

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT 1
Public Summary Report**

Client Company name Sime Darby Plantation Berhad
Client company Address: Main Block, Level 3A, Plantation Tower, No. 2, Jalan PJU 1A/7, Ara Damansara 47301 Petaling Jaya, Selangor
Certification Unit: Sg Dingin Palm Oil Mill (SOU 1) & Plantations of SOU 1 including Sg Dingin Estate, Bukit Hijau Estate, Anak Kulim Estate, Somme Estate, Jentayu Estate, Padang Buluh Estate and Bukit Selarong Estate
Location of Certification Unit: P.O Box 202, 09700 Karangan, Kedah

**Report prepared by:
Mohd Hafiz B. Mat Hussain (Lead Auditor)**

Report Number: 9704325

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Sg Dingin Palm Oil Mill : 53978004000 Somme Estate : 524666002000 Anak Kulim Estate : 524669002000 Bukit Hijau Estate : 524461002000 Sg Dingin Estate : 528696002000 Bukit Selarong Estate : 525104002000 Padang Buloh Estate : 529234002000 Jentayu Estate : 523647002000		
Company Name	Sime Darby Plantation Berhad (SOU 1 – Sg Dingin)		
Address	Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia Certification unit: Strategic Operating Unit (SOU 1)- Sg Dingin Palm Oil Mill, P.O Box 202, 09700 Karangan, Kedah		
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) Subramaniam Govindasamy (Sr Mill Manager)		
Website	www.simedarby.com	E-mail	Shylaja.vasudevan@simedarby.com
Telephone	03-78487379 (Head Office)	Facsimile	03-78487356(head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 705584 Plantations: MSPO 705628		
Issue Date	15/02/2018	Expiry date	14/02/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	31/10/2017-2/11/2017		
Continuous Assessment Visit Date (CAV) 1	11-14/02/2019		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date

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RSPO 550179	RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E)	BSI Services (M) Sdn Bhd	11/08/2020
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1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Sg Dingin POM	Karangan, Kedah, Malaysia	100° 42' 36.3" E	5° 23 38.6" N
Somme Estate	Serdang, Kedah, Malaysia	100° 36' 14" E	5° 15' 12" N
Anak Kulim Estate	Kulim, Kedah, Malaysia	100° 36' 36" E	5° 18' 32" N
Bukit Hijau Estate	Kuala Ketil, Kedah, Malaysia	100° 45' 25" E	5° 33' 04" N
Sg Dingin Estate	Karangan, Kedah, Malaysia	100° 43' 09.10" E	5° 20' 37.70" N
Bukit Selarong Estate	Padang Serai, Kedah, Malaysia	100° 59' 73.9" E	5° 47' 98.80" N
Padang Buloh Estate	Sungai Petani, Kedah, Malaysia	100° 34' 24" E	5° 34' 25" N
Jentayu Estate	Sungai Petani, Kedah, Malaysia	100° 35' 49.41" E	5° 46' 01.20" N

1.4 Plantings & Cycle

Estate	Age (Years) - ha					
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	TOTAL
Somme Estate	0	510.09	0	260.63	0	770.72
Anak Kulim Estate	0	0	388.33	0	0	388.33
Bukit Hijau Estate	0	293.47	963.98	193.17	0	1450.62
Sg Dingin Estate	0	827.23	1413.53	695.05	0	2935.81
Bukit Selarong Estate	523.56	1057.57	1737.51	481.00	0	3799.64
Padang Buloh Estate	586.00	690.00	2087.00	84.00	0	3447.00
Jentayu Estate	612.26	415.99	932.87	0	0	1961.12
TOTAL	1721.82	3794.35	7523.22	1713.85	0	14753.24

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Estimated (Nov 17 – Oct 18)	Actual (Feb 18 – Jan 19)	Forecast (Feb 19 – Jan 20)
Somme Estate	13582.00	16226.21	14891.00
Anak Kulim Estate	6907.17	4507.18	4308.00
Bukit Hijau Estate	22963.84	21947.10	24800.00
Sg Dingin Estate	51474.48	54276.32	62018.39
Bukit Selarong Estate	71855.68	66333.94	80759.00
Padang Buloh Estate	70337.76	50912.09	67900.00
Jentayu Estate	21970.76	20354.40	21350.00
TOTAL	259091.69	234557.24	276026.39

1.6 CPO / PK Tonnage			
Mill	Estimated (Nov 17 – Oct 18)	Actual (Feb 18 – Jan 19)	Forecast (Feb 19 – Jan 20)
Sg Dingin POM 80 MT/hr	CPO (OER: 22%)	CPO (OER: 21.6%)	CPO (OER: 21.8%)
	57000.00	50664.36	60173.75
	PK (KER: 5.5%)	PK (KER: 5.53%)	PK (KER: 5.85%)
	14250.00	12971.02	16147.54

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Somme Estate	770.72	0	170.84	941.56	81.86%
Anak Kulim Estate	388.33	7.76	1126.4	1522.49	25.51%
Bukit Hijau Estate	1450.62	5.33	1373.15	2829.1	51.27%
Sg Dingin Estate	2935.81	3.56	1315.86	4255.23	69.05%
Bukit Selarong Estate	3799.64	2.14	743.76	4545.54	83.59%
Padang Buloh Estate	3447	14.42	547.05	4008.47	85.99%
Jentayu Estate	1961.12	0.70	216.77	2178.59	90.02%
Total	14753.24	33.91	5493.83	20280.98	72.74%

Note:

1. GPS variance from last assessment data due to GPS re-surveyed by Internal GPS Team.

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance Assessment of Sime Darby Plantation Bhd, SOU 1-Sg Dingin located in Karangan, Kedah comprising 7 estates, 1 palm oil mill and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance - Part 2(060814).

The onsite assessment was conducted on 11-14/02/2019.

Based on the assessment result, Sime Darby Plantation Bhd, SOU 1-Sg Dingin complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance - Part 2_EDITED VERSION (100114) and recommended for continued certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 11-14/02/2019. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with 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 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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

There were five (5) major and four (4) minor nonconformities raised during previous assessment. The assessment findings for the annual surveillance assessment are detailed in Section 4.2.

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

This report was internally reviewed by BSI MSPO technical reviewer.

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Sg Dingin POM	X	X	X	X	X
Somme Estate		X		X	
Anak Kulim Estate		X			X
Bukit Hijau Estate		X		X	
Sg Dingin Estate			X		X
Bukit Selarong Estate			X		X
Padang Buloh Estate			X		
Jentayu Estate				X	

Tentative Date of Next Visit: February 3, 2020 - February 6, 2020

Total No. of Mandays: 8 mandays

BSI Assessment Team:**Mohd Hafiz Mat Hussain – Lead Auditor**

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, social issues and workers/stakeholders consultation.

Muhammad Fadzli – Team Member

He graduated in Bachelor of Forestry Science at 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. He had accumulated auditing experience when he was the internal auditor for ISO9001 and ISO14001 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. During this assessment, he assessed on the aspects of environmental and estate best practise. He is fluent in Bahasa Malaysia and English languages.

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 Annual Surveillance Assessment there was one (1) minor nonconformities and one (1) opportunity for improvement raised. The SOU 1 Sg Dingin Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plan 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.

Minor Nonconformities:		
Ref	Area/Process	Clause
1741332-201902-N1	Plantation	4.6.1.1 (Part 3)
Requirements:	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	
Statement of Nonconformity:	Standard operating procedure namely Operational Control Procedure-PPE, Doc No: SD/SDP/PSQM(ESH)/201/OS16, Rev:0 dated:26/2/2015 was not consistently implemented.	
Objective Evidence:	During site visit at Bukit Hijau Estate, found that the nitrile glove was kept at house WQ(D) 11 and WQ(D)12.	
Corrections:	To conduct refresher training to all workers regarding PPE (to ensure workers not bring back PPE to the workers housing complex)	
Root cause analysis:	Workers bring back the nitrile glove during rest time because want to dry it	
Corrective Actions:	<ol style="list-style-type: none"> 1. To conduct training evaluation to ensure the awareness and competency level is knowledgeable. 2. To carry out workers housing complex inspection weekly basis. 	
Assessment Conclusion:	The corrective action plan was accepted. The effective implementation will be verified during next assessment.	

Opportunity For Improvement		
Ref	Area/Process	Clause
1741332-201902-I1	Sime Darby Plantation Bhd – SOU 1 Sg Dingin	4.5.3.1 (Part 3 and Part 4)
Requirements:	All waste products and sources of pollution shall be identified and documented.	
Objective Evidence:	The used PPE need to be identified in the Environmental Management Plan, refer to Operational Control Procedure-PPE, Doc No: SD/SDP/PSQM(ESH)/201/OS16, Rev:0 dated:26/2/2015.	

Noteworthy Positive Comments	
1	Positive comments from all stakeholders interviewed

3.3 Status of Nonconformities Previously Identified

Major Nonconformities:		
Ref	Area/Process	Clause
M01	Sg Dingin POM	Part 4 (4.3.1.1)
Requirements:	Part 4 (4.3.1.1): All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. Employment Act 1955, Section 59 (1) Every employee shall be allowed in each week a rest day of one whole day as may be determined from time to time by the employer, and where an employee is allowed more than one rest day in a week the last of such rest days shall be the rest day for the purposes of this Part	
Statement of Nonconformity:	From a sample of 10 workers of Sungai Dingin POM, it was found some workers have been working for more than a week or two without given a rest day.	
Objective Evidence:	Based on the Mill Daily Attendance Report for May 2017, it was found that some workers (e.g. Mujinan, Prosanta, Sitra and Jahirudin) had been consecutively working for more than a week or two without given a rest day.	
Corrections:	Mill to inform all the workers during the morning briefing regarding the matter and get workers concern prior to work commencement.	
Root cause analysis:	Labour shortage. Mill has been operating with high utilization since March 2017 due to high crop receive. For the month of May 2017, the utilization was at 88.53% and required to operate the mill continuously.	
Corrective Actions:	Mill to look for other alternatives such as contract workers.	
Assessment Conclusion:	<p>Major Verification:</p> <p>The POM has taken action to engage with the subcontractor that is supplying the workers in a contract basis. Evidence of the engagement in the form agreement is made available to the auditor</p> <p>Status:</p> <p>Verified the Mill Daily Attendance Report, the workers who work on a rest day were paid twice as per employment act 1955. Verified the record for workers as follow:</p> <ul style="list-style-type: none"> a. Employee No.: 121120 b. Employee No.: 132476 	

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	<p>c. Employee No.: 75377 d. Employee No.: 87434 e. Employee No.: 97505 f. Employee No.: 129572 g. Employee No.: 137827 h. Employee No.: 138036</p> <p>Thus, the major NC raised during previous assessment was remain closed.</p>
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Minor Nonconformities:		
Ref	Area/Process	Clause
M02	Sg Dingin POM	Part 4 (Indicator 4.5.1.2):
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	
Statement of Nonconformity:	Environmental management plan has not been established for all significant impacts from POM operations	
Objective Evidence:	However in Sg. Dingin POM, it was found that scoring of for Treatment of Effluent (Release to Air) achieve impact scoring of 260. However, there is no Corrective and Preventive Action plan has been established for such activities as required by Environmental Aspect/Impacts Evaluation Procedure (total impact score is above 250)	
Corrections:	Refresher training to be conducted to related personnel. To re-evaluate the entire EIA & EIE documents. To prepare EMP if needed.	
Root cause analysis:	Last training on EIA & EIE was conducted few years back. No refresher training conducted to ensure fully understanding on subject matter.	
Corrective Actions:	EIA & EIE and EMP to be reviewed annually or addition of new activities by SQM & PSQM.	
Assessment Conclusion:	<p>Status:</p> <p>The mill has conducted aspect and impact analysis and documented in Environmental Aspect Impact Identification and Environmental Impact Evaluation. The analysis was reviewed on annually basis and incident happen. Latest review was conducted on 5/1/2019.</p> <p>Base on the significant impact identified in the analysis conducted, the mill has established Environmental management plan and reviewed on annually basis. Latest review was conducted on 5/1/2019.</p> <p>Thus, the minor NC raised during previous assessment was effectively closed.</p>	

