP).</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.</p> <p>SHC Chairman & OSH coordinator Mill Safety and Health Coordinator: assistant manager</p> <p>SHC Chairman – Mill manager</p> <p>g) Records were available confirming that quarterly OSH meetings had been held at the Mill.</p> <p><u>Flemington POM</u></p> <p>Record of meeting 21/6/17, 19/12/17, 29/9/17, 29/6/17. Verified appointment letter as SHC Chairman dated 18/7/17 signed by CEO</p>	

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Criterion / Indicator	Assessment Findings	Compliance						
	<p>Northern Region.</p> <p>h) The Mill has site specific Plans including maps showing assembly areas and up-to-date lists of emergency contacts with training conducted to communicate the Plan. Interviews of Mill staff and workers confirmed understanding of emergency response procedures. Emergency response team has been established for fire fighter, first aider, spillage and accident investigation.</p> <p>ERP drill – Emergency evacuation drill 19/4/17</p> <p>i) First Aid Kits are installed at various work stations at the Mill and inspection confirmed these had been appropriately stocked.</p> <p>j) All accidents are investigated and reported to Head Office and DOSH.. Verified JKKP 6 and JKKP 8 for 2016. LTI summarized as per te following:</p> <table border="1" data-bbox="1070 1074 1848 1305"> <thead> <tr> <th>Year</th> <th>Flemington POM</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>0 case</td> </tr> <tr> <td>2017 to date</td> <td>4 case (37 LTA) 7/10/17 – 26 LTI (continue NC) stuck b object (finger nail)</td> </tr> </tbody> </table>	Year	Flemington POM	2016	0 case	2017 to date	4 case (37 LTA) 7/10/17 – 26 LTI (continue NC) stuck b object (finger nail)	
Year	Flemington POM							
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2017 to date	4 case (37 LTA) 7/10/17 – 26 LTI (continue NC) stuck b object (finger nail)							

