

**MALAYSIAN SUSTAINABLE PALM OIL  
ANNUAL SURVEILLANCE ASSESSMENT 2  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Client company Address: Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: SOU 2 Chersonese Palm Oil Mill  Location of Certification Unit: Strategic Operating Unit (SOU 2) - 34350 Kuala Kurau, Bagan Serai, Perak, Malaysia

**Report prepared by:**  
**Muhammad Fadzli Masran** (Lead Auditor)

**Report Number: 9674125**

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

1.1 Organizational Information and Contact Person			
MPOB License	i. Chersonese POM: 53366710400 ii. Chersonese Estate: 5332370011000 iii. Kalumpong Estate: 524392002000 iv. Holyrood Estate: 530733002000 v. Tali Ayer Estate: 508238502000		
Company Name	Sime Darby Plantation Berhad		
Address	Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia  Strategic Operating Unit (SOU 2) Chersonese Palm Oil Mill: 34350 Kuala Kurau, Bagan Serai, Perak, 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) Tn. Shuhaimi Bin Dollah (Manager, Chersonese POM)		
Website	www.simedarbyplantation.com	E-mail	Shylaja.vasudevan@simedarby.com shuhaimi.dollah@simedarbyplantation.com
Telephone	03-78487379 (Head Office) 05-7215334 (Chersonese POM)	Facsimile	03-78487356 (Head Office) 05-7214730 (Chersonese POM)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682039 Plantations: MSPO 688334		
Issue Date	10/01/2018	Expiry date	09/01/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	25 – 27/10/2017		
Continuous Assessment Visit Date (CAV) 1	10 – 12/12/2018		
Continuous Assessment Visit Date (CAV) 2	15 – 17/7/2019		
Continuous Assessment Visit Date (CAV) 3	N/A		

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Continuous Assessment Visit Date (CAV) 4		N/A	
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 590800	RSPO	BSI Services Malaysia Sdn Bhd	04/10/2021

**1.3 Location of Certification Unit**

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Chersonese Palm Oil Mill	34350 Kuala Kurau, Bagan Serai, Perak	100° 27' 40" E	4° 58' 38" N
Chersonese Estate	Ladang Chersonese, 34350 Kuala Kurau, Perak	100° 26' 59" E	4° 59' 04" N
Holyrood Estate	Ladang Holyrood, 34100 Selama, Perak	100° 42' 36" E	5° 07' 26" N
Tali Ayer Estate	Ladang Tali Ayer, 34300 Bagan Serai, Perak	100° 31' 20" E	5° 03' 30" N
Kalumpong Estate	Ladang Kalumpong/Byram, 34300 Bagan Serai, Perak	100° 36' 05" E	4° 58' 11" N

**1.4 Plantings & Cycle**

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
<b>Chersonese</b>	731.52	1366.72	677.42	251.11	-
<b>Holyrood Estate</b>	213.37	806.56	157.76	57.06	-
<b>Kalumpong Estate</b>	387.47	375.57	1378.92	258.90	-
<b>Tali Ayer</b>	184.43	1249.19	1543.99	46.35	-
<b>Total (ha)</b>	<b>1516.79</b>	<b>3798.04</b>	<b>3758.09</b>	<b>613.42</b>	<b>-</b>

**1.5 FFB Production (Actual) and Projected (tonnage)**

Producer Group	Projected from last audit (Jan 2019-Dec 2019)	Actual production last 12 months (Dec 2018-June 2019)	Projected production for next 12 months (Jan 19 - Dec 2019)
Holyrood Estate	16,220.28	10,675.94	24,723.07
Kalumpong Estate	63,657.00	70,998.92	58,058.00
Chersonese Estate	5,6697.33	76,904.16	56,753.00

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Tali Ayer	71,401.00	56,168.91	61,043.01
Total	207,975.61	214,747.93	200,577.08

1.6 Certified CPO / PK Tonnage			
Mill	Projected from last audit (Jan 2019-Dec 2019)	Actual production last 12 months (Dec 2018-June 2019)	Projected production for next 12 months (Jan 19 - Dec 2019)
Chersonese POM 45 MT/hr	<b>CPO (OER: 21.50 %)</b>	<b>CPO (OER: 20.81 %)</b>	<b>CPO (OER: 21.50 %)</b>
	44714.76	44689.04	43124.07
	<b>PK (KER: 5.50%)</b>	<b>PK (KER: 5.77 %)</b>	<b>PK (KER: 5.50%)</b>
	11438.66	12390.96	11031.74

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Chersonese Estate	3026.77	25.87	241.08	3293.72	91.90
Holyrood Estate	1234.75	12.19	85.80	1332.7	92.65
Kalumpong Estate	2400.86	21.09	86.32	2508.27	95.72
Tali Ayer Estate	3023.96	24.24	707.90	3756.1	80.51
<b>Total</b>	9686.34	83.39	1121.10	10890.79	88.94

Remarks:

Sime Darby Plantations has conducted latest GPS Survey for all operating units in SOU 2 Chersones on 22/7/2019. Data provided in table 1.7 is the data from the latest GPS survey.

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

BSI Services Malaysia Sdn Bhd has conducted the Continuous Certification Assessment of Sime Darby Plantation Berhad SOU 2 Chersonese Palm Oil Mill and Supply Base, located in Strategic Operating Unit (SOU 2) – 34350 Kuala Kurau Bagan Serai, Perak, Malaysia comprising 1 Mill and 4 Estate and infrastructure

The assessment was conducted onsite 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 onsite assessment was conducted on 15/7/2019 – 17/7/2019

Based on the assessment result, Sime Darby Plantation Berhad SOU 2 Chersonese Palm Oil Mill and Supply Base 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:

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Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 15/7/2019 - 17/7/2019. The audit programme is included as Appendix A. The approach to the audit was to treat the Chersonese Palm Oil Mill and its four FFB supply bases (Chersonese Estate, Kalumpang Estate, Holyrood Estate and Tali Ayer Estate as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula  $S = r\sqrt{n}$  where n is the number of estates while when applicable determined following the MSP0 Certification Requirement

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

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

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

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 MSP0 approved Peer Reviewer prior to certification decision by BSI.

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Chersonese POM	X	X	X	X	X
Chersonese Estate		X	X		
Tali Ayer Estate		X		X	
Kalumpong Estate	X		X		X
Holyroad Estate	X			X	X

**Tentative Date of Next Visit: July 13, 2020 - July 15, 2020**

**Total No. of Mandays: 6 Mandays**

**BSI Assessment Team:**

**Muhammad Fadzli Masran – Lead Assessor**

He holds Bachelor Degree in Forestry Science, graduated from University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers’ welfare, workers’ occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

**Hafriazhar Mohd. Mokhtar – Team Member**

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Nigeria. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.



**Accompanying Persons: Qualifying Reviewer****Nicholas Cheong – Qualifying Reviewer**

Holds a Master of Environmental Management from the University Putra Malaysia and Bachelor of Science (Food Science) from Charles Sturt University Australia. He has more than 7 years of working experience in sustainability auditing for palm oil industry and hydropower plant. He is also an expert in Greenhouse Gas emissions accounting. He has also 2 years of working experience in wastewater treatment and operations. He has completed the ISO 9001, ISO14001, RSPO P&C Lead Auditor course, RSPO Supply Chain Lead Auditor Course, RBA Labor & Ethic Lead Auditor Course and MSPO Awareness Training. In his previous certification body, he was a Lead Assessor for Clean Development Mechanism, World Commission of Dam and ISCC. He had been involved in Sustainable Palm Oil auditing for more than 5 years. In this assessment, the focus element includes legal requirements, social and workers welfare, workers health and safety and supply chain. He is fluent in both verbal/written in English.

### 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

The nonconformity is listed below.

During the Certification Assessment there were two (2) Major & two (2) Minor nonconformities raised. The Chersonese Palm Oil Mill and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref	Area/Process	Clause
1797684-201903-M1	Chersonese POM and Supply Base	4.4.4.2 - Part 3
Requirements:	b) The risks of all operations shall be assessed and documented. 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).	
Statement of Nonconformity:	i. Risk of activities are not assessed and documented. ii. Awareness on importance of wearing PPE provided is not effectively implemented.	
Objective Evidence:	Chersonese Estate Noted during site visit at Schedule Waste store and Chemical Premix area, there are activities with safety and health risk which are not captured in the HIRARC such as collecting chemical mixing waste water from collection sump and loading of SW 409 through barrier at the scheduled waste.  Kalumpong Estate The estate has provided PPE for the harvester with appropriate PPE. However, during site visit at P99A sighted the harvester didn't wear helmet during harvesting work and not put in the chisel cover while riding motorcycle. This shows the awareness on importance of wearing PPE provided is not effectively implemented.	

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<p>Corrections:</p>	<p>Chersonese Estate  The HIRARC Review Team will review the HIRARC with to include the activity for mixing chemical (collecting water from sump) and loading Scheduled Waste (SW409).</p> <p>Kalumpong Estate  To conduct refresher HCTP (Harvesting Competency Training Program) to all harvester.</p>
<p>Root cause analysis:</p>	<p>Chersonese Estate  Estate management has developed and reviewed HIRARC on yearly basis as mentioned in the OSH Manual. However, the operation activity was not cover during the risk assessment conducted.</p> <p>Kalumpong Estate  The estate management has issued the relevant PPE to the workers. the workers itself understood the importance on the PPE usage, however the workers only use the PPE only during the monitoring by the management. It's found that, the awareness PPE usage especially for new workers still unsatisfactory.</p>
<p>Corrective Actions:</p>	<p>Chersonese Estate  To conduct risk identification and HIRARC training. HIRARC for all activity shall be evaluated by HIRARC review team &amp; monitored by the SQM-NTR.</p> <p>Kalumpong Estate  The Management agreed to enforce the implementation of the PPE. The mandore and supervisor will monitor the usage of the PPE at the worksite. During the morning muster, Assistance Manager need to ensure the PPE is well provided based on the PPE checklist. The workers whom are not complete with PPE is prohibited to go the worksite until the PPE provided to them. In SDP, we will issue the SIME card to the workers under unsafe act, and consider for management to issuance the warning letter.</p>
<p>Assessment Conclusion:</p>	<p>Evidence submitted:</p> <ul style="list-style-type: none"> <li>i. Harvesting Training Competency Program – On Job Training evaluation for harvester dated 26/8/2019</li> <li>ii. Harvesting Training Competency Program – Physical Condition Evaluation dated 19/8/2019</li> <li>iii. Training material on Program Latihan Kemahiran Penuai Sawit</li> <li>iv. Training records for harvester dated 20/8/2019</li> <li>v. PPE inspection records dated 20/8/2019</li> <li>vi. HIRARC review on chemical mixing operation and Scheduled Waste store dated 23/8/2019</li> <li>vii. HIRARC training records dated 23/8/2019</li> <li>viii. Training material for HIRARC training dated 23/8/2019</li> </ul> <p>All the corrective action and evidence of implementation were found to be adequate.</p> <p>The major NC closed on 11/9/2019</p>

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Major Nonconformities:		
Ref	Area/Process	Clause
1797684-201903-M2	Chersonese POM and Supply Base	4.4.5.11 - Part 3
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	
Statement of Nonconformity:	The housing area not fully in compliance with applicable legislation under Section 23 of the Workers' Minimum Standards of Housing and Amenities Act 1990: Weekly inspection of workers' housing; (1) It shall be the duty of the employer of a place of employment where workers and their dependents are provided with housing accommodation to ensure that— (a) the area surrounding the workers' housing is kept clear of undergrowth and maintained in a clean and sanitary condition; (b) the perimeter drains around each dwelling or block of dwellings including all outlet drains are kept in a good state of repair and clear of refuse or undergrowth to permit free flow of water; (c) all refuse in the housing site is collected daily and disposed of satisfactorily; and (d) all communal latrines and bathrooms are kept in a clean, sanitary and working condition.	
Objective Evidence:	Visit to the Chersonese Estate (Jin Seng Division) & Kalumpong Estate (Kalumpong Division) found the following: - area surrounding workers housing not kept clean with visible rubbish being dumped improperly - grass/undergrowth not well trimmed/cleared - perimeter drains was dirty while outlet drains not clear of refuse/undergrowth to permit free flow of water - few stockpiles of demolished house debris within Chersonese Estate Jin Seng Division were not fully secured or cleared	
Corrections:	Clear the clogged drainages. Grass cutting contractors has been advised to check on their workers duty has they are not working efficiently.	
Root cause analysis:	A night before the audit day, the local community conduct the temple festival and the management not have enough time for housekeeping at the area. The schedule for the grass cutting conducted on bi-weekly and the contractor need to follow the scheduled. Estate management was carried out the housing inspection on weekly basis, however the inspection conducted on the sampling basis and was not covered the whole area at housing complex.	
Corrective Actions:	To appoint a representative from each row of housing complex to do regular monitoring on housing complex with a basic criteria inspection on proper rubbish dumping, drainage and grass cutting to improvise housing complex management. Improvise schedule of rubbish waste collection. MA/HCA to carry out workers housing complex inspection weekly basis.	
Assessment Conclusion:	Evidence submitted i. Evidence of clogged drainage has been cleared (picture) ii. Minutes meeting on Grasscutting dated 31/7/2019 (CE) and 14/8/2019 (KE)	