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Major Nonconformities:		
Ref	Area/Process	Clause
M03	Sg Dingin POM	Part 4 (Indicator 4.5.3.2):
Requirements:	A waste management plan shall be developed and implemented, to avoid or reduce pollution. a. The waste management plan should include measure for: b. Identifying and monitoring sources of waste and pollution. c. Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	
Statement of Nonconformity:	Waste management plan has not been develop covering all operation in the POM.	
Objective Evidence:	<p>The management action plan presented during the audit is not representing all waste generated from operation in the POM (e.g.: empty pesticides container, clinical waste, and landfill).</p> <p>Although the POM has established Waste Management Action Plan FY17/18; however it was found did not include all polluting activities (e.g.: GHG emissions) and its mitigation measures (e.g.: Recycling). Contents of the action plan are founds not updated since FY15/16.</p>	
Corrections:	To redo the waste management plan incorporating all wastes produced by OUs and reviewed by SQM & PSQM. To initiate and educate all employees on waste segregation at source.	
Root cause analysis:	Each individual OUs prepared their own action plan without consultation with SQM & PSQM. In-adequate initiative on waste recycling among management	
Corrective Actions:	Conduct a campaign for the Recycle programme. Annual review on waste management plan and implementation	
Assessment Conclusion:	<p>Major Verification: Evidence has been provided by the company to the audit team in the form of the revised waste management plan and the pictorial evidence as well as the training record depicting the training that has been conducted. With the above evidences, the audit team is off the view that the Major NCR is sufficient to be closed</p> <p>Status: The mill has established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan. It was cover all the operation in the POM. Latest reviewed was conducted 19/1/2019. Thus, the major NC raised during previous assessment was remain closed.</p>	

Minor Nonconformities:		
Ref	Area/Process	Clause
M01	Plantations	Part 3 (Indicator 4.5.1.2)
Requirements:	The environmental management plan shall cover the following: 1. An environmental policy and objectives; 2. The aspects and impacts analysis of all operations	
Statement of Nonconformity:	Environmental management plan established by the SOU has not covered all identified aspects and impacts	
Objective Evidence:	However in Sg. Dingin estate, there is no Corrective and Preventive Action plan has been established for Mixing Chemical operation as required by Environmental Aspect/Impacts Evaluation Procedure (total impact score is above 250).	
Corrections:	1. Refresher training to be conducted to related personnel. 2. To re-evaluate the entire EIA & EIE documents	
Root cause analysis:	Last training on EIA & EIE was conducted few years back. No refresher training conducted to ensure fully understanding on subject matter	
Corrective Actions:	EIA & EIE to be reviewed annually or addition of new activities by SQM & PSQM	
Assessment Conclusion:	<p>Status: AKE, SE The estate has established environmental management plan base on the aspect and impact analysis conducted and documented in Pollution Prevention Plan. In the plan stated the environmental issue, objectives, location, action to be taken, and frequency of monitoring to be conducted. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented. The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate. Noted during the interview with the workers shows the understanding of the environmental policy and plan established such as prohibition of spraying at the bufferzone area, prohibition of legal hunting and prohibition of open burning.</p> <p>BHE The estate has established environmental management plan base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Environmental Management Plan – Bukit Hijau Estate. The management plan was established based on significant aspect reviewed on annually basis. The management plan stated the Environmental Risk, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented. The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate.</p> <p>Thus, the minor NC raised during previous assessment was effectively closed.</p>	

Minor Nonconformities:		
Ref	Area/Process	Clause
M02	Plantations	Part 3 (Indicator 4.5.1.3)
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive one shall be developed, effectively implemented and monitored.	
Statement of Nonconformity:	There is no environmental improvement plan has been established by the production unit.	
Objective Evidence:	As of the date of audit, there is no environmental improvement plan to mitigate the negative impacts to promotes the positive ones has been developed	
Corrections:	<ol style="list-style-type: none"> 1. Refresher training to be conducted to related personnel. 2. To re-evaluate the entire EIA & EIE documents. 3. To prepare EMP if needed 	
Root cause analysis:	Last training on EIA & EIE was conducted few years back. No refresher training conducted to ensure fully understanding on subject matter	
Corrective Actions:	EIA & EIE and EMP to be reviewed annually or addition of new activities by SQM & PSQM.	
Assessment Conclusion:	<p>Status: AKE, SE The estate has established environmental management plan base on the aspect and impact analysis conducted and documented in Pollution Prevention Plan. In the plan stated the environmental issue, objectives, location, action to be taken, and frequency of monitoring to be conducted. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented. The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate. Noted during the interview with the workers shows the understanding of the environmental policy and plan established such as prohibition of spraying at the bufferzone area, prohibition of legal hunting and prohibition of open burning.</p> <p>BHE The estate has established environmental management plan base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Environmental Management Plan – Bukit Hijau Estate. The management plan was established based on significant aspect reviewed on annually basis. The management plan stated the Environmental Risk, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented. The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate.</p> <p>Thus, the minor NC raised during previous assessment was effectively closed.</p>	

Major Nonconformities:		
Ref	Area/Process	Clause
M03	Plantations	Part 3 (Indicator 4.5.3.2)
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:	Waste management plan established by the company are found did not cover all measures identified in MSPO requirements	
Objective Evidence:	<p>It was found that waste management plan has not included any recycling or waste reduction program to mitigate waste generated. The plan is not comprehensive which still indicated stage of "Establishment of SOP on Triple Rinse". The plan has not included any measure to improve the efficiency of resource utilization and recycling of waste.</p> <p>Site inspection conducted in Bukit Selarong estate founds that empty chemicals containers (Canyon) are not being triple rinsed before kept in the Schedule Waste Store.</p> <p>During inspection conducted at Sg. Dingin estate, it was found that empty chemical containers are being used for purpose of keeping Diesel; and used as loose fruit scrapper.</p> <p>During inspection at landfill area in Padang Buloh and Bukit Selarong estate founds that waste disposed in the landfill has not been segregated. Furthermore, there is no evidence of waste segregation centre available at all visited estate</p>	
Corrections:	To redo the waste management plan incorporating all wastes produced by OUs and reviewed by SQM & PSQM. To initiate and educate all employees on waste segregation at source	
Root cause analysis:	Each individual OUs prepared their own action plan without consultation with SQM & PSQM. In-adequate initiative on waste recycling among management	
Corrective Actions:	Conduct a campaign for the Recycle programme. Annual review on waste management plan and implementation.	
Assessment Conclusion:	<p>Major Verification: Evidence has been provided by the company to the audit team in the form of the revised waste management plan and the pictorial evidence as well as the training record depicting the training that has been conducted. With the above evidences, the audit team is off the view that the Major NCR is sufficient to be closed</p> <p>Status: Estates visited has established Waste management Plan base on the identification and source of pollutions and the plan were available for review.</p> <p>AKE The estate has established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan. Latest reviewed was conducted 1/1/2019. Sighted the implementation of the management plan as follows:</p>	

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	<p>i. Sighted the reuse of empty chemical containers for premix chemical. The reuse chemical container was labeled with X.</p> <p>ii. Recycle 3R awareness training was conducted on 15/8/2018</p> <p>SE The estate has established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan. Latest reviewed was conducted 19/1/2019. Sighted the implementation of the management plan as follows: i. Recycle bin were provided at the housing area.</p> <p>BHE The estate has established waste management plan and documented in the Environmental Management Plan FY 2019 under section Waste Management. Sighted the implementation of the management plan as follows: i. Sighted record payment of waste collection done by the Municipal contractors. The domestic waste collected twice a week.</p> <p>Thus, the major NC raised during previous assessment was remain closed.</p>
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Minor Nonconformities:		
Ref	Area/Process	Clause
M04	Plantations	Part 3 (Indicator 4.5.4.1)
Requirements:	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	
Statement of Nonconformity:	Not all polluting activities from estate operation have been identified.	
Objective Evidence:	Although the estate has conducted Environmental Impacts Evaluation to identify impacts from all operations, however, it was found that the plan has not identified GHG emissions as sources of pollution	
Corrections:	To merge all plans into one action plan i.e environment management plan which covers all aspects of environment	
Root cause analysis:	To many action plan was develop i.e environment action plan, biodiversity action plan, pollution action plan etc. At time of audit the auditee is unable to recall the pollution action plan documents and shown environment action plan only	
Corrective Actions:	Management plan will be reviewed annually by SQM & PSQM	
Assessment Conclusion:	<p>Status: The PSQM has established Environmental Management Plan consist of all aspect of environmental such as Waste Management Plan, Water Management Plan, HCV/Biodiversity Management Plan base on EAI/EIE from all operating units in SOU 1. The plan was reviewed by the operating units on annually basis.</p> <p>Thus, the minor NC raised during previous assessment was effectively closed.</p>	

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Major Nonconformities:		
Ref	Area/Process	Clause
M05	Plantations	Part 3 (Indicator 4.5.5.1)
Requirements:	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: 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.	
Statement of Nonconformity:	Buffer zones are not protected to maintain the quality and availability of natural water courses	
Objective Evidence:	However, during site verification conducted in Sg. Dingin estate (Field 2012C) finds that palms located within 5m from natural waterways are being applied with fertilizer and sprayed.	
Corrections:	Action has been taken by marking white paint to two rows of oil palm trees along all the natural water ways in the estate and installed with "Buffer Zone" signage area. This will be followed with proper training to the Sprayers and manuring workers not to allow any activities along the demarcated boundaries	
Root cause analysis:	Lack of awareness on buffer zone management as per guideline on river reserve management 2014.	
Corrective Actions:	Briefing has been carried out during muster by divisional assistants to workers on the awareness of protecting the Buffer Zone and to hinder any estate chemical related activities	
Assessment Conclusion:	<p>Major Verification:</p> <p>Close out evidence has been provided to the audit team for the closure of the NCR. The audit team observed that the company has taken necessary action to mark the palm (two rows) along the bufferzone. The audit team also observed that the clear signage indicating the bufferzone has been erected. In addition, the client has provided the training to their workers on the need to protect and conserve the bufferzone. The evidence of training record depicting the training that has been conducted has been made available to the audit team. With the above evidences, the audit team is off the view that the Major NCR is sufficient to be closed</p> <p>Status: AKE Sighted during site visit at P02A, the buffer zone was demarcated with signage and 2 palms rows along the buffer zone were demarcated with red and white rings. No evidence of chemical application sighted along the buffer zone.</p> <p>Thus, the major NC raised during previous assessment was remain closed.</p>	

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Major Nonconformities:		
Ref	Area/Process	Clause
M06	Plantations	Part 3 (Indicator 4.5.6.2)
Requirements:	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: Ensuring that any legal requirements relating to the protection of the species are met	
Statement of Nonconformity:	There is no management plan established for maintaining or protecting the protected species	
Objective Evidence:	The protection status of these identified wildlife are checked against IUCN and WCA2010 and listed in Table 11. Although this list has been established, there is no evidence provided that the assessment has been made in consultation with relevant authorities (e.g.: PERHILITAN) to develop management plan for conservations of wildlife species. As of the date of audit, no management plan has been established by the SOU referring to wildlife.	
Corrections:	The estate will liaise with Jabatan Perhilitan on the highlighted issues and frequent briefing will be conducted to Auxiliary Police to monitor wild life at HCV area with proper record management. Action plan will be developed based on outcome from the consultation	
Root cause analysis:	Refer to the HCV report that"s only common wildlife in the estate to be monitored hence no consultative communication was carried out with relevant authorities	
Corrective Actions:	Management plan will be reviewed annually by SQM & PSQM	
Assessment Conclusion:	<p>Status: Estates visited has establishes HCV management plan.</p> <p>HCV monitoring was conducted by the AP on monthly basis. Sighted the records of HCV monitoring at BHE for the month of August, September and October 2018.</p> <p>Thus, the major NC raised during previous assessment was remain closed.</p>	