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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. - Major compliance -	Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015.	Complied
4.4.5.2	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. - Major compliance -	The top management of Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well. Interview with workers indicates that there is no such discrimination occurs in the workplace	Complied
4.4.5.3	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. - Major compliance -	The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements. Sample of pay slips for local workers for August, September and October 2017: i)Employee# 52599 ii)Employee# 24788	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iii)Employee# 24882 iv)Employee# 93069 v) Employee# 24837 Sample of pay slips for foreign workers for August, September and October 2017: i) Employee# 96139 (passport# 09246899) ii) Employee# 82042 (passport# AT759445) Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 38.46/day) for daily rated and RM 1000/month for monthly rated workers	
4.4.5.4	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. - Minor compliance -	There is no evidence that the management has ensure employees of contractors are paid based on legal on industry minimum standards.	Minor nonconformance
4.4.5.5	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. - Major compliance -	Flemington POM maintain an accurate record of all employees (local and foreign) under Employee Master Listing report, ZCKRLM04. Total of 105 employees (as at 2/11/17) listed under mill's check roll with additional 4 contract workers under Lotus Two Enterprise. Records updated and verified during the audit were found contains the following details of information for every employees. Employee Name	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Activity Nationality Gang details Date of Birth Occupation Religion Employment Date Sex Passport No. and Expiry Date (for foreigner) Work Permit Expiry Date Identification Card no. Socso. No. EPF no.	
4.4.5.6	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. - Major compliance -	Employment Contract for local and foreign workers are available. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits. Copies of Employment Contract for each local and foreign workers indicated in the employment records are available. Foreign worker contract is valid for 3 year plus yearly contract extension for those who intent to continue working with the company. Sample of employment contract available for the local workers: i) Employee# MY00005278 ii) Employee# MY00004163	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iii)Employee# MY00005465 Sample of employment contract available for the foreign workers: i) Employee# MY00004422 (passport# A6461135) ii) Employee# MY00004497 (passport# A3769173) iii)Employee# MY00002866 (passport# V931166) Employment contract for contractor workers under Lotus Two Enterprise (LTE), LTE/2017 dated 1/1/17 i) BK0851510 – date signed 6/1/17 ii)AF0728480 – date signed 6/1/17 iii)AG5424766 – date signed 6/1/17 iv)BB0851510 – date signed 6/1/17	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Flemington POM has established a time recording system using punch card for all employees. Time recording system has been implemented by punch card system for all mill employees. The working hours for all employees has been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on the Mill Daily Attendance Report (CKRRD005) and punch card records, overtime and breaks were recorded and consistent with the payslip for sample months in August, September and October 2017. No evidence	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment.</p> <p>The pay slip contain the following information :</p> <ul style="list-style-type: none"> a) Earnings <ul style="list-style-type: none"> - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) b) Deduction <ul style="list-style-type: none"> - Union fee (NUPW & AMESU),SOCSCO, EPF , electricity deduction and others <p>Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <ul style="list-style-type: none"> 5kg rice and 5kg cooking oil to all workers once every 2 months RM5 mobile subsidy to all workers. Free medical benefit to workers dependent at the estates clinics. Renewal for driving license for local workers Sending worker’s children to schools 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Once a year festival token to all workers</p> <p>Yearly schooling assistance</p> <p>Sime Darby scholarship</p> <p>The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</p>	
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is bared by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 2-3 each people per house.</p> <p>Linesite inspection is conducted on weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990. The results of the inspection is being discussed with the estate manager for actions.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basic amenities (e.g. mattress, cooking utilises).</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Managing Director of Sime Darby Plantation.	
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union. The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively. The workers union representative for the Holyrood is Ismail Hisham while for Kalumpang is Sahibol Fadilah.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	The Social Policy and Social & Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation. Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	Records of training for employees available and maintained. Records verified on a sampling basis at the Mill and estates visited covers all aspect of training and RSPO P&C. Training need and plan for FY2017/2018 was verified as per Form RM-01/TNP – Estate/Mill Quality Management System Subsection 6.1 Appendix 6.2.2 Version 1, Year 2008 Issue 1 (2008).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		i)MSPO Awareness Training: 18/9/17 – SOU4, manager, assistant and QA ii)MSPO Awareness Training for contractor – 25/10/17 iii) Town hall Training – 12/10/17 iv)Process/Operation Training: Sludge Pit – 7/6/17 v)Process/Operation Training: Oil Room – 9/6/17 vi)Code Of Business Conduct (new workers) – 21/7/17 New workers induction training (contractor training) – 11/7/17	
4.4.6.2	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. - Major compliance -	The training needs for the mill 2017/18 training program has been established. The details of the training needs include categories of stations, subjects, and employees group. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management. etc	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	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.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Environmental management plan was not effectively Flemington POM has established an environmental policy and environmental management plan with relevant to the applicable laws and regulations. Policy was signed by managing director on 6 January 2014. Interviews of staff and workers found that the policy has been communicated and implemented.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/ impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts. The last review was conducted in 18 June 2017 at POM which incorporating all the activities: a. Reception Area b. Sterilizer Bay c. EFB Ramp d. Workshop e. Press station and etc.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed,	In POM, Environment Management Programme for Financial Year 2017/2018 which updated in 1 July 2017: a. Monitoring of overflow of POME	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>implemented and monitored.