

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT (ASA1)
Public Summary Report**

Client Company name Sime Darby Plantation Bhd
Client company Address: Main Block, Level 3A, Plantation Tower, No. 2, Jalan PJU 1A/7, Ara Damansara 47301 Petaling Jaya, Selangor
Certification Unit: Chaah Palm Oil Mill (SOU 20) & Plantations of SOU 20 including Chaah Estate, Sg Simpang Kiri Estate, and North Labis Estate Location of Certification Unit: Pejabat Ladang Chaah 85400 Chaah, Johor, Malaysia

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

Report Number: 8852155

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Chaah POM: 518940004000 Chaah Estate: 518848002000 Simpang Kiri Estate: 532593002000 North Labis Estate: 522496002000 and 520479102000 (Sg Labis Div)		
Company Name	Sime Darby Plantation Berhad (SOU 20-Chaah)		
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 20)- Chaah Palm Oil Mill, P.O.Box 104 85400 Chaah, Johor Malaysia.		
Group name if applicable:	Sime Darby Plantation Berhad		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mdm.Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Muhammad Saufi Bin Baharudin (Acting Mill Manager)		
Website	www.simedarby.com	E-mail	Shylaja.vasudevan@simedarby.com Kks.chaah@simedarby.com
Telephone	07-9342454 (Mill) 03-78487379 (Head Office)	Facsimile	03-78487356(head Office) 07-9341455(mill)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682047 Plantations: MSPO 685287		
Issue Date	28/12/2017	Expiry date	27/12/2022
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)	14/11/2017 – 16/11/2017		
Continuous Assessment Visit Date (CAV) 1	26-28/09/2018		
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			

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Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 548299	RSPO	BSI Services