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Contractors: They have signed on the contract agreement and understood the terms and conditions outlined in the agreement. Payment was made according to the signed agreement. They are aware of the complaint procedure if they have any issue.</p> <p>Management Responses: The management will continue to ensure payment will be made promptly.</p> <p>Audit Team Findings: Verified the payment vouchers found that the payment was made accordingly.</p>
2	<p>Issues: School Representatives – They have good relationship with the management. Assistance and contribution were given whenever they requested from the management.</p> <p>Management Responses: The management will ensure that reasonable contribution will be provided to the communities whenever they requested.</p> <p>Audit Team Findings: No other issue.</p>
3	<p>Issues: Supplier – He has informed that payment was made promptly once they delivered the goods and services. He has good relationship with the management and has been invited to attend stakeholder meeting.</p> <p>Management Responses: The management will make sure the payment make promptly.</p> <p>Audit Team Findings: No further issue.</p>
4	<p>Issues: Gender committee members – They informed that they are aware with the procedure to lodge complaint if there is any case of sexual harassment and violence happened. So far, there was no case reported. They were treated equally without any discrimination of gender and sexuality.</p> <p>Management Responses: The management will continue to monitor if there is any case reported.</p> <p>Audit Team Findings: No further issue.</p>

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
M01	Major (Part 4)	3/11/2017	Closed
M02	Minor (Part 4)	3/11/2017	Closed
M03	Major (Part 4)	3/11/2017	Closed
M01	Minor (Part 3)	2/11/2017	Closed
M02	Minor (Part 3)	2/11/2017	Closed
M03	Major (Part 3)	2/11/2017	Closed
M04	Minor (Part 3)	2/11/2017	Closed
M05	Major (Part 3)	2/11/2017	Closed
M06	Major (Part 3)	2/11/2017	Closed
1741332-201902-N1	Minor (4.6.1.1-Part 3)	14/02/2019	"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
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The IOM regarding MSPO Implementation from Head, Plantation Sustainability and Quality Management was established, dated 08/09/2017.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The MSPO policy was communicated to the executive, staff, and workers accordingly on 14/1/2019 by the PSQM Team. The training record was made available at both the estates office.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit procedure (SD/SDP/PSQM/IAP) which was dated 01/09/17 was established. The internal audit need to be conducted annual and as and when required.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	The Internal Audit was planned to be conducted annually. The RSPO & MSPO Internal Audit for SOU 01 Sg Dingin was conducted on 8-	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>17/1/19 by GSQM & RSQM Northern Region Team (Lead Auditor: Mohd Saiful Bari Munir and assist by 8 team members).</p> <p>During this audit, there is 25 major NC, 21 minor NC and 7 OFI's raised and all the findings were in progress of closure. The report was made available at both the estates office.</p>	
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The Internal Audit was planned to be conducted annually. The RSPO & MSPO Internal Audit for SOU 01 Sg Dingin was conducted on 8-17/1/19 by GSQM & RSQM Northern Region Team (Lead Auditor: Mohd Saiful Bari Munir and assist by 8 team members).</p> <p>During this audit, there is 25 major NC, 21 minor NC and 7 OFI's raised and all the findings were in progress of closure. The report was made available at both the estates office.</p>	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) was established. The frequency for management review needs to be carried out at least once a year.</p> <p>The MSPO Management Review was conducted on 17/1/2019 which was chaired by the SOU Chairman. All the agenda such as Legal requirement, OSH Objective, Internal Audit MSPO were discussed accordingly. The MRM report was made available at both the estates office.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	The Continuous Improvement Plan for 2019 at all estate visited sighted as follow: 1) To reduce internal transport cost 2) To reduce harvesting cost 3) To reduce electricity usage 4) 5S certification 5) Create bin point system to shorten the timing evacuation of crop	Complied
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Currently, there was no new techniques or technology that implemented at estates visited.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	The Continuous Improvement Plan for 2019 at all estate visited sighted as follow: 1) To reduce internal transport cost 2) To reduce harvesting cost 3) To reduce electricity usage 4) 5S certification	Complied

Criterion / Indicator		Assessment Findings	Compliance
		5) Create bin point system to shorten the timing evacuation of crop 6) To reduce wild boar intrusion attack 7) To reduce monthly usage of tractor diesel 8) To reduce cost of mineral bottle usage	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The communication done through external communication procedure. Request and response file was maintained. Stakeholders wrote in formal letter whenever there was any requests or assistant needed from estate. The management has responded to the request. Evidence of response is sighted in all estate visited. Sighted the records of request at all site visited, most of the records show that the request for repairing workers houses (last complaint on 29/1/2019).	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The land title, OSH plan, HCV documents, negotiation procedure, complaint records, SIA, Management Plans & Continuous Improvement Plans and company policies were publicly available. All the documents were verified during the audit.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Estate Manager has been appointed as person responsible for handling social issue. Appointment letters for the officer in-charge for social issues from Regional CEO dated 2/1/2019 were sighted.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Stakeholder list was developed where stakeholders such as contractors, suppliers, local communities, government authorities and NGO in the list. Stakeholder meeting was organized once a year and the last meeting was conducted on 28/1/19 (Anak Kulim Estate and Somme Estate) and 7/2/2019 (Bukit Hijau Estate) with the participation of stakeholders such as government authorities, suppliers and contractors. Meeting minutes was sighted and issues reported were recorded. Action plan was developed in the meeting minutes.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Sime Darby has established SOP for traceability and documented in Sustainability Plantation Management System. Refer document no. SPMS/Appendix 15 issue no. 14 version 2 dated September 2018.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	PSQM conducted internal audit to monitor the compliancy with the established traceability system. Latest internal audit for SOU 1 was conducted on 8 – 17/1/2019.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Estate visited has appointed the Asst. Manager as person responsible for traceability as per letter signed by the respective estate manager.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The estates visited maintain the records of all crop sales and delivery to the mill. The estate records the FFB sales in the weighbridge ticket. In the ticket included information such as: i. vehicle and driver information ii. weight of crop dispatch iii. field harvested iv. harvesting date Sighted the weighbridge ticket no 7744 and 7741.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	Sime Darby has established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS & MQMS (Estate &	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 1.</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>Sighted the compliance records as follows:</p> <p><u>AKE</u></p> <p>i. MPOB License. License no. 524669002000. Validity period from 1/11/2018 -31/10/2019.</p> <p>ii. Purchasing of diesel. Ref. no. KPDNHEP.KLM (P) 45/1999 for 18100 litre. Validity period from 9/1/2019 - 8/1/2020.</p> <p><u>BHE</u></p> <p>i. MPOB License. License no. 524461002000. Validity period from 1/11/2018 -31/10/2019.</p> <p>ii. Purchasing of diesel. Ref. no. KPDNKK.BLG (SK) 03/2012 for 18000 litre. Validity period from 11/6/2018 - 10/6/2019.</p> <p>iii. Air compressor permit. Ref. no. KD PMT 1261. Validity period until 18/2/2020</p>	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register.	Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>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>All the legal and other requirements were register accordingly and documented in the legal requirement register including new update for Minimum Wages Order, Amendment 2018, and Employee’s Social Security Act 1969.</p> <p><u>AKE</u></p> <p>All legal requirement was documented in Legal and Requirement Register. The latest evaluation was conducted on 16/1/2019 by Healthcare Assistant and approved by the Estate Manager. As to date, the Anak Kulim Estate comply with all the applicable local, state, national and ratified international laws and regulations.</p> <p><u>BHE</u></p> <p>All legal requirement was documented in Legal and Requirement Register. The latest evaluation was conducted on 3/1/2019 by Assistant Manager and approved by the Estate Manager. As to date, the Bukit Hijau Estate comply with all the applicable local, state, national and ratified international laws and regulations.</p>	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>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. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses.</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. 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>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance												
Criterion 4.3.2 – Lands use rights															
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.	Complied												
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	<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><u>AKE</u></p> <p>Original land title was for rubber plantation. Sime Darby has requested for change of land use category from rubber plantation to oil palm plantation on 22/5/2013. Sighted the land title as follows:</p> <table border="1"> <thead> <tr> <th>Grant No.</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>GRN 31612</td> <td>38.2909</td> </tr> <tr> <td>GRN 31613</td> <td>42.3835</td> </tr> <tr> <td>GM 249</td> <td>5.3790</td> </tr> <tr> <td>GRN 46442</td> <td>15.5257</td> </tr> <tr> <td>GM 725</td> <td>11.3511</td> </tr> </tbody> </table>	Grant No.	Hectare	GRN 31612	38.2909	GRN 31613	42.3835	GM 249	5.3790	GRN 46442	15.5257	GM 725	11.3511	Complied
Grant No.	Hectare														
GRN 31612	38.2909														
GRN 31613	42.3835														
GM 249	5.3790														
GRN 46442	15.5257														
GM 725	11.3511														