</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> b. Oil spillage at workshop c. Leakage of oil at piping during process time d. Chemical spillage at boiler areas and etc. e. Besides, the boiler man has been appointed as the members of Environmental Performance Monitoring Committee (EPMC) effective from 19 Apr 2017. The responsible person in charge of monitor operation, maintenance and performance of pollution control system 	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>This is available in the SIA action plan. Activities/areas identified at working area, induction program for new workers & housing facilities.</p>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Environmental Performance Monitoring Committee (EPMC) established since 19 Apr 2017 for ensuring the environmental monitoring tools implemented effectively.</p> <p>Environmental related matters such as policy, law & regulations, CEMS, effluent and etc were discussed during the meeting.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Workers interview reveal that they are encouraged to discuss environmental issues with the management.</p> <p>In addition, quarterly environmental meeting was last conducted on 19/06/17. All pertinent environmental matters were discussed during the meeting.</p>	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Apart from use of grid electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO.</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available. For example:</p> <p>a. Apr 17- 0.47 liter/ CPO(mt)</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		b. May 17- 0.49 liter/ CPO(mt) c. Jun 17- 0.59 liter/ CPO(mt) For fibre/shell usage: d. Apr 17- 0.82 mt/ CPO(mt) e. May 17- 0.82 mt/ CPO(mt) f. Jun 17- 0.82 mt/ CPO(mt)	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell used in the mill is shown in 4.5.2.2 above. The long term planning for biogas implementation was reviewed. The recovered biogas will be used for energy generation (e.g. steam & electricity)	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste and pollution are identified and documented in the Waste Management Plan 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) Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron Scheduled waste – Spent IPA, hexane, filter, lubricants,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>hydraulic oil, grease, used batteries</p> <p>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</p>	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The Waste Management Plan for Financial Year 2017/2018 is available and sighted. The plan listed the waste generated from the mill operations as shown below;</p> <p>Domestic waste – rubbish from the mill complex and employees quarters (disposed by estate management)</p> <p>Action to be taken;</p> <p>Allocate landfill area 3 km min away from residential area/watercourse</p> <p>To provide adequate dustbins at mill & linesites.</p> <p>Establish collection SOP & schedule</p> <p>Create awareness on hygiene</p> <p>Regular monitoring on cleanliness & hygiene.</p> <p>Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron</p> <p>Shell & fibre - Sell through registered customer</p> <p>Scrap iron – sell through registered buyers</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>SW – Dispose through DOE appointed Contractor (Kualiti Alam)</p> <p>Scheduled waste – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries.</p> <p>Action to be taken;</p> <p>Comply to procedure stipulated MQMS SOP Handling of scheduled waste.</p> <p>Comply to Environmental Quality Regulations 2005</p> <p>Establish list of SW/Notify DOE for all SW generated/appropriate SW labelling</p>	
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The SOP on Scheduled Waste disposal is established and implemented. The inventory of the waste generated is recorded using the "eswis" inventory system. The last update on the eswis was on September 2017.</p>	Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>The schedule waste store was assessed. The pesticide containers are disposed as scheduled waste. The scheduled waste collection consignment notes are reviewed to confirm the disposal of the pesticide containers are according to the best practice.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.5.4: Reduction of pollution and emission		
<p>4.5.4.1</p> <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Various monitoring has been conducted including the effluent analysis, stack monitoring and river water monitoring. Effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report). Following report sighted:</p> <ul style="list-style-type: none"> a. Report no: EP307/2017 dated 2017-06-09 (BOD: 46mg/L) b. Report no: EP372/2017 dated 2017-07-19 (BOD: 84mg/L) <p>For continuous emission reporting system, it always online and send to HQ of Department of Environment in Putrajaya. Measurement of dust particulate concentration of Stack 1- Boiler (PMD 8703) by Environmental Science (M) Sdn Bhd. Following is the monitoring report sighted:</p> <ul style="list-style-type: none"> a. Ref no: L-PG-AQ1608CSD- 0252 dated 16 Aug 2016; b. Ref no: L-PG-AQ1705CSD-0457 dated 9th June 2017 <p>The monitoring result indicated lower than the permissible limit of 0.4 gm/Nm³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.</p>	<p>Complied</p>
<p>4.5.4.2</p> <p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p>	<p>For mill, GHG emission identified from POME, fuel consumption and grid electricity utilization. 5 years plan for GHG reduction (phase I, 20 mills (Malaysia) was sighted. Programme such as</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>feed in tariff (FIT), flaring, CNG, CaP, Co-gen was included in the plan.</p>	
<p>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.</p> <p>- Major compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD is 100 mg/l for latest compliance schedule. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point before entering the river.</p> <p>In POM, effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report). Following report sighted:</p> <ul style="list-style-type: none"> a. Report no: EP307/2017 dated 2017-06-09 (BOD: 46mg/L) b. Report no: EP372/2017 dated 2017-07-19 (BOD: 84mg/L) <p>All the parameters have conform to parameters limit for watercourse discharge in exception with the parameter-Suspended Solid which continuously more than 400 mg/l from May to June. During audit, the discussion is ongoing between the management and Department of Environment for the next course of action such as desludging and installation of filter. Documentation of the communication and action plan dated 25 Jul 2017.</p>	<p>Complied</p>
<p>Criterion 4.5.5: Natural water resources</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.5.1 The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>In POM, the document: Identification and Management of Wastewaters Financial Year 17/18 updated in 15 July 2017. The plan has identified the various location, types of wastewater produced, treatment/containment method and reuse/recycle and disposal method. Besides, the POM also develop action plan to reduce fresh water usage such as sterilizer condensate water as dilution as press station or to recycle water from turbine cooling water as hot water.</p> <ul style="list-style-type: none"> - to purchase water from LAP - to perform treatment of polluted water - to reusing/recycling/rationing 	<p>Complied</p>
<p>4.5.5.2 Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Details of effluent treatment and report as per item 4.5.4.3 above.</p> <p>The effluent are retained for treatment in a flow through 14 ponds before being discharged into the watercourse. The compliance requirement is provided in the DOE ‘Jadual Pematuhan’ licensed to the mill. The final BOD is max 100 mg/l for the water discharge. The mill performs regular /scheduled desilting of ponds to sustain the designed capacity to maintain good efficiency of pond treatment.</p>	<p>Complied</p>
<p>4.6 Principle 6: Best Practices</p>		
<p>Criterion 4.6.1: Mill Management</p>		