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	<p>iii. Appointment letter for housing complex cleanliness representative signed by the estate manager dated 22/8/2019 (CE) and 1/8/2019 (KE)</p> <p>All the corrective action and evidence of implementation were found to be adequate.</p> <p>The major NC closed on 11/9/2019</p>
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Minor Nonconformities:		
Ref	Area/Process	Clause
1797684-201903-N1	Chersonese POM and Supply Base	4.5.3.5 - Part 3
Requirements:	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	
Statement of Nonconformity:	SOP for handling domestic waste and scheduled waste is not effectively implemented.	
Objective Evidence:	<p>Chersonese The domestic waste dumping site were located at P95A. The site were near to the collection drain where the leachate water from the domestic waste will went into the collection drain and flow into Sg. Kurau. This was against the SOP established, SD/SDP/PSQM(ESH)/203-EN7 dated 13/3/2017.</p> <p>Recycle program was not effectively implemented. Found evidence of recycle waste in the municipal rubbish bin. This was against the SOP established, Sustainable Plantation Management System; Appendix 9; Procedure for Handling of Domestic Waste; Ver. 1; Year: 2008; Issue no.: 1; Date: 1/11/2008.</p>	
Corrections:	<p>To identify new location of temporary dumping site and to ensure no leachate into collection drain.</p> <p>To initiate and educate all employees on waste segregation at source.</p>	
Root cause analysis:	<p>Location of temporary dumping site is near with collection drain.</p> <p>Recycling programmed have not been carried for a long time. Last carried out was several years ago.</p>	
Corrective Actions:	Estate management will establish the recycle item record and closely monitor the practice at the housing complex. SQM-NTR also will verify the implementation and advice the management for improvement.	
Assessment Conclusion:	<p>All the corrective action were found to be adequate.</p> <p>Effectiveness of the implementation will be confirm on next assessment visit</p>	

Minor Nonconformities:		
Ref	Area/Process	Clause
1797684-201903-N2	Chersonese POM and Supply Base	4.6.4.1 - Part 3
Requirements:	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	Provision of documentation and information on MSPO requirements was not evidence.	
Objective Evidence:	Based on consultation with contractors and sample agreements with contractors by Kalumpang Estate, the contract addendum as per memo from HQ on requirement	

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	of contractors to fulfil MSP0 requirements documentation was not evidently provided to contractors since not attached in contract agreement copies.
Corrections:	Develop the contract addendum on requirement of contractor to comply with MSP0 requirement
Root cause analysis:	Contractors has been given training about MSP0 requirement, however the contract addendum on requirement of contractor to comply with MSP0 requirement was not documented.
Corrective Actions:	To include /attach the addendum onto each contract prior to issuing to contractors which includes briefing as well. Record keeping is to be carried out by OUs & verified by SQM.
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit

Noteworthy Positive Comments	
1.	Good relationship being maintained with surrounding communities and other stakeholders
2.	Mill has continued maximized the use of renewable energy by consuming fibre and shell which produced through internal process.
3.	Good commitment from the Region and Operating Units management to maintain the sustainability management.

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

Major Nonconformities:		
Ref	Area/Process	Clause
1719793-201811-M1	Chersonese POM and Supply Base	Part 4: 4.4.4.2
Requirements:	The occupational safety and health plan should cover the following: h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	
Statement of Nonconformity:	The accident and emergency procedures were not effectively communicated and understood by all employees	
Objective Evidence:	Noted during interview, the storekeeper were not aware regarding the emergency response procedure for chemicals spillage as per MQMS: section VII: Section 11 ver. 1 dated 1/11/2008	
Corrections:	To conduct refresher training regarding chemical handling and ERP (chemical spillage) to storekeeper and management team.	
Root cause analysis:	Mill management had conducted Emergency Response Training to all the respective workers/staff. However the awareness is still not fully adapted.	
Corrective Actions:	Conduct training evaluation to ensure the awareness and competency level is knowledgeable and competent.	
Assessment Conclusion:	Traning was carried out on 9/1/19. Evaluation of training for those attended was verified and rated as competence. No retraining required. Audit team have reviewed the evidence summited and 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 14/2/19.	

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Assessment Verification:	<p>Training records verified during the assessment.</p> <p>Mill has established 2 ERT team. Latest training was conducted on 8/2/2019 for team A with 15 minutes of evacuation time and 22/2/2019 for team B with 15 minutes of evacuation time.</p> <p>Latest training for ERP was conducted on 9/1/2019 for chemical spillage and 25/6/2019 for fire drill with 11 minutes of evacuation time.</p> <p>Noted during interview with storekeeper and sterilizer operator shows the understanding regarding accident and emergency procedures.</p> <p>The implementation of the CAP was effective. The NC remain closed.</p>
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<b>Major Nonconformities:</b>		
<b>Ref</b>	<b>Area/Process</b>	<b>Clause</b>
1719793-201811-M2	Chersonese POM and Supply Base	4.4.5.11 - Part 3
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	
Statement of Nonconformity:	Amenities and facilities provided were not in compliance with Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446)	
Objective Evidence:	Chersonese Estate There was no effective monitoring system to ensure all drug/medicine readily useable for treatment. Vaccine (anti-tetanus) date of expiry: December 2018 was still kept in the refrigerator. Further check in the VMO logbook, frequency of visit is only once a month and no visit carried out for October 2018. Refer to visit report dated 20/11/18, 4/9/18 and 28/8/18.	
Corrections:	<ol style="list-style-type: none"> <li>1. Check the drug/medicine expiry date when receiving new drug/medicine stock.</li> <li>2. To ensure VMO visiting book is updated and available.</li> </ol>	
Root cause analysis:	<ol style="list-style-type: none"> <li>1. No stock movement for drug/medicine carried out to check the expiry date period.</li> <li>2. VMO visit was carried out fortnightly however the visiting book were misplace during the external audit.</li> </ol>	
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Regular stock check monthly carried out by HCA and verified by Estate Management (Labelling system for every medicine / drug). Include date of expired in inventory records.</li> <li>2. To include the frequency of VMO visit in the agreement letter (every fortnightly) and get the acknowledgement by VMO.</li> </ol>	
Assessment Conclusion:	<p>The following evidences were verified:</p> <ul style="list-style-type: none"> <li>- Inventory/bin card dated 31/1/19 for with the expiry date information (valid until 7/2020)</li> <li>- VMO logbook has been updated accordingly every fortnight visit. A memo issued to the VMO was verified. Refer to latest VMO visit dated 11/12/19 and 18/12/18. Letter to VMO clinic dated 17/12/18 was sighted.</li> </ul> <p>Audit team have reviewed the evidence summited and the major NC is satisfactorily closed.</p>	



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	Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 14/2/19
Assessment Verification:	Record of VMO inspection visit sighted available shown latest visit was conducted on 2/7/2019. Next visit was plan on 16/7/2019. Latest agreement sighted i.e Offer of Appointment as Visiting Medical Officer dated 1/1/2019 available specifying VMO to pay two (2) visits per month to the estate.  The implementation of the CAP was effective. The NC remain closed.

Major Nonconformities:		
Ref	Area/Process	Clause
1719793-201811-M3	Chersonese POM and Supply Base	4.4.4.2 - Part 3
Requirements:	The occupational safety and health plan should cover the following: 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. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	
Statement of Nonconformity:	i)The SOP for handling of chemicals is not effectively communicated and understood by all employees ii) The accident and emergency procedures is not effectively communicated and understood by all employees	
Objective Evidence:	Chersonese Estate During site visit at the store, it was notice that the store keeper enter the chemical store without any PPE. It was against the Pictorial Safety Standard under section 5.0. Chersonese Estate and Tali Ayer Estate During interview with the Scheduled Waste storekeeper, it was noted that he was not aware regarding the Emergency Action Plan for large chemical spillage such as diesel or used lubricant oil (SW 305) as stated in Estate Quality Management System Standard Operation manual (EQMS SOM) dated November 1st, 2008, Appendix 5.5.3.3, Figure 6.4c.	
Corrections:	1. To enhance awareness the Chemical Safety among all respective members. 2. To conduct refresher training regarding chemical handling and ERP (chemical spillage) to storekeeper and management team.	
Root cause analysis:	1. No awareness on Chemical Safety among Management. 2. Estate management had conducted Emergency Response Training to all the respective workers/staff. However the awareness is still not fully adapted.	
Corrective Actions:	1 & 2. Conduct training evaluation to ensure the awareness and competency level is knowledgeable and competent.	
Assessment Conclusion:	The following evidences were verified:  Emergency Preparedness and Response (EPR) training was carried out on 18/12/18 at Chersonese Estate. Verified training evaluation done after conduct of training.  Audit team have reviewed the evidence summited and 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 14/2/19	



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Assessment Verification:	<p>Verified the training records during the assessment:</p> <ul style="list-style-type: none"> <li>i. Emergency Preparedness and Response (EPR) training dated 18/12/18 at Chersonese Estate</li> <li>ii. Scheduled waste training dated 14/8/2018 at Chersonese Estate</li> </ul> <p>Chersonese Estate</p> <p>During interview with the storekeeper, noted the awareness of ERP for chemical spillage as stated in Estate Quality Management System Standard Operation manual (EQMS SOM) dated November 1st, 2008, Appendix 5.5.3.3, and Figure 6.4c.</p> <p>The implementation of the CAP was effective. The NC remain closed.</p>
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Major Nonconformities:		
Ref	Area/Process	Clause
1719793-201811-M4	Chersonese POM and Supply Base	4.5.3.2 - Part 3
Requirements:	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products	
Statement of Nonconformity:	The waste management plan was not effectively implemented	
Objective Evidence:	Chersonese Estate Sighted during document review, it was noted that first SW 409 was generated on 28/2/2018 and disposed on 19/11/2018. The SW 409 were kept at the premise more than 180 days. The estate has not seek approval from DOE for extension of storage time. It was comply with Environmental Quality Act 1974, Environmental Quality (Scheduled Waste) Regulations 2005.	
Corrections:	To ensure the scheduled waste dispose before 180days / 20mt as per Scheduled Waste regulations and to get approval from DOE if estate required extension period.	
Root cause analysis:	Estate management had communicate with registered contractors to dispose the SW409, however the total quantity is not meet the contractor requirement. Estate management not applied approval from DOE for the extension period.	
Corrective Actions:	Triple rinse the empty pesticide container and dispose it as a recycle waste	
Assessment Conclusion:	<p>The following evidences were verified:</p> <ul style="list-style-type: none"> <li>- Letter to DOE on the application for exemption of triple rinsed container as scheduled waste dated 20/12/18</li> <li>- Email dated 27/12/18 was sighted. Exemption has been approved for the triple rinsed chemical container to be dispose as domestic waste.</li> </ul> <p>Audit team have reviewed the evidence summited and 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 14/2/19.</p>	
Assessment Verification:	The estates visited has identified empty pesticides container as recycle waste in the waste identification. The empty container was triple rinse and use back as premix	

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	<p>chemical container or puncture and stored at designated storage area before sent to licensed contractors for disposal.</p> <p>The implementation of the CAP was effective. The NC remain closed.</p>
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<b>MinorNonconformities:</b>		
Ref	Area/Process	Clause
1719793-201811-N1	Chersonese POM and Supply Base	4.4.5.10 - Part 4
Requirements:	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.	
Statement of Nonconformity:	Social benefit offered by the employer was not consistently distributed to employees as per contract agreement.	
Objective Evidence:	Chersonese POM Based on Kontrak Pekerjaan Tenaga Kerja Asing – Semenanjung Malaysia April 2013, clause 16: subsidi makanan (5kg rice and 5 kg oil subsidy for every 2 month) has to be distributed to employees. According to IOM dated 13/10/17 from Upstream Operation, 10kg of rice to be given to substitute 5 kg of cooking oil. Refer to rice distribution records for February and April 2018, only 5 kg of rice received by 65 workers instead of 10kg to substitute 5 kg of cooking oil.	
Correction Action Evidence:	<ol style="list-style-type: none"> <li>To constantly monitor any IOM received and to communicate with regional office in case of any inquiries regarding this matter.</li> <li>To tabulate table for stock received and distributed to workers for reference.</li> </ol>	
Assessment Verification:	<p>Verified the rice distribution records for February and April 2019, 10kg of rice distribute to all workers as per IOM dated 13/10/2017.</p> <p>The implementation of the CAP was effective. The NC remain closed.</p>	

**3.4 Issues Raised by Stakeholders**

IS #	Description
<b>1</b>	<p><b>Feedbacks:</b> Contractors – They informed that payment was made promptly. They have good relationship with the managements and aware the complaint procedure if they have any issues. They were invited to the stakeholder meetings as well.</p>
	<p><b>Management Responses:</b> Managements will ensure the payment will make promptly.</p>
	<p><b>Audit Team Findings:</b> Document reviewed on the payment records found that the payment was made according to the sign agreements.</p>
<b>2</b>	<p><b>Feedbacks:</b> Local Communities’ Representatives – They are aware of the complaint procedure and informed that local villagers were provided with job opportunity. One of the representative hopes that Holyrood Estate could open the gate for the villagers to access the LAP road to Taiping town.</p>
	<p><b>Management Responses:</b> The management has communicated to the villagers and authorities for the issue. Currently, they are waiting for further action from authorities.</p>

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	<p><b>Audit Team Findings:</b>  Document reviewed on the correspondence from the Land Office dated 19/7/2018 regarding the payment from LAP to the estate. The issue still in progress.</p>
3	<p><b>Feedbacks:</b>  NUPW Representatives – They are aware of the pay and condition. Housing facilities are provided free to the workers. If there is any issue that could not resolve, they know their rights to disseminate the issue to region NUPW office.</p>
	<p><b>Management Responses:</b>  The management will ensure welfare of workers are well taken care of.</p>
	<p><b>Audit Team Findings:</b>  No further issue.</p>
4	<p><b>Feedbacks:</b>  Workers’ Representatives (India, Indonesia, Nepal and Bangladesh) – All the workers are treated equally without any discrimination. They were paid double rate if work on rest day.</p>
	<p><b>Management Responses:</b>  The management will ensure all the workers treat equally and pay according to legal requirements. For the agent cost, the management will discuss with HR.</p>
	<p><b>Audit Team Findings:</b>  No further issue.</p>
5	<p><b>Feedbacks:</b>  Representatives of Gender Committee – They informed that no case of sexual harassment case reported thus far. They are aware of their rights and treated equally without discrimination.</p>
	<p><b>Management Responses:</b>  The managements will ensure the rights of the female employees are well take care.</p>
	<p><b>Audit Team Findings:</b>  No further issue.</p>
6	<p><b>Feedbacks:</b>  Teachers – They have good relationships with the managements. The managements had provided assistance whenever they requested such as tree trimming, donation for school’s activities. They are aware of the complaint procedure.</p>
	<p><b>Management Responses:</b>  The managements will continue to maintain good relationship and provide assistance if permissible.</p>
	<p><b>Audit Team Findings:</b>  No other issue.</p>
7	<p><b>Feedbacks:</b>  Neighbouring Plantation (Ladang Segar) – They have good relationships and corporation with the managements. Trenches and gates were available to demarcate the boundaries.</p>
	<p><b>Management Responses:</b>  The managements will continue to maintain good relationship.</p>
	<p><b>Audit Team Findings:</b>  No other issue.</p>

