

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

Sime Darby Plantation Berhad
Client company Address: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Sandakan Bay Palm Oil Mill (SOU 26) & Plantations of SOU 26 including Segaliud Estate, Sentosa Estate, Tigowis, Tun Tan Estate & Tunku Estate
Location of Certification Unit: Locked Bag 39, Suanlamba District, 90009 Sandakan, Sabah, Malaysia

Report prepared by:

Valence Shem (Lead Auditor)

Report Number: 8852164**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	Mill: 508777804000 Segaliud Estate: 528339002000 Sentosa Estate: Tigowis Estate: 528342002000 Tun Tan Estate: 583963011000 Tunku Estate: 52830002000		
Company Name	Sime Darby Plantation Berhad [Sandakan Bay Palm Oil Mill (SOU 26)]		
Address	Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia		
Group name if applicable:	Sime Darby Plantation Berhad		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM)		
Website	www.simedarby.com	E-mail	kks.sandakan.bay@simedarby.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682050 Plantations: MSPO 689878		
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)	4/12/2017 – 7/12/2017		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 537872	Roundtable Sustainable Palm Oil	BSI Services Malaysia	30/09/2018

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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
Sandakan Bay Palm Oil Mill	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118°10'20"E	5°45'20"N
Segaliud Estate	WDT 250, 90009, Sandakan Sabah, Malaysia	117°45'20"E'	5°43'33"N
Sentosa Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118°10'21"E	5°43'44"N
Tigowis Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118°07'49"E'	5°57'1"N
Tun Tan Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118°10'20"E	5°45'20"N
Tunku Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118°10'20"E'	5°45'20"N

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Segaliud	1,144.05	1,554.91	444.46	664.86	499.77
Sentosa	797.88	684.24	-	1,652.56	-
Tigowis	659.27	521.73	-	702.64	-
Tun Tan	1,437.53	64.84	-	1,290.31	-
Tunku	835.41	549.38	-	1,423.47	-
Total	4,874.14	3375.1	444.46	5,733.84	499.77

1.5 Description of Supply Base					
Estates	Total planted (matured + immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Segaliud	4,308.05	261.19	250.89	4,820.13	89.37
Sentosa	3,134.68	74.64	337.21	3,546.53	88.39
Tigowis	1,883.64	9.93	180.45	2,074.02	90.82
Tun Tan	2,792.68	4.74	336.19	3,143.23	89.00
Tunku	2,808.26	30.00	364.79	3,203.05	87.67

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Total	14,927.31	380.5	1,469.53	16,786.96	88.92
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1.6 FFB Production (Actual) and Projected (tonnage)				
Producer Group	Budget FY16/17	Actual FY 16/17	Budget 17/18	
Segaliud	56,507.49	43,202.34	47,119.50	
Sentosa	39,857.88	36,877.37	43,462.87	
Tigowis	21,182.98	19,668.46	22,658.53	
Tun Tan	26,608.93	29,815.54	28,800.00	
Tunku	35,530.63	33,477.49	35,046.00	
Total	179,687.91	163,041.20	177,086.90	

1.7 Certified CPO / PK Tonnage						
Mill	Budget FY 16/17		Actual FY16/17		Budget FY17/18	
	CPO	PK	CPO	PK	CPO	PK
Sandakan Bay POM	NA as the unit is not MSPO certified yet	NA	NA	NA	37,896.60	7,968.91

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Sime Darby Sandakan Bay SOU 26 located at Locked Bag 39, Suanlamba District, 90009 Sandakan, Sabah, Malaysia comprising 1 mill, 5 estates and infrastructures.

The onsite assessment was conducted to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.

The assessment is a combined assessment for the mill and the group of estates that is supplying to the mill. However the assessment criteria for the mill and the estates were separated following to the required standards. The certification assessment scope is Sandakan Bay Palm Oil Mill SOU 26 and Sandakan Bay SOU 26 Estates which acts as the group manager for Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate and Tunku Estate. This report is the combined report for Sandakan Bay Palm Oil Mill SOU 26 and Sandakan Bay SOU 26 Estates.

The onsite assessment was conducted on 4/12/2017 – 7/12/2017.

Based on the assessment result, Sime Darby Sandakan Bay SOU 26 complies with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
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 4/12/2017 – 7/12/2017. The audit programme is included as Appendix A. The approach to the audit was to treat the Sandakan Bay Palm Oil Mill as an MSPO Certification Unit and Sandakan Bay SOU 26 Estates as another MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with 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 or MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

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

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

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

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)
Sandakan Bay Palm Oil Mill	✓	✓	✓	✓	✓
Segaliud Estate	✓	✓		✓	
Sentosa Estate	✓		✓		✓
Tigowis Estate		✓	✓		✓
Tun Tan Estate		✓		✓	✓
Tunku Estate	✓		✓	✓	

Tentative Date of Next Visit: December 3, 2018 - December 6, 2018

Total No. of Mandays: 8

BSI Assessment Team:

Valence Shem - Lead Assessor

He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental and biodiversity and best practices. Able to communicate in Bahasa Malaysia and English.

Daniel Francis – Team Member

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

Accompanying Persons: N/A

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

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

Ref. no	1563646-201712-M1
Area/Process	As per public summary report
Clause	MSPO Part 3, Indicator 4.5.3.2
Scope	MSPO 682050
Certificate Standard	MS2530-3:2013
Category	Major
Statement of non-conformance:	Waste management plan was not implemented effectively.
Clause requirements	A waste management plan to avoid or reduce pollution shall be developed and implemented.
Objective evidence	Segaliud Estate & Sentosa Estate The visited operating units have their oil trap in place to avoid any oil spillage escape to the environment. However, sighted traces of oil flowing out from the oil trap at the diesel storage tank and workshop onto the drain and open ground.
Cause	Segaliud and Sentosa Estate: 1. Heavy rain causing water stagnant and brought mud into the oil trap. 2. No specific schedule for oil trap maintenance is available.

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	Segaliud Estate: Oil trap is already old and need to be improved (redesigned).
Correction / containment	Segaliud and Sentosa Estate: To build cover for oil trap. Segaliud Estate: To check the current design with SQM personnel.
Corrective action	To appoint a person in charge for the maintenance of oil trap and to establish oil trap maintenance schedule.
Close out evidence	1) Pictures of oil traps have been cleaned up from Segaliud and Sentosa Estate. The old oil trap at Segaliud Estate has also been reconstructed to a new design 2) Checklist of "Yearly Maintenance Schedule" has been utilised by both estates in order to show that checking of oil traps has been reported
Audit team conclusion	Audit team have reviewed the evidence summited and of the view that the major NC is satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 2/2/2018

Ref. no	1563646-201712-N1
Area/Process	As per public summary report
Clause	MSPO Part 3, Indicator 4.5.3.5
Scope	MSPO 682050
Certificate Standard	MS2530-3:2013
Category	Minor
Statement of non-conformance:	Domestic waste was not disposed as per to the Sime Darby Plantation - Operational Control Procedure.
Clause requirements	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.
Objective evidence	Segaliud Estate: Dumpsite (P14B) available for all domestic waste which is collected twice a week by the estate management. However, the dumpsite at P14B opened since January 2017 was filled with rain water due to heavy rain and sighted plastic bottles floating. Size/dimension of the landfill does not comply with the company's operational control procedure. Refer to Section 6.4 on Landfill Design Criteria in the Sime Darby Plantation

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	Operational Control Procedure Landfill Management in Estate (SD/SDP/PSQM(ESH)/203-EN7) Rev 0 dated 13/03/2017.
Cause	<ol style="list-style-type: none"> 1. Lack of awareness on company SOP (Land Management in Estate). 2. Lack awareness about 3R (Reduce, reduce, recycle) programme.
Correction / containment	<ol style="list-style-type: none"> 1. Open new dumpsite based on company SOP (Landfill Management in estate). 2. To establish schedule of opening and closing dumpsite.
Corrective action	To conduct briefing on awareness about 3R programme to the workers.
Close out evidence	To be verified in the next assessment visit
Audit team conclusion	The proposed correction and corrective action plan are acceptable. The effectiveness of implementation will be verified in the next assessment visit.

Ref. no	1563646-201712-N2
Area/Process	As per public summary report
Clause	MSPO Part 3, Indicator 4.4.2.3
Scope	MSPO 682050
Certificate Standard	MS2530-3:2013
Category	Minor
Statement of non-conformance:	Some workers were not aware of the reporting hotline telephone number in case of any breach against the Code of Business Conduct (COBC).
Clause requirements	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.
Objective evidence	Sentosa Estate: The operating unit has conducted a training session to communicate its mechanism of reporting i.e. by utilizing the hotline telephone number, in case of any breach against the COBC. However, interview with workers revealed that they do not aware of it and moreover the hotline telephone number was not available at the strategic places such as on the notice boards of muster ground and labour quarters.
Cause	<ol style="list-style-type: none"> 1. During the COBC Training, some of the workers were found not paying fully attention towards the briefing. 2. No evaluation made after the briefing conducted.
Correction / containment	Estate management will establish a complaint form where employee and affected stakeholders can make a complaint.

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Corrective action	Estate management will re-conduct the COBC and whistleblowing training. After the training, evaluation form and copy of the whistle blowing details will be given to each of the workers.
Close out evidence	To be verified in the next assessment visit
Audit team conclusion	The proposed correction and corrective action plan are acceptable. The effectiveness of implementation will be verified in the next assessment visit.

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

3.3 Status of Nonconformities Previously Identified and OFI

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

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: One of the third parties FFB suppliers have a concern about the management of signing the entering premise ticket. The ticket needs to be signed by the person in-charge which sometimes not around and delay the process of exiting the premise.</p> <p>Management Responses: All the suppliers had already been informed before that they need to inform the management by phone in advance about what time they are coming therefore the PIC to sign the ticket can be ready. The management will re-inform the suppliers hereafter.</p> <p>Audit Team Findings: No further action needed.</p>

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1563646-201712-M1	Major	7/12/2017	Closed
1563646-201712-N1	Minor	7/12/2017	Open
1563646-201712-N2			