Criterion / Indicator		Assessment Findings		Compliance
		GM 727	13.9006	
		GM 728	6.1598	
		GM 729	14.1736	
		GRN 46447	1364.7032	
		<u>BHE</u>		
		35 grant title		
		Sighted the sampled land title as follows:		
		Grant No.	Hectare	
		GRN 35234	925.7997	
		GRN 36923	618.3602	
		GRN 35368	266.6881	
		GRN 00001957	508.8578	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Legal boundaries at estates visited were clearly demarcated with red and white colour concrete pole with fences and security trenches. Sighted during site visit at the estates boundaries as follows:		Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p><u>AKE</u> Legal boundary clearly demarcated with concrete pole with fences and security trenches as sighted during site visit at P18B adjacent to Hutan Simpan Gunung Bongsu.</p> <p><u>SE</u> Legal boundary clearly demarcated with concrete pole with fences and security trenches as sighted during site visit at P98A adjacent with small holders</p>	
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	There were no issues of land disputes.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<p>SIA was conducted on 23/2/2015 – 5/3/2015 by the Social & Environment Projects Unit, PSQM Department covering all estate in SOU 1 (Sg Dingin). The methodology of the assessment is through interview with stakeholders such as local communities, workers, contractors and suppliers. Other method such as site visit and documentation reviewed is carried out as well. Attendance list of the stakeholders involved in the assessment was sighted.</p> <p>Latest meeting with stakeholder was conducted accordingly at estate visited during this audit. At Anak Kulim Estate and Somme Estate, the meeting with stakeholder was conducted on 28/1/2019, while for Bukit Hijau Estate, the meeting was conducted on 7/2/2019. There was no major issue raised during the meeting.</p> <p>The SIA management plan dated 29/1/2019 for Anak Kulim Estate/Somme Estate was sighted. The plan was include all the issues raised during the meeting.</p>	Complied
Criterion 4.4.2: Complaints and grievances			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The management had continued to implement the Estate Quality management System- SOM, Appendix 5.5.3.2, Procedure for External Communication 01.11.08 version 1 and SPMS, Appendix 5, Flowchart and Procedure on Handling Social Issues, Version 1, dated 01/04/2008.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	The initial responded between management and stakeholders was 14 days and if the case is not solved, it will be cascaded to the further steps as per SOP.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint was recorded in Records of Communication with stakeholders, workers and contractors. At Anak Kulim Estate and Somme Estate, there was a complaint by the workers regarding the light was not function on 29/1/19. The complaint was solved accordingly. At Bukit Hijau Estate, there was a complaint by the workers regarding the electrical problem on 29/1/19. The problem was solved on 29/1/19.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	There is complaint & communication procedure & flowchart publicly available in the notice board outside office for both internal and external party reference.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	All the records of complaints and resolutions from 2010 were available and maintained at the office.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The management has done the contribution to local communities. For example, there was a request made from SJKT Anak Kulim Estate for grass cutting for football field on 5/8/17.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	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 estate. The PSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. <u>AKE</u> The estate has established Environmental, Safety and Health plan and reviewed on annually basis. The latest review was conducted on 1/1/2019. Sighted the implementation of ESH plan FY 2018 as follows:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>i. ERP training – Trauma Drill was conducted on 21/7/2018.</p> <p><u>BHE</u></p> <p>The latest review of the ESH plan was conducted on 3/2/2019. Sighted the implementation of the ESH management plan FY 2018 as follows:</p> <p>i. Medical surveillance was conducted on 21/5/2018</p>	
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p style="padding-left: 20px;">i. all employees involved shall be adequately trained on safe working practices</p> <p style="padding-left: 20px;">ii. all precautions attached to products shall 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</p>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015 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><u>AKE</u></p> <p>The estate has conducted assessment to identify any issues on health and safety for all activities in the estate operation and documented in the HIRARC reports. The assessment cover activities office, security, store management, weeding, harvesting, replanting, general works and etc.</p> <p>The estate has established HIRARC review team. The HIRARC was reviewed at minimum once a year and when necessary as per accident happen. Latest review was conducted 22/2/2018 due to accident happen on 4/2/2018 and 1/1/2019 for annual review.</p> <p><u>BHE</u></p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>The estate has assessed all risk in the operation and documented in HIRARC reports. The assessment covers all operation such as weeding, harvesting, pest and disease and etc. The HIRARC was reviewed at minimum once a year, changes in operation and when necessary as per accident happen. Latest review was conducted on 3/1/2019 for annual review.</p> <p>Estate visited has established training program for management team, workers and contractors including pesticides applicator and programmed throughout the year. The training was conducted by the Estate Manager, Asst. Manager, Executives, Field Supervisor and Chemical/Equipment supplier with knowledge in the chemical handling. Sighted the training records at estates visited as follows:</p> <p><u>AKE</u></p> <p>i. Scheduled waste management training dated 22/1/2019</p> <p>ii. Chemical safety and Interpump maintenance dated 11/7/2018</p> <p><u>SE</u></p> <p>i. Chemical safety and Interpump maintenance dated 11/8/2018</p> <p><u>BHE</u></p> <p>i. Scheduled waste management training dated 21/6/2018</p> <p>ii. Chemical handling training dated 19/5/2018</p> <p>iii. Rat baiting application training dated 4/8/2018</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<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><u>AKE</u></p> <p>Sighted during interview with harvesters, noted they was provided with wellington boots, safety helmet and sickle cover. Sighted the PPE issuance records for the interviewed harvester were available at the office for review.</p> <p><u>SE</u></p> <p>Sighted during interview with the rat baiting applicator, they were provided with PPE such as wellington boots, nitrile gloves and face mask. Noted during the interview, the workers awareness regarding the importance of PPE usage is acceptable.</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> <p>Estate Manager in SOU 1 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/CEO as per letter dated 2/1/2019. Estate management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, employer</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>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 estate safety and health achievement report, workplace audit report, legal compliance, HIRARC review, medical surveillance report, safety and health training and etc.</p> <p><u>AKE</u> Latest OSH committee meeting was conducted on 18/1/2019, 19/10/2018, 26/7/2018 and 25/4/2018.</p> <p><u>SE</u> Latest OSH committee meeting was conducted on 23/11/2018, 19/10/2018, 26/7/2018 and 25/4/2018</p> <p><u>BHE</u> Latest OSH committee meeting was conducted on 23/1/2018, 24/4/2018, 24/8/2018 and 29/11/2018.</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><u>AKE</u> Noted during interview with the harvesters noted the understanding of Emergency procedure on firefighting at housing complex. Trauma Drill training was conducted on 21/6/2018 and ERT training was conducted on 27/10/2018.</p> <p><u>SE</u> Noted during interview with the rat bating application workers, noted the understanding of Emergency procedure on firefighting at housing complex. ERT training was conducted on 27/10/2018.</p> <p><u>BHE</u> Fire drill training was conducted on 5/4/2018.</p> <p><u>AKE</u> The estate has provided first aid kit for mandore and available at all workstation in the estate. Noted during interview with harvesting mandore the understanding of basic emergency treatment for injured workers in the fields. Sighted the first aid kit monitoring records for the month of November and December 2018. First Aid training was conducted on 14/4/2018.</p> <p><u>SE</u> The estate has provided first aid kit for mandore and available at all workstation in the estate. Noted during interview with rat baiting mondore shows the understanding of basic emergency treatment for injured workers in the fields. First Aid training was conducted on 14/4/2018.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>BHE</u></p> <p>The estate has provided first aid kit and available at all workstation in the estate. Noted during interview with the foreman shows the understanding of basic emergency treatment for injured workers. Sighted the first aid kit monitoring records for the month of July, October and December 2018. First Aid training was conducted on 5/10/2018.</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 accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p>Estate visited submitted annual accident records to DOSH through JKKP 8 form on annually basis.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The Social and Humanity Management Policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. The policy has been briefed to all the workers on 14/1/2019 at Anak Kulim Estate and Somme Estate. The policy was displayed at the notice board outside the office.</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,</p>	<p>SDPB has implemented Social Policy, Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. The policy has been briefed to all the workers on 14/1/2019 at Anak Kulim Estate and Somme Estate. The policy was displayed at the notice board outside the office.</p>	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for November 2018, December 2018 and January 2019 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 131888 (AKE) b. Employee No.: 107668 (AKE) c. Employee No.: 066449 (AKE) d. Employee No.: 025096 (AKE) e. Employee No.: 103997 (SE) f. Employee No.: 027548 (SE) g. Employee No.: 125777 (SE) h. Employee No.: 108196 (SE) i. Employee No.: 123142 (SE) j. Employee No.: 025678 (BHE) k. Employee No.: 025763 (BHE) l. Employee No.: 113700 (BHE) m. Employee No.: 145275 (BHE) n. Employee No.: 130591 (BHE) o. Employee No.: 124150 (BHE) 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		All the sampled workers have achieved the Minimum Wage Order 2016 and Minimum Wage Order 2018.	
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	Most of the activities at all estate were done by the checkroll workers.	Complied
4.4.5.5	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. - Major compliance -	There was checkroll workers hired in estate. The contractors only provides the transporters, grass cutting and miscellaneous services. The list of workers includes the full name, passport number, visa and passport validity, nationality, gender, date of birth, date entry, date join, job scope. Sighted also the employment contract and pay slip having all the worker's information.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below: a. Employee No.: 131888 (AKE) b. Employee No.: 107668 (AKE) c. Employee No.: 066449 (AKE) d. Employee No.: 025096 (AKE) e. Employee No.: 103997 (SE) f. Employee No.: 027548 (SE) g. Employee No.: 125777 (SE) h. Employee No.: 108196 (SE) i. Employee No.: 123142 (SE)	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> j. Employee No.: 025678 (BHE) k. Employee No.: 025763 (BHE) l. Employee No.: 113700 (BHE) m. Employee No.: 145275 (BHE) n. Employee No.: 130591 (BHE) o. Employee No.: 124150 (BHE) <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Overtime paid in reference with Employment Act 1955 and employment contracts and stated clearly on the overtime taken in both normal and rest days.</p> <p>Overtime recorded in the estate daily attendance report. The report for November 2018, December 2018 and January 2019 at all estate visited was sighted.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Overtime paid in reference with Employment Act 1955 and employment contracts and stated clearly on the overtime taken in both normal and rest days. Payslip for November 2018, December 2018 and January 2019 was sampled as below:</p> <ul style="list-style-type: none"> a. Employee No.: 131888 (AKE) b. Employee No.: 107668 (AKE) c. Employee No.: 066449 (AKE) d. Employee No.: 025096 (AKE) e. Employee No.: 103997 (SE) f. Employee No.: 027548 (SE) 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> g. Employee No.: 125777 (SE) h. Employee No.: 108196 (SE) i. Employee No.: 123142 (SE) j. Employee No.: 025678 (BHE) k. Employee No.: 025763 (BHE) l. Employee No.: 113700 (BHE) m. Employee No.: 145275 (BHE) n. Employee No.: 130591 (BHE) o. Employee No.: 124150 (BHE) 	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for November 2018, December 2018 and January 2019 was sampled as below:</p> <ul style="list-style-type: none"> a. Employee No.: 131888 (AKE) b. Employee No.: 107668 (AKE) c. Employee No.: 066449 (AKE) d. Employee No.: 025096 (AKE) e. Employee No.: 103997 (SE) f. Employee No.: 027548 (SE) g. Employee No.: 125777 (SE) h. Employee No.: 108196 (SE) i. Employee No.: 123142 (SE) j. Employee No.: 025678 (BHE) k. Employee No.: 025763 (BHE) l. Employee No.: 113700 (BHE) m. Employee No.: 145275 (BHE) n. Employee No.: 130591 (BHE) o. Employee No.: 124150 (BHE) 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		All the sampled workers have achieved the Minimum Wage Order 2016 and Minimum Wage Order 2018.	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Medical care is provided for free in the estate, complimentary rice provided to workers once in every 2 months, price bonus for normal days, phone allowance and insurance reimbursement.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	Health Care Assistant (HCA) in Anak Kulim Estate and Somme Estate has conducted linesite inspection on weekly basis. Comments were recorded in the inspection checklists. The last inspection was done on 25/1/2019 at Anak Kulim Estate and Somme Estate, while for Bukit Hijau Estate the inspection was done on 8/2/2019. Clinic and other facilities such as Nursery for Estate Toodler (NEST), football field were provided to the workers. Water and electricity was supplied to workers. Government schools were located nearby the estates.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. The policy has been briefed to all the workers on 14/1/2019 at Anak Kulim Estate and Somme Estate. The policy was displayed at the notice board outside the office.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. The policy was developed in Bahasa Malaysia and English. The policy has been briefed to all the workers on 14/1/2019 at Anak Kulim Estate and Somme Estate. The policy was displayed at the notice board outside the office. Interviewed with the workers confirmed that they understood on the policy and aware that they are freely to join any association.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Child Protection Policy and Social Policy dated January 2015 where they are committed to comply with the minimum age of employees. The policy has been briefed to all the workers on 14/1/2019 at Anak Kulim Estate and Somme Estate. The policy was displayed at the notice board outside the office. Document reviewed on the master listing of the employees found that all workers employed were above 18 years old. Interviewed with the workers confirmed that no child labour was found in the plantations.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Estates visited has established training program for all workers based on training need analysis conducted on annually basis.</p> <p><u>AKE</u></p> <p>The estates has established training plan for base from training need analysis conducted for all employee, management and contractors.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The plan is documented in Training Plan Anak Kulim Estate FY 2019. 31 training program were identified and programmed throughout the FY 2019.</p> <p>Sighted the sample training records for FY 2018/2019 as follows:</p> <ul style="list-style-type: none"> i. Recycle 3R awareness training dated 15/8/2018 ii. Trauma Drill training dated 21/6/2018 iii. ERT training dated 27/10/2018 iv. Safety briefing for tractor driver dated 5/7/2018 v. First Aid training dated 14/4/2018 vi. Chemical handling, safety and Inter pump maintenance dated 11/7/2018 vii. Prohibition spraying at bufferzone dated 14/4/2018 viii. Schedule Waste Management training date 22/1/2019 <p><u>SE</u></p> <p>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 Plan Somme Estate FY 2019. 31 training program were identified and programmed throughout the FY 2019.</p> <p>Sighted the sample training records for FY 2018/2019 as follows:</p> <ul style="list-style-type: none"> i. Chemical handling, safety and Inter pump maintenance dated 17/1/2019 	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> ii. Briefing on company policy and HCV training dated 22/1/2019 iii. Scheduled waste management training dated 22/1/2019 iv. IPM and BOB training dated 17/1/2019 v. Safety and health seminar dated 28/10/2018 vi. Safety townhall training dated 14/5/2018 <p><u>BHE</u></p> <p>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 Plan Bukit Hijau Estate FY 2019. 42 training program were identified and programmed throughout the FY 2019.</p> <p>Sighted the sample training records for FY 2018/2019 as follows:</p> <ul style="list-style-type: none"> i. Chemical handling training dated 19/5/2018 ii. Electrical Safety briefing by TNB dated 18/7/2018 iii. Beneficial Plant planting training dated 10/6/2018 iv. Scheduled waste management training dated 21/6/2018 v. HCV management training dated 8/11/2018 	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	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.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>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.</p> <p><u>AKE, SE</u></p> <p>The estate has established environmental management plan base on the aspect and impact analysis conducted and documented in Pollution Prevention Plan. In the plan stated the environmental issue, objectives, location, action to be taken, and frequency of monitoring to be conducted. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p> <p>The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>places in the estate. Noted during the interview with the workers shows the understanding of the environmental policy and plan established such as prohibition of spraying at the bufferzone area, prohibition of legal hunting and prohibition of open burning.</p> <p><u>BHE</u></p> <p>The estate has established environmental management plan base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Environmental Management Plan – Bukit Hijau Estate. The management plan was established based on significant aspect reviewed on annually basis. The management plan stated the Environmental Risk, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p> <p>The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p><u>AKE</u></p> <p>The estate has established environmental management plan base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The management plan was established for the activity which give significant impact for the environment and the plan was reviewed on annually basis. Latest review was conducted on 1/1/2019.</p> <p><u>SE</u></p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>The estate has established environmental management plan base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The management plan was established for the activity which give significant impact for the environment and the plan was reviewed on annually basis. Latest review was conducted on 1/1/2019.</p> <p><u>BHE</u></p> <p>The estate has established environmental management plan base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Environmental Management Plan – Bukit Hijau Estate. The management plan was established based on significant aspect reviewed on annually basis. Latest review was conducted on 3/2/2019. The management plan stated the Environmental Risk, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency.</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The 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. The EAI and EIE were reviewed annually basis.</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 quarterly basis. The plan was reviewed on annually basis.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote the positive impact was documented in several management plan such as pollution prevention plan and waste management plan.</p> <p><u>SE</u></p> <p>i. Sighted the reuse of empty chemical containers for premix chemical. The reuse chemical container was labeled with X.</p> <p><u>BHE</u></p> <p>i. Sighted the waste water from chemical premixing activity was collected in designated collection sump and been pumped and reuse in the premix chemical.</p> <p>ii. Sighted the reuse of empty chemical containers for premix chemical. The reuse chemical container was labeled with danger sign.</p>	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>Estates visited has established training program for all workers based on training need analysis conducted on annually basis including the environmental policy and awareness. Noted during the interview with the workers shows the understanding of the environmental policy and plan established such as prohibition of spraying at the bufferzone area, prohibition of legal hunting and prohibition of open burning.</p>	Complied
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The management has discussed with the employee regarding environmental quality during ESH committee meeting conducted on quarterly basis.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance														
		Noted during interview with the workers, the workers are free to report or discussed about their concern on environmental issue with the management.															
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																	
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Estates visited has established management plan to optimized the usage of non-renewable energy and monitor it on monthly basis.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>i. Sighted the records of Preventive Maintenance Vehicle for tractors at estates visited.</p> <p>ii. The sampled monitoring records for diesel consumption/FFB production at estates visited FY 2018 as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Consumption L/ton</th> </tr> <tr> <th>SE</th> <th>BHE</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>2.31</td> <td>7.40</td> </tr> <tr> <td>Feb</td> <td>2.59</td> <td>6.92</td> </tr> <tr> <td>Mar</td> <td>3.21</td> <td>6.75</td> </tr> </tbody> </table>	Month	Consumption L/ton		SE	BHE	Jan	2.31	7.40	Feb	2.59	6.92	Mar	3.21	6.75	Complied
Month	Consumption L/ton																
	SE	BHE															
Jan	2.31	7.40															
Feb	2.59	6.92															
Mar	3.21	6.75															