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<b>CAR Ref.</b>	<b>CLASS</b>	<b>ISSUED</b>	<b>STATUS</b>
1719793-201811-M1	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-M2	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-M3	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-N1	Minor	12/12/2018	Closed on 14/2/2019
1797684-201903-M1	Major	17/7/2019	Closed on 11/9/2019
1797684-201903-M2	Major	17/7/2019	Closed on 11/9/2019
1797684-201903-N1	Minor	17/7/2019	Open
1797684-201903-N2	Minor	17/7/2019	Open

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

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sime Darby had issued a statement on commitment towards MSPO implementations. The statement was made by Tang Meng Kon Head, Global Sustainability Operations.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	The policy specifically emphasized achieving commitment towards a systematic approach in ensuring continuous improvement in our operation, compliance to statutory, legal and other regulation requirements and establishment of traceability within the supply chain in line with our existing Sustainability policies.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	As per the Internal Audit Procedure (SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017), the internal audit planned to be conducted on yearly basis. Latest internal audit was conducted on 11-24 June 2019 covering the entire SOU2 which was combined with RSPO. Chersonese Estate and Kalumpang Estate are part of SOU2 under Chersonese POM.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	As per the Internal Audit Procedure (SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017) and records of internal audit, the processes implemented	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	strengths and root causes of nonconformities, in order to implement the necessary corrective action. <b>- Major compliance -</b>	were properly documented complete with corrective action taken on findings. Records shown a total of 11 Major and 7 Minor nonconformities were raised by internal auditors and closed accordingly.	
<b>4.1.2.3</b>	Report shall be made available to the management for their review. <b>- Major compliance -</b>	Results of internal audit was reviewed by management through management review meeting conducted on 24/6/2019.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	Management review meeting was conducted on 24/6/2019 chaired by the SOU Chairman i.e. Senior Manager of Tali Ayer Estate and attended by all managers and assistant managers of SOU 2 mill and estates. The minutes of meeting for the management review shown few improvements recommended by management including further trainings to be conducted by SQM personnel to operational personnel.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	Both estates visited i.e. Chersonese Estate (including Jin Seng Division) and Kalumpang Estate has established the method for continual improvement, e.g.: Kaizen and various action plans including upgrade of workers housing, waste recycling programs and etc.	Complied
<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry	The management has conducted training need analysis on annual basis to identify the needs of training for each group of workers. The	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	training identified including operations, understanding of MSPO/RSP0 requirements, human rights, company policies, health and safety etc. The training identified were programmed throughout the year.	
<b>4.1.4.3</b>	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. <b>- Major compliance -</b>	There was plan established where in Chersonese Estate an Automated Circle Spraying System; ST-101 GEO-I was been use on trial for spraying of Glyphosate & Ally within the matured palm area of the estate field.	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate 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. <b>- Major compliance -</b>	Communication was implemented as per documented Standard Operation Manual dated 01/11/2008; 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. Records of communication sighted available as per following types: <ul style="list-style-type: none"> <li>- Estate complaint book</li> <li>- Roll call muster note book</li> <li>- Tool box briefing contractor</li> <li>- External communication files (official/authority/others)</li> </ul>	Complied
<b>4.2.1.2</b>	Management documents shall be publicly available, except	The Procedure for External Communication dated 01/11/2008 included the method for the public to obtain information from the company. The	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>procedure was introduced to the local stakeholders during the stakeholder engagement.</p> <p>Policies of the company is published on their website and copies of polices can be seen posted on notice board within the vicinity of the estate office.</p>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>The same Standard Operation Manual dated 01/11/2008; Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2) and Sustainable Plantation Management System (SPMS) Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 were documented the process for handling communication regarding social issues. Latest stakeholder meeting was conducted on 3/7/2019 involved external stakeholders for SOU 2 (Chersonese Estate &amp; Mill).</p>	Complied
<b>4.2.2.2</b>	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p><b>- Minor compliance -</b></p>	<p>Nominated management official to be responsible for issues related of consultation and communication with relevant stakeholders are as following:</p> <ul style="list-style-type: none"> <li>- Chersonese Estate: Zuraimi bin Othman (SA); Appointed date: 1/1/2019</li> <li>- Kalumpong Estate: Mohd. Munawar bin Alias (SA); Appointed date: 1/1/2019</li> </ul>	Complied
<b>4.2.2.3</b>	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p>	<p>The latest stakeholders list for FY 2019 was updated at all visited estates.</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	The external stakeholder consultation is conduct once a year. Latest stakeholder meeting was conducted on 3/7/2019 involved external stakeholders for SOU 2 (Chersonese Estate & Mill).	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - <b>Major compliance</b> -	Management established the Sustainable Plantation Management System Appendix 15 SOP for Sustainable Supply Chain and Traceability; Version 2; Issue # 5; Issue date: Apr 2019 for the implementation and maintenance of traceability for relevant palm products.	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. - <b>Major compliance</b> -	Regular inspections on traceability done through internal audit which was conducted based on the SOP for Sustainable Supply Chain and Traceability of SPMS Appendix 15 (18: Internal Audit); Version 2; Issue # 5; Date: April 2019. Latest internal audit was conducted on 19/6/2019 together with RSPO SCCS. 1 Major NC was raised by internal auditor during the audit and has been resolved by the estate.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. - <b>Minor compliance</b> -	Management identified and assigned suitable employees to implement and maintain the traceability system based on individual operating units as following: - Chersonese Estate: Zuraimi bin Othman (SA); Appointed date: 1/1/2019 - Kalumpong Estate: Mohd. Munawar bin Alias (SA); Appointed date: 1/1/2019	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained.  - <b>Major compliance</b> -	Estate maintained daily dispatch summary records of FF/Loose fruits. Annual overall FFB/LF productions records was maintained through Checkroll - FFB Despatch Details SAP computer system. Todate 2019 records of FFB for Chersonese Estate as of 14/7/2019 was 29,196,630 kg.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.  - <b>Major compliance</b> -	<p>Sime Darby has established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 2.</p> <p>PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>All legal requirement was documented in Legal and Requirement Register.</p> <p>Sighted the evidence of compliancy to applicable law and regulations as follows:</p> <p>Chersonese Estate</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>i. Certificate Fitness for Air Compressor under Factory and Machinery Act 1967, Regulations, 1970 Regulation 10(2). Refer Cert. no. PK PMT 7791. Validity period from 19/09/2018 – 18/9/2019.</p> <p>ii. MPOB License. License no. 5332370011000. Validity period from 1/9/2018 -31/8/2019.</p> <p>Kalumpong Estate</p> <p>i. MPOB License. License no. 524392002000. Validity period from 1/11/2018 -31/10/2019.</p> <p>ii. MPOB Nursery License. License no. 542021011000. Validity period from 1/9/2018 -31/8/2019.</p> <p>iii. Certificate Fitness for Air Compressor under Factory and Machinery Act 1967, Regulations, 1970 Regulation 10(2). Refer Cert. no. PMT-PK/18 20841. Validity period from 4/06/2018 – 3/9/2019.</p> <p>iv. Permit for purchasing and storage of diesel. Permit no. KPDNKK.PBR.003/SK(P/D)001/2011. Quantity approved at 10000 Liter. Validity period from 17/1/2019 – 16/1/2020</p> <p>Permit for salary deduction were sighted at all operating units visited as follows:</p> <p>i. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Bil Elektrik dan Air; JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(30); 25/2/2019</p> <p>ii. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Yuran Keahlian Kesatuan Perkerja (NUPW); JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(31); 25/2/2019</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>iii. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Koperasi Pekerja Ladang-ladang Dan Perindustrian Malaysia Berhad; JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(32); 6/3/2019</p> <p>iv. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Skim Insuran; JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(29); 25/2/2019</p>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	The list established as Sime Darby Plantation Legal and Other Requirements Register which was updated as and when necessary.	Complied
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	Legal and other requirements register was updated as of January 2019 which includes relevant new requirements such as Minimum Wages Order Amended 2018.	Complied
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	The Senior Assistant Manager was assigned as the responsible person in-charge to monitor compliance and to track update or changes in relevant requirements. Sighted records of latest evaluation of compliance done on 8/6/2019 summarized that compliance level was at 98.75% with satisfactory rating.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	Based on the results of documentations, site visit and stakeholder consultation, no evidence that the oil palm cultivation activities diminished the land use rights of others.	Complied

Criterion / Indicator	Assessment Findings	Compliance																								
<p><b>4.3.2.2</b> The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby leased all the land directly from the government. There were no issues of land disputes recorded. All land title were kept in the office and available for review.</p> <p>CE</p> <p>The estate owned 65 land title: Sighted the sampled of land title as follows:</p> <table border="1" data-bbox="1050 703 1767 967"> <thead> <tr> <th>Grant No.</th> <th>Lot no</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>GRN 50936</td> <td>3435</td> <td>207.9069</td> </tr> <tr> <td>GRN 27335</td> <td>3227</td> <td>411.3632</td> </tr> <tr> <td>GRN 24286</td> <td>4966</td> <td>435.1000</td> </tr> </tbody> </table> <p>KE</p> <table border="1" data-bbox="1050 1082 1767 1342"> <thead> <tr> <th>Grant No.</th> <th>Lot no</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>PN 00081187</td> <td>9159</td> <td>397.5000</td> </tr> <tr> <td>PN 00081186</td> <td>9158</td> <td>6106040</td> </tr> <tr> <td>GRN 00135781</td> <td>5962</td> <td>961.9000</td> </tr> </tbody> </table>	Grant No.	Lot no	Hectare	GRN 50936	3435	207.9069	GRN 27335	3227	411.3632	GRN 24286	4966	435.1000	Grant No.	Lot no	Hectare	PN 00081187	9159	397.5000	PN 00081186	9158	6106040	GRN 00135781	5962	961.9000	<p>Complied</p>
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Grant No.	Lot no	Hectare																								
PN 00081187	9159	397.5000																								
PN 00081186	9158	6106040																								
GRN 00135781	5962	961.9000																								

Criterion / Indicator		Assessment Findings			Compliance
		GRN 00059943	2458	243.0617	
<b>4.3.2.3</b>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>CE Perimeters boundary were demarcated with concrete pole, security trenches and perimeter bund. Sighted the perimeter bund at P17A and P95A.</p> <p>KE Perimeters boundary were demarcated with concrete pole, security trenches and perimeter bund. Sighted the perimeter bund and boundary marking at P03D.</p>			Complied
<b>4.3.2.4</b>	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p><b>- Minor compliance -</b></p>	<p>There is not land dispute recorded. This was verified with stakeholders' consultation.</p> <p>In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.</p>			Complied
<b>Criterion 4.3.3 – Customary rights</b>					
<b>4.3.3.1</b>	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p><b>- Major compliance -</b></p>	There is no customary land for the portion of land.			Complied
<b>4.3.3.2</b>	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p>	There is no customary land for the portion of land.			Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance</b> -	There is no customary land for the portion of land.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	Social impacts were identified based on the Social Impact Assessment as documented in the SIA Report SOU 2 Chersonese; Assessment Date: 14-17 June 2015; Assessment by Sustainability Strategy Unit PSQM Department. Based on the assessment, management plan was established with annual review upon consultation with relevant stakeholders. Latest Chersonese Estate SOU2/FY2019 SIA Management Plan shown few actions on area of concerns as per following sample:  - Housing condition/living improvement – Family/Sport day - Housing area - Street light at linesite (div. 49)	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	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. Records of communication sighted available as per following types:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Estate complaint book</li> <li>- Roll call muster note book</li> <li>- Tool box briefing contractor</li> <li>- External communication files (official/authority/others)</li> </ul>	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p><b>- Major compliance -</b></p>	<p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p><b>- Minor compliance -</b></p>	<p>The complaint form is made available in the estates office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p><b>- Minor compliance -</b></p>	<p>Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last audit. Only request for maintenance housing are made by workers.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Subsection 4.2.3 Control of Documents.</p>	Complied
<p><b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development</p>			



Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.3.1</b>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>	<p>The estates management have made contribution to the local communities and stakeholders such as donation to school sports day, temple repair, safety town hall (safety programs, motivational and religious talk) for the benefit of local communities and also workers.</p>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill.</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>The estate visited has established safety and health plan and documented in OSH Management Plan FY 2019. The plan covers 13 activity programmed throughout the FY 2019. The plan was reviewed on annually basis.</p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</li> </ul>	<p>Safety and Health Policy has been established and communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the Estate.</p> <p>Sime Darby has established Standard Operating Procedure for risk assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a.</p>	Major NC