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: <ul style="list-style-type: none"> • 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. 	Yes
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	The Internal Audit procedure (SD/SDP/PSQM/IAP; Rev 2 dated 01/11/2017) was established. The internal audit was conducted annual + as and when required.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>The Internal Audit procedure (SD/SDP/PSQM/IAP; Rev 2 dated 01/11/2017) was established.</p> <p>The internal audit was conducted annual + as and when required.</p> <p><u>Segaliud Estate</u> The MSPO & RSPO Integrated Internal Consultative Assessment was conducted on 09/11/2017 by PSQM & SQM Region Team (Lead Auditor: Fartini Abd Wahid, Auditor: Amirul Akmal Daud.</p> <p>During the audit, there were 5 minor NC and 9 OFI's raised and all the findings were closed on 05/12/2017.</p> <p><u>Sentosa Estate</u> The MSPO & RSPO Integrated Internal Consultative Assessment was conducted on 08/11/2017 by PSQM & SQM Region Team (Lead Auditor: Nadiah Mohamed Nazri, Auditor: Ruziana Binti Mohd Sabran.</p> <p>During the audit, there were 2 major NC, 10 minor NC and 4 OFI's raised and all the findings were closed on 29/11/2017.</p> <p><u>Tunku Estate</u> The MSPO & RSPO Integrated Internal Consultative Assessment was conducted on 07/11/2017 by PSQM & SQM Region Team (Lead Auditor: Fatini Abd Wahid, Auditor: Amirul Akmal Daud.</p> <p>During the audit, there were 3 major NC, 2 minor NC and 8 OFI's raised and all the findings were closed on 24/11/2017.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The Internal Audit was planned to be conducted annually + as and when required. The report was made available at the estate offices.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	<p>The procedure for Management Reviews (SOM, Sub-Section 5.6, Version 2:2015 dated 25/05/2015) was established.</p> <p>The frequency for management review needs to be carried out at least once a year.</p> <p>All the agenda such as OSH Objective, Estate Performance, Training, Complaints, Internal Audit MSPO and etc was discussed accordingly.</p> <p><u>Segaliud Estate</u> The MSPO Management Review was conducted on 23/11/2017 which was chaired by the Senior Manager.</p> <p><u>Sentosa Estate</u> The MSPO Management Review was conducted on 10/11/2017 which was chaired by the Estate Manager.</p> <p><u>Tunku Estate</u> The MSPO Management Review was conducted on 13/11/2017 which was chaired by the Estate Manager.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The management had established method for continual improvement e.g.: Kaizen and various action plans.</p> <p><u>Segaliud Estate</u> Sighted the Lean Six Sigma (LSS) projects:</p> <ol style="list-style-type: none"> 1. To reduce transport cost in weeding circle 1st year replant from RM19.66/hr to rm0.00 by using knapsack grasscutting. 2. To reduce issuance of paracetamol 500mg tablets from 8 tablets to 4 tablets per patient by April 2017. 3. To reduce PPE cost for circle spraying at 1st year of replant from RM872.00/year to rm170.00/year using knapsack grasscutting by March 2017. 4. To reduce ream/month of A4 paper from 10 ream to 6 ream by April 2017. 5. To reduce diesel consumption by reducing running hour of genset/day from 24hrs/day – 23hrs/day (reduce 1 hr) @ 6.30am – 7.30am x 2 gensets. 6. To eliminate overtime for mixing chemical in afternoon (2hrs@ RM 6.63/hour) by using knapsack grasscutting for 1st year replants (236ha) <p><u>Sentosa Estate</u> Sighted the Lean Six Sigma (LSS) projects:</p> <ol style="list-style-type: none"> 1. To reduce of telephone/fax expenses from RM573.46 to RM400. 2. To reduce cost of printer cartridge and photocopy toner. 	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 3. To recycle used/damaged harvesting pole and use the aluminium pole for roadside safety indicator pole replacing the wooden material. 4. To reduce the number of non-operative days for Road Grader from 22 days/year to 4 days/year. 5. To reduce the number of non-operative days for Road Roller from 39 days/year to 4 days/year. 6. To recycle used/damaged wheelbarrow and use the wheelbarrow frame as Antigonan Beneficial plant frame replacing the wooden material. <p><u>Tunku Estate</u> Sighted the Lean Six Sigma (LSS) projects:</p> <ol style="list-style-type: none"> 1. To eliminate rental cost road machine (Motor Grader) by repair own machine instead of SDI rental. 2. To reduce weeding cost at nursery per polybag from RM 0.10 to RM0.06 using by monthly. 3. To reduce medicine order by monthly basis. 4. To reduce A4 paper from 10 ream to 5 ream using by monthly. 5. To cut off 1 hour running genset every day to reduce fuel consumption. 6. To reduce cost drinking delivery water 500ml to 250ml. 	
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>Among the new technology adopted by the estate are:</p> <ul style="list-style-type: none"> • Mechanical spray (ST101) – chemical spray for palm circle using sprayer attached to tractor • Multi Bin Silo (MBS) – fertilizer spreader • Air blower (petrol powered) for circle raking • Disilting subsidiary drain using Dondi Ditcher 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		Replacement of methamidophos with acephate for leaf-eating caterpillar control	
4.1.4.3	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. - Major compliance -	The action plan is included in the CIP for FY 2017/2018 and the Lean Six Sigma as described in Indicator 4.1.4.1.	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Yes
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. 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.	Yes

Criterion / Indicator		Assessment Findings	Compliance
		Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Yes
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management.	Yes
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 -	List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 27/09/2017 (Sentosa) and 17/8/2017 (Tunku). Minutes of meeting were available for verification, e.g. at Tunku, meeting was attended by 5 stakeholders from contractor and village representative. The objective of the meeting to discuss the current issues pertaining to social aspects such as roads condition for FFB transport, utilisation of estate's clinic by contractors' workers, occupational safety.	Yes

Criterion / Indicator	Assessment Findings	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 -	All the three visited estates send their FFB to Sandakan Bay POM. The weighbridge ticket provided the following details: <ul style="list-style-type: none"> • Product (FFB or Loose fruit) • Delivery note from estates stating the weight and fruit grade (A or B). • D.O Number • Date of the shipment The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System. The responsible personal for the traceability is the Estate Manager.	Yes
4.2.3.2 The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by SCCS internal audit 13/3/2017. Based on the inspection, there was no finding raised on the implementation of traceability procedure.	Yes
4.2.3.3 The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit (in this case, the Estate Manager i.e. Dalinte B. J. Self, Yusri Musa, Rosmadi Mohd Daud the Mill Manager-Hudal Firdaus Lahuri) [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Yes
4.2.3.4 Records of sales, delivery or transportation of FFB shall be maintained.	There is no sale of the FFB per say as Segaliud, Sentosa and Tunku estates are the identified supply base to Sandakan Bay POM are belonged to the Sime Darby Plantation Bhd.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The delivery note of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & Agricultural Manual (Estate Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 26. Documented procedure has been established and implemented; refer to Estate Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.	Yes
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. All the legal and other requirements were register accordingly in the legal requirement register. As to date, Segaliud Estate, Sentosa Estate and Tunku Estate had complied with all the applicable local, state, national and ratified international laws and regulations.	Yes
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.	Tracking system are available to identify changes in the relevant regulations through the head office, website information and the information are communicated from the Group Head Office.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.</p> <p>Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>SQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.</p> <p><u>Segaliud Estate</u> Sighted appointment letter signed by the En Yusri Bin Isa (Senior Manager) dated 01/11/2017 appointing En Abidin Bin Hamid (Assistant Manager) to monitor on the compliance and update change in regulatory requirements.</p> <p>The latest evaluation was last carried out on 20/10/2017 by the Assistant Manager, En Abidin Bin Hamid and approved by the Senior Manager, En Yusri Bin Isa.</p> <p><u>Sentosa Estate</u> Sighted appointment letter signed by the En Dalinte B.J. Self (Estate Manager) dated 08/11/2017 appointing En Mohammad Azhari Bin Osman (Assistant Manager) to monitor on the compliance and update change in regulatory requirements.</p> <p>The latest evaluation was last carried out on 31/10/2017 by the Medical Assistant, Cik Azimah Binti Ismail and approved by the Estate Manager, En Dalinte B.J. Self.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Tunku Estate</u> Sighted appointment letter signed by the En Rosmadi Hj Mohd Daud (Estate Manager) dated 08/11/2017 appointing En Muhd Rafiq Azhari (Assistant Manager) to monitor on the compliance and update change in regulatory requirements.</p> <p>The latest evaluation was last carried out on 23/10/2017 by the Medical Assistant, En Dairol Istairon Moos and approved by the Estate Manager, En Rosmadi Hj Mohd Daud.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The management ensure that their oil palm cultivation activities do not diminish the land use rights of other users by ensuring the legal boundary is correct through land survey during the development. Stakeholder consultations which was last conducted on 27/9/2017.</p>	Yes
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p><u>Sentosa:</u> - 8 land titles with a total of 4,675.61 Ha. At the moment, in progress of changing name to Sime Darby Plantations (Sabah) Sdn Bhd. SDPSB was requested to pay the outstanding Land Cess by the Sandakan Town Council [ref.: ()600-01/001/0000/048/63, dated 22/11/2017]</p> <p><u>Tunku:</u> - 4 land titles with a total of 3,203.12 Ha. At the moment, in progress of changing name from Consolidated Plantations Berhad to Sime Darby Plantations (Sabah) Sdn Bhd. The Land Management Department of Sime Darby Plantation Berhad is still in the midst of changing the name of owner and working closely</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		with their solicitor [ref.: e-mail from Ms Nur Athirah (Land Management Dept.) to Ladang Tunku, dated 7/12/2017].	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	<u>Sentosa and Tunku:</u> Boundary markers were of trenching and reinforced with electric fencing. Apart from that wooden pegs painted with red and white were put at the critical points of the boundary.	Yes
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	No land dispute.	Yes
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 customary land or negotiated agreements at all the visited estates.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements at all the visited estates.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements at all the visited estates.	Yes

Criterion / Indicator	Assessment Findings	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition		
Criterion 4.4.1: Social Impact Assessment (SIA)		
4.4.1.1 Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social Impact Assessment for SOU26 Sandakan Bay for all operating units (Segaliud, Tigowis, Tun Tan, Sentosa and Tunku) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team. The last SIA was conducted in July 2013. The impacts reported in category i.e. working condition, housing condition/living improvement, transportation and gender committee for internal. For external stakeholders, the impacts mainly were obtained from interview inputs. The recommendation from the SIA report was transferred to action plan. The latest Action Plan Social Management Plan 2017 dated 16/08/2017 (Segaliud), 10/11/2017 (Sentosa). The action plan identified the issues & strategies, action plan, responsible person and time frame. Action plan from the regular stakeholder consultation was also available.	Yes
Criterion 4.4.2: Complaints and grievances		
4.4.2.1 A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	System for dealing with complaints and grievances has been established and documented through: <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing. 	Yes
4.4.2.2 The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	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. Complaints about house maintenance are	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	recorded in a log book which keeps the information about date, complainant, details of complain and status. Other written complains will be kept in a file. Nonetheless, there has been no complain received so far.	
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 -	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. Training on reporting of ethical misconduct was done incorporated with Code of Business Conduct (COBC) to all the workers at all the visited estates. However, the contact means of reporting of wrongdoing was not satisfactorily maintained, e.g. contact numbers to report was not found at the strategic places (e.g. muster ground & housing notice board). Therefore a minor NCR was assigned due to this lapse.	No
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made 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 at all the visited estates.	Yes
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 -	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.	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			