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Criterion / Indicator		Assessment Findings			Compliance
		Apr	3.69	7.34	
		May	2.44	3.91	
		Jun	1.79	5.62	
		Jul	2.21	5.15	
		Aug	1.82	7.86	
		Sept	1.76	6.27	
		Oct	1.63	6.56	
		Nov	2.30	4.24	
		Dec	1.45	4.70	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.			Complied
4.5.2.3	The use of renewable energy should be applied where possible.	No renewable energy used in the estates visited.			Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>AKE, SE</p> <p>The estate has identified the waste products and source pollution and documented in Waste Management Action Plan FY 2019.</p> <ul style="list-style-type: none"> i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Empty pesticides containers iii. Clinical waste iv. Recyclable waste – Reuse empty pesticides containers <p>BHE</p> <p>The estate has identified the waste products and source pollution and documented in Environmental Management Plan FY 2019 under section Waste Management.</p> <ul style="list-style-type: none"> i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Empty pesticides containers iii. Clinical waste iv. Recyclable waste – Reuse empty pesticides containers 	OFI

Criterion / Indicator		Assessment Findings	Compliance
		The used PPE need to be identified in the Environmental Management Plan, refer to Operational Control Procedure-PPE, Doc No: SD/SDP/PSQM(ESH)/201/OS16, Rev:0 dated:26/2/2015. Refer OFI raised.	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</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>AKE</p> <p>The estate has established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan. Latest reviewed was conducted 1/1/2019.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>i. Sighted the reuse of empty chemical containers for premix chemical. The reuse chemical container was labeled with X.</p> <p>ii. Recycle 3R awareness training was conducted on 15/8/2018</p> <p>SE</p> <p>The estate has established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan. Latest reviewed was conducted 19/1/2019.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>i. Recycle bin were provided at the housing area.</p> <p>BHE</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>The estate has established waste management plan and documented in the Environmental Management Plan FY 2019 under section Waste Management.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>i. Sighted record payment of waste collection done by the Municipal contractors. The domestic waste collected twice a week.</p>	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>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>The estates maintain the inventory records for all scheduled waste and reported to DOE on monthly basis through E-SWISS.</p> <p>Sighted the disposal of Scheduled Waste as follows:</p> <p>i. Machineries and tractors services was conducted by Sime Darby Industries. All the scheduled waste generated was taken by SDI. Refer letter approval by DOE no. AS (BB) 91/110/619/161 dated 6/9/2011.</p>	Complied
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to</p>	<u>SE</u>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Empty pesticides containers are identified as Scheduled Waste, SW409. The empty containers were stored at designated store before collected by licensed company approved by the DOE.</p> <p>Sighted the latest disposal of SW 409 as follows:</p> <p>i. 19/11/2018 for SW 409; C/N no: 2018111914CF9KS</p> <p><u>BHE</u></p> <p>Empty pesticides containers are identified as recycle waste. Refer email from DOE Kulim Branch dated 5/1/2019 and letter from DOE dated 5/3/2013 no. AS 91/110/619/161. JLD 19(24). The empty containers were triple rinsed, puncture stored at designated store before collected by licensed company approved by the DOE.</p> <p>Sighted the latest disposal of SW 409 as follows:</p> <p>i. 20/4/2018 for Empty pesticides containers; Invoice no: AS:1005</p>	
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Sime Darby has established SOP for Landfill Management System and documented in Plantation Sustainability Management System. Refer document no SDS/SDP/PSQM(ESH)/203 – EN 7 dated 13/3/2017.</p> <p><u>SE</u></p> <p>Domestic waste collected three time per week. Sighted the collection records for the month of November and December 2018 and January 2019. Sighted during site visit the landfill was filled with domestic waste. No scheduled waste observed in the landfill.</p> <p><u>BHE</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance						
		Sighted record payment of waste collection done by the Municipal contractors. The domestic waste collected twice a week.							
Criterion 4.5.4: Reduction of pollution and emission									
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Estates visited has conducted assessment of all polluting activities in the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The assessment was reviewed on annually basis and available for review.	Complied						
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Estates visited has established management plan to reduce the significant pollutants and documented in the Pollution Prevention Plan and Energy Management Plan. In the management plan stated the plan to reduce identified significant pollutants and emissions such as Energy Management, Diesel Reduction Plan and GHG Reduction Plan.	Complied						
Criterion 4.5.5: Natural water resources									
4.5.5.1	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: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.	<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> <table border="1"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> </tbody> </table>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	Complied
River width	Buffer zone								
> 40 meters	50 meters								
20 to 40 meters	40 meters								

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Criterion / Indicator	Assessment Findings		Compliance
<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>- Major compliance -</p>	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 Syarikat Air Darul Aman. Monitoring of consumption/usage was conducted on monthly basis and available for review.</p> <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>i. AKE</p>			

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Report date: 24/10/18 Report no.: IE 1374/2018 Results: Not confirm with NWQS Class IIA and IIB. Investigation was conducted on 27/11/2018 as per form WQ-01/CPAR (1)</p> <p>ii. BHE Report date: 28/12/18 Report no.: 12J0876 and 12J0877 Results: Confirm with NWQS Class IIA and IIB.</p> <p>Report date: 25/9/18 Report no.: 09J0793 and 09J0794 Results: Confirm with NWQS Class IIA and IIB.</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>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	No bunds were sighted across main rivers and waterways in both estates.	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	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
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>Sime Darby has conducted the HCV Assessment for all operating units in SOU 1 and documented in HCV Final Report for Strategic Operating Unit 1 dated March 2017 – Version 2.0. The assessment has been conducted by SDP-PSQM Department with support from R&D Department.</p> <p>Common wildlife found during the assessment were documented in Table 11 in the HCV Final Report for Strategic Operating Unit 1 dated March 2017 – Version 2.0. No RTE species were identified during the assessment.</p> <p>HCV available in SOU 1 is summarized in Table 1: Summary of HCV at SOU 1. Most of the HCV identified are HCV 4 (Waterfall, Pond, Natural Spring Water, and River Reserve).</p>	Complied
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p>According to the HCV report for both estates visited, there are no RTE species (according to IUCN classification) sighted at the operating units.</p> <p>Sighted during site visit, signboard of prohibition of illegal and appropriate hunting and fishing were erected at the conservation area and estate entrance.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>According to the HCV report for both estates visited, there are no RTE species (according to IUCN classification) sighted at the operating</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		units. However, estates visited has established HCV management plan to monitor all conservation area identified in the estate.	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	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. - Major compliance -	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. 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
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	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
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No 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
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation	Complied

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	- Minor compliance -	was used such as felling & chipping, cambering/land forming and path construction.	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	<p>SOP was established for the Estates. & Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU3 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> <p>During site visit at Bukit Hijau Estate, found that the nitrile glove was kept at house WQ(D) 11 and WQ(D)12 which was incompliance with Standard operating procedure namely Operational Control Procedure-PPE, Doc No: SD/SDP/PSQM(ESH)/201/OS16, Rev:0 dated:26/2/2015. Thus, Minor NCR was raised.</p>	Minor Non-compliance
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent	Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	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. 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. The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.	
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	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.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Anak Kulim Estate, Somme Estate and Bukit Hijau Estate had established an annual budget for 2019. The Ex-Estate Cost includes the direct cost, fixed cost, manuring cost and others. The budget was plan 2019 with 4 years forecast plan up to 2022.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	There was no replanting oil palm to oil palm for 2019 at Anak Kulim Estate and Somme Estate. The oldest field was planted in year 2000 (AKE) and 1997 (SE).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	At Bukit Hijau Estate, the replanting area for 2019 will be started in May 2019 for 74.94 Ha.	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	All relevant information contained in the annual budget plan for 2019.	Complied
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	The budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2023) and well documented upon request.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Sampled below contractors agreements & payments:</p> <ol style="list-style-type: none"> 1. Mayang Bayumas Sdn Bhd for external transport FFB at Anak Kulim Estate, Contract No: 4300454722 dated 31/1/2019. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. Resam Enterprise for external transport FFB at Somme Estate, contract no: 4300454236 dated 31/2/2019 3. Rajandran A/L Krishnan for transport for workers at Bukit Hijau Estate, contract no: 4502283328 dated 8/1/2019. Both are having the agreed price mechanism. The transport rates adjustment for January 2019 was communicated to the contractor accordingly by Head of procurement on 28/1/2019.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled below contractors agreements & payments: 1. Mayang Bayumas Sdn Bhd for external transport FFB at Anak Kulim Estate, Contract No: 4300454722 dated 31/1/2019. 2. Resam Enterprise for external transport FFB at Somme Estate, contract no: 4300454236 dated 31/2/2019 3. Rajandran A/L Krishnan for transport for workers at Bukit Hijau Estate, contract no: 4502283328 dated 8/1/2019. Both are having the agreed price mechanism. The transport rates adjustment for January 2019 was communicated to the contractor accordingly by Head of procurement on 28/1/2019.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Contractors involved in MSPO training conducted, eg: for Mayang Bayumas Sdn Bhd, the briefing was done on 18/1/2019 by the Manager while at Bukit Hijau Estate, the briefing was done on 1/2/2019 by the Estate Manager.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sampled below contractors agreements & payments: 1. Mayang Bayumas Sdn Bhd for external transport FFB, Contract No: 4300454722 dated 31/1/2019. 2. Resam Enterprise for external transport FFB, contract no: 4300454236 dated 31/2/2019. 3. Rajandran A/L Krishnan for transport for workers, contract no: 4502283328 dated 8/1/2019.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Management is aware on this information and there is no dispute during the audit.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	The management had monitored the work completed using work certificate. The certificate will be issued every month, agreed with Estate personnel and contractor representative before payment is made.	Complied
4.7 Principle 7: Development of new planting			
SOU 1- Sg Dingin did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.			