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</li> <li>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</li> </ul>	<p>Estate visited has conducted risk assessment for all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment cover all main operations and support operations. The assessment also covers working type, job step, hazard, effect, existing control, type, probability, etc. the HIRARC was reviewed by the HIRARC review team lead by the Estate Manager at minimum of once a year and as per other conditions stated in the SOP.</p> <p>CE</p> <p>Latest HIRARC review was conducted on 26/6/2018. Review was done for water pump operation.</p> <p>Noted during site visit at Schedule Waste store and Chemical Premix area, there are activities with safety and health risk which are not captured in the HIRARC such as collecting chemical mixing waste water from collection sump and loading of SW 409 through barrier.</p> <p>KE</p> <p>Latest HIRARC review was conducted on 28/6/2019. Review was done for tractor operation due to accident happen on 23/4/2019.</p> <p>The estates visited has established training program for employees exposed to chemicals to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows:</p> <p>CE</p> <ul style="list-style-type: none"> <li>i. Spraying training dated 12/7/2019</li> </ul>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>ii. Rat Baiting application training dated 11/7/2019 KE</p> <p>i. Pest and Disease training dated 10/4/2019</p> <p>The estates visited has provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Estate dated 17/3/2008.</p> <p>Chersonese Estate</p> <p>Sighted during interview with sprayers at P17A, sprayers have provided with appropriate PPE i.e. half face mask, safety goggle, nitrile gloves and wellington boots. Sighted the PPE issuance records for workers id no.146010, 116702, 113567 and 120822 dated 13/7/2019, 2/6/2019</p> <p>KE</p> <p>The estate has provided PPE for the harvester with appropriate PPE. However, during site visit at P99A sighted the harvester didn't wear helmet during harvesting work and not put in the chisel cover while riding motorcycle. This shows the awareness on importance of wearing PPE provided is not effectively implemented.</p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM(ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012 and Pictorial Safety Standard (PSS) Estate dated 17/3/2008.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Estate Manager was appointed by the Sime Darby management to be the Chairman of OSH Committee at the estates as per letter signed by the Regional General Manager/CEO for Northern Region. The management appointed Asst. Manager as person responsible for Safety and Health. Mill management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, employer representatives and employee representative's appointment letter by the Mill Manager. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>The management conducted OSH committee meeting on quarterly basis. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, safety compliance by contractors, workplace audit report, legal compliance, safety and health training and etc.</p> <p>Chersonese Estate            Latest OSH committee was conducted on 27/6/2019, 29/3/2019 and 24/12/2018</p> <p>Kalumpong Estate            Latest OSH committee was conducted on 14/6/2019, 20/3/2019 and 21/12/2018</p> <p>Accident of emergency procedure is presented in Estate Quality Management System Standard Operation manual (EQMS SOM) dated November 1st, 2008. Flowchart of emergency handling presented in Appendix 5.5.3.3.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>CE</p> <p>During interview with the storekeeper, noted the awareness of ERP for chemical spillage as stated in Estate Quality Management System Standard Operation manual (EQMS SOM) dated November 1st, 2008, Appendix 5.5.3.3, and Figure 6.4c.</p> <p>During interview with sprayers, they shows understanding on ERP if fire incident occurs at the housing area. The housing area were equipped with fire extinguisher. Latest training were conducted on 25/6/2019 with evacuation time at 11 minutes.</p> <p>KE</p> <p>During interview with harvester, they shows understanding on ERP if fire incident occurs at the housing area. The housing area were equipped with fire extinguisher. Latest training were conducted on 25/4/2018.</p> <p>First aider were present at the field operations. Mandore for each gang were trained and appointed as the first aider and bring the first aid kit daily to the field.</p> <p>CE</p> <p>Noted during interview with the spraying gang mandore shows the knowledge of first aid kit. Sighted the first aid training dated 18/9/2018.</p> <p>KE</p>	

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		<p>Noted during interview at with the harvesting gang, noted that the mandore was appointed as first aider and provided with first aid kit. Latest training was conducted on 1-3/6/2019</p> <p>The estates visited recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update Formby online through GSQM ESH Portal. The</p> <p>The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p>	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015.</p>	Complied
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>The top management of Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well. Interview with workers and trade union leader indicates that there is no such discrimination occurs in the workplace</p>	Complied

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<p><b>4.4.5.3</b> Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements. Sighted payslips for sample workers as following:</p> <p><u>Chersonese Estate:</u></p> <ul style="list-style-type: none"> <li>- Workers ID # 25885; Type: Tractor Driver</li> <li>- Workers ID # 63283; Type: Field Worker</li> <li>- Workers ID # 95384; Type: Harvesting-Carrier</li> <li>- Workers ID # 140167; Type: Harvesting-Cutter</li> </ul> <p><u>Kalumpong Estate:</u></p> <ul style="list-style-type: none"> <li>- Workers ID # 119968; Type: Harvesting-Carrier</li> <li>- Workers ID # 141588; Type: Harvesting-Carrier</li> <li>- Workers ID # 142856; Type: Harvesting-Cutter</li> <li>- Workers ID # 148911; Type: Harvesting-Cutter</li> <li>- Workers ID # 148305; Type: Harvesting-Cutter</li> </ul>	<p>Complied</p>
<p><b>4.4.5.4</b> Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>There is no permanent contract workers in the estate. There is only temporary contract workers at Chersonese for replanting purposed.</p> <p>Payslip of the excavator drivers has been sighted that it is according to the employment contract. The records are documented in Chersonese Estate and Kalumpong Estate.</p>	<p>Complied</p>
<p><b>4.4.5.5</b> 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>The management established complete records that provide accurate account of all estate employees as per employee master list.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Fair contracts given in the form of work agreement (Perjanjian Pekerjaan) and employee handbook (Buku Panduan Pekerja). Sighted work agreements for sample workers as following:</p> <p><u>Chersonese Estate:</u></p> <ul style="list-style-type: none"> <li>- Workers ID # 25885; Type: Tractor Driver; Date joined: 1/2/2001; Nationality: Malaysia</li> <li>- Workers ID # 63283; Type: Field Worker; Date joined: 7/3/2011; Nationality: Indonesia</li> <li>- Workers ID # 95384; Type: Harvesting-Carrier; Date joined: 26/9/2013; Nationality: Indonesia</li> <li>- Workers ID # 140167; Type: Harvesting-Cutter; Date joined: 14/2/2018; Nationality: Indonesia</li> </ul> <p><u>Kalumpong Estate:</u></p> <ul style="list-style-type: none"> <li>- Workers ID # 119968; Type: Harvesting-Carrier; Date joined: 17/3/2016; Nationality: Malaysia</li> <li>- Workers ID # 141588; Type: Harvesting-Carrier; Date joined: 28/3/2018; Nationality: India</li> <li>- Workers ID # 142856; Type: Harvesting-Cutter; Date joined: 21/5/2018; Nationality: Indonesia</li> <li>- Workers ID # 148911; Type: Harvesting-Cutter; Date joined: 28/2/2019; Nationality: Indonesia</li> <li>- Workers ID # 148305; Type: Harvesting-Cutter; Date joined: 3/2/2019; Nationality: Indonesia</li> </ul>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p>	<p>Time recording system that makes working hours and overtime transparent for both employees established through PIMS accounting system.</p>	Complied



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	- <b>Major compliance</b> -		
<b>4.4.5.8</b>	<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>- <b>Major compliance</b> -</p>	<p>The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on check roll records, overtime and breaks were recorded and consistent with the payslip for sample months shown no evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.</p>	Complied
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- <b>Major compliance</b> -</p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contain the following information :</p> <p>a) Earnings</p> <ul style="list-style-type: none"> <li>- Basic Salary ( Daily Rated Work, Work on Rest Day and Work on Holiday)</li> <li>- Overtime (Week days, Rest days and Holiday)</li> </ul> <p>b) Deduction</p> <ul style="list-style-type: none"> <li>- Union fee (NUPW &amp; AMESU),SOCSCO, EPF , electricity deduction and others</li> </ul> <p>Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract</p>	Complied
<b>4.4.5.10</b>	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional</p>	<p>The company provides amongst all the following benefits:</p> <ul style="list-style-type: none"> <li>- 5kg rice and 5kg cooking oil to all workers once every 2 months</li> </ul>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>development, medical care and health provisions.</p> <p><b>- Minor compliance -</b></p>	<ul style="list-style-type: none"> <li>- RM5 mobile subsidy to all workers.</li> <li>- Free medical benefit to workers dependent at the estates clinics.</li> <li>- Renewal for driving license for local workers</li> <li>- Sending worker’s children to schools</li> <li>- Once a year festival token to all workers</li> <li>- Yearly schooling assistance</li> <li>- Sime Darby scholarship</li> <li>- The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</li> </ul>	
<p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p><b>- Major compliance -</b></p>	<p>Visit to the Chersonese Estate (Jin Seng Division) &amp; Kalumpong Estate (Kalumpong Division) found the following:</p> <ul style="list-style-type: none"> <li>- area surrounding workers housing not kept clean with visible rubbish being dumped improperly</li> <li>- grass/undergrowth not well trimmed/cleared</li> <li>- perimeter drains was dirty while outlet drains not clear of refuse/undergrowth to permit free flow of water</li> <li>- few stockpiles of demolished house debris within Chersonese Estate Jin Seng Division were not fully secured or cleared</li> </ul> <p>Hence a major noncompliance was raised due to that the housing area not fully in compliance with applicable legislation under Section 23 of the Workers' Minimum Standards of Housing and Amenities Act 1990: Weekly inspection of workers’ housing;</p>	<p>Major noncompliance</p>

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	<p>(1) It shall be the duty of the employer of a place of employment where workers and their dependants are provided with housing accommodation to ensure that—</p> <p>(a) the area surrounding the workers’ housing is kept clear of undergrowth and maintained in a clean and sanitary condition;</p> <p>(b) the perimeter drains around each dwelling or block of dwellings including all outlet drains are kept in a good state of repair and clear of refuse or undergrowth to permit free flow of water;</p> <p>(c) all refuse in the housing site is collected daily and disposed of satisfactorily; and</p> <p>(d) all communal latrines and bathrooms are kept in a clean, sanitary and working condition.</p>	
<p><b>4.4.5.12</b> The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	<p>Complied</p>
<p><b>4.4.5.13</b> The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.</p> <p>The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively.</p> <p>The appointed union leader at Chersonese Estate is Mr Manogaram.</p>	<p>Complied</p>

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	right should not be discriminated against or suffer repercussions. <b>- Major compliance -</b>	Latest union meeting with mill management dated 13/7/19 is referred to. No concern highlighted by the union representative based on the meeting minute.	
<b>4.4.5.14</b>	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. <b>- Major compliance -</b>	The Social Policy and Social & Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.  Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	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. <b>- Major compliance -</b>	Both estate visited has established training program based on the training need analysis conducted. The training was programmed for the management, workers, contractors and contract workers.  CE  The estates has established training plan for base from training need analysis conducted for all employee, management and contractors. The plan is documented in Training Schedule Chersonese Estate FY 2019. 41 training program were identified and programmed throughout the FY 2019.  Sighted the training records as follows:  i. COBC, whistleblowing policies briefing dated 27/6/2019	Complied

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		ii. Scheduled waste training dated 14/8/2018 iii. Pest and disease spraying training dated 4/7/2019 KE i. 3R (Reuse, reduce, recycle) briefing dated 15/4/2019 ii. Safety and PPE at workplace briefing dated 20/3/2019 iii. Housing area hygiene briefing dated 4/5/2019	
<b>4.4.6.2</b>	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. <b>- Major compliance -</b>	The estates visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type. 41 training were analysis and identified as required.	Complied
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	The estates visited has training program which updated annually. The annual internal audit by PSQM and management review does review the effectiveness of the training plan and its execution.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be	Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The environmental management	Complied

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	<p>developed, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>plan has been established to monitor the identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p>	
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p><b>- Major compliance -</b></p>	<p>Estates visited has conducted aspects and impacts analysis for all operation to determine the activity which have significant impacts to the environment.</p> <p>CE</p> <p>The estate has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted on 1/7/2018.</p> <p>KE</p> <p>The management plan stated the objectives of the environmental issue, mitigating measures, person responsible and monitoring period. The progress of the plan was monitored on monthly basis. The plan was reviewed on annually basis. Latest reviewed was conducted on 15/7/2019.</p>	Complied
<b>4.5.1.3</b>	<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><b>- Major compliance -</b></p>	<p>The estates visited has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment and documented in Environmental Improvement/Pollution Prevention Plan.</p>	Complied

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		<p>The EAI and EIE were reviewed annually basis by the EAI/EIE review team.</p> <p>The management plan stated the objectives of the environmental issue, mitigating measures, person responsible and monitoring period. The progress of the plan was monitored on monthly basis. The plan was reviewed on annually basis.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>CE</p> <p>i. Sighted training records for chemical spraying and premixing dated 12/7/2019. Noted during interview with spraying mandore shows the understanding regarding the SOP on chemical premixing.</p> <p>ii. Sighted the beneficial plant planting records of Cassia, Antigonan and Tunera and ratio of 6:2:2. Sighted during site visit the beneficial plant was planted along the road at Nursery and P17A.</p> <p>KE</p> <p>i. The estate plan to reduce the usage of rat bait by increasing the number of barn owl box in the estate. Current barn owl box ratio was at 1:31.66 ha. Latest census recorded at 73% occupancy.</p> <p>ii. The estate has established beneficial planting program. Current ratio of beneficial plant was at 1:26 decameter.</p>	
<p><b>4.5.1.4</b></p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Estates visited has established continual improvement plan and documented in Kaizen and various actions plans. The management's plans were available for review.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance												
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.  - Major compliance -	The estate visited continue provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.	Complied												
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.  - Major compliance -	The management discuss issue regarding environmental quality concern during OSH committee meeting.	Complied												
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>															
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.  - Major compliance -	<p>The estates visited maintains records of energy usage, which is reported monthly to head office through SAP system.. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel usage for FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>CE</th> <th>KE</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1.87</td> <td>2.95</td> </tr> <tr> <td>Feb</td> <td>1.55</td> <td>1.96</td> </tr> <tr> <td>Mar</td> <td>1.37</td> <td>2.21</td> </tr> </tbody> </table>		CE	KE	Jan	1.87	2.95	Feb	1.55	1.96	Mar	1.37	2.21	Complied
	CE	KE													
Jan	1.87	2.95													
Feb	1.55	1.96													
Mar	1.37	2.21													