Criterion / Indicator		Assessment Findings	Compliance
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>The estate management has made contributions to the internal and external stakeholders. For example: The management has contributed beef to employees for Hari Raya Korban, 'gotong-royong' activity and Majlis Tahlil. Some notable examples of contributions to external local communities (at Tunku estate):</p> <ul style="list-style-type: none"> - Contribution to purchase sport jersey to SK Sipinong (19/8/2017, RM400) - provided vehicle to Humana school to Bukit Garam (12/3/2017) - Provided boat to transport student of SK Sipinong (6&7/10/2017) - contributed water container to SK Sipinong (4/8/2017) 	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sighted the Sime Darby Plantation Group Policy on Occupational Safety & Health established in English and Bahasa Malaysia in January 2015. The Managing Director, Datuk Franki Anthony Dass approved the policy and was seen displayed at various notice boards within the estate office.</p> <p>The policy outlines the company's commitment to provide workers with adequate knowledge, training, and experience to ensure continuous improvements in OSH management and its performance.</p> <p>The PSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p>	<p>The OSH policy and implementation were communicated to the employees through awareness which conducted once a year and during morning briefing/muster.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification 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</p>	<p>Sighted the Sime Darby Plantation Environment, Safety and Health Management System (ESHMS) Manual (Document No. SD/SDP/SQM (ESH)/001-1 dated 01/07/2012).</p> <p>Documented guidelines and procedures for Emergency Preparedness and Response (SD/SDP/SQM (ESH)/001-2-6; Rev 0 dated 01/07/2012) were available.</p> <p>The operating units has documented procedures on Hazard Identification, Risk Assessment, and Risk Control (HIRARC) Procedure (SOM; Sub-section 5.4; Appendix 5.4.1a; Rev 0 dated 25/05/2015).</p> <p><u>Segaliud Estate</u> The HIRARC for financial year FY17/18 reviewed and updated on 10/09/2017 which resulted from an incident occurred on 23/08/2017 & 08/09/2017.</p> <p>Review was done for :-</p> <ol style="list-style-type: none"> 1. Decreeing 2. Collect and loading FFB <p>The estate management conducts periodic training for employees such as:</p> <ol style="list-style-type: none"> 1. Certified Emergency Response Training (17/07/2017) 2. MSP0 Awareness Training (06/11/2017) <p>The estate management has appointed ESH Committee for 2017/2018 consist representatives from employer and employee. The</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>During site visit to chemical store, lubricant store, scheduled waste store, diesel tank, workshop and mixing area, seen the respective sites equipped with fire extinguisher, important contact number and flowchart of emergency.</p> <p>Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>Sighted the training record for Basic of Occupational First Aider Competency training (BOFA-C) for first aiders on 17-18/07/2017 attended by 35 staff/workers.</p> <p>The estate has list of first aid equipment box which located in main office, workshop, fertilizer store and field (mandore). Monitoring record of items used who checked by Hospital Assistant were also available.</p> <p>OSH Committee has records of accidents happened and had evaluated it on the OSH quarter meeting, which recently held on 21/09/2017.</p> <p>As of August 2017, there were no accidents occurred and Segaliud Estate had achieved 1.9 million hours accident free.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Sentosa Estate</u> The HIRARCH FY-2017/2018 reviewed and updated on 10/11/2017 which resulted from an incident occurred on 06/11/2017.</p> <p>Review was done for :-</p> <ol style="list-style-type: none"> 1. Grass Cutting (General) 2. Interrogation (Security) 3. Spraying (Pest & Disease) 4. Travelling using motorcycle (Transporting) <p>The estate management conducts periodic training for employees such as:</p> <ol style="list-style-type: none"> 1. Certified Emergency Response Training (17/07/2017) 2. Training of company policy, HCV, MSPO Awareness towards Workers and Contractor, COBC and Whistle Blowing (18/11/2017) <p>The estate management has appointed OSH Committee Members for FY17/18 consist representatives from employer and employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>During site visit to chemical store, lubricant store, scheduled waste store, diesel tank, workshop and mixing area, seen the respective sites equipped with fire extinguisher, important contact number and flowchart of emergency.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>Sighted the training record for Basic of Occupational First Aider Competency training (BOFA-C) for first aiders on 17-18/07/2017 attended by 08 staff/workers.</p> <p>The estate has list of first aid equipment box which located in main office, workshop, fertilizer store and field (mandore). Monitoring record of items used who checked by Hospital Assistant were also available.</p> <p>OSH Committee has records of accidents happened and had evaluated it on the OSH quarter meeting, which recently held on 14/11/2017.</p> <p>As of November 2017, there were 1 accident (06/11/2017 – class III) occurred where loss hours were 56 hours.</p> <p><u>Tunku Estate</u> The HIRARCH for financial year FY17/18 reviewed and updated on 10/07/2017. No changes to the HIRARCH because no incident occurred.</p> <p>The estate management conducts periodic training for employees such as:</p> <ol style="list-style-type: none"> 1. SDP Safety & Health Townhall 5.0 (12/10/2017) 2. MSP0 Compliance Briefing (Contractor) (23/11/2017) 	

Criterion / Indicator	Assessment Findings	Compliance	
		<p>The estate management has appointed OSH Committee Members FY-2017/2018 consist representatives from employer and employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>During site visit to chemical store, lubricant store, scheduled waste store, diesel tank, workshop and mixing area, seen the respective sites equipped with fire extinguisher, important contact number and flowchart of emergency.</p> <p>Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>Sighted the training record for Basic of Occupational First Aider Competency training (BOFA-C) for first aiders on 17-18/07/2017 attended by 05 staff/workers.</p> <p>The estate has list of first aid equipment box which located in main office, workshop, fertilizer store and field (mandore). Monitoring record of items used who checked by Medical Assistant were also available.</p> <p>OSH Committee has records of accidents happened and had evaluated it on the OSH quarter meeting, which recently held on 25/09/2017.</p> <p>As of August 2017, there were no accidents occurred.</p>	

Criterion / Indicator		Assessment Findings	Compliance
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 “Social Policy” showcases the company’s commitment to providing a workplace that is free from sexual harassment and all other forms of violence against women, workers, and community. The policy also commits to providing sufficient training and development for employees to increase their awareness and enhance their skills in line with this policy.	Yes
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 Social Policy dated January 2015 enforce the management’s direction that all employees should be treated fairly in terms of recruitment, progression, terms and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. Interview with the foreign and local workers, reveals there is no discriminatory issues as the management treat them well.	Yes
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. - Major compliance -	Collective agreement was available. Latest agreement was for the duration of 1/1/2014 to 31/12/2016 and signed by the related representatives (i.e. Head, Plantation Upstream, Malaysia, Head of HR, Head of HR Upstream, Head of Industrial Relations, General Secretary of SPIEU, President of SPIEU, The living wage in the CA was found to be sufficient to meet basic needs for the employees.	Yes
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 -	The management obtains the payslip from the contractors and check the pay against the minimum standard. Payslips from Harimaju Sdn Bhd (replanting operation) and LKC Transport (FFB transportation to mill) were available for verification. All the pay were found to be meeting the minimum standard requirements.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Yes
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employees have been provided with employment contract which were made reference to the collective agreement between employer and employees. The collective agreement for estates were available for verification.</p>	Yes
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over.</p>	Yes
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>Working time found to be in accordance with legal requirement: Working hours i.e.: Daily rated workers (1 shift): Working hours = 0530 to 1330 Break time = 1000 to 1130 (flexible)</p> <p>Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Break time = 1200 to 1230</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		Shift 2 working hours = 1500 to 2300 Break time = 1800 to 1830 Shift 3 working hours = 2300 to 0700 Break time = 0400 to 0430	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements.	Yes
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Among the benefits offered by the company: <ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance 	Yes
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	The estate workers are provided with free housing facilities which includes water and electricity supply. Based on the visit to the labour quarters, it was noted that the housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Each house has a living room, 3 bedrooms, 1 bathroom, 1 toilet and a kitchen. The visits by Visiting Medical Office (VMO) to the housing were also well organised by the management, where records of visits were maintained for reference.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<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>The “Social Policy” seen consist of information on non-discrimination and equal opportunities. Seen the policy displayed in the estate’s office and regularly communicated to all levels of the workforce through training programs. Interviewed with workers during site visits, resulted with no form discrimination based on race, caste, national origin, religion, disability, gender, etc. The interviewed workers are aware on the term of discrimination and how they to respond if such incidents happen to them.</p>	Yes
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (iii) which reads “Respecting the rights of employees to form and join unions, and the right to collective bargaining.” Interview with the employees showed that there is no restriction for them to join any trade union.</p>	Yes
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (ii) which reads “We will not employ anyone under the age of 18, unless in vocational and/or formal and structured apprentice-ship, educational and training programmes.” Based on verification of the SEMUA database, which has the information about date of birth and date joined, all the workers were over 18 years of age at the point of recruitment.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.6: Training and competency			
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p><u>Segaliud Estate</u> Sighted the ESH Training Matrix for FY 17/18. The plan consists of 33 training requirements for operating units (estate).</p> <p>As for contractors, it being briefed before starts any works and recorded in "Permit to Work".</p> <p>Training records sampled:</p> <ul style="list-style-type: none"> • Fire drill & firefighting – 02/12/2017 • Tractor Driver Training – 14/09/2017 • Calibration Training (PPE) – 01/08/2017 <p><u>Sentosa Estate</u> Sighted the OSH Program Plan for 2017/2018. The plan consists of 18 programs for operating units (estate).</p> <p>As for contractors, it being briefed before starts any works and recorded in "Permit to Work".</p> <p>Training records sampled:</p> <ul style="list-style-type: none"> • IPM Training – 14/03/2017 • Rat Baiting Training – 06/06/2017 • Circle & Selective Spray Training – 07/09/2017 <p><u>Tunku Estate</u> Sighted the Training Matrix - FY 2017 - 2018. The plan consists of 30 training requirements for operating units (estate).</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		Training records sampled: <ul style="list-style-type: none"> • Safety Briefing for Replanting Work – 22/11/2017 • HCV Training – 14/11/2017 • Boat SOP Briefing – 02/03/2017 	
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 ESH Training matrix table that identified training requirement for operating units (estates) and whom are required to be trained. Training calendar with programs seen align with the management’s direction to ensure all workers are trained in their respective job.	Yes
4.4.6.3	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. - Minor compliance -	The estate has training program which is updated annually. The annual internal audit by PSQM and management review does review the effectiveness of the training plan and its execution. Interview with the workers and staffs, found that they are aware on their job scope and responsibilities during site visit.	Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Documented Sime Darby Plantation Environment & Biodiversity Policy was established. The policy was signed by the Managing Director, Datuk Franki Anthony Dass on January 2015.	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>The environmental management/impact plan has been established to monitor the identified significant activities that give impacts on environment.</p> <p>A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>An environment impact plan and pollution prevention plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p><u>Segaliud Estate</u> Last reviewed was done on 01/07/2017. Continuous awareness training programme has been carried out on 06/11/2017 by the company to its workers and other stakeholders.</p> <p><u>Sentosa Estate</u> Last reviewed was done on 10/11/2017. Continuous awareness training programme has been carried out on 18/11/2017 by the company to its workers and other stakeholders.</p> <p><u>Tunku Estate</u> Last reviewed was done on 10/07/2017. Continuous awareness training programme has been carried out on 10/11/2017 by the company to its workers and other stakeholders.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>An environment impact plan and pollution prevention plan was implemented to monitor the effectiveness of the mitigation measures.</p> <p>This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p><u>Segaliud Estate</u> Last reviewed was done on 01/07/2017.</p> <p><u>Sentosa Estate</u> Last reviewed was done on 10/11/2017.</p> <p><u>Tunku Estate</u> Last reviewed was done on 01/07/2017.</p>	Yes
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Documented Environmental Impact Plan also includes continual improvement plans.</p> <p><u>Segaliud Estate</u> Action plan includes:</p> <ul style="list-style-type: none"> • to appoint environment consultant to conduct the mitigation measure for replanting program to be submitted to DOE • to monitor scheduled waste generated and to dispose responsibly • to conduct medical surveillance of sprayers/chemical handlers • to analyse water samples for drinking/domestic waster and to monitor the air quality. <p><u>Sentosa Estate</u></p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Action plan includes:</p> <ul style="list-style-type: none"> to allow vegetation to grow in all the natural area as per company policy to continue informing and communicating to all employees & all stakeholders that encroachment and hunting are not allowed/permitted at conversation areas to maintain/establish soft grasses in mature plantings at the inter-row, field & collection drains edges and roadside to construct terraces and silt-pits where necessary to plant LCC at slope and at land slide prone areas to ensure all domestic waste are dump and bury at field 199C1 block 55 to ensure no water linkage from rubbish disposal area <p><u>Tunku Estate</u> Action plan includes:</p> <ul style="list-style-type: none"> to renovate and expand the scheduled waste store to avoid land contamination to construct proper spraying room with complete facilities 	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>Annual training programme of the mill includes environmental awareness and compliance related trainings to the executives, staffs and workers.</p> <p><u>Segaliud Estate</u> Continuous awareness training programme has been carried out on 06/11/2017 by the company to its workers and other stakeholders.</p> <p><u>Sentosa Estate</u> Continuous awareness training programme has been carried out on 18/11/2017 by the company to its workers and other stakeholders.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Tunku Estate</u> Continuous awareness training programme has been carried out on 10/11/2017 & 23/11/2017 by the company to its workers and other stakeholders.</p>	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Environmental related matters were discussed during morning briefing/muster.</p> <p>Workers interview reveal that they are encouraged to discuss environmental issues with the management.</p> <p><u>Segaliud Estate</u> Continuous awareness training programme has been carried out on 06/11/2017 by the company to its workers and other stakeholders.</p> <p><u>Sentosa Estate</u> Continuous awareness training programme has been carried out on 18/11/2017 by the company to its workers and other stakeholders.</p> <p><u>Tunku Estate</u> Continuous awareness training programme has been carried out on 10/11/2017 & 23/11/2017 by the company to its workers and other stakeholders.</p>	Yes
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy</p>	<p>The estate maintains records of energy usage, which is reported monthly to head office.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																									
	<p>including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The use of the fossil fuel against the FFB production is being monitored.</p> <table border="1"> <thead> <tr> <th></th> <th>Year</th> <th>Electricity/mt FFB</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Segaliud Estate</td> <td>2016</td> <td>0.63 kwh/mt</td> <td>18.12 ltrs/mt</td> </tr> <tr> <td>2017 (Oct)</td> <td>0.6 kwh/mt</td> <td>16.65 ltrs/mt</td> </tr> <tr> <td rowspan="2">Sentosa Estate</td> <td>2016</td> <td>(using Solar power)</td> <td>12.58 ltrs/mt</td> </tr> <tr> <td>2017 (Nov)</td> <td>(using Solar power)</td> <td>15.11 ltrs/mt</td> </tr> <tr> <td rowspan="2">Tunku Estate</td> <td>2016</td> <td>20.23 kwh/mt</td> <td>14.07 ltrs/mt</td> </tr> <tr> <td>2017 (Oct)</td> <td>26.95 kwh/mt</td> <td>14.23 ltrs/mt</td> </tr> </tbody> </table> <p>*Tunku Estate - Diesel usage was high due to heavy machinery used such as grader and compacter. Electricity high during festival such as Hari Raya/Holidays.</p>		Year	Electricity/mt FFB	Diesel/ mt FFB	Segaliud Estate	2016	0.63 kwh/mt	18.12 ltrs/mt	2017 (Oct)	0.6 kwh/mt	16.65 ltrs/mt	Sentosa Estate	2016	(using Solar power)	12.58 ltrs/mt	2017 (Nov)	(using Solar power)	15.11 ltrs/mt	Tunku Estate	2016	20.23 kwh/mt	14.07 ltrs/mt	2017 (Oct)	26.95 kwh/mt	14.23 ltrs/mt	
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The estates have estimation on the total energy required.</p> <p>This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.</p>	Yes																									
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>There are no applications of EFB at Segaliud Estate.</p> <p>Sighted the record:</p> <table border="1"> <thead> <tr> <th></th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Sentosa Estate</td> <td>2016</td> <td>8,393,390 mt</td> </tr> <tr> <td>2017 (Nov)</td> <td>2,467,990 mt</td> </tr> <tr> <td>Tunku Estate</td> <td>2016</td> <td>77,047 mt</td> </tr> </tbody> </table>		Year	Total	Sentosa Estate	2016	8,393,390 mt	2017 (Nov)	2,467,990 mt	Tunku Estate	2016	77,047 mt	Yes														
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Tunku Estate	2016	77,047 mt																										