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The IOM regarding MSPO Implementation from Head, Plantation Sustainability and Quality Management was established, dated 08/09/2017.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The MSPO policy was communicated to the executive, staff, and workers accordingly on 11/2/2019 by the mill management. The training record was made available at both the estates office.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit procedure (SD/SDP/PSQM/IAP) which was dated 01/09/17 was established. The internal audit need to be conducted annual and as and when required.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The Internal Audit was planned to be conducted annually. The RSPO & MSPO Internal Audit for SOU 01 Sg Dingin was conducted on 8-17/1/19 by GSQM & RSQM Northern Region Team (Lead Auditor: Mohd Saiful Bari Munir and assist by 8 team members).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		During this audit, there is 25 major NC, 21 minor NC and 7 OFI's raised and all the findings were in progress of closure. The report was made available at both the estates office.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The Internal Audit was planned to be conducted annually. The RSPO & MSPO Internal Audit for SOU 01 Sg Dingin was conducted on 8-17/1/19 by GSQM & RSQM Northern Region Team (Lead Auditor: Mohd Saiful Bari Munir and assist by 8 team members). During this audit, there is 25 major NC, 21 minor NC and 7 OFI's raised and all the findings were in progress of closure. The report was made available at both the estates office.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) was established. The frequency for management review needs to be carried out at least once a year. The MSPO Management Review was conducted on 17/1/2019 which was chaired by the SOU Chairman. All the agenda such as Legal requirement, OSH Objective, Internal Audit MSPO were discussed accordingly. The MRM report was made available at both the estates office.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The Continuous Improvement Plan for 2019 at the mill sighted as follow:</p> <ol style="list-style-type: none"> 1) To improve kernel recovery rate 2) To eliminate cost for tanker recycling and quality penalty issue 3) To reduce cost of shovel bucket blade 4) To use harden rod at ripple mill 5) To reduce shift manning 6) To reduce shift overtime hours 7) To increase the usage of the condensate for both line as dilution 8) To reduce oil losses to FFB at press fiber 9) To increase shell saving at 1% 10) To increase the feeding of EFB press 11) To reduce gearbox press bearing cost 	<p>Complied</p>
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p>	<p>Mill has use Electrostatic Precipitator System for control the smoke emission as per memo circulated dated 22/08/17. The information</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	provided in Written Notification on Air Emission Sources (Air Pollution Control System-Electrostatic Precipitator).	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The communication done through external communication procedure. Request and response file was maintained. Stakeholders wrote in formal letter whenever there was any requests or assistant needed from estate. The management has responded to the request. Evidence of response is sighted in all estate visited. Sighted the records of request at all site visited, most of the records show that the request for repairing workers houses. At Sg Dingin POM, verified the “boring kerosakan rumah”, there was a complaint by the workers regarding house no 27A on 2/6/2018.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The land title, OSH plan, HCV documents, negotiation procedure, complaint records, SIA, Management Plans & Continuous Improvement Plans and company policies were publicly available. All the documents were verified during the audit.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Mill Engineer has been appointed as person responsible for handling social issue. Appointment letters for the officer in-charge for social issues dated July 2017 were sighted.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Stakeholder list was developed where stakeholders such as contractors, suppliers, local communities, government authorities and NGO in the list. Stakeholder meeting was organized once a year and the last meeting was conducted on 24/1/19 (Sg Dingin POM) with the participation of stakeholders such as government authorities, suppliers and contractors. Meeting minutes was sighted and issues reported were recorded. Action plan was developed in the meeting minutes.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Sime Darby has established SOP to maintain traceability and documented in Sustainable Plantation Management System, Appendix 15, Standard Operating Procedure for Sustainable Supply Chain and Traceability ver. 2, issue no. 3 Feb 2018.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	SQM Northern Region conducted Internal Audit to monitor the compliancy with the traceability SOP. Latest Internal Audit was conducted on 8 – 17/1/2019.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The mill has appointed the Asst. Mill Engineer as person responsible for Supply Chain Certification System as per letter dated 5/4/2018 signed by the Mill Manager.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The mill maintain all records of FFB received, storage, sales, delivery or transports of CPO and PK. The records was documented in FFB receive summary report by supplier and Dispatch detail report by product. In the report stated the details as follows: FFB receive summary report i. Supplier ii. Delivery Order number iii. Stock Code iv. Transporter v. Weight vi. Date Dispatch detail report by product i. Date ii. Ticket number	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iii. Purchase Order Number iv. Customer code v. Transporter vi. Weight vii. Destination	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Sime Darby has established a mechanism to ensure compliance to legal and other requirement and documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 1. 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. Sighted the sampled compliance records as follows: i. Private Electrical Installations. Refer license no. 2018/02863 for supply 4920 kW. Validity from 19/12/2018 till 18/12/2019 ii. MPOB License. License no. 530978004000 for processing 380000 ton FFB. Validity period from 1/7/2018 -1 30/6/2019	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iii. Purchasing of diesel license. Ref. no. KPDNKK.KLM(P).01.2005 for 18500 litre. Validity period from 23/10//2018 – 22/10/2019	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. All the legal and other requirements were register accordingly and documented in the legal requirement register including new update for Minimum Wages Order, Amendment 2018, and Employee’s Social Security Act 1969. The latest evaluation was conducted on 11/2/2019 by Assistant Mill Engineer and approved by the Mill Manager. As to date, the mill comply with all the applicable local, state, national and ratified international laws and regulations.	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. All the legal and other requirements were register accordingly and documented in the legal requirement register including new update for Minimum Wages Order, Amendment 2018, and Employee’s Social Security Act 1969. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>reviewed/updated on a yearly basis / as and when needed for new updates/licenses.</p> <p>The latest evaluation was conducted on 11/2/2019 by Assistant Mill Engineer and approved by the Mill Manager. As to date, the mill comply with all the applicable local, state, national and ratified international laws and regulations.</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. 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>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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. - Major compliance -	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.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	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. The mill located in Sg. Dingin Estate. Refer land title no. 0240 dated 29/4/1968 for 2469 acre.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal parameter boundary were clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There were no issues of land disputes.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was conducted on 23/2/2015 – 5/3/2015 by the Social & Environment Projects Unit, PSQM Department covering all estate in SOU 1 (Sg Dingin). The methodology of the assessment is through interview with stakeholders such as local communities, workers, contractors and suppliers. Other method such as site visit and documentation reviewed is carried out as well. Attendance list of the stakeholders involved in the assessment was sighted. Latest meeting with stakeholder was conducted accordingly at estate visited during this audit. At Sg Dingin POM, the meeting with stakeholder was conducted on 24/1/2019. There was no major issue raised during the meeting.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The SIA management plan dated 5/2/2019 for Sg Dingin POM Estate was sighted. The plan was include all the issues raised during the meeting.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The management had continued to implement the Estate Quality management System- SOM, Appendix 5.5.3.2, Procedure for External Communication 01.11.08 version 1 and SPMSS, Appendix 5, Flowchart and Procedure on Handling Social Issues, Version 1, dated 01/04/2008.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	The initial responded between management and stakeholders was 14 days and if the case is not solved, it will be cascaded to the further steps as per SOP.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint was recorded in Records of Communication with stakeholders, workers and contractors. At Sg Dingin POM, verified the "borang kerosakan rumah", there was a complaint by the workers regarding house no 27A on 2/6/2018.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	There is complaint & communication procedure & flowchart publicly available in the notice board outside office for both internal and external party reference.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	All the records of complaints and resolutions from 2009 were available and maintained at the office.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	The management has done the contribution to local communities. For example, there was a request made from SJKT Ladang Dublin for "Kejohanan Olahraga" on 15/3/2018.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	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. - Major compliance -	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 PSQM 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 Environment, Safety and Health Plan FY 2019. The	Complied

Criterion / Indicator		Assessment Findings	Compliance
		management plan include the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust 	<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 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 on annually basis and when necessary due to accident occur. Latest review was conducted on 4/1/2019 for accident at oil recovery station in December 2018.</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. Sighted the training records as follows:</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>i. Scheduled Waste Management training dated 10/8/2018</p> <p>ii. Chemical Exposure Monitoring and LEV inspection training dated 12/4/2018</p> <p>iii. Chemical Handling training dated 14/2/2018</p> <p>The 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 steriliser station and boiler station, the workers were provided with leather gloves, mask, earplug, and safety shoes. Sighted at the PPE issuance records documented in 'Rekod Penyerahan dan Pemakaian PPE' log book. The PPE issued recorded by workers and job designation.</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 Safety Committee Member consist of OSH Coordinator, Secretary, representatives from Employer and 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</p>	

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	<p>Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations.</p> <p>The management conducted OSH committee meeting on quarterly basis and when necessary due to accident occur. 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 2/1/2019 for accident occur on 31/12/2019 and for quarter OSH committee meeting dated 30/1/2019, 29/10/2018, 30/7/2018 and 6/4/2018.</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 workstation also equipped with fire extinguisher and first aid kit. Noted during interview with employee shows the understanding regarding emergency procedures.</p> <p>The mill has established Emergency Response Team lead by the Mill Manager. Sighted during site visit, the ERT chart and Fire Hydrant and Fire Extinguisher Map was displayed at several notice board in the mill. Latest ERP training was conducted on 22/9/2018.</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 Boiler man, storekeeper and sterilizer operator, shows the awareness regarding the emergency procedure if</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>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 4/1/2019 and 18/1/2018.</p> <p>The mill maintain the records of accident cases and documented in the "Laporan dan Siasatan Kemalangan" log and reported to HQ using the PSQM-ESH Monthly update form. The accident occurred was reviewed on quarterly basis during OSH committee meeting. The latest meeting was conducted on 2/1/2019 for accident occur on 31/12/2019 and for quarter OSH committee meeting dated 30/1/2019, 29/10/2018, 30/7/2018 and 6/4/2018</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>The Social and Humanity Management Policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. The policy has been briefed to all the workers on 14/1/2019 at Sg Dingin POM. The policy was displayed at the notice board outside the office.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>SDPB has implemented Social Policy, Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. The policy</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		has been briefed to all the workers on 14/1/2019 at Sg Dingin POM. The policy was displayed at the notice board outside the office.	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Mill have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for August 2018, September 2018 and October 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 121120 b. Employee No.: 132476 c. Employee No.: 75377 d. Employee No.: 87434 e. Employee No.: 97505 f. Employee No.: 129572 g. Employee No.: 137827 h. Employee No.: 138036 <p>All the sampled workers have achieved the Minimum Wage Order 2016.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	Most of the activity at mill was done by the checkroll workers.	Complied

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4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There was checkroll workers hired in mill. The contractors only provides the rental of machineries (shovel), maintenance, grass cutting, rubbish collection, transport servise of CPO.</p> <p>The list of workers includes the full name, passport number, visa and passport validity, nationality, gender, date of birth, date entry, date join, job scope. Sighted also the employment contract and pay slip having all the worker's information.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> a. Employee No.: 121120 b. Employee No.: 132476 c. Employee No.: 75377 d. Employee No.: 87434 e. Employee No.: 97505 f. Employee No.: 129572 g. Employee No.: 137827 h. Employee No.: 138036 <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p>	<p>Overtime paid in reference with Employment Act 1955 and employment contracts and stated clearly on the overtime taken in both normal and rest days.</p>	Complied

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	- Major compliance -	Overtime recorded in the estate daily attendance report. The report for August 2018, September 2018 and October 2018 at mill was sighted.	
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Overtime paid in reference with Employment Act 1955 and employment contracts and stated clearly on the overtime taken in both normal and rest days. Payslip for August 2018, September 2018 and October 2018 was sampled as below: i. Employee No.: 121120 j. Employee No.: 132476 k. Employee No.: 75377 l. Employee No.: 87434 m. Employee No.: 97505 n. Employee No.: 129572 o. Employee No.: 137827 p. Employee No.: 138036	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Mill and estate have employed local and foreign workers. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for August 2018, September 2018 and October 2018 was sampled as below: a. Employee No.: 121120 b. Employee No.: 132476 c. Employee No.: 75377 d. Employee No.: 87434 e. Employee No.: 97505 f. Employee No.: 129572 g. Employee No.: 137827 h. Employee No.: 138036	Complied