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Criterion / Indicator		Assessment Findings			Compliance
		Apr	1.37	2.41	
		May	1.41	2.40	
		Jun	1.32	2.47	
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	The estimate for the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.			Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	No renewable energy use at the estates visited.			Complied
<b>Criterion 4.5.3: Waste management and disposal</b>					
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	Chersonese Estate The estate has identified the waste products and source pollution and documented in Environmental Management Plan SOU – Chersonese under section Waste Management. The waste identified as follows: i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Clinical waste iii. Recyclable waste – Reuse empty pesticides containers			Complied

Criterion / Indicator		Assessment Findings	Compliance
		iv. Industrial waste – deconstruction of building debris Kalumpong Estate The estate has identified the waste products and source pollution and documented in Environmental Management Plan SOU – Chersonese under section Waste Management. The waste identified as follows: i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Clinical waste iii. Recyclable waste – Reuse empty pesticides containers/recycle waste	
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p>	<p>Estates visited has established Waste management Plan base on the identification and source of pollutions and the plan were available for review.</p> <p>Chersonese Estate</p> <p>The estate has established Waste management Plan base on the identification and source of pollutions and documented in Chersonese Estate: Waste Management Action Plan FY 2019. Sighted the implementation of the management plans as follows;</p> <ul style="list-style-type: none"> <li>i. The estate</li> <li>ii. Recycle program was not effectively implemented. Found evidence of recycle waste in the municipal rubbish bin.</li> </ul> <p>Kalumpong Estate</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>The estate has established Waste management Plan base on the identification and source of pollutions. Sighted the implementation of the management plans as follows;</p> <p>i. The estate maintain the records inventory for empty chemical container. The empty container was triple rinse and use back as premix chemical container or puncture and stored at designated storage area before sent to licensed contractors for disposal.</p>	
<p><b>4.5.3.3</b> The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Both estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal records:</p>	<p>Complied</p>

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		CE i. 19/6/2019, SW 404, C/N no. AE4 ii. 4/5/2019, SW 305, C/N no. 20190509123POSFM iii. 27/3/2019, SW 409, C/N no. 20190419115HEFKM KE i. 7/5/2019, SW 305, C/N no. 20190507156W5BQ7	
<b>4.5.3.4</b>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>The estates visited has identified empty pesticides container as recycle waste in the waste identification. The empty container was triple rinse and use back as premix chemical container or puncture and stored at designated storage area before sent to licensed contractors for disposal.</p>	Complied
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic waste disposed by Kerian Municipal landfill</p> <p>CE</p> <p>The domestic waste dumping site were located at P95A. The site were near to the collection drain where the leachate water from the domestic waste will went into the collection drain and flow into Sg. Kurau. This was against the SOP established, SD/SDP/PSQM (ESH)/203-EN7 dated 13/3/2017.</p> <p>Recycle program was not effectively implemented. Found evidence of recycle waste in the municipal rubbish bin. This was against the SOP</p>	Minor NC

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Criterion / Indicator		Assessment Findings	Compliance
		<p>established, Sustainable Plantation Management System; Appendix 9; Procedure for Handling of Domestic Waste; Ver. 1; Year: 2008; Issue no.: 1; Date: 1/11/2008.</p> <p>KE</p> <p>Domestic waste were collected two times a week. Sighted the domestic waste collection records available for review. The domestic waste were collected at temporary dumping site at field P98A before disposed at Kerian Municipal landfill.</p>	
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>The estates visited has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation and Waste identification.</p>	Complied
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>The action plan to reduce the identified significant impact has been documented in several action plan i.e Pollution Prevention/Environmental management Plan and Waste management Plan. The managements Plan were available for review.</p>	Complied
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p>	<p>Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p>	Complied

Criterion / Indicator	Assessment Findings		Compliance														
<p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<table border="1"> <tr> <td>River width</td> <td>Buffer zone</td> </tr> <tr> <td>&gt; 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>&lt; 5 meters</td> <td>5 meters</td> </tr> <tr> <td>* &gt; 3 meters</td> <td>20 meters</td> </tr> </table>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	* > 3 meters	20 meters	<p>* For Sabah Plantations only</p> <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/ rivers, version 1, year 2008, issue no. 1, dated 01/11/2008.</p> <p>Both estates visited has established water management plan and reviewed annually basis. The management plan focusing on activity with impact to natural water sources such as water contamination and action plan during water shortage.</p> <p>Both Estates used water supplied by Lembaga Air Perak. Monitoring of consumption/usage was conducted on monthly basis and available for review.</p>	
River width	Buffer zone																
> 40 meters	50 meters																
20 to 40 meters	40 meters																
10 to 20 meters	20 meters																
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< 5 meters	5 meters																
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Criterion / Indicator	Assessment Findings	Compliance
	<p>The quality of out-going water into rivers was monitored quaterly by carrying out water analysis. River water sampling for analysis was done for upstream, midstream and downstream. Sighted the water analysis records as follows:</p> <p>CE</p> <p>i. Pesticides water analysis Report no.: IE304/2019 Sample date: 4/3/2019 Results: Not conform to Class IIA and IIB NWQS. Investigation has been conducted On 7/3/2019 using WQ-01/CPAR (1) form.</p> <p>ii. River water analysis Report no.: PL232/2019 Sample date: 8/3/2019 Results: Non detected Kalumpong Estate</p> <p>i. Pesticides water analysis Report no.: IE470/2019 Sample date: 16/4/2019 Results: Not conform to Class IIA and IIB NWQS. Investigation has been conducted</p> <p>ii. River water analysis</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Report no.: PL365/2019</p> <p>Sample date: 16/4/2019</p> <p>Results: Non detected</p> <p>Sighted during site visit at the riparian zone at both estate visited, the vegetation were well maintained. No evidence of chemical application along the riparian zone.</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	No bunds were sighted across main rivers and waterways in both estates.	Complied
<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates.	Complied
<b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value			
<b>4.5.6.1</b>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	The estate and Plantation Sustainability Department has conducted HCV assessment in June 2016. No HCV on biodiversity identified as per report. The management has identified conservation area and established management plan to monitor and ensure the area are well conserve.	Complied



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<p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p><b>- Major compliance -</b></p>		
<p><b>4.5.6.2</b> If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>Estate visited communicate the information regarding the HCV, RTE and conservation area with the employee through briefing and signage erected at few area in the estate.</p>	<p>Complied</p>
<p><b>4.5.6.3</b> A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>According to the HCV report for both estates visited, there are no RTE species (according to IUCN classification) sighted at the operating units. However, both estate has established HCV management plan to monitor all conservation area identified in the estate. Sighted the implementation of the management plan as follows:</p> <p>CE</p>	<p>Complied</p>

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		i. the estate continue to monitor the presence of wildlife in the estate. Sighted the monitoring records dated 29/6/2019, 17/6/2019 and 29/5/2019. No RTE species sighted in the estate.  KE  ii. Sighted during site visit, signboard of prohibition of illegal and appropriate hunting and fishing were erected at the conservation area and estate entrance.	
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	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.  <b>- Major compliance -</b>	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.	Complied
<b>4.5.7.2</b>	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.  <b>- Major compliance -</b>	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
<b>4.5.7.3</b>	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.  <b>- Major compliance -</b>	No controlled burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.7.4</b>	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p><b>- Minor compliance -</b></p>	<p>Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation was used such as felling &amp; chipping, cambering/land forming and path construction as sighted during site visit at P19A Chersonese Estate and P19 at Kalumpong Estate.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>SOP was established for the Estates. &amp; Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU2 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc.</p> <p>Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.</p>	Complied
<b>4.6.1.2</b>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of</p>	<p>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p>	Complied

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	<p>either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>Landscapes of both estates visited are mostly flat. Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p>	
<b>4.6.1.3</b>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.</p>	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>SOU2 has continued its commitment to long term sustainability and improvements through a capital expenditure program. The management has forecasted 5 years business plan from FY 2019 – 2024.</p>	Complied
<b>4.6.2.2</b>	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p>	<p>SOU2 estates have long range replanting program from FY 2019 - 2024. Replanting is planned for low yield field area, disease infected area, tall palm and older than 25 years old.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>- Major compliance -</b></p>	<p>Chersonese Estate</p> <p>Replanting program was planned from FY 2018 – 2023. Program for the next financial years as follow:</p> <p>2019: 270.35 ha 2020: 186.62 ha 2021: 0.00 ha 2022: 145.45 ha</p> <p>Replanting was planned early for field in, P93 and P93A (replanting in 2019) due to the low yield and disease infected (ganoderma).</p> <p>Kalumpang Estate</p> <p>Replanting program was planned from FY 2019 – 2024. Program for the next financial years as follow:</p> <p>2019: 376.51 ha 2020: 121.46 ha 2021: 104.81 ha 2022: 67.51 ha</p>	
<p><b>4.6.2.3</b> The business or management plan may contain: a) Attention to quality of planting materials and FFB</p>	<p>The budget provisions cover activities for upkeep, cultivation, harvesting &amp; evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>	total cost of production per MT & per ha. The document were available for review.	
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	Sime Darby has established a system to monitor the mill and estate operation. The Structured Oil Recovery Assessment (SORA) (for Mill) / Structured Crop Recovery Assessment (SCRA) (for estates) and Planning and Monitoring Unit visited the operating units quarterly. Their reports covers on all aspect of operation.	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Pricing mechanisms for the products and other services were effectively documented and implemented based on the following samples: <ul style="list-style-type: none"> <li>- Agreement no. E162/2019/15; Date: 1/4/2019; Contractor: DNB Mutiara Enterprise; Title: Mechanical Grass Cutting</li> <li>- Agreement no. E162/2019/02; Date: 1/1/2019; Contractor: Oons Enterprise; Title: Mechanical Grass Cutting</li> <li>- Agreement on the Transportation of Fresh Fruit Bunches (FFB) in Peninsular Malaysia with Bagan Samak Enterprise</li> </ul>	Complied

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4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	According to the agreement made, the payment to contractors shall be made 30 days after the invoice date that submitted to the company by 1st week of the month. Interview with the contractors confirmed that the payment was made promptly according to the agreement.	Complied
<b>Criterion 4.6.4: Contractor</b>			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	As per following samples: <ul style="list-style-type: none"> <li>- Agreement no. E162/2019/15; Date: 1/4/2019; Contractor: DNB Mutiara Enterprise; Title: Mechanical Grass Cutting</li> <li>- Agreement no. E162/2019/02; Date: 1/1/2019; Contractor: Oons Enterprise; Title: Mechanical Grass Cutting</li> <li>- Agreement on the Transportation of Fresh Fruit Bunches (FFB) in Peninsular Malaysia with Bagan Samak Enterprise</li> </ul> MSPO Briefing session with contractor was conducted on 27/11/2018. However the contract addendum (By Regional CEO, Central East Region, Sime Darby Plantation Berhad; Date: 26/6/2019; Subject RSPO/ISCC/MSPO/SCCS) on requirement of contractors to fulfil MSPO requirements documentation was not evidently provided to contractors since not attached in contract agreement copies. Hence, a minor noncompliance has been raised since the provision of documentation and information on MSPO requirements was not evidence.	Minor NC

Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Evidence of agreed contracts with the contractor provided by management as per samples: <ul style="list-style-type: none"> <li>- Agreement no. E162/2019/15; Date: 1/4/2019; Contractor: DNB Mutiara Enterprise; Title: Mechanical Grass Cutting</li> <li>- Agreement no. E162/2019/02; Date: 1/1/2019; Contractor: Oons Enterprise; Title: Mechanical Grass Cutting</li> <li>- Agreement on the Transportation of Fresh Fruit Bunches (FFB) in Peninsular Malaysia with Bagan Samak Enterprise</li> </ul>	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	The requirement of accepting MSPO accredited auditors to audit against the contractors are being stated in the formal letter attachment to the contractors.	Complied
<b>4.6.4.4</b>	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. <b>- Major compliance -</b>	The contractors are being evaluated based on Key Performance Indicator @ KPI on timely delivery, accident rate, non-compliance to ESH requirements and security procedures and complaints by estate and mill.  Example of evaluation observed is for FFB transporter (Bagan Samak Enterprise) which the details of KPIs were included in the annexure 8 of the contract agreement.	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1:</b> High biodiversity value			



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Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.1.1</b>	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. <b>- Major compliance -</b>	No development of new planting in the estates visited	NA
<b>4.7.1.2</b>	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. <b>- Major compliance -</b>	No development of new planting in the estates visited	NA
<b>Criterion 4.7.2: Peat Land</b>			
<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. <b>- Major compliance -</b>	No development of new planting in the estates visited	NA
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	No development of new planting in the estates visited	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.  - Major compliance -	No development of new planting in the estates visited	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.  - Major compliance -	No development of new planting in the estates visited	NA
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 -	No development of new planting in the estates visited	NA
<b>Criterion 4.7.4:</b> 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 -	No development of new planting in the estates visited	NA

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.  - <b>Major compliance</b> -	No development of new planting in the estates visited	NA
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.  - <b>Major compliance</b> -	No development of new planting in the estates visited	NA
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.  - <b>Major compliance</b> -	No development of new planting in the estates visited	NA
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - <b>Major compliance</b> -	No development of new planting in the estates visited	NA
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent,	No development of new planting in the estates visited	NA