Criterion / Indicator		Assessment Findings		Compliance
		2017	42,445 mt	
Criterion 4.5.3: Waste management and disposal				
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Visits made to estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic and polluting materials were maintained and monitored.</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).</p> <p>Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>		Yes
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting</p>	<p><u>Segaliud Estate</u></p> <p>Documented waste management action plan dated 15/08/2017 was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the estate.</p> <p><u>Sentosa Estate</u></p>		No

Criterion / Indicator		Assessment Findings	Compliance
	<p>them into value-added by-products</p> <p>- Major compliance -</p>	<p>Documented waste management action plan dated 10/11/2017 was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the estate.</p> <p><u>Tunku Estate</u> Documented waste management action plan dated 01/07/2017 was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the estate.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the estate.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the estates.</p> <p><u>Segaliud Estate & Sentosa Estate</u> However, sighted traces of oil flowing out from the oil trap at the diesel storage tank and workshop onto the drain/ground.</p> <p>Thus, major nonconformity is raised.</p>	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Documented procedure for Scheduled Waste (Hazardous Waste) Management (SD/SDP/PSQM (ESH)/203-EN1) dated 26/02/2015 was established.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Segaliud Estate</u> The latest disposal was done on 23/11/2017 by Legenda Bumimas Sdn Bhd for SW305, SW410, SW102 and SW409. Clinical waste (SW404) was disposed by approved contractor Sedafiat Sdn Bhd on 12/10/2017.</p> <p><u>Sentosa Estate</u> The latest disposal was done on 24/11/2017 by Legenda Bumimas Sdn Bhd for SW305, SW410, SW102 and SW409. Clinical waste (SW404) was disposed by approved contractor Sedafiat Sdn Bhd on 12/10/2017.</p> <p><u>Tunku Estate</u> The latest disposal was done on 22/11/2017 by Legenda Bumimas Sdn Bhd for SW305, SW410, SW102 and SW409. Clinical waste (SW404) was disposed by approved contractor Sedafiat Sdn Bhd on 12/10/2017.</p>	
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>Empty pesticide containers were disposed as a scheduled waste.</p> <p><u>Segaliud Estate</u> The latest disposal was done on 23/11/2017 by Legenda Bumimas Sdn Bhd.</p> <p><u>Sentosa Estate</u> The latest disposal was done on 24/11/2017 by Legenda Bumimas Sdn Bhd.</p> <p><u>Tunku Estate</u></p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		The latest disposal was done on 22/11/2017 by Legenda Bumimas Sdn Bhd.	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	<p>Documented Sime Darby Plantation Operational Control Procedure Landfill Management in Estate (SD/SDP/PSQM(ESH)/203-EN7) Rev 0 dated 13/03/2017 was available.</p> <p>The segregate of waste, i.e. general wastes and scheduled wastes was verified to be satisfactory in the estates.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the estates.</p> <p><u>Segaliud Estate</u> Dumpsite (P14B) available for all domestic waste which is collected twice a week by the estate management.</p> <p>However, the dumpsite at P14B opened since January 2017 was filled with rain water due to heavy rain and sighted plastic bottles floating. Size/dimension of the landfill does not comply with the company's operational control procedure.</p> <p>Refer to Section 6.4 on Landfill Design Criteria in the Sime Darby Plantation Operational Control Procedure Landfill Management in Estate (SD/SDP/PSQM(ESH)/203-EN7) Rev 0 dated 13/03/2017.</p> <p>Thus, minor nonconformity is raised.</p> <p><u>Sentosa Estate</u> Dumpsite (P93D4) available for all domestic waste which is collected twice a week by the estate management.</p>	No