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	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 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.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. 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..	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, OPEX, CAPEX etc. Flemington Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. CAPEX allocation for mill and estate was made available for review for	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		FY 17/18: Mill: Turbine retrofitting (steam chest, turbine wheel and reversing segment) – process improvement, sterilizer bottom liner replacement (safety)	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	<p>Flemington palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.</p> <p>Contract agreement/ Letter of Award (LOA) for the contractors were verified during the audit and sampled contracts were as below:</p> <ul style="list-style-type: none"> a. Contractor: Ramunaidu – Grass Cutting works at Flemington POM dated 29/1/2015 which valid until June 2016. Extension form for the service was issued and the service was extended until 30/9/2017 due to pending tender process at regional office. b. Contractor: Lotus Two Enterprise provides labour dated 15/6/2017 which commenced on 1/7/2017 and valid for one year. c. Tenancy agreement of rental of land with Country Title No. GT19561 Lot 4597 for Motorcycle repair shop which valid until 31/12/2017. d. Contractor: Tiong Weei Enterprise for transporting rubbish which valid until 31/12/2017. <p>The terms and conditions were stated in the agreement have acknowledged on each page of the contract.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	According to the agreement made, the payment to contractors shall be made 30 days after the invoice date that submitted to the company by 1st week of the month. Interview with the contractors confirmed that the payment was made promptly according to the agreement.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Flemington POM had informed its contractors regarding the need to follow the MSPO requirements. A formal letter and brief terms has been sent to the contractors. The letters were sent on 11/09/2017 to all contractors and the reply from the contractors to agree to and understand the legal obligations requirements by MSPO are being met are kept.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The formal letter issued by the Mill Manager served as the "revision" to the available contract agreement with the contractors to agree on the obligations of MSPO requirements.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors are being stated in the formal letter attachment to the contractors.	Complied