Criterion / Indicator	Assessment Findings	Compliance
<p>dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p><b>- Major compliance -</b></p>		
<p><b>4.7.6.2</b> Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.</p> <p><b>- Minor compliance -</b></p>	No development of new planting in the estates visited	NA
<p><b>4.7.6.3</b> Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.</p> <p><b>- Major compliance -</b></p>	No development of new planting in the estates visited	NA
<p><b>4.7.6.4</b> 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.</p> <p><b>- Major compliance -</b></p>	No development of new planting in the estates visited	NA
<p><b>4.7.6.5</b> Identification and assessment of legal and recognised customary rights shall be documented.</p> <p><b>- Major compliance -</b></p>	No development of new planting in the estates visited	NA

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

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	Sime Darby had issued a statement on commitment towards MSPO implementations. The statement was made by Tang Meng Kon Head, Global Sustainability Operations.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	The policy specifically emphasized achieving commitment towards a systematic approach in ensuring continuous improvement in our operation, compliance to statutory, legal and other regulation requirements and establishment of traceability within the supply chain in line with our existing Sustainability policies.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	As per the Internal Audit Procedure (SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017), the internal audit planned to be conducted on yearly basis. Latest internal audit was conducted on 11-24 June 2019 covering the entire SOU2 which was combined with RSPO. Chersonese Estate and Kalumpong Estate are part of SOU2 under Chersonese POM.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	As per the Internal Audit Procedure (SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017) and records of internal audit, the processes implemented were properly documented complete with corrective action taken on findings. Records shown a total of 11 Major and 7	Complied

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	- <b>Major compliance</b> -	Minor nonconformities were raised by internal auditors and closed accordingly.	
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. - <b>Major compliance</b> -	Results of internal audit was reviewed by management through management review meeting conducted on 24/6/2019.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - <b>Major compliance</b> -	Management review meeting was conducted on 27/6/2019 chaired by the SOU Chairman i.e. Senior Manager of Tali Ayer Estate and attended by all managers and assistant managers of SOU 2 mill and estates. The minutes of meeting for the management review shown few improvements recommended by management including further trainings to be conducted by SQM personnel to operational personnel.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - <b>Major compliance</b> -	The mill has established the method for continual improvement, e.g.: Kaizen and various action plans including construction of new boiler complete with upgraded dust collection system to meet the Environment Quality (Clean Air) Regulations 2014.	Complied
<b>4.1.4.2</b>	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	The management has conducted training need analysis on annual basis to identify the needs of training for each group of workers. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health	Complied

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	- <b>Major compliance</b> -	and safety etc. The training identified were programmed throughout the year.	
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.  - <b>Major compliance</b> -	Communication was implemented as per documented Standard Operation Manual dated 01/11/2008; 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. Records of communication sighted available as per following types:  <ul style="list-style-type: none"> <li>- Mill RSPO/MSPO Internal Stakeholder’s Complaint Record Book</li> <li>- DOSH visit book</li> <li>- DOE field citation record</li> <li>- MPOB inspection record</li> <li>- Electrical visit record book</li> <li>- Estate complaint book</li> <li>- Roll call muster note book</li> <li>- Tool box briefing contractor</li> <li>- External communication files (official/authority/others)</li> </ul>	Complied
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	The Procedure for External Communication dated 01/11/2008 included the method for the public to obtain information from the company. The procedure was introduced to the local stakeholders during the stakeholder engagement.	Complied



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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	Policies of the company is published on their website and copies of polices can be seen posted on notice board within the vicinity of the mill.	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders.  - <b>Major compliance</b> -	The same Standard Operation Manual dated 01/11/2008; Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2) and Sustainable Plantation Management System (SPMS) Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 were documented the process for handling communication regarding social issues. Latest stakeholder meeting was conducted on 3/7/2019 involved external stakeholders for SOU 2 (Chersonese Mill & Estate).	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> .  - <b>Minor compliance</b> -	Nominated management official to be responsible for issues related of consultation and communication with relevant stakeholders for mill is Solahadden bin Jasmi (SA); Appointed date: 12/1/2019,	Complied
<b>4.2.2.3</b>	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.  - <b>Major compliance</b> -	The latest stakeholders list for FY 2019 was updated at all visited estates.  The external stakeholder consultation is conduct once a year. Latest stakeholder meeting was conducted on 3/7/2019 involved external stakeholders for SOU 2 (Chersonese Mill & Estate).	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard	Management established the Sustainable Plantation Management System Appendix 15 SOP for Sustainable Supply Chain and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	operation procedure for traceability. <b>- Major compliance -</b>	Traceability; Version 2; Issue # 5; Issue date: Apr 2019 for the implementation and maintenance of traceability for relevant palm products.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Regular inspections on traceability done through internal audit which was conducted based on the SOP for Sustainable Supply Chain and Traceability of SPMS Appendix 15 (18: Internal Audit); Version 2; Issue # 5; Date: April 2019. Latest internal audit was conducted on 19/6/2019 together with RSPO SCCS. 1 Major NC was raised by internal auditor during the audit and has been resolved by the mill.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	Identified and assigned suitable employees to implement and maintain the traceability system by management is Mohd. Ridhwan Ravindran (QA Supervisor); Appointed date: 1/6/2019.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	Records of storage and sales summarized in Mass Balancing Records stated the tonnage of FFB received, FFB processed, CPO produced, CPO despatched, PK produced and PK despatched. Daily production summary report also maintained for up-to-date storage data. Latest daily production summary report for 16/7/2019 records the following:  - CPO stock: 388.210 mt - PK stock: 200.084 mt  Dispatch of CPO and PK records also maintained as per following sample:  CPO dispatch:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Weighbridge ticket # 011315; Date: 17/4/2019; Net weight: 40.01 mt; Vehicle # KDW9995</li> <li>- Weighbridge ticket # 011576; Date: 3/7/2019; Net weight: 39.16 mt; Vehicle # KDW9995</li> </ul> PK dispatch: <ul style="list-style-type: none"> <li>- Weighbridge ticket # 011276; Date: 4/4/2019; Net weight: 39.10 mt; Vehicle # AGS6398</li> <li>- Weighbridge ticket # 011566; Date: 2/7/2019; Net weight: 34.11 mt; Vehicle # PHT5531</li> </ul>	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 2.</p> <p>PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>All legal requirement was documented in Legal and Requirement Register, List of Competency Certs and List of Permits and License.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The latest evaluation was conducted on 25/5/2018 by QA supervisor and approved by Mill Manager. As to date, the Chersonese POM comply with all the applicable local, state, national and ratified international laws and regulations.</p> <p>Compliance to each applicable law and regulation is monitored by the operating units. Sighted the sampled evidence of compliancy to the regulation as follows:</p> <ul style="list-style-type: none"> <li>i. MPOB License. License no. 53366710400. For processing 192000 ton FFB. Validity period from 1/11/2018 -1 31/10/2019</li> <li>ii. DOE’s ‘Jadual Pematuhan’. License no. 004229. Validity period from 1/7/2019 – 30/6/2020</li> <li>iii. Private Electrical Installations. License no. 19790. Validity period from 18/2/2019 – 17/2/2020</li> <li>iv. Purchasing of diesel. Ref. no. KPDNKK.PBR.003.SK(P/D)020/2008 for 8100 liter. Validity period from 7/5/2019 – 6/5/2020</li> <li>v. The mill have applied for Contradiction License for compliance to EQA (Clean Air) Regulation 2014 as per letter dated 31/5/2019.</li> </ul> <p>Permit for salary deduction available as following:</p> <ul style="list-style-type: none"> <li>i. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Bil Elektrik dan Air; JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(30); 25/2/2019</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		ii. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Yuran Keahlian Kesatuan Perkerja (NUPW); JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(31); 25/2/2019  iii. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Koperasi Pekerja Ladang-ladang Dan Perindustrian Malaysia Berhad; JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(32); 6/3/2019  iv. Potongan Upah di Bawah Seksyen 24 Akta Kerja 1955 – Bayaran Bagi Skim Insuran; JTK.PK.(1)PMT(SEK.24)10802 Jld. 15(29); 25/2/2019	
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	The list established as Sime Darby Plantation Legal and Other Requirements Register which was updated as and when necessary.	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	Legal and other requirements register was updated as of January 2019 which includes relevant new requirements such as Minimum Wages Order Amended 2018.	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	QA Supervisor was assigned as the responsible person in-charge to monitor compliance and to track update or changes in relevant requirements. Sighted records of latest evaluation of compliance done on 8/6/2019 summarized that compliance level was at 98.75% with satisfactory rating.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - <b>Major compliance</b> -	Based on the results of documentations, site visit and stakeholder consultation, no evidence that the oil palm milling activities diminished the land use rights of others.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - <b>Major compliance</b> -	The land title applicable to Chersonese POM with Grant number 71380 (lot 4647) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 26/04/1993.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.	Complied
4.3.2.4	Where there are, or 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). - <b>Minor compliance</b> -	There is not land dispute recorded. This was verified with stakeholders' consultation.  In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance</b> -	There is no customary land for the portion of land.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	There is no customary land for the portion of land.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	There is no customary land for the portion of land.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Social impacts were identified based on the Social Impact Assessment as documented in the SIA Report SOU 2 Chersonese; Assessment Date: 14-17 June 2015; Assessment by Sustainability Strategy Unit PSQM Department. Based on the assessment, management plan was established with annual review upon consultation with relevant stakeholders. Latest Chersonese POM SOU2/FY2019 SIA Management Plan shown few actions on area of concerns as per following sample: <ul style="list-style-type: none"><li>- Playground facilities for mill housing complex</li><li>- Van to facilitate mill and housing</li><li>- Stray dogs within line site and mill</li></ul>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	<p>regarding social issues. Records of communication sighted available as per following types:</p> <ul style="list-style-type: none"> <li>- Mill RSPO/MSPO Internal Stakeholder’s Complaint Record Book</li> <li>- DOSH visit book</li> <li>- DOE field citation record</li> <li>- MPOB inspection record</li> <li>- Electrical visit record book</li> <li>- Estate complaint book</li> <li>- Roll call muster note book</li> <li>- Tool box briefing contractor</li> <li>- External communication files (official/authority/others)</li> </ul>	
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- <b>Major compliance</b> -</p>	<p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- <b>Minor compliance</b> -</p>	<p>The complaint form is made available in the mill office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- <b>Minor compliance</b> -</p>	<p>Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last audit. Only request for maintenance housing are made by workers.</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Subsection 4.2.3 Control of Documents.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	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. <b>- Minor compliance -</b>	The mill management have made contribution to the local communities and stakeholders such as donation to school sports day, temple repair, safety town hall (safety programs, motivational and religious talk) for the benefit of local communities and also workers.	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	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. <b>- Major compliance -</b>	Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill.  The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.  The mill has established Safety and Health Management Plan and documented in ESH Program FY 2019.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.4.2</b> The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> </ul> </li> </ul>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill.</p> <p>Sighted the records for latest Safety Townhall training dated 8/4/2019 and 19/4/2019.</p> <p>The mill has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment cover all main operations and support operations such as security, office, store, weighbridge, fruit handling, threshing and etc. The assessment also covers working type, job step, hazard, effect, existing control, type, probability, etc.</p> <p>HIRARC Review was conducted by HIRADC Committee on annually basis and when necessary. Latest review was conducted on 7/7/2019 for maintenance due to accident occur on 3/7/2019.</p> <p>The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. Latest chemical</p>	<p>Complied</p>

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<p>ii. All precautions attached to products should be properly observed and applied;</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p>	<p>Handling Training was conducted on 10/9/2018 by PSQM executive for north region.</p> <p>Sighted during site visit, safety data sheet for all chemicals were available at the chemical store and lubricant store.</p> <p>The mil provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17/3/2008. Sighted during site visit at the workshop, workers using welding set were provided with leather gloves, welding mask and safety shoes. Sighted at the PPE issuance records at the general store for FFB recipients station, sterilizer station, and workshop workers for the month of May, June and July 2019. The PPE issued base on the job type. All recipients must signed the PPE issue form and return used PPE to be disposed as scheduled waste.</p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>Mill Manager was appointed by the Sime Darby management to be the Chairman of OSH Committee at the mill as per letter signed by the Regional General Manager. Mill management has appointed</p>	

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<p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>Safety Committee Member consist of OSH Coordinator, Secretary, seven representatives from Employer and ten representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>The management conducted OSH committee meeting on quarterly basis. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training and etc. Sighted the minutes meeting for OSH committee dated 11/5/2019 and 11/2/2019.</p> <p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Sighted during site visit, the emergency handling flowchart was available at the workshop, store and press station. The workstation also equipped with fire extinguisher and first aid kit. Noted during interview with storekeeper and sterilizer operator shows the understanding regarding accident and emergency procedures.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Mill has established 2 ERT team. Latest training was conducted on 8/2/2019 for team A with 15 minutes of evacuation time and 22/2/2019 for team B with 15 minutes of evacuation time.</p> <p>Latest training for ERP was conducted on 9/1/2019 for chemical spillage and 25/6/2019 for fire drill with 11 minutes of evacuation time.</p> <p>First aider present at various work station at the mill. The first aider responsible for first aid box at each workstation. During the interview with the storekeeper and sterilizer operator, shows the awareness regarding the emergency procedure if accident occur, person responsible of every first aid box and the location of the nearest first aid box. Sighted the latest training records for first aider dated 7/12/2018 conducted by Health Care assistant.</p> <p>The mill recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update form. Sighted the reports for the month of October and November 2018. The accident occurred was reviewed on quarterly basis during OSH committee meeting. The latest meeting was conducted on 11/5/2019. Several issues being discussed and evaluated are work place inspection, accident report, firefighting and drill evacuation, training and other issues related to OSH.</p>	
<p><b>Criterion 4.4.5:</b> Employment conditions</p>		

Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>The top management of Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the Social and Humanity Management Policy signed by Managing Director in January 2015. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well. Interview with workers and trade union leader indicates that there is no such discrimination occurs in the workplace</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements. Sighted payslips for sample workers as following:</p> <ul style="list-style-type: none"> <li>- Workers ID # 47879; Type: Shift Worker</li> <li>- Workers ID # 79473; Type: Workshop</li> <li>- Workers ID # 88313; Type: Shift Worker</li> <li>- Workers ID # 88320; Type: Shift WorkerWorkers ID # 92348; Type: Shift Worker</li> <li>- Workers ID # 122299; Type: Shift Worker</li> <li>- Workers ID # 151275; Type: Shift Worker</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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><b>- Minor compliance -</b></p>	There is no permanent contract workers in the mill.	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	The management established complete records that provide accurate overview of all mill employees as per employee master list.	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>Fair contracts given in the form of work agreement (Perjanjian Pekerjaan) and employee handbook (Buku Panduan Pekerja). Sighted work agreements for sample workers as following:</p> <ul style="list-style-type: none"> <li>- Workers ID # 47879; Type: Shift Worker; Date joined: 1/6/2010; Nationality: Indonesia</li> <li>- Workers ID # 79473; Type: Workshop; Date joined: 1/12/2018; Nationality: Malaysia</li> <li>- Workers ID # 88313; Type: Shift Worker; Date joined: 1/4/2013; Nationality: Indonesia</li> <li>- Workers ID # 88320; Type: Shift Worker; Date joined: 1/4/2013; Nationality: Indonesia</li> <li>- Workers ID # 92348; Type: Shift Worker; Date joined: 1/7/2013; Nationality: Indonesia</li> <li>- Workers ID # 122299; Type: Shift Worker; Date joined: 9/6/2016; Nationality: Indonesia</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		- Workers ID # 151275; Type: Shift Worker; Date joined: 3/6/2019; Nationality: Malaysia	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.  - <b>Major compliance</b> -	Both estates has established a time recording system using punch card for all employees. Time recording system has been implemented by punch card system for all mill employees.  The working hours for all employees has been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer	Complied
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.  - <b>Major compliance</b> -	The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on check roll records, overtime and breaks were recorded and consistent with the payslip for sample months shown no evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.  - <b>Major compliance</b> -	Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contain the following information : a) Earnings - Basic Salary ( Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) b) Deduction - Union fee (NUPW & AMESU),SOCSCO, EPF , electricity deduction and others	Complied



Criterion / Indicator		Assessment Findings	Compliance
		Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract	
<b>4.4.5.10</b>	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.  <b>- Minor compliance -</b>	The company provides amongst all the following benefits: <ul style="list-style-type: none"> <li>- 5kg rice and 5kg cooking oil to all workers once every 2 months</li> <li>- RM5 mobile subsidy to all workers.</li> <li>- Free medical benefit to workers dependent at the estates clinics.</li> <li>- Renewal for driving license for local workers</li> <li>- Sending worker's children to schools</li> <li>- Once a year festival token to all workers</li> <li>- Yearly schooling assistance</li> <li>- Sime Darby scholarship</li> <li>- The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</li> </ul>	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.  <b>- Major compliance -</b>	The basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is bared by the workers themselves.  During the field assessment, it was observed that the mill housing are in good conditions. For local workers with family, each will be	Complied

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		<p>given a house while for foreign workers for single workers, it will be given shared house of 2-3 each people per house.</p> <p>Linesite inspection is conducted on weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990.</p> <p>The results of the inspection is being discussed with the estate manager for actions.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basis amenities (e.g. mattress, cooking utilises).</p>	
<b>4.4.5.12</b>	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>The Gender Policy was established since January 2015. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.</p>	Complied
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.</p> <p>The Social Policy established since 2015 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively.</p> <p>The appointed union leader is Mr. Mohd Redwan. Latest union meeting with mill management dated 9/3/2019 is referred to. No concern highlighted by the union representative based on the meeting minute.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  - Major compliance -	The Social Policy and Social & Humanity Management Policy was established since January 2015. The Policy covers the commitment to not condone forced labour or child labour. The signatory of the Policy is by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantation.  Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labor.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.  - Major compliance -	Mill has established training plan for base from training need analysis conducted for all employee, management and contractors. The plan is documented in Training Plan KKS Chersonese FY 2019. 30 training program were identified and programmed throughout the FY 2019.  For contractors, there are 8 trainings such as OHS, discipline and waste management incorporated, and it being briefed before starts any works and recorded in "Permit to Work".  Sighted sampled the training records as follows: i. MSPO SCCS training dated 21/6/2019 ii. Chemical spillage handling training dated 19/1/2019	Complied
<b>4.4.6.2</b>	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.	The mill has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type. 32 training were analysis and only 30 training identified as required.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<b>4.4.6.3</b>	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- <b>Minor compliance</b> -</p>	The mill has training program which updated annually. The annual internal audit by PSQM and management review does review the effectiveness of the training plan and its execution.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- <b>Major compliance</b> -</p>	Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.	Complied
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- <b>Major compliance</b> -</p>	<p>The mill has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation covers all operations in the mill. The EAI and EIE were reviewed by the EAI/IEI Review Team by annually basis. The latest review effective from 1/1/2019 – 31/12/2019.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		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. Last reviewed was done on 3/1/2018.	
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.  - <b>Major compliance</b> -	The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation. The 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.  Sighted the implementation of the management plan as follows:  i. Sighted the records of Decanter Cake Waste send to compost plan for the month of April (530.35 mt), May (471.89 mt) and June (407.86 mt) 2019 recorded in Environmental Performance Report.  ii. EFB was send to sister estate for disposal as nutrient cycle process. Sighted the records of EFB evacuation for the month of April (1686.83 mt), May (2001.79 mt) and June (2488.37 mt) 2019 recorded in Environmental Performance Report.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan.  - <b>Minor compliance</b> -	The management plan also include a program to promote positive impact and documented in the Environmental Improvement Plan. The program to promote the positive impacts as follows:  i. Disposed solids from effluent ponds as fertilizer (dry basis) after being desludged	Complied

Criterion / Indicator		Assessment Findings	Compliance								
		ii. Decanter cake waste to dispose to compost processing as compost fertilizer.									
<b>4.5.1.5</b>	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 -	The mill continue provided training to ensure the awareness regarding the environmental policy among the employee. The mill management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.	Complied								
<b>4.5.1.6</b>	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.  - Major compliance -	The mill has established Environmental Performance Monitoring Committee to monitor the environmental quality for the mill. The committee consist of Manager as chairman, secretary and representative form the management and employee. The meeting was conducted on quarterly basis. Latest meeting was conducted on 17/4/2019.	Complied								
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>											
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period  - Major compliance -	<p>The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel and electricity usage for FY 2018 and 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Consumption</th> <th>Month</th> <th>Consumption</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Month	Consumption	Month	Consumption					Complied
Month	Consumption	Month	Consumption								

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Criterion / Indicator		Assessment Findings				Compliance
		Jul 18	0.14	Jan 19	0.17	
		Aug 18	0.12	Feb 19	0.13	
		Sep 18	0.13	Mar 19	0.14	
		Oct 18	0.17	Apr 19	0.15	
		Nov 18	0.18	May 19	0.15	
		Dec 18	0.14			
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.  <b>- Major compliance -</b>	The estimate for the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.				Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible.  <b>- Minor compliance -</b>	The mill use the shell and fiber as boiler fuel. Sighted the records of renewable energy usage per CPO produce FY 2019 as follows:				Complied
		Month (2019)	L/FFB			
		Jan	4.85			
		Feb	4.74			

Criterion / Indicator		Assessment Findings		Compliance
		Mar	4.62	
		Apr	4.72	
		May	4.80	
		Jun	4.67	
<b>Criterion 4.5.3: Waste management and disposal</b>				
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	<p>The mill has identified the waste products and source pollution and documented in waste management plan Jan – Dec 2019. The waste has been identified as follows:</p> <ul style="list-style-type: none"> <li>i. Scheduled waste – Spent lubricants, spent hydraulic oil, empty lubricants, grease, hydraulic oil containers, hexane, spent IPA, Empty chemical containers</li> <li>ii. Domestic waste – Rubbish, sewage</li> <li>iii. Industrial waste – POME, EFB, decanter cake, compost</li> </ul> <p>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>		Complied
<b>4.5.3.2</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:	The mill has established the waste management plan and the plan was reviewed on annually basis.		Complied



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Criterion / Indicator	Assessment Findings	Compliance
<p>a) Identifying and monitoring sources of waste and pollution.            b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p>	<p>The mill has identified all waste products and source of pollution and documented in the Waste Management Plan. The waste i. Scheduled waste – Spent lubricants, spent hydraulic oil, empty lubricants, grease, hydraulic oil containers, hexane, spent IPA, Empty chemical containers</p> <p>ii. Domestic waste – Rubbish, sewage</p> <p>iii. Industrial waste – POME, EFB, decanter cake, compost</p> <p>In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.</p>	
<p><b>4.5.3.3</b></p> <p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Both estate visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> <li>i. 9/3/2019, SW 322, C/N no. 2019031516SG87RA, 2019031516IWRTN1</li> <li>ii. 9/3/2019, SW 409, C/N no. 2019031516SW3KGV</li> <li>iii. 29/6/2019, SW 322, C/N no. 2019070316E6S0ZL</li> <li>iv. 29/6/2019, SW 409, C/N no. 2019070316NMGCS</li> <li>v. 29/6/2019, SW 110, C/N no. 2019070316ACYB47</li> </ul>	
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic was were manage by Chersonese Estate and disposed at Kubang Kerian Municipal landfill</p>	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	<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><b>- Major compliance -</b></p>	<p>The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p>	Complied
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p>	<p>The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																
	- Major compliance -	<p>Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. The plan was reviewed on annual basis.</p> <p>Sighted the sampled if stack sampling conduted as follows:            Report no.: L-PG-AC1812CSD-0284            Date sampled: 6/12/2019            Result: comply to EQA (Clean Air) Regulation @ 0.2156 gm/m<sup>3</sup></p>																	
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan" 004229. Limit of Biochemical Oxygen Demand (BOD) discharge is 50 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Sighted the quarterly return form as follows:            1<sup>st</sup> quater</p> <table border="1"> <thead> <tr> <th></th> <th>Jan</th> <th>Feb</th> <th>Mar</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.90</td> <td>8.90</td> <td>8.80</td> </tr> <tr> <td>BOD</td> <td>15.00</td> <td>28.00</td> <td>33.00</td> </tr> <tr> <td>S. Solid</td> <td>270</td> <td>270</td> <td>189</td> </tr> </tbody> </table>		Jan	Feb	Mar	pH	8.90	8.90	8.80	BOD	15.00	28.00	33.00	S. Solid	270	270	189	Complied
	Jan	Feb	Mar																
pH	8.90	8.90	8.80																
BOD	15.00	28.00	33.00																
S. Solid	270	270	189																

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Criterion / Indicator		Assessment Findings				Compliance					
		2 <sup>nd</sup> quarter									
			Apr	May	Jun						
		pH	9.20	9.20	0.00						
		BOD	14.00	43.00	0.00						
		S. Solid	200.00	220.00	0.00						
<b>Criterion 4.5.5:</b> Natural water resources											
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>The mill has established water management Plan and documented in Water Management and Reduction Plan. The plan focusing on shortage of water supply due to dry spell, severe water pollution and contamination of surface and ground water. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame.</p> <p>The mill continue to monitor the water consumption. Sighted the records of water consumption as follows:</p>	<table border="1"> <thead> <tr> <th>Month</th> <th>Consumption L/FFB processed</th> </tr> </thead> <tbody> <tr> <td>Jul 18</td> <td>1.08</td> </tr> <tr> <td>Aug 18</td> <td>1.16</td> </tr> </tbody> </table>		Month	Consumption L/FFB processed	Jul 18	1.08	Aug 18	1.16	Complied
Month	Consumption L/FFB processed										
Jul 18	1.08										
Aug 18	1.16										

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Criterion / Indicator		Assessment Findings		Compliance							
		<table border="1"> <tr> <td>Sep 18</td> <td>1.08</td> </tr> <tr> <td>Oct 18</td> <td>1.09</td> </tr> <tr> <td>Nov 18</td> <td>1.43</td> </tr> <tr> <td>Dec 18</td> <td>1.21</td> </tr> </table> <p>The mill also monitor the river water quality. Sighted the river water analysis records as follows:</p> <p>i. Report no.: IE 493/2019  Date sampled: 18/4/2019  Result: Conform to Class IIA and IIB NWQS</p> <p>ii. Report no.: IE 611/2019  Date sampled: 22/5/2019  Result: Conform to Class IIA and IIB NWQS</p>	Sep 18	1.08	Oct 18	1.09	Nov 18	1.43	Dec 18	1.21	
Sep 18	1.08										
Oct 18	1.09										
Nov 18	1.43										
Dec 18	1.21										
<b>4.5.5.2</b>	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.  - <b>Major compliance</b> -	Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan" 004229. Limit of Biochemical Oxygen Demand (BOD) discharge is 50 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.	Complied								

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Criterion / Indicator	Assessment Findings	Compliance	
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.  Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	Complied
<b>4.6.1.2</b>	All palm oil mills shall implement best practices. <b>- Major compliance -</b>	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report.  The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan for FY2019 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization, FFB pricing etc. It also includes environment, social (workers and staff's welfare), and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		health and safety component and associated capital expenditure for improvement of smallholder schemes.	
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented.  - <b>Major compliance</b> -	Pricing mechanisms for the products and other services were effectively documented and implemented based on the following samples:  - Agreement on the Transportation of Crude Palm Oil (CPO) for Sime Darby Plantation Berhad’s Peninsular Oil Mills between Sime Darby Plantation Berhad and Mayang Bayumas Sdn. Bhd.; Date: 19/12/2017; Ref.: T/PEN/CPO/0215/001; Period (extension): 1/5/2019 – 30/4/2020	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.  - <b>Major compliance</b> -	According to the agreement made, the payment to contractors shall be made 30 days after the invoice date that submitted to the company by 1st week of the month. Interview with the contractors confirmed that the payment was made promptly according to the agreement.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.  - <b>Major compliance</b> -	The documentation and information requirement of contractors to fulfil MSPO requirements documentation was provided together with work permit as per following sample:  - Environmental/Safety and Health Permit to Work (General) – Alam Sekitar Malaysia; Date: 13/7/2019	Complied