Criterion / Indicator		Assessment Findings	Compliance
		<u>Tunku Estate</u> Dumpsite (P94A4) opened on 02/12/2017 available for all domestic waste which is collected twice a week by the estate management.	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was from the mill activities. Current monitoring for scheduled waste was through regular monitoring which conducted as per requirement. <u>Segaliud Estate</u> The latest disposal was done on 23/11/2017 by Legenda Bumimas Sdn Bhd. Clinical waste (SW404) was disposed by approved contractor Sedafiat Sdn Bhd on 12/10/2017. <u>Sentosa Estate</u> The latest disposal was done on 24/11/2017 by Legenda Bumimas Sdn Bhd for SW305, SW410, SW102 and SW409. Clinical waste (SW404) was disposed by approved contractor Sedafiat Sdn Bhd on 12/10/2017. <u>Tunku Estate</u>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>The latest disposal was done on 22/11/2017 by Legenda Bumimas Sdn Bhd for SW305, SW410, SW102 and SW409.</p> <p>Clinical waste (SW404) was disposed by approved contractor Sedafiat Sdn Bhd on 12/10/2017.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Monitoring of the GHG quantity was done through RSPO approved calculator Palm GHG. Annual quantification of all GHG sources was input into the calculator. These GHG calculations were done as per certification unit basics.</p> <p>Total emission is 0.17 tCO₂e/mt FFB (Sandakan Bay POM, Segaliud Estate, Sentosa Estate and Tunku Estate) respectively.</p> <p>Final Report for Palm GHG Calculator and email dated 25/04/2017 submitted to RSPO were sighted.</p>	
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The Waste Management Action Plan was establish, implemented and monitored regularly.</p> <p><u>Segaliud Estate</u> Documented Waste Management Action Plan FY17/18 is being reviewed on yearly basis, last reviewed was done on 15/08/2017 by Assistant/Senior Manager.</p> <p><u>Sentosa Estate</u></p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Documented Waste Management Plan FY17/18 is being reviewed on yearly basis, last reviewed was done on 10/11/2017 by Assistant/Estate Manager.</p> <p><u>Tunku Estate</u> Documented Waste Management Plan FY2017/2018 is being reviewed on yearly basis, last reviewed was done on 01/07/2017 by Quality Assistant/OSH/RSPO Coordinator.</p>	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. 	<p>Documented Sime Darby Plantation – Plantation Quality Management System for Sustainable Plantation Management System; Appendix 7; Standard Operating Procedure (SOP) for Water Quality Monitoring; Version 1; Issue No. 2 dated 01/06/2016 was available.</p> <p><u>Segaliud Estate</u> Documented Identification & Management of Wastewaters for Financial Year 17/18, Action Plan to Reduce Fresh Water Usage for Financial Year 17/18 and Water Management Plan: Contingency Plan during Water Shortage for Financial Year 2017/2018 dated 16/08/2017 was available.</p> <p>The Water Management Plan was established which involved to get water supply by JBA Sandakan and Segaliud Water Treatment Plant.</p> <p>Pesticide Analysis Test Report (PL808/2017) dated 21/11/2017 by Sime Darby Research Sdn Bhd (Lab Services Laboratories, R&D Centre Carey Island – Downstream) was available. Results shown that all the parameters were within the limits of INWQS.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>Microbiology Analysis Test Report (ML439/2017) dated 24/10/2017 by Sime Darby Research Sdn Bhd (Lab Services Laboratories, R&D Centre Carey Island – Downstream) was available. Results shown that all the parameters were within the limits of NSDWQ.</p> <p><u>Sentosa Estate</u> Documented Identification & Management of Wastewaters for Financial Year 17/18, Action Plan to Reduce Fresh Water Usage for Financial Year 17/18 and Water Management Plan: Contingency Plan during Water Shortage for Financial Year 2017/2018 dated 03/07/2017 was available.</p> <p>The Water Management Plan was established which involved to obtain water supply from sister estate/mill/neighbouring estate, to create more pond during rainy season, to train staff/workers to take necessary steps to conserve water and to perform treatment of polluted water.</p> <p>Water Analysis Test Report (IE1188/2017) dated 30/10/2017 by Sime Darby Research Sdn Bhd (Lab Services Laboratories, R&D Centre Carey Island – Downstream) was available. Results shown that all the parameters were within the limits of NSDWQ.</p> <p>Microbiology Analysis Test Report (ML466/2017) dated 06/11/2017 by Sime Darby Research Sdn Bhd (Lab Services Laboratories, R&D Centre Carey Island – Downstream) was available. Results shown that all the parameters were within the limits of NSDWQ.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Tunku Estate</u> Documented Water Management Plan FY-2017-2018 and Water Management Plan FY-2017-2018 Reduce Fresh Water Consumption dated 01/07/2017 was available.</p> <p>The Water Management Plan was established which involved to monitoring monthly at line site to reduce water wastage, to construct road soil pit to catch rainwater in the field, to construct terrace plus with bund every 20m along terrace, to transport water from other estate and water transported from the nearest stream/water from government.</p> <p>Sighted that the samples for water analysis and quality check was sent to Sime Darby Research Sdn Bhd (Lab Services Laboratories, R&D Centre Carey Island – Downstream) on 30/11/2017 for water sample date 29/11/2017. No result obtained yet and the results to be verified during the next visit.</p> <p>Microbiology Analysis Test Report (ML435/2017) dated 24/10/2017 by Sime Darby Research Sdn Bhd (Lab Services Laboratories, R&D Centre Carey Island – Downstream) was available. Results shown that all the parameters were within the limits of NSDWQ.</p>	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	There are no construction of bunds, weirs and dams across main rivers or waterways passing through the estates.	Yes
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in	Rain water harvesting practices was implemented at the line site (housing), workshop, office and it will be recycled for cleaning	Yes

Criterion / Indicator		Assessment Findings	Compliance
	conservation terraces and various natural receptacles). - Minor compliance -	purposes and washing of heavy machinery and also for domestic use for all the estates.	
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. 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. - Major compliance -	Biodiversity Assessment & HCV Identification for Strategic Operating Unit (SOU) 26 was conducted on May 2013 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. The area covered is 11075.34 Ha and the possible HCV area presence is 147.26 Ha which is scattered within the boundary of the respective estates and oil mill. Two (2) classes of HCV surveyed were HCV 4 and HCV 6. The estate has taken action such as putting up awareness signage such as "No Hunting" and "No Fishing" to ensure the message of the conservation effort is delivered well.	Yes
4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: 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.	In SOU 26, identified HCVs are HCV 4 and HCV 6 only. The possible management action such as: <ul style="list-style-type: none"> • Preventing the negative impacts on changes of river-flow and water quality/quantity by establishing or and maintaining buffer zones. • Estate management to recommend the community to collect the cultural sites as long as their survival is kept maintained and obtain FPIC. 	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> • Precautionary area management is obviously necessary if the objective of the estates is to convert forest lands which acknowledged as fulfilment of their cultural needs. • The estate management should intensively discuss and consult this with local community as the main user of the area, and also other relevant stakeholders before realizing the conversion. <p>The recommended management plan such as:</p> <ul style="list-style-type: none"> • To maintain natural waterways in estates and comply with Sime Darby Policy on River Buffer Zone. • To maintain the existing natural habitat of plants and animal life by not intruding into their habitats in order to avoid, to minimize human-wildlife conflicts. • To preserve cultural heritage elements (if any) and maintain the religious beliefs practised by the community. • Exclusion of high risk soil erosion to areas or steep areas to minimize soil erosion. • Exclusion of catchment areas or provision of alternatives for local water supply. • Eliminating erosion runoff that might affect surrounding habitats. 	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	<u>Segaliud Estate</u> Documented Biodiversity Conservation Action Plan FY 2017/2018 dated 25/11/2017 was available and being monitored on a quarterly basis by the Senior Manager. <u>Sentosa Estate</u>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Documented HCV Biodiversity Action Plan FY 2017/2018 dated 10/11/2017 was available and being monitored on a quarterly basis by the Estate Manager.</p> <p><u>Tunku Estate</u> Documented HCV Biodiversity Action Plan FY 2017/2018 dated 01/07/2017 was available and being monitored on a quarterly basis by the Estate Manager.</p> <p>Sighted record books for:</p> <ul style="list-style-type: none"> • HCV Monitoring (Segaliud Division) • HCV Monitoring (Mengaris/Pertama Division) • HCV Patrol Book (Sentosa) • HCV Patrol Book (Tunku) 	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>It was noted that zero open burning policy as per SOP Section B2 - Felling/Clearing & Land Preparation dated 01/11/2008 is being implemented.</p> <p>The management complied with the Malaysian environmental law – EQA and Regulations 1974.</p> <p>No open burning noted during the field visit.</p>	Yes
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p>	<p>No use of fire for land preparation during replanting.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- 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 use of fire for land preparation during replanting.	Yes
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Documented Level 3, SOP Section B1 – Planning for Replanting/New Planting dated 01/11/2008 and Section B2 - Felling/Clearing & Land Preparation dated 01/11/2008 is being implemented. No use of fire for land preparation during replanting.	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The SOP for the estates and mill operations are available which is prepared on Group basis. There are levels of the documentation identified as follows; Level 1 Estate quality management system standard operation manual Level 2 EQMS quality management manual Level 3 standard operating procedure Level 4 work instruction Level 5 records. One of the important mechanisms of ensuring the practice is implemented accordingly is through Planning & Monitoring Unit (PMU) assessment which are done quarterly. Last four visits at Segaliud were in Oct, Jul, Apr and Jan 2017. Among the activities evaluated were	Yes

Criterion / Indicator		Assessment Findings	Compliance
		replanting activities, manuring, OP mature, P&D. upkeep, costing, etc. Harvesting standard is checked through Structured Crop Recovery (SCRA) & Q+ which is also done quarterly.	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	The estates construct terraces at slope area of more than 6 degree. Planting of cover crop are made to retain the soil structure and conservation. Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. Terraces are constructed inclined towards the terrace wall.	Yes
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	The field identification was done through putting up a signage on the palm trunk mainly at the junctions of the field roads. The signage was made of metal plate, painted with red background where information about the field number and hectare was written in white.	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available. Both estates and the mill had a similar format i.e. in the form of annual budget with a 5-year projection. (Budget year, PY2, PY3, PY4, PY5). This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors). Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of	Yes

Criterion / Indicator		Assessment Findings	Compliance																																								
		building, vehicles replacement, workers' amenities etc. the budget for 2017/18 for both the estates was sighted and verified.																																									
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>Verification of the estate's Long Range Replanting Programme (LRRP), the 5-year replanting programme in Ha is as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>Segaliud</td> <td>276.95 (progress = 60 Ha)</td> <td>447.70</td> <td>194.84</td> <td>106.90</td> <td>64.27</td> </tr> <tr> <td>Tunku</td> <td>349.25 (progress = 0 Ha)</td> <td>328.25</td> <td>276.99</td> <td>86.38</td> <td>78.73</td> </tr> </tbody> </table>	Estate	2017/18	2018/19	2019/20	2020/21	2021/22	Segaliud	276.95 (progress = 60 Ha)	447.70	194.84	106.90	64.27	Tunku	349.25 (progress = 0 Ha)	328.25	276.99	86.38	78.73	Yes																						
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4.6.2.3	<p>The business or management plan may contain:</p> <p>a) Attention to quality of planting materials and FFB</p> <p>b) Crop projection: site yield potential, age profile, FFB yield trends</p> <p>c) Cost of production : cost per tonne of FFB</p> <p>d) Price forecast</p> <p>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</p> <p>- Major compliance -</p>	<p>Verification of 3-year projection budget found the following information:</p> <table border="1"> <thead> <tr> <th>Segaliud Estate</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Crop (mt)</td> <td>66,410.40</td> <td>70,550.18</td> <td>77,049.84</td> </tr> <tr> <td>Crop (mt/Ha)</td> <td>15.90</td> <td>16.59</td> <td>18.12</td> </tr> <tr> <td>RM/mt</td> <td>182.47</td> <td>201.90</td> <td>198.68</td> </tr> <tr> <td>RM/Ha</td> <td>3,616.03</td> <td>4,494.94</td> <td>4,592.06</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Tunku Estate</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Crop (mt)</td> <td>37,024.82</td> <td>30,239.41</td> <td>28,196.89</td> </tr> <tr> <td>Crop (mt/Ha)</td> <td>20.57</td> <td>20.69</td> <td>20.83</td> </tr> <tr> <td>RM/mt</td> <td>174.75</td> <td>224.66</td> <td>252.96</td> </tr> <tr> <td>RM/Ha</td> <td>2,237.61</td> <td>2,349.49</td> <td>2,466.97</td> </tr> </tbody> </table>	Segaliud Estate	2017/18	2018/19	2019/20	Crop (mt)	66,410.40	70,550.18	77,049.84	Crop (mt/Ha)	15.90	16.59	18.12	RM/mt	182.47	201.90	198.68	RM/Ha	3,616.03	4,494.94	4,592.06	Tunku Estate	2017/18	2018/19	2019/20	Crop (mt)	37,024.82	30,239.41	28,196.89	Crop (mt/Ha)	20.57	20.69	20.83	RM/mt	174.75	224.66	252.96	RM/Ha	2,237.61	2,349.49	2,466.97	Yes
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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis through SAP system. Through this system, the expenses can be seen by top management. The SOU meeting involving the Managers meets monthly with the Head Zone for the performance review.	Yes
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 -	The pricing method for FFB transporter has been clearly stated in the Letter of Offer (LOA) and contract agreement (scheduled of transportation rates/rates).	Yes
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 were awarded through tendering system at Zone Level. Approved contractors will be give the LOA. Payments were all made in timely manner and no complaint from the contractor so far.	Yes
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 -	This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Awarded contractors are provided with Letter of Offer (LOA) (contract agreement) which spelt out the conditions such as commencement, service contract, bank guarantee, insurance policies, failure to provide service, responsibility and indemnity, termination, governing laws,	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	transportation rate and rate adjustment mechanism. At Tunku Estate, LOA awarded by Sime Darby Plantation (Sabah) Sdn Bhd to Ooi Trading (FFB transporter) and Syarikat Sri Manjung (replanting).	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	This is specified in the letter dated 01/7/2017 as shown in item 4.6.4.1 above. The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through slide presentation material.	Yes
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Yes
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no development of new planting at all the visited estates.	NA
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more	There is no development of new planting at all the visited estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -		
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There is no development of new planting at all the visited estates.	NA
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There is no development of new planting at all the visited estates.	NA
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	There is no development of new planting at all the visited estates.	NA
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	There is no development of new planting at all the visited estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no development of new planting at all the visited estates.	NA
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There is no development of new planting at all the visited estates.	NA
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There is no development of new planting at all the visited estates.	NA
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	There is no development of new planting at all the visited estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no development of new planting at all the visited estates.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no development of new planting at all the visited estates.	NA
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There is no development of new planting at all the visited estates.	NA
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at all the visited estates.	NA
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and	There is no development of new planting at all the visited estates.	NA