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		All the sampled workers have achieved the Minimum Wage Order 2016 and Minimum Wage Order 2018.	
4.4.5.10	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. - Minor compliance -	Medical care is provided for free in the estate, complimentary rice provided to workers once in every 2 months, price bonus for normal days, phone allowance and insurance reimbursement.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	Health Care Assistant (HCA) in Sg Dingin POM has conducted linesite inspection on weekly basis. Comments were recorded in the inspection checklists. The last inspection was done on 9/2/2019 accordingly. Clinic and other facilities such as Nursery for Estate Toodler (NEST), football field were provided to the workers. Water and electricity was supplied to workers. Government schools were located nearby the estates.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. The policy has been briefed to all the workers on 14/1/2019 at Sg Dingin POM. The policy was displayed at the notice board outside the office.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.13 The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. The policy was developed in Bahasa Malaysia and English. The policy has been briefed to all the workers on 14/1/2019 at Sg Dingin POM. The policy was displayed at the notice board outside the office. Interviewed with the workers confirmed that they understood on the policy and aware that they are freely to join any association.</p>	<p>Complied</p>
<p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Child Protection Policy and Social Policy dated January 2015 where they are committed to comply with the minimum age of employees. The policy has been briefed to all the workers on 14/1/2019 at Sg Dingin POM. The policy was displayed at the notice board outside the office. Document reviewed on the master listing of the employees found that all workers employed were above 18 years old. Interviewed with the workers confirmed that no child labour was found in the plantations.</p>	<p>Complied</p>
<p>Criterion 4.4.6: Training and competency</p>		
<p>4.4.6.1 All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill has established training plan base on training need analysis conducted and documented in SOU 1 – Sg. Dingin POM Training Plan. The training plan covers all job designation including the contractors. 25 training was identified and programmed throughout the year.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The 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. 25 training were analysis and identified as required.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<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.</p> <p>The mill has established environmental management plan base on the aspect and impact analysis conducted and documented in Environmental Plan. In the plan stated the environmental issue, mitigating measures, person responsible, time frame, and</p>	Complied

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		<p>monitoring. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p> <p>The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate.</p> <p>Sighted the implemented management plan as follows:</p> <ul style="list-style-type: none"> i. Sighted the daily and monthly monitoring records of effluent treatment ii. sighted the monthly diesel usage records per ton FFB processed. 	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <p>- Major compliance -</p>	<p>The mill has conducted aspect and impact analysis and documented in Environmental Aspect Impact Identification and Environmental Impact Evaluation. The analysis was reviewed on annually basis and incident happen. Latest review was conducted on 5/1/2019.</p> <p>Base on the significant impact identified in the analysis conducted, the mill has established Environmental management plan and reviewed on annually basis. Latest review was conducted on 5/1/2019.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The mill has established environmental improvement plan and documented in Environmental Management Plan and reviewed on annually basis. Latest review was conducted on 5/1/2019.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included</p>	<p>The program to promote the positive impact was documented in several management plan such as environmental management</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	in the continual improvement plan. - Minor compliance -	plan, energy management plan, pollution prevention plan and waste management plan.	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	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. Sighted the training on environmental aspect as follows: i. Scheduled waste management training dated 10/8/2018 ii. EAI and EIE refresher training dated 9/7/2018 iii. HCV monitoring training dated 21/3/2018 iv. Chemical handling training dated 14/2/2018	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The mill discussed the environmental issue during Environmental, Safety and Health Committee meeting conducted on quarterly basis. Noted during interview with employee shows the understanding on the importance of environmental quality. The employee are also encouraged to discuss environmental issues with the management.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall	The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam	Complied

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Criterion / Indicator	Assessment Findings	Compliance																						
<p>be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>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 usage for FY 2018 as follows:</p> <table border="1" data-bbox="1088 671 1550 1391"> <thead> <tr> <th>Month</th> <th>Diesel usage</th> </tr> </thead> <tbody> <tr> <td>Jan 18</td> <td>1.35</td> </tr> <tr> <td>Feb 18</td> <td>2.26</td> </tr> <tr> <td>Mar 18</td> <td>1.62</td> </tr> <tr> <td>Apr 18</td> <td>1.31</td> </tr> <tr> <td>May 18</td> <td>1.08</td> </tr> <tr> <td>Jun 18</td> <td>1.12</td> </tr> <tr> <td>July 18</td> <td>0.75</td> </tr> <tr> <td>Aug 18</td> <td>0.57</td> </tr> <tr> <td>Sep 18</td> <td>0.88</td> </tr> <tr> <td>Oct 18</td> <td>0.78</td> </tr> </tbody> </table>	Month	Diesel usage	Jan 18	1.35	Feb 18	2.26	Mar 18	1.62	Apr 18	1.31	May 18	1.08	Jun 18	1.12	July 18	0.75	Aug 18	0.57	Sep 18	0.88	Oct 18	0.78	
Month	Diesel usage																							
Jan 18	1.35																							
Feb 18	2.26																							
Mar 18	1.62																							
Apr 18	1.31																							
May 18	1.08																							
Jun 18	1.12																							
July 18	0.75																							
Aug 18	0.57																							
Sep 18	0.88																							
Oct 18	0.78																							

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Criterion / Indicator		Assessment Findings		Compliance
		Nov 18	0.66	
		Dec 18	0.73	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.		Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy used is from biofuel (shell and fiber) for boiler start-up. Sighted the records for usage of renewable energy FY 2018 as follows:		Complied
		Month	Renewable energy usage	
		Jan 18	1.05	
		Feb 18	1.01	
		Mar 18	1.01	
		Apr 18	1.00	

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Criterion / Indicator		Assessment Findings		Compliance
		May 18	1.04	
		Jun 18	0.99	
		July 18	1.00	
		Aug 18	1.00	
		Sep 18	1.04	
		Oct 18	1.04	
		Nov 18	1.03	
		Dec 18	1.03	
Criterion 4.5.3: Waste management and disposal				
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The mill has identified the waste products and source pollution and documented in Waste Management Action Plan FY 2019. i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Empty pesticides containers iii. Industrial waste – Boiler ash, Palm kernel shell, POME, EFB, scrap iron		OFI

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> 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>- Major compliance -</p>	<p>The mill has established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan. Latest reviewed was conducted 19/1/2019.</p>	<p>Complied</p>
<p>4.5.3.3 The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</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 Management and workers.</p> <p>The mill 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. The inventory of Scheduled was reported on monthly basis through E-SWISS. Sighted the E-</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>SWISS report – Fifth Scheduled for the month of October, November and December 2018.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> i. 5/12/2018 for SW 410; C/N no: 2018120516FOS5DY ii. 22/11/2018 for SW 409; C/N no: 2018112213Q8T9S2 iii. 22/11/2018 for SW 322; C/N no: 2018112212NI9SQA iv. 22/11/2018 for SW 109; C/N no: 20181122139C8Y57 	
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	Domestic waste was collected by the sister estate, Sg. Dingin Estate and disposed at designated landfill.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	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 and documented in Pollution Prevention Plan.	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	A management plan has been established based on the significant aspect and DOE license compliance schedule and documented in Pollution Prevention Plan.	Complied

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Criterion / Indicator		Assessment Findings	Compliance								
		<p>Sighted the implementation of the management plan as follows:</p> <p>i. Observed the stack emission monitoring conducted twice a year and submitted Dept. of Environmental as follows:</p> <p>a.Boiler no: PMD 1115</p> <p>i. Report date: 28/2/2018 (1st Half 2018) Result: 0.3597 g/m3 dry@ 12% CO2</p> <p>ii. Report date: 14/8/2018 (2nd Half 2018) Result: 0.3857 g/m3 dry@ 12% CO2</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 for land application – furrow system. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Noted the following 3rd and 4th quarter report in:-</p> <p>3rd quater</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Jul</td> <td>BOD</td> <td>2040.00</td> </tr> <tr> <td>pH</td> <td>7.10</td> </tr> </tbody> </table>	Month	Parameter	Results	Jul	BOD	2040.00	pH	7.10	Complied
Month	Parameter	Results									
Jul	BOD	2040.00									
	pH	7.10									

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Criterion / Indicator		Assessment Findings			Compliance
			S. Solid	20495	
		Aug	BOD	109.00	
			pH	8.60	
			S. Solid	258	
		Sep	BOD	237.00	
			pH	7.40	
			S. Solid	1485	
		4 th quarter			
		Month	Parameter	Results	
		Oct	BOD	485.00	
			pH	7.10	
			S. Solid	16126	
		Nov	BOD	1735.00	
			pH	8.00	
			S. Solid	8399	
		Dec	BOD	1643	
			pH	7.00	
			S. Solid	0.00	

Criterion / Indicator		Assessment Findings	Compliance										
Criterion 4.5.5: Natural water resources													
4.5.5.1 The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance -	The mill has established water management plan and documented in Water Reduction Management Programme FY 2019. The plan objective documented as follows: i. to reduce water usage as dilution ii. to reduce water usage at hydrocyclone operation iii. to reduce water usage for mill cleaning activities The monitor the water consumption on monthly basis. Sighted the water consumption monitoring records FY 2018 as follows: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Month</th> <th>Water Consumption</th> </tr> </thead> <tbody> <tr> <td>Jan 18</td> <td>1.67</td> </tr> <tr> <td>Feb 18</td> <td>1.71</td> </tr> <tr> <td>Mar 18</td> <td>1.63</td> </tr> <tr> <td>Apr 18</td> <td>1.43</td> </tr> </tbody> </table>		Month	Water Consumption	Jan 18	1.67	Feb 18	1.71	Mar 18	1.63	Apr 18	1.43	Complied
Month	Water Consumption												
Jan 18	1.67												
Feb 18	1.71												
Mar 18	1.63												
Apr 18	1.43												

Criterion / Indicator		Assessment Findings		Compliance
		May 18	1.33	
		Jun 18	1.33	
		July 18	1.50	
		Aug 18	1.35	
		Sep 18	1.29	
		Oct 18	1.06	
		Nov 18	1.21	
		Dec 18	1.32	
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan for land application – furrow system. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.		Complied
4.6 Principle 6: Best Practices				
Criterion 4.6.1: Mill Management				
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	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		Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	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.	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. The 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
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan for FY18/19 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 health and safety component.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Sampled below letter of award & payments:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	1. Krishnan Ramoo Enterprise for rental of shovel wheel loader for Mill at KKS Sg Dingin, Letter of award: OPX/SDM/M277/1819/001 dated 24/9/2018 for period 19/10/2018 until 18/10/2020. Both are having the agreed price mechanism.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled below letter of award & payments: 1. Krishnan Ramoo Enterprise for rental of shovel wheel loader for Mill at KKS Sg Dingin, Letter of award: OPX/SDM/M277/1819/001 dated 24/9/2018 for period 19/10/2018 until 18/10/2020. Both are having the agreed price mechanism.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Contractors involved in MSPO training conducted, eg: for Krishnan A/L Ramoo Enterprise, the briefing was done on 1/11/2018 by the Manager.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sampled below letter of award & payments: 4. Krishnan Ramoo Enterprise for rental of shovel wheel loader for Mill at KKS Sg Dingin, Letter of award: OPX/SDM/M277/1819/001 dated 24/9/2018 for period 19/10/2018 until 18/10/2020.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Both are having the agreed price mechanism.	
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	Management is aware on this information and there is no dispute during the audit.	Complied

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment SOU1 Sg Dingin Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU1 Sg Dingin Certification Unit is continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: ANIN BIN SUWARDI	Name: Mohd Hafiz Mat Hussain
Company name: SIME DARBY PLANTATION BERHAD, LADANG PADANG BULUH/JERAI	Company name: BSI Services Malaysia Sdn. Bhd.
Title: SENIOR MANAGER	Title: Client Manager
Signature: SIME DARBY PLANTATION BERHAD (647766-V) Ladang Padang Buluh / Jerai  ----- Senior Manager (ANIN BIN SUWARDI)	Signature: 
Date: 04.4.2019	Date: 22/4/2019

Appendix A: Assessment Plan

Date	Time	Subjects	(MF)	(MH)
Monday, 11/02/2019	08:30 – 09:00	Opening Meeting <ul style="list-style-type: none"> • Presentation by Sime Darby Team • Presentation by BSI Lead Auditor -introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	√	√
	09:00-11:00	Anak Kulim Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	10:30 – 12:30	Meeting with stakeholders (village rep, smallholders, Union Leader, contractor etc.)		√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√
Tuesday, 12/02/2019	09:00-11:00	Somme Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	10:30 – 12:30	Meeting with stakeholders (village rep, smallholders, Union Leader, contractor etc.)		√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√