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4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Evidence of agreed contracts with the contractor provided by management as per sample Agreement on the Transportation of Crude Palm Oil (CPO) for Sime Darby Plantation Berhad's Peninsular Oil Mills between Sime Darby Plantation Berhad and Mayang Bayumas Sdn. Bhd.; Date: 19/12/2017; Ref.: T/PEN/CPO/0215/001; Period (extension): 1/5/2019 – 30/4/2020.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	The requirement of accepting MSPO accredited auditors to audit against the contractors are being stated in the formal letter attachment to the contractors.	Complied



**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment of Sime Darby Plantation Berhad SOU 2 Chersonese Palm Oil Mill and Supply Base Certification Unit 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. It is recommended that the certification of of Sime Darby Plantation Berhad SOU 2 Chersonese Palm Oil Mill and Supply Base Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> AZIZ ABDUL RAHMAN	<b>Name:</b> Muhammad Fadzli Masran
<b>Company name:</b> SIME DARBY PLANTATION BERHAD	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> MILL MANAGER.	<b>Title:</b> Client Manager
<b>Signature:</b>  <b>Date:</b> .....	<b>Signature:</b>  <b>Date:</b> 6/11/2019

**Appendix A: Assessment Plan**

PRELIMINARY AGENDA					
Date	Time	Subjects	MFM	HMM	NC
Sunday 14/7/2019	PM	Audit Team Travelling	√	√	√
Monday 15/7/2019  Chersonese Estate	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan</li> </ul>	√	√	√
	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any )	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Tuesday 16/7/2019  Kalumpang Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	10.30 – 12.30		-	√	-
	12.30 – 13.30	Lunch	√	√	√

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Date	Time	Subjects	MFM	HMM	NC
	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Wednesday 17/7/2019	08.30 – 12.30	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.	√	√	√
Chersonese POM	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Continue with 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 P6 : Best practices	√	√	√
	16.30 – 17.00	Preparation of audit report	√	√	√
	17.00 – 17.30	Closing Meeting	√	√	√

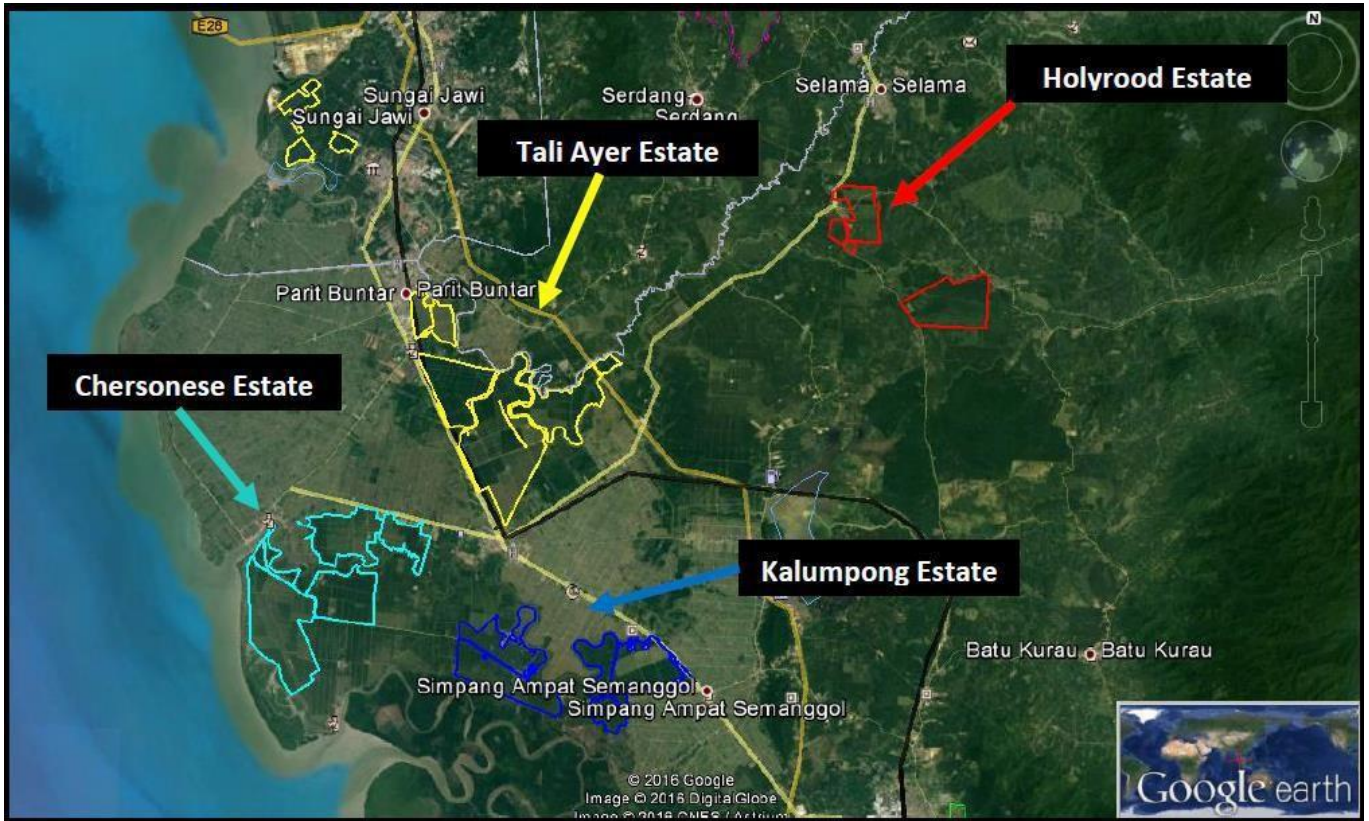
**Appendix B: List of Stakeholders Contacted**

<b>List of Stakeholders Contacted</b>	
<p><b>Internal Stakeholders</b></p> <p>Workers' Representatives</p> <p>NUPW representatives</p> <p>Gender committee</p>	<p><b>Union/Contractors/Local Communities</b></p> <p>Local Communities' Representatives</p> <p>Contractors</p> <p>Neighbouring Plantation (Ladang Segar)</p>
<p><b>Government Departments</b></p> <p>School Representative</p>	<p><b>NGO</b></p> <p>Nil</p>

**Appendix C: Smallholder Member Details**

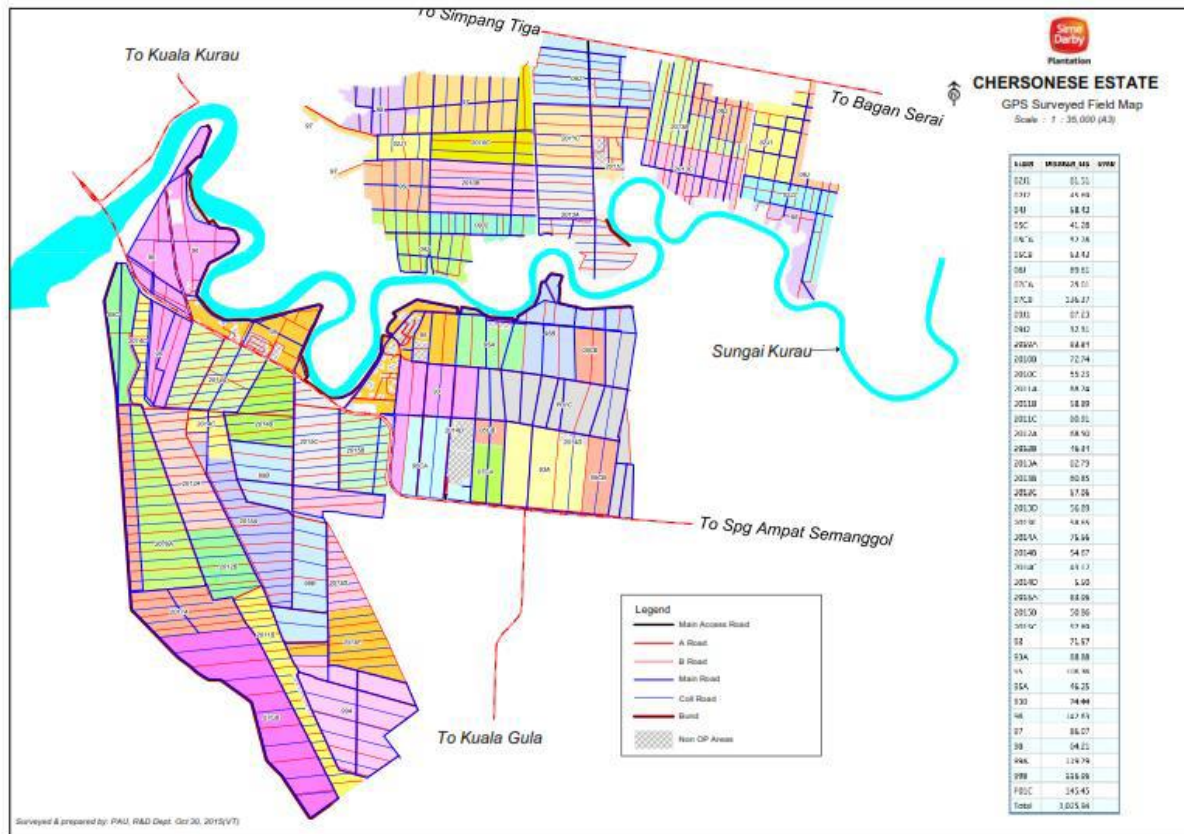
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	NA			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
<b>TOTAL</b>				

**Appendix F: Location and Field Map**

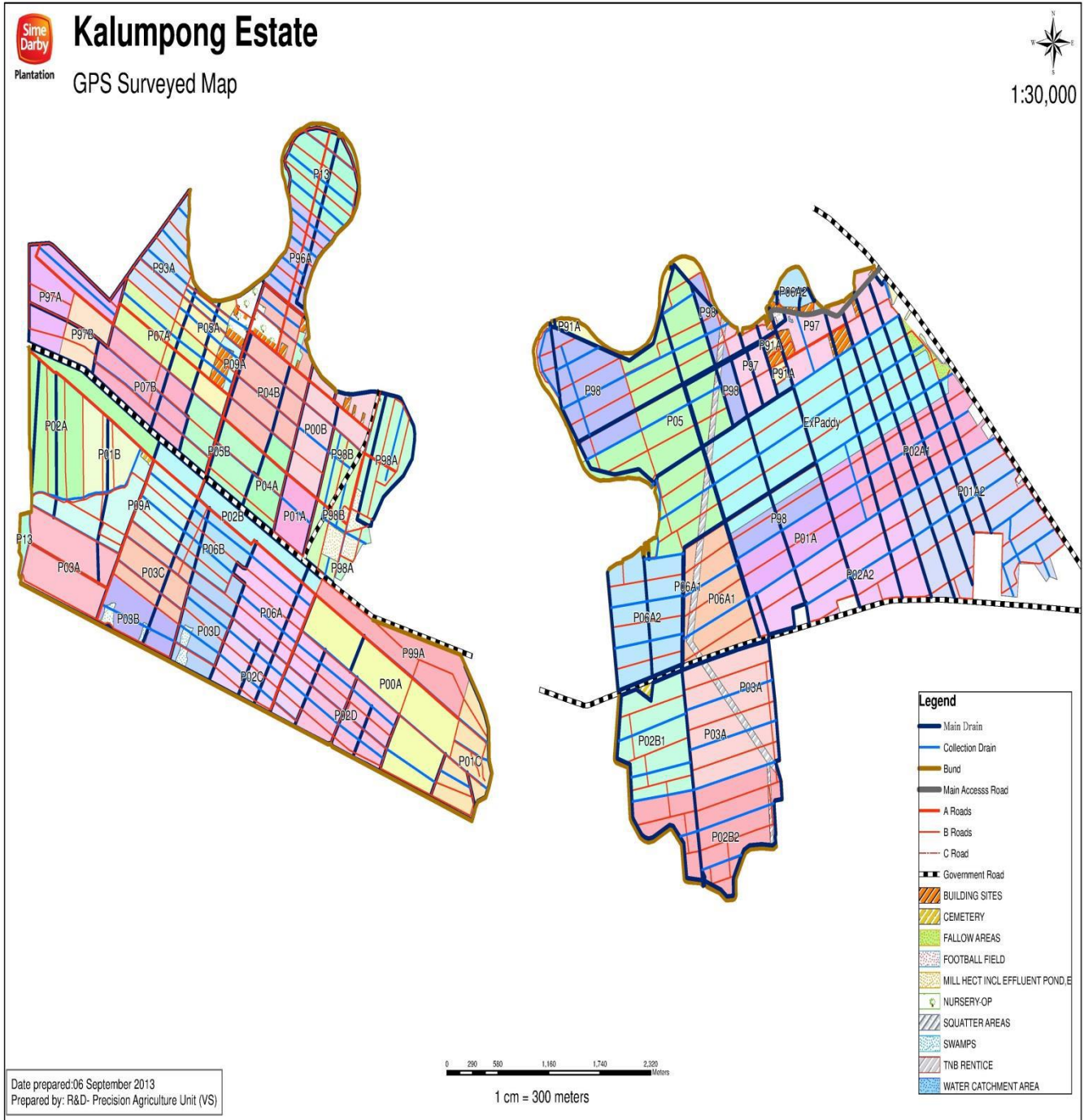




### Chersonese Estate



**Kalumpang Estate**





**Appendix G: List of Abbreviations**

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