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

Criterion / Indicator	Assessment Findings	Compliance
	- Minor compliance -	

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 -	Sime Darby Plantation has established a Corporate Policy Statement signed by the Managing Director, Datuk Franki Anthony Dass dated January 2015. The Internal Office Memo (IOM) regarding the MSPO Implementation and Certification for Upstream Malaysia from the Head, Plantation Sustainability and Quality Management, Mr Tang Men Kon was established, dated 08/09/2017.	Yes
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The MSPO policy was communicated to the executive, staff, and workers accordingly on 28/11/2017 by the Operating Units and 06/11/2017 by the PSQM team. The training record was made available at POM office.	Yes
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit procedure (SD/SDP/PSQM/IAP; Rev 2 dated 01/11/2017) was established. The internal audit was conducted annual + as and when required.	Yes

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4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>The Internal Consultative Assessment was conducted on 09/11/2017 by PSQM & SQM Region Team (Lead Auditor: Nadiah Mohamed Nazri, Auditor: Ruziana Binti Mohd Sabran.</p> <p>During the audit, there were 2 major NC, 3 minor NC and 5 OFI's raised and all the findings were closed on 30/11/2017.</p>	Yes
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The Internal Audit was planned to be conducted annually + as and when required.</p> <p>The report was made available at Sandakan Bay POM office.</p>	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The procedure for Management Reviews (SOM, Sub-Section 5.6, Version 2:2015 dated 25/05/2015) was established.</p> <p>The frequency for management review needs to be carried out at least once a year.</p> <p>The MSPO Management Review was conducted on 13/11/2017 which was chaired by the Sandakan Bay POM Manager. Meeting with all POM staff also conducted on 18/07/2017 and 29/07/2017.</p> <p>All the agenda such as OSH Objective, Mill Performance, Training, Complaints, Internal Audit MSPO and etc was discussed accordingly.</p> <p>The Management Review report was made available at the POM office.</p>	Yes
Criterion 4.1.4 – Continual Improvement			

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<p>4.1.4.1</p>	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The management had established method for continual improvement and various action plans.</p> <p>Sandakan Bay POM is constructing the Biogas plant which will reduce the methane gas emission. The Biogas plant is expected to be completed in July 2018.</p> <p>Sighted also the Lean Six Sigma (LSS) projects:</p> <ul style="list-style-type: none"> • to reduce desilting cost for marapulut pond by January 2018; and • to increase kernel moisture content at kernel plant station by January 2018. 	<p>Yes</p>
<p>4.1.4.2</p>	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>The staff/workers competency training plan for FY 2017/2018 has been established. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety etc.</p> <p>The FY2017/2018 OPEX budget has included the training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings were provided by company on regular basis.</p>	<p>Yes</p>
<p>4.2 Principle 2: Transparency</p>			
<p>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</p>			
<p>4.2.1.1</p>	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p>	<p>Stakeholders are allowed to obtain information from the mill upon request guided by the "Sustainable Plantation Management System" manual dated 01/11/2008, section "Documentation & Communication" – clause 3.2. Among the info can be obtained are</p>	<p>Yes</p>

	- Major compliance -	history and ownership, local ecological environment, soils & site condition, hydrological system, socio-economic system, etc.	
4.2.1.2	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. - Major compliance -	As per stated in the "Sustainable Plantation Management System" manual dated 01/11/2008, section "Documentation & Communication" – clause 3.2, where appropriate information on sustainable activities will be made available to the general public / stakeholders through yearly annual reports, circulars, agreements, Sime Darby website and other publications. Specific requests for information from interested parties shall be channelled to the PSQM, Communication Department, and Legal Department of Sime Darby.	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Yes
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The responsibility is assigned to the managers, whereby in this case is the Mill Manager (En. Hudal Firdaus Lahuri) in accordance to Clause 4.0 of Standard Operation Manual (SOM), Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for external communication.	Yes
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	List of stakeholders is available which was last updated on 30/6/2017. The list content among others are the FFB suppliers, government agencies, CPO & PK buyers, suppliers & contractors, NGOs (e.g. SPIEU, EAC Sabah, SEPA, etc.).	Yes

	<p>- Major compliance -</p>	<p>Stakeholder meeting last conducted on 13/5/2017, attended by 8 attendees.</p>	
<p>Criterion 4.2.3 – Traceability</p>			
<p>4.2.3.1</p>	<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>Ref.: Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, Oct 2016.</p> <p>Sandakan Bay POM is receiving FFB mainly from its supply base - Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate and Tunku Estate.</p> <p>For own supply base: The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment - Date of the shipment <p>For despatch of CPO, the weighbridge ticket includes the following information to enable the customer to trace the CPO source</p> <ul style="list-style-type: none"> - Customer Name - Destination of the CPO - Product - DO number - PO number - Weight of the product. 	<p>Yes</p>

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		For external FFB suppliers, they have their own delivery orders. All the external suppliers have to be approved by signing contract agreement and registered in the system before they are able to send their crop to mill.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by SCCS internal audit 13/3/2017. Based on the inspection, there was no finding raised on the implementation of traceability procedure.	Yes
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit (in this case, the Mill Manager-Hudal Firdaus Lahuri) [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Yes
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Stock of CSPO is recorded Mass Balancing Records for Oil Mills. As at November 2017 there was 3,285.50 mt of CSPO from RSPO certification in MB account. Production of MSPO certified CPO will be started after MSPO certificate is granted.	Yes
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in Mill Quality Management System (MQMS) under the Standard Operation Manual distributed to all operating units under SOU 26. Documented procedure has been established and implemented; refer to Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 25/05/2015.	Yes

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		Refer to ESH Management System Manual – ESH Legal & Other Requirements (SD/SDP/SQM(ESH)/001-2-2; Rev 0 dated 01/07/2012).	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. All the legal and other requirements were register accordingly in the legal requirement register. As to date, Sandakan Bay POM had complied with all the applicable local, state, national and ratified international laws and regulations.	Yes
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 -	Tracking system are available to identify changes in the relevant regulations through the head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.	Yes
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 -	SQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Sighted appointment letter signed by the En Hudal Firdaus Bin Lahuri (Mill Manager) dated 01/10/2017 appointing Mr Wong Kon Soon (Quality Assurance) to monitor on the compliance and to track and update change on regulatory requirements.	Yes

		The latest evaluation was last carried out on 01/10/2017 by the Quality Assurance, Mr Wong Kon Soon and approved by the Mill Manager, En Hudal Firdaus Bin Lahuri.	
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 -	Land use right for mill is under the land title of Tun Tan Estate.	Yes
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Land title for Tun Tan Estate was available. Land title No.: 109401 Leasee: Consolidated Plantations Bhd (1A7940087)	Yes
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The mill occupies is within the area of Tun Tan Estate’s land title and therefore demarcation of boundary is not necessary.	Yes
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 -	NA. Land issue is under the management of Tun Tan Estate.	Yes
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.	NA. Land issue is under the management of Tun Tan Estate.	Yes

	- Major compliance -		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	NA. Land issue is under the management of Tun Tan Estate.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	NA. Land issue is under the management of Tun Tan Estate.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<p>The 5 yearly Social Impact Assessment [SIA] was done by the Social & Environment Projects Units of PSQM department that based on Impact Assessment Manual by federal Department of town and Country Planning Peninsular Malaysia and Malaysian Society of Impact Assessment for the whole SOU 26 from 07-11/05/2013. The assessment was aimed on livelihoods, social wellbeing of the wider community and physical impacts of human populations on social changes. All the respective operating units registered with an action plan which focus on area of concern and matters raised by the stakeholders. Some of the plans are still on-going, such as worker’s house renovation, new uniforms for Auxiliary Police and stray dogs’ problem at housing complex and being review of the progress from time to time.</p> <p>Among the impacts identified for the mill are:</p> <ul style="list-style-type: none"> - Complaint on housing for workers takes a long time to be solved - House for contract workers are not in proper conditions - Van to go to hospital is always unavailable 	Yes

		- Transportation to school is not suitable/fit to bring all school children Management plan was established thereafter. Verification of the status showed that all the impacts had been resolved.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Ref.: SPMS, Appendix 5, Flowchart and Procedure on Handling Social Issues, 1/4/2008. There has been no complaint raised by anyone so far for the past 12 months.	Yes
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Records of complaints were kept in the complaint book. Verification of the records showed that complaints from interested parties were resolved effectively and timely manner.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	In general, there are options for both internal and external stakeholders to channel their complaints to the relevant authority at mill via the morning muster/roll call, via respective supervisors, direct to the manager, or a complaints book which is filled by workers to report about their housing/work conditions. In addition, at the management level, there are periodical health and safety meetings, meetings between local union leaders and the management as well as gender committee meetings which are held in all estates and mill.	Yes
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 -	Employees were made aware through daily briefing. For the surrounding communities, awareness is made by the estates.	Yes

<p>4.4.2.5</p>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Seen the internal and external stakeholders log book for mill. So far there was no complaint issued by any party.</p>	<p>Yes</p>
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			
<p>4.4.3.1</p>	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>There has been no request from the local communities specifically to the mill. Request (if any) is normally forwarded to estates.</p>	<p>Yes</p>
<p>Criterion 4.4.4: Employees safety and health</p>			
<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>Sighted the Sime Darby Plantation Group Policy on Occupational Safety & Health established in English and Bahasa Malaysia in January 2015. The Managing Director, Datuk Franki Anthony Dass approved the policy and was seen displayed at various notice boards within the mill office.</p> <p>The policy outlines the company's commitment to provide workers with adequate knowledge, training, and experience to ensure continuous improvements in OSH management and its performance.</p> <p>The PSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p>	<p>Yes</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 observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). 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. 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. 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 	<p>The OSH policy and implementation were communicated to the employees through awareness which conducted once a year and during morning briefing.</p> <p>Sighted the Sime Darby Plantation Environment, Safety and Health Management System (ESHMS) Manual (Document No. SD/SDP/SQM (ESH)/001-1 dated 01/07/2012.</p> <p>Documented guidelines and procedures for Emergency Preparedness and Response (SD/SDP/SQM (ESH)/001-2-6; Rev 0 dated 01/07/2012) were available.</p> <p>Additional ERP procedures were available for boat drivers, boat passengers and boat carrying school children. A flowchart of emergency handling was presented in the <i>Pelan Tindakan Kecemasan Zon Utara Sabah</i>.</p> <p>The operating units has documented procedures on Hazard Identification, Risk Assessment, and Risk Control (HIRARC) Procedure (SOM; Sub-section 5.4; Appendix 5.4.1a; Rev 0 dated 25/05/2015).</p> <p>The HIRARC for financial year (FY) 2017/2018 reviewed and updated on 28/04/2017 which resulted from additional works including:-</p> <ul style="list-style-type: none"> • Stack sampling and monitoring • Polishing plant operation • De-oiling tank operation • Compositing plant operation • New Boiler (Construction) 	<p>Yes</p>
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	<p>ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>The POM management conducts periodic training for employees such as:</p> <ul style="list-style-type: none"> • Certified Emergency Response Training (19-20/07/2017) • Safety Issue Talk to Worker & Contractor (01/07/2017) <p>The POM management has appointed ESH Committee for 2017/2018 & FY2018/2019 consist representatives from employer and employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>During site visit to chemical store, lubricant store, scheduled waste store, diesel tank, workshop and boiler area, seen the respective sites equipped with fire extinguisher, important contact number and flowchart of emergency.</p> <p>Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>Sighted the training record (BOFA-C) for first aiders on 17-18/07/2017 (Group 1) attended by 25 staff/workers and on 19-20/07/2017 (Group 2) attended by 34 staff/workers.</p> <p>The POM has list of first aid equipment box which located in main office, workshop and engine room. Monitoring record of items used who checked by Hospital Assistant were also available.</p> <p>OSH Committee has records of accidents happened and had evaluated it on the OSH quarter meeting, which recently held on 09/10/2017. As of September 2017, there were 2 accidents occurred (class 3 & 4).</p>	
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Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>The “Social Policy” showcases the company’s commitment to providing a workplace that is free from sexual harassment and all other forms of violence against women, workers, and community. The policy also commits to providing sufficient training and development for employees to increase their awareness and enhance their skills in line with this policy.</p>	Yes
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>The Social Policy dated January 2015 enforce the management’s direction that all employees should be treated fairly in terms of recruitment, progression, terms and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. Interview with the foreign and local workers, reveals there is no discriminatory issues as the management treat them well.</p>	Yes
4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Collective agreement was available. Latest agreement was for the duration of 1/12/2014 to 31/12/2016 and signed by the related representatives (i.e. Head, Plantation Upstream, Malaysia, Head of HR, Head of HR Upstream, Head of Industrial Relations, General Secretary of SPIEU, President of SPIEU, The living wage in the CA was found to be sufficient to meet basic needs for the employees.</p>	Yes
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The contractors have signed on the contract agreement prior commencement of work in the mill area. In the agreement, it was clearly stated that the contractors shall be responsible to comply any applicable legal requirements including the labour law. Interviewed with the contractors confirmed that they understood the terms and conditions stated in the contract.</p>	Yes

<p>4.4.5.5</p>	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	<p>Yes</p>
<p>4.4.5.6</p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employees have been provided with employment contract which were made reference to the collective agreement between employer and employees. The collective agreement for the mill were available for verification.</p>	<p>Yes</p>
<p>4.4.5.7</p>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Time recording at the mill was implemented through recording of punch card system, which records the time-in and time-out of an employee. The records were updated on daily basis and attendance of workers was monitored regularly through site supervision.</p>	<p>Yes</p>
<p>4.4.5.8</p>	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>Working time found to be in accordance with legal requirement: Working hours i.e.: Daily rated workers (2 shifts):</p> <p><u>Shift A</u> Working hours = 0800 to 1600 Break time = 1100 to 1200</p> <p><u>Shift B</u> Working hours = 1600 to 0000 Break time = 2000 to 2100</p>	<p>Yes</p>

		<p>Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Break time = 1200 to 1230</p> <p>Shift 2 working hours = 1500 to 2300 Break time = 1800 to 1830</p> <p>Shift 3 working hours = 2300 to 0700 Break time = 0400 to 0430</p>	
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>Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements.</p>	Yes
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>Among the benefits offered by the company:</p> <ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance 	Yes
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 mill workers are provided with free housing facilities which includes water and electricity supply. Based on the visit to the labour quarters, it was noted that the housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Each house has a living room, 3 bedrooms, 1 bathroom, 1 toilet and a kitchen. The visits by Visiting Medical Office (VMO) to the housing were also well organised by the management, where records of visits were maintained for reference.</p>	Yes

<p>4.4.5.12</p>	<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 “Social Policy” seen consist of information on non-discrimination and equal opportunities. Seen the policy displayed in the estate’s office and regularly communicated to all levels of the workforce through training programs. Interviewed with workers during site visits, resulted with no form discrimination based on race, caste, national origin, religion, disability, gender, etc. The interviewed workers are aware on the term of discrimination and how they to respond if such incidents happen to them.</p>	<p>Yes</p>
<p>4.4.5.13</p>	<p>The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (iii) which reads “Respecting the rights of employees to form and join unions, and the right to collective bargaining.” Interview with the employees showed that there is no restriction for them to join any trade union.</p> <p>Union representative at Sandakan Bay POM is Mr. Wong Kon Soon (QA Clerk) –appointed through votes from members since Nov 2017. Functions:</p> <ul style="list-style-type: none"> - to collect issues raised by workers and forward them to the employers – will then report the President of SEPIU (Bacho Hata) - to organise meeting with members 	<p>Yes</p>
<p>4.4.5.14</p>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (ii) which reads “We will not employ anyone under the age of 18, unless in vocational and/or formal and structured apprentice-ship, educational and training programmes.” Based on verification of the SEMUA database, which has the information about date of birth and date joined, all the workers were over 18 years of age at the point of recruitment.</p>	<p>Yes</p>
<p>Criterion 4.4.6: Training and competency</p>			

<p>4.4.6.1</p>	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Sighted the ESH Activity & Programme for FY 2017/2018. The plan consists of activities/programmes [13], training [17] and SOP [19].</p> <p>As for contractors, it being briefed before starts any works and recorded in "Permit to Work".</p> <p>Training records sampled:</p> <ul style="list-style-type: none"> • Fire drill & firefighting – 09/03/2017 • Refresh training for new workers – 19/05/2017 • SDP Safety & Health Townhall 5.0 – 09/10/2017 	<p>Yes</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>An ESH Training matrix table that identified training requirement for operating units (mill) and whom are required to be trained. Training calendar with programs seen align with the management's direction to ensure all workers are trained in their respective job.</p>	<p>Yes</p>
<p>4.4.6.3</p>	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The POM has training program which is updated annually.</p> <p>The annual internal audit by PSQM and management review does review the effectiveness of the training plan and its execution.</p> <p>Interview with the workers and staffs, found that they are aware on their job scope and responsibilities during site visit.</p>	<p>Yes</p>
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>			
<p>Criterion 4.5.1: Environmental Management Plan</p>			
<p>4.5.1.1</p>	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be</p>	<p>Documented Sime Darby Plantation Environment & Biodiversity Policy was established. The policy was signed by the Managing Director, Datuk Franki Anthony Dass on January 2015.</p>	<p>Yes</p>

	<p>established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The environmental management/impact plan has been established to monitor the identified significant activities that give impacts on environment.</p> <p>A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>An environment impact plan and pollution prevention plan was implemented to monitor the effectiveness of the mitigation measures.</p> <p>This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Last reviewed was done on 16/07/2017. Continuous awareness training programme has been carried out on 01/11/2017 by the company to its workers and other stakeholders.</p>	Yes
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>An environment impact plan and pollution prevention plan was implemented to monitor the effectiveness of the mitigation measures.</p> <p>This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Last reviewed was done on 16/07/2017.</p>	Yes
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p>	<p>Documented Environmental Impact Plan also includes continual improvement plans.</p>	Yes

	- Minor compliance -	For example, to monitor Interceptor 'T' type at all outlet monsoon drain to trap oil, to use proper container to contain used oil, to carry out weekly inspection on ID fan, ash airlock and cyclone cone, to realign the smoke density meter transmitter and receiver if the reading is offset, to rebuild/repair holding pond bund when necessary in dry season, to carry out desilting once a year and to maintain the ultra-membrane filtration system and BOD 20 for the polishing plant operation.	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	Annual training programme of the mill includes environmental awareness and compliance related trainings to the executives, staffs and workers. Continuous awareness training programme has been carried out on 01/11/2017 by the company to its workers and other stakeholders.	Yes
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Environmental related matters were discussed during toolbox briefing. Workers interview reveal that they are encouraged to discuss environmental issues with the management. Continuous awareness training programme has been carried out on 01/11/2017 by the company to its workers and other stakeholders.	Yes
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 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	The POM maintains records of energy usage, which is reported monthly to head office. The use of the fossil fuel against the FFB production is being monitored.	Yes

	<p>- Major compliance -</p>	<table border="1"> <thead> <tr> <th></th> <th>Year</th> <th>Electricity/mt FFB</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Sandakan Bay POM</td> <td>16/17</td> <td>35.95 kwh/mt</td> <td>5.47 ltrs/mt</td> </tr> <tr> <td>17/18 (todate)</td> <td>34.48 kwh/mt</td> <td>5.42 ltrs/mt</td> </tr> </tbody> </table>		Year	Electricity/mt FFB	Diesel/ mt FFB	Sandakan Bay POM	16/17	35.95 kwh/mt	5.47 ltrs/mt	17/18 (todate)	34.48 kwh/mt	5.42 ltrs/mt	
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<p>4.5.2.2</p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The POM have estimation on total energy required.</p> <p>This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.</p>	<p>Yes</p>											
<p>4.5.2.3</p>	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Sighted the record:</p> <table border="1"> <thead> <tr> <th>Mill</th> <th>2017/2018</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Sandakan Bay POM</td> <td>Fibre</td> <td>68,969.345 mt</td> </tr> <tr> <td>Shell</td> <td>17,242.336 mt</td> </tr> </tbody> </table>	Mill	2017/2018	Total	Sandakan Bay POM	Fibre	68,969.345 mt	Shell	17,242.336 mt	<p>Yes</p>			
Mill	2017/2018	Total												
Sandakan Bay POM	Fibre	68,969.345 mt												
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<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>Visits made to Sandakan Bay POM showed that all waste products and sources of pollution were identified and documented.</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 were maintained and monitored.</p>	<p>Yes</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).</p> <p>Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</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>Documented waste management action plan dated 01/07/2017 was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the POM.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the POM.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the estates.</p>	Yes
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>Documented procedure for Scheduled Waste (Hazardous Waste) Management (SD/SDP/PSQM (ESH)/203-EN1) dated 26/02/2015 was established.</p> <p>The latest disposal was done on 01/12/2017 by Legenda Bumimas Sdn Bhd for SW305, SW322, SW410, SW109, SW102 and SW409.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	Yes

<p>4.5.3.4</p>	<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>Dumpsite available for all domestic waste disposal which is collected twice a week by the estate management.</p>	<p>Yes</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, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was from the mill activities.</p> <p>Current monitoring for scheduled waste was through regular monitoring which conducted as per requirement.</p> <p>The latest disposal was done on 01/12/2017 by Legenda Bumimas Sdn Bhd for SW305, SW322, SW410, SW109, SW102 and SW409.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Stack emission monitoring report (UJES/SANDAKANBAY-01/2017-01) for Sandakan Bay POM (Chimney No. 1, 1st Quarter 2017) dated June 2017 by Uniquejaya Environmental Services was available. Date of measurement was on 21/06/2017 for Boiler 1, PMD 10221, Chimney No. 01. The dust loads were well below the required limit of 0.400g/Nm³, corrected to 12% CO₂.</p> <p>Stack emission monitoring report (UJES/SANDAKANBAY-02/2017-01) for Sandakan Bay POM (Chimney No. 2, 1st Quarter 2017) dated June 2017 by Uniquejaya Environmental Services was available. Date of measurement was on 21/06/2017 for Boiler 2, PMD 10230,</p>	<p>Yes</p>

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		Chimney No. 02. The dust loads were well below the required limit of 0.400g/Nm ³ , corrected to 12% CO ₂ .	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Waste Management Action Plan FY2017/2018 and Segregation and Temporary Storage of Waste FY 2017/2018 is being reviewed on yearly basis, last reviewed was done on 01/07/2017 by Assistant/Mill Manager. The plan was monitored regularly.	Yes
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance -	Certificate of Effluent Analysis (AS/EF/180) by Lahad Datu Edible Oils Sdn Bhd date 27/10/2017 were available. The BOD value for the final discharge was 24mg/l. The result meets the requirement of DOE (M'sia 1995) REF. Documented monthly monitoring for the effluent final discharge flowrate was submitted to DOE on a monthly basis. Sighted the First Schedule (Regulation 10(2)) Quarterly Return Form dated 02/10/2017 for sample dates 09/07/2017, 03/08/2017 and 05/09/2017. Sighted the First Schedule (Regulation 10(2)) Quarterly Return Form dated 04/07/2017 for sample dates 04/04/2017, 09/05/2017 and 05/06/2017. Sighted the First Schedule (Regulation 10(2)) Quarterly Return Form dated 04/04/2017 for sample dates 05/01/2017, 02/02/2017 and 08/03/2017.	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources	Water Management Plan (Reduction of Water Usage), Water Management Plan (Contingency) and Water Management Plan (Water Discharge) dated July 2017 was established.	Yes


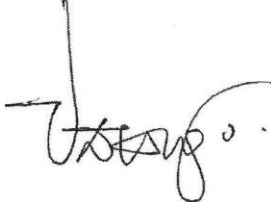
	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. 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>Issues/area identified were:</p> <ul style="list-style-type: none"> • Cleaning • Leakages Pipeline • Dilution Water • Level of water catchment pond • Shortage of water • Contamination in drink • Discharge not being monitored and trends from mill water usage not analysed, although information available. <p>Water Analysis Test report (IE/1334/2017) by Sime Darby Research Sdn Bhd (Lab Services Laboratories – R&D Centre Carey Island – Downstream) dated 22/11/2017 was available. Drinking water monitoring was done accordingly as per NSDWQ.</p> <p>Sighted the drinking water analysis result by Pejabat Kesihatan Kawasan Sandakan dated 05/11/2017. The result for drinking water analysis shown all the parameters were within the limits.</p> <p>Water consumption was monitored monthly basis. Water consumption from July 2017 to Nov 2017 recorded low consumption at 1.34 m³/FFB. Mill had initiated recycling of turbile cooling, vacuum dryer and kernel heater ondensate water back to water catchment pond and make water rationing for daily water usage to mill housing.</p>	
<p>4.5.5.2</p>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Mill effluent is 100% sent to land irrigation. No open discharge of POME into water course.</p>	<p>Yes</p>
<p>4.6 Principle 6: Best Practices</p>			

Criterion 4.6.1: Mill Management			
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.	Yes
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.	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year PY2, PY3, PY4, PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK. Component of operating expenditure includes process labour, maintenance external, maintenance parts, consumable, EVIT, admin cost, labour overhead. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill.	Yes

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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 -	The pricing method for services such as desilting of ETP ponds, CPO/PK transportation, has been clearly stated in the Letter of Offer (LOA) and contract agreement. Whereas, the pricing mechanism for purchasing FFB from third parties is guided by the MPOB pricing guideline.	Yes
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 were awarded through tendering system at Zone Level. Approved contractors will be give the LOA. Payments were all made in timely manner and no complaint from the contractor so far.	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the mill. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between Kekal Sdn Bhd (CPO barge transport) and Yee Ping Trading Sdn Bhd (CPO & PK road transport), were viewed.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through slide presentation material.	Yes

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Sandakan Bay Palm Oil Mill and Sandakan Bay SOU 26 Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of Sandakan Bay Palm Oil Mill and Sandakan Bay SOU 26 Estates Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: MOHD SYAFRIE BIN ASIS	Name: Valence Shem
Company name: SIME DARBY PLANTATION SDN BHD	Company name: BSI Services Malaysia Sdn Bhd
Title: MANAGER	Title: Lead Auditor
Signature:  SIME DARBY PLANTATION (SABAH) SDN. BHD. (COMPANY NO. 29959-V) TUN TAN SIEW SIN ESTATE MOHD SYAFRIE BIN ASIS MANAGER	Signature: 
Date: 2/2/2018	Date: 2/2/2018

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Appendix A: Assessment Plan

Date	Time	Subjects	Valence	Daniel
Monday 04/12/2017 KKS Sandakan Bay	0830-0900	Audit team traveling to site Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan 	✓	✓
	0900-1230	KKS Sandakan Bay Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc. Stakeholder interviews (combine with estate’s stakeholder)	✓	✓
	1230-1330	Lunch	✓	✓
	1330-1630	Continue with unfinished elements Document Review (MSPO Part 4), P1: Management commitment and responsibility, P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P4: Social responsibility, health safety and employment condition, P6: Best practices.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Tuesday 05/12/2017 Segaliud Estate	0900-1230	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, landfill etc. Document review P1 – P6 (MSPO Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement	✓	✓
	1230-1330	Lunch	✓	✓
	1330-1630	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Wednesday 06/12/2017 Sentosa Estate	0900-1230	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, landfill etc. Document review P1 – P6 (MSPO Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement	✓	✓

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	1230-1330	Lunch	✓	✓
	1330-1630	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Thursday 07/12/2017	0900-1230	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, landfill etc. Document review P1 – P6 (MSPO Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement	✓	✓
Tunku Estate	1230-1330	Lunch	✓	✓
	1330-1630	P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
	1630-1700	Closing meeting	✓	✓

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Appendix B: List of Stakeholders Contacted

bsi.

Attendance Sheet

RSPO / MSPO - Stakeholder Attendance / Consultation List			
Team Leader:	Valence Ghem	Date:	4-7/2/2017
Member(s):	Jamiel Francis	Report (SMO) No:	8852164
Organization:	SOPB SOU 26 Jandayan Buj	Standard(s):	MSPO Prod 3 & 4

No.	Name (Nama)	Designation (Jawatan/wakil)	Signature (Tandatangan)
1.	Masatoh Linta	Sprayer	MF
2.	Naidah Pile	"	A
3.	Ann Rashid	"	m
4.	Lina Dimase	"	W
5.	Jumasia Bada	"	w
6.	Roznati Saini	"	Rf
7.	Hernawati Sumaira	handaxe	104
8.	RAZALI	SJ Harvest	R
9.	YUSUF.	SJ Harvest	Yusuf
10.	Jhaidi jun m	Ladang Basih	Sj
11.	Stak Nizam Abd Latif	Ladang Golden	A
12.	Mustafa Tunyuh	Norel Borneo	(d) f. g
13.	Alsinu Pa-costa.	Maju juga	g

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RSP0 / MSP0 - Stakeholder Attendance / Consultation List			
Team Leader:	Valence Shem	Date:	4-7/12/2017.
Member(s):	Daniel Francis	Report (SMD) No:	8892164
Organization:	SDB. SOU 26 Sundakan Bany	Standard(s):	MSP6 Part 3 & 4

No.	Name (Nama)	Designation (Jawatan/wakil)	Signature (Tandatangan)
1	KASMA	Chemical Sprayer	[Signature]
2	ABRIANI	↑ (Tunjuk Est)	[Signature]
3	SAR.	↑	[Signature]
4	JUMRAH	↑	[Signature]
5	ANA	↑	[Signature]
6	ATI	↑	[Signature]
7	NONGSY	↑	[Signature]
8	SUARATI	↑	[Signature]
9	SALTI	↑	[Signature]
10	Rufians Terna	Harvester (Sentosa Est)	
11	Nikolas Ngan Frans	↑	
12	Rafael Igor	↑	
13	Stephanus Ngajo	↑	
14	Yohannes Daniel	↑	
15	Samsuddin Hamza	↑	
16	Matius	↑	
17	Gregorius	↑	
18	Eliaz Gama	↑	
19	Mikael	↑	
20	Avas	↑	
21	Maraban.	↑	

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RSPO / MSP0 - Stakeholder Attendance / Consultation List			
Team Leader:	Valencia Iken	Date:	14/12/2017
Member(s):	Daniel Francis	Report (SMD) No:	# 885764
Organization:	Sms Darby Plantation Ssu 26 Sandakan Bay	Standard(s):	mepo Part 3 & Part 4

No.	Name (Nama)	Designation (Jawatan/wakil)	Signature (Tandatangan)
01	CRISPINA NASRUN	HEALTHCARE ASSISTANT	[Signature]
02	Nurhayati bt Abdul Hafid	Clinic Bidu	[Signature]
03	Halimah Sumartin	---	[Signature]
04	Alimah Duming	Store clerk	[Signature]
05	MUSLIM DATIAR	Store	[Signature]
6	Jafar Lagunya	St w/Shop	[Signature]
7	Tambing	engin Camp	[Signature]
8	Nani Arkam	mandar	[Signature]
9	Jumiani	SPREYE	[Signature]
10	KRISTINA BOKI	SPREYE	[Signature]
11	SARMINA	spreye	[Signature]
12	Fatima wati	spreye	[Signature]
13	NUR SIMAH	SPREYE	[Signature]
14	PERTIA	SPREYE	[Signature]
15	Rosmyat Lambi	store clerk	[Signature]
16	ANALIDA ANJUKA	Workshop	[Signature]

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bsi. Attendance Sheet

Attendance List / Stakeholder Attendance		Date:	04/12/2017
Team Lead:	Valencia Shem	Report (SMO) No:	8852164
Member(s):	Darica Francis	Standard(s):	MSP0
Organisation:	Isne Darby Sandakan Bay (Sku26)		

No.	Name	Designation	Signature
01	Satharip .y.	S.C	[Signature]
02	Yoliansh .	DM	[Signature]
03	Azimay ISMAIL	N.A	[Signature]
04	MOH Jannah MUSC	CA	[Signature]
05	Fadli	HR	[Signature]

Headcount:
Use of Logo:

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Appendix C: Smallholder Member Details

N/A

Appendix D: Location and Field Map

Segaliud Estate

Sentosa Estate

Tunku Estate

Appendix E: List of Abbreviations

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