3.3 Details of Nonconformities and Opportunity for improvement

There were 1 major and 5 opportunity for improvement raised during this stage 2 audit.

Ref. no	1552403-201709-M1
Area/Process	Flemington POM
Clause	Part 3: 4.6.4.1
Scope	MSPO 678572
Category	Major
Statement of non conformance:	Management review was not effectively implemented for MSPO
Clause requirements	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
Objective evidence	There was no management review meeting carried out as to date to review effective implementation of MSPO at Flemington POM
Cause	Meeting already done on 20 Oct 2017 however the minute meeting is miss placed during external audit
Correction / containment & Corrective action	i)Redo the minute meeting and keep proper documentation ii)Re train the QA and assistant pertaining to MSPO requirement will be done on 4 January 2018.
Assesment conclusion	Implemented evidence found to be effective, thus the major NC was closed on 20/12/17. Continuous implementation will be further verified in the next audit.

Ref. no	1552403-201709-I1
Area/Process	Flemington POM
Clause	Part 4: 4.1.2.2
Scope	MSPO 682042
Details	Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Internal audit report was generated however, other related records @ toolkits to be consistently implemented for improvement.

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Ref. no	1552403-201709-I2
Area/Process	Flemington SOU4 Group Estates
Clause	Part 3: 4.1.2.2
Scope	MSPO 682042
Details	Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Internal audit report was generated however, other related records @ toolkits to be consistently implemented for improvement.

Ref. no	1552403-201709-I3
Area/Process	Flemington SOU4 Group Estates
Clause	Part 3: 4.4.4.2(i)
Scope	MSPO 682042
Details	First aid kit inspection was regularly check and inspection by EHA. Content list has yet to be included in the box for the ease of monitoring and replenishment.

Ref. no	1552403-201709-I4
Area/Process	Flemington SOU4 Group Estates
Clause	Part 3: 4.4.5.11
Scope	MSPO 682042
Details	Line site inspection guided under operational control procedure, SD/SDP/PSQM(ESH)/204-OD6, rev:0 dated 26/2/15. The coverage of inspection has yet to consider other safety related requirements at line site (i.e gas stove/kitchen) and not only cover housing compound for improvement.

Ref. no	1552403-201709-I5
Area/Process	Flemington SOU4 Group Estates
Clause	Part 3: 4.4.2.4
Scope	MSPO 682042
Details	Employees are not fully aware on the possible complaints and grievance channels. During interview with the workers, there were complaints on house maintenance and dispute on overtime. The workers complained to the mandor. However there were actions has not been taken by the mandor. The workers are not aware that they can make the complaints to the higher authority of the mandore

Noteworthy Positive Comments	
1	Good positive feedback received from internal and external stakeholders.
2	Initiative towards continual improvement demonstrated through long term business plan in CAPEX and OPEX
3	
4	
5	

3.4 Status of Nonconformities Previously Identified and OFI

-Not Applicable-

3.5 Issues Raised by Stakeholders

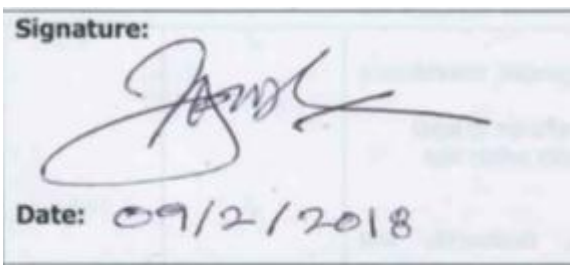

IS #	Description
1	Issues: Workshop worker- The used oil and lubricant always transfer to the bigger tank at schedule waste store at least once a month. Oil tray will be used to prevent any spillage.
	Management Responses: Management will continue to enhance the monitoring and pollution control at the workshop.
	Audit Team Findings: No further comment.
2	Issues: Water treatment plant operator - The main task is to do the chemical mixing and pump maintenance at the station. PPE such as mask, apron and gloves were used during working. No other social issue.
	Management Responses: Other than water treatment, the estate also use the government supply water.
	Audit Team Findings: No further comment.
3	Issues: Store Helper- Spill kit and first aid kit always available at the store area. At fertilizer store, we also practice first in first out for the fertilizer storage management.
	Management Responses: Management will continue to ensure the proper management for the respective station in the estate.
	Audit Team Findings: No further comment.
4	Issues: NUPW Representatives – They have good relationship and satisfied with the management. They were treated equally and fairly by the management. The NUPW member fees of RM 8 was deducted from their salary and subsidized RM 3 by the management.
	Management Responses: The management will continue to maintain the good relationship with the workers.
	Audit Team Findings: Document reviewed on the payslips confirmed that the management has subsidized the fees according to MAPA Circular.
5	Issues: Worker’s Representatives – The management treated them equally without any discrimination. They were provided with free housing, water and electricity.

	<p>Management Responses: The management will treat all the workers fairly.</p> <p>Audit Team Findings: No further issue.</p>
6	<p>Issues: Gender Committee Member: She informed that there was no case of sexual harassment or violence reported so far. She also has good understanding on how to lodge complaint if there is any case.</p> <p>Management Responses: The management will continue to monitor and ensure that no cases of sexual harassment happened.</p> <p>Audit Team Findings: Document reviewed on the meeting minutes and interviewed with the female workers concluded that no issue on sexual harassment happened.</p>
7	<p>Issues: Contractors – They informed that the payment was made promptly and they signed contract agreement with the management.</p> <p>Management Responses: The management has made payment promptly according to the agreement signed.</p> <p>Audit Team Findings: Document review on the payment records and contract agreements found that no issue sighted.</p>
8	<p>Issues: School representative – Good relationship with the management. The management has given contribution and support whenever they requested.</p> <p>Management Responses: The management will continue will assist whenever possible.</p> <p>Audit Team Findings: Through document reviewed found that the management has made contribution and assistance to school whenever they requested.</p>
9	<p>Issues: Village Heads (Kg. Tanah Lalang and Kg. Baru Sg. Manila) - Management always assist whenever requested for assistance. For eg: constructed trenches to avoid flooding.</p> <p>Management Responses: Management will assist whenever needed.</p> <p>Audit Team Findings: No further issue.</p>
10	<p>Issues: Crèche Attendant: She was satisfied with the management on the pay and condition as well as the welfare that provided by the management.</p> <p>Management Responses: The management will continue to take care of their welfare and pay and conditions.</p> <p>Audit Team Findings: Document reviewed confirmed that the pay was achieved minimum wage. No other issues need to verify.</p>

3.6 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1552403-201709-M1	Major	4/11/17	Closed on 20/12/17

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Flemington Palm Oil Mill and Flemington SOU4 Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of Flemington Palm Oil Mill and Flemington SOU4 Estates Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Mohd Yusri Bin Muhammad	Name: Mohamed Hidhir Zainal Abidin
Company name: Sime Darby Plantation Berhad Flemington Palm Oil Mill	Company name: BSI Services Malaysia Sdn Bhd
Title: Mill Manager	Title: Lead Auditor
	Signature:  Date: 09/2/2018

Appendix A: Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Selva
Tuesday 31/10/2017	AM	Audit team travelling to Teluk Intan. Check in at Grand Court Hotel.	√	√
Wednesday 1/11/2017 Flemington Palm Oil Mill	0730	Audit team travelling to site	√	√
	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	√
	09.00 – 12.30	Flemington Oil Mill 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.	√	√
	10.00-12.30	Stakeholder interviews (combined with estate's Stakeholders)	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	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	√ √ -	√ √ √
	16.30 -	Interim Closing briefing.	√	√
Thursday 2/11/2017 Bagan Datoh Estate	09.00 – 12.30	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	√	√
	12.30 –	Lunch	√	√

	13.30 – 16.30	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Friday 3/11/2017		Public holiday for Perak.		
Date	Time	Subjects	Hidhir	Nicholas
Saturday 4/11/2017	09.00 – 10.30	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	√	√
Flemington Estate	12.30 –	Lunch	√	√
	13.30 – 16.00	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem	√	√
	16.00 -	Audit team discussion and closing meeting	√	√
	1700	End of audit / Audit team travelling back to KL	√	√

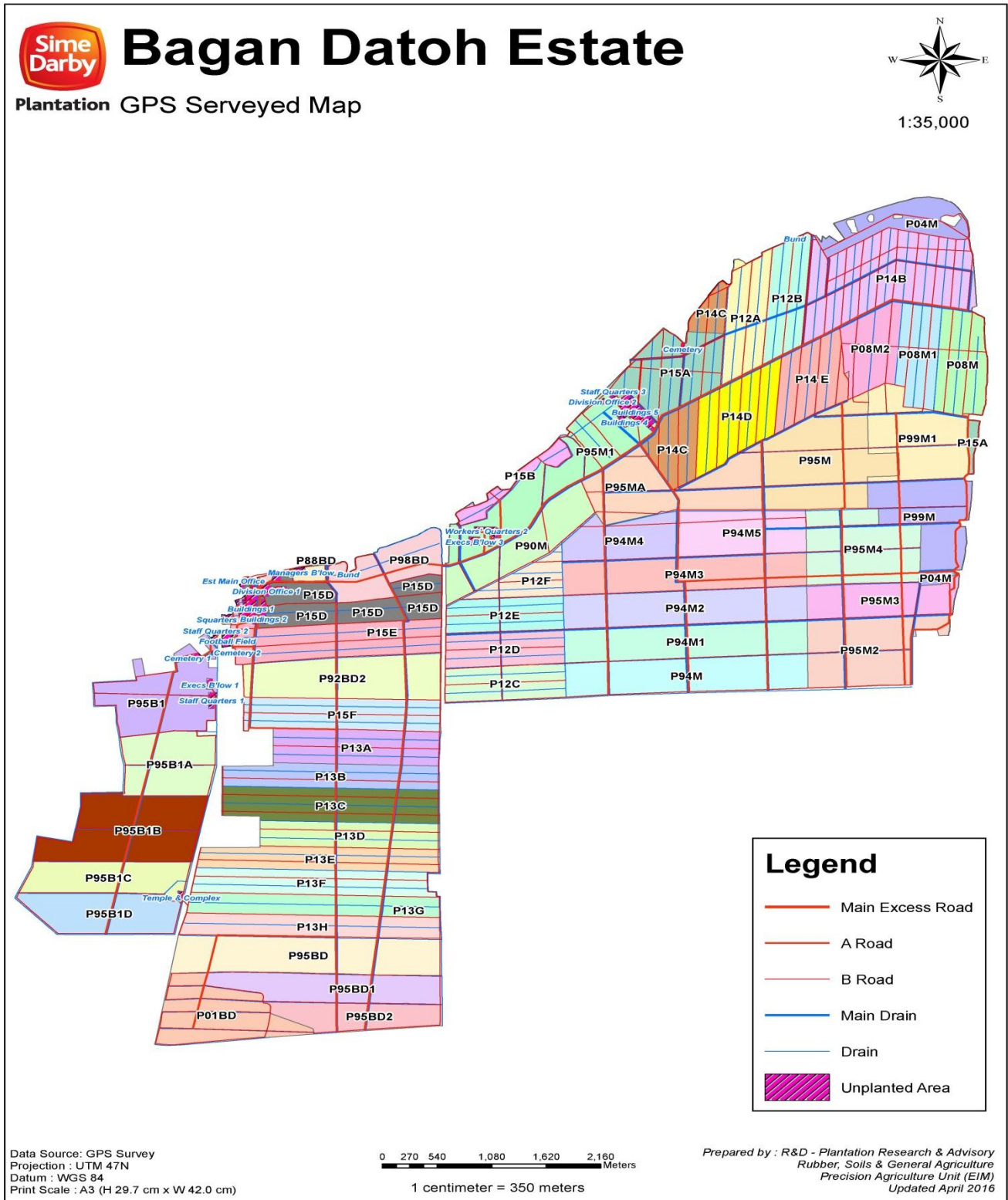
Appendix B: List of Stakeholders Contacted

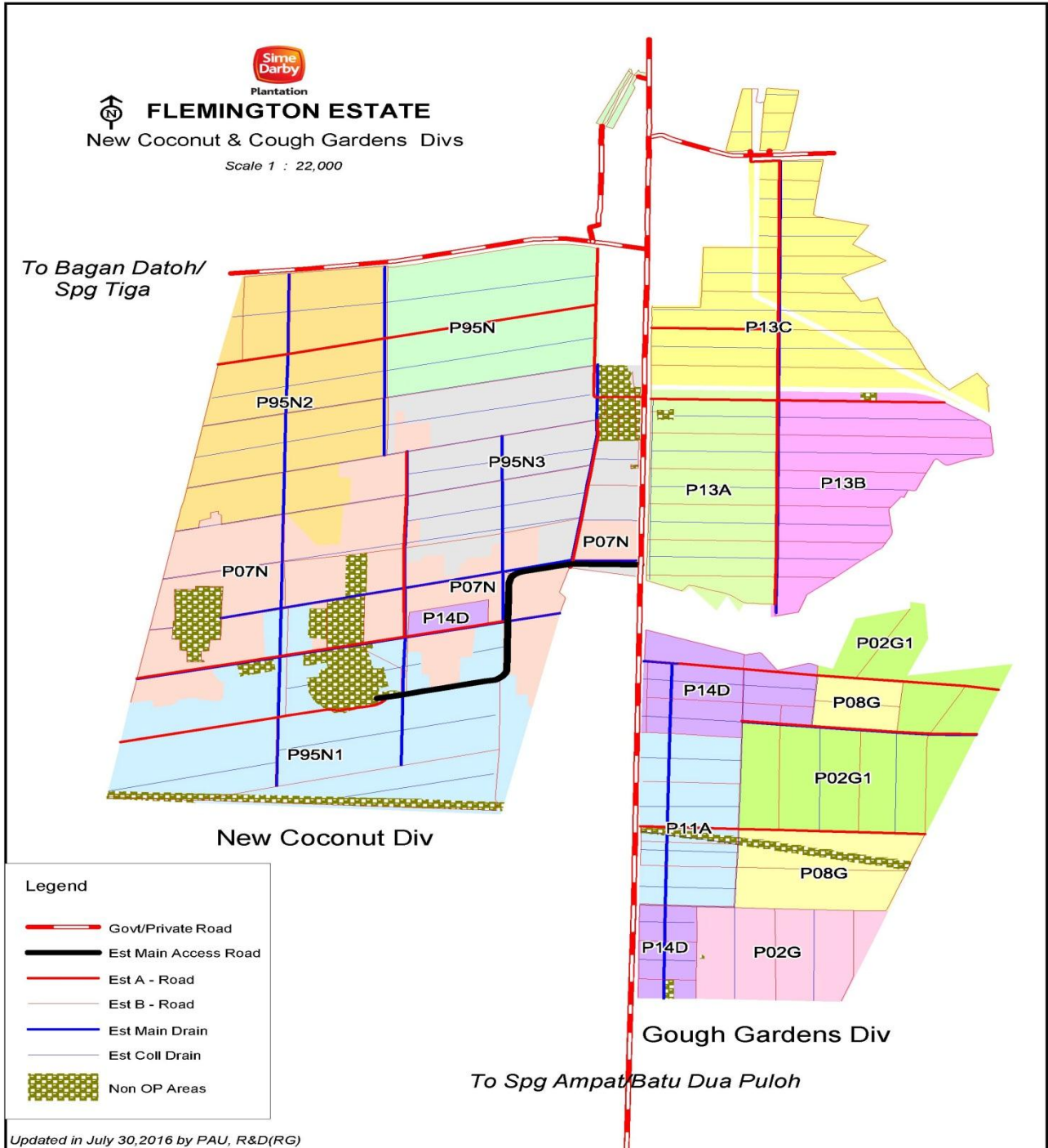
<p>Internal Stakeholders</p> <p>Managers and Assistants Mill & Estate Male Mill Staff/Workers Female Mill Staff/Workers Foreign Worker Male and Female Estate workers Joint Consultative Committee Gender Committee representatives Workers Union Representatives Onsite NUPW representative AMESU Representative Hospital Assistant Creche Attendant Store Clerk</p>	<p>Local Communities</p> <p>Head of Village, Kg. Tanah Lalang Head of Village, Kg. Baru Sg. Manila</p>
<p>Government Departments</p>	<p>Contractors and Suppliers</p> <p>General Supplier FFB Transport contractor Engineering & Civil work contractor</p>

Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

Appendix D: Location and Field Map





Appendix E: List of Abbreviations Used

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DGEPN	Environmental Protection Agency Gabon
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