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Date	Time	Subjects	(MF)	(MH)
Wednesday, 13/02/2019	09:00 – 11:00	Sg Dingin Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	11:00 – 12:30	Document Review (MS:2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√
Thursday, 14/02/2019	08:30- 11:00	Bukit Hijau Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	11:00 – 12:00	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	12:30 – 13:30	Lunch / Break	√	√
	14:00 – 15:30	Continue with Document review and site verification if deemed necessary.	√	√
	15:30 – 16:00	Preparation for closing meeting	√	√
	16:00 – 17:00	Closing meeting	√	√

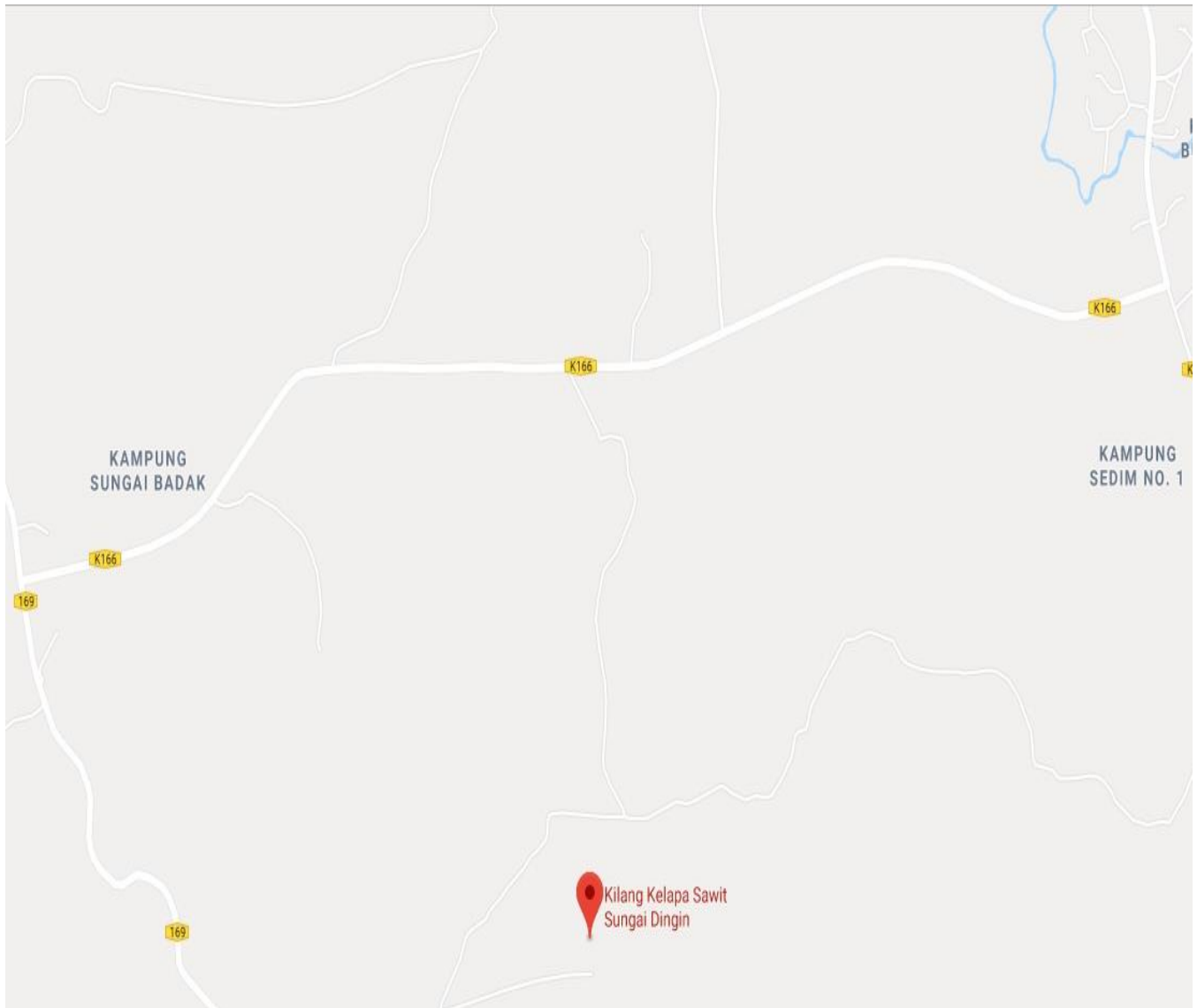
Appendix B: List of Stakeholders Contacted

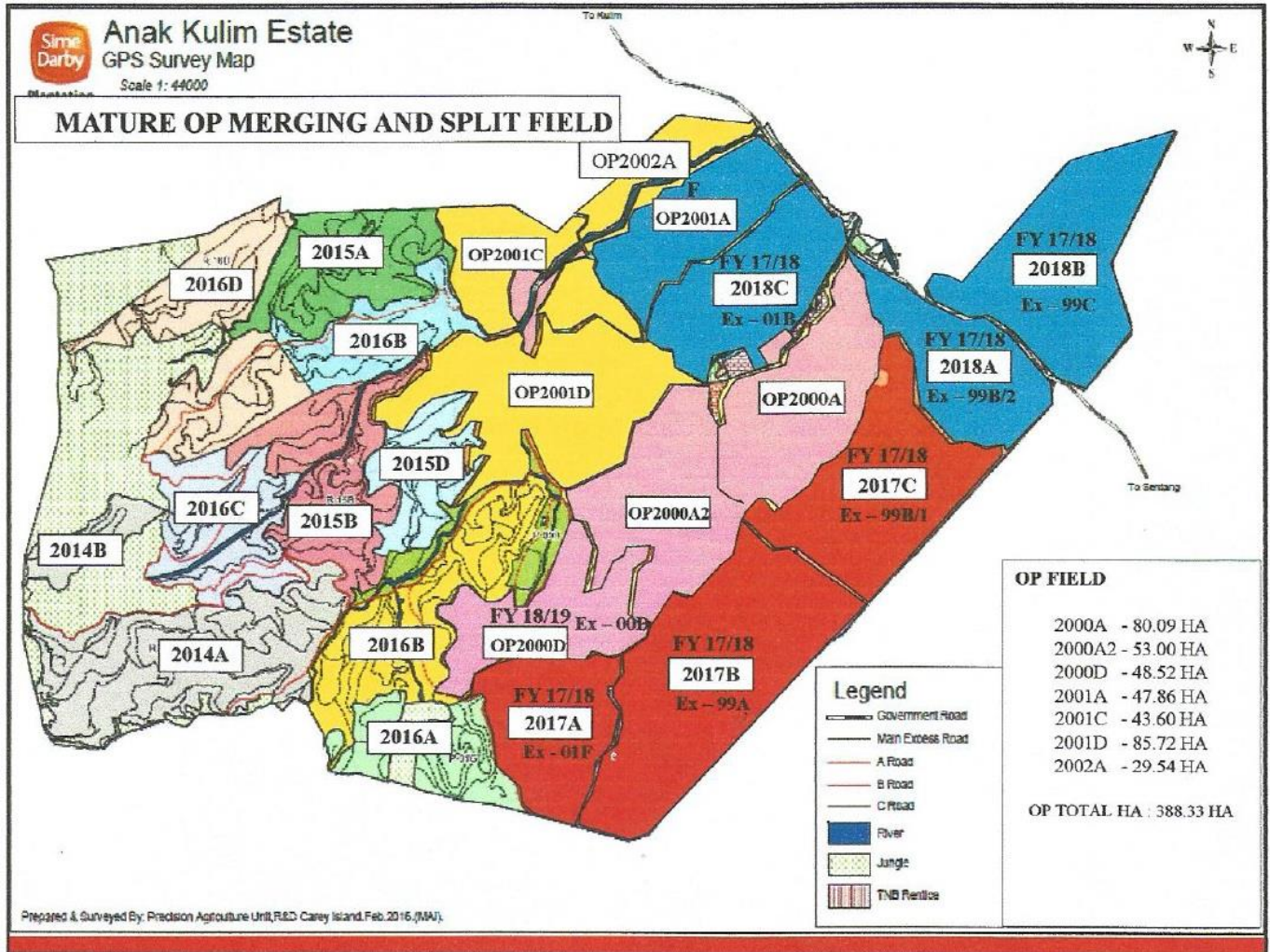
1. Worker's Representative
2. Contractors
3. School Representatives
4. Representative from Kg Dingin Mahang
5. Supplier
6. Gender committee members

Appendix C: Smallholder Member Details

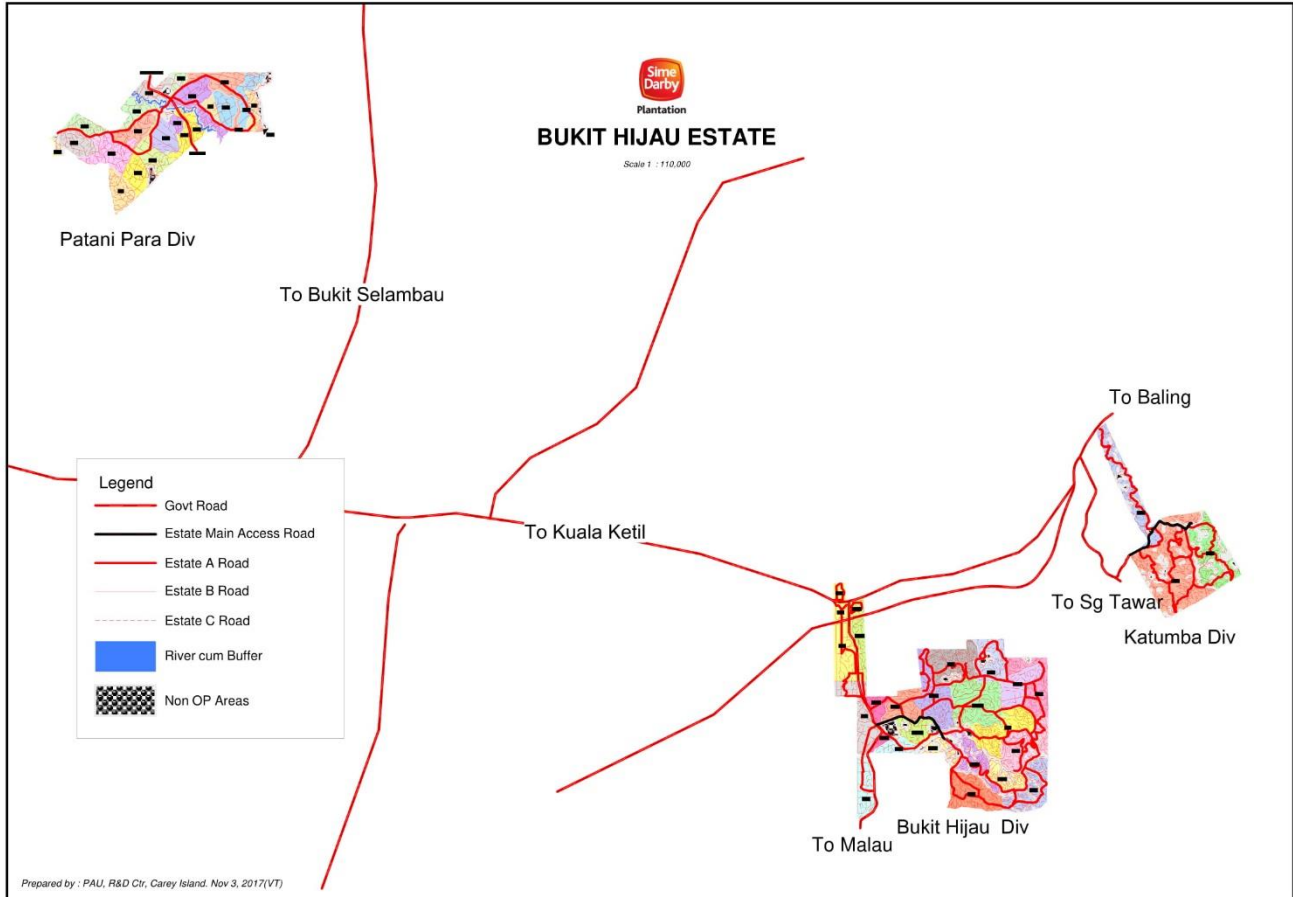
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	-Not applicable-			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

Appendix D: Location and Field Map





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Appendix E: List of Abbreviations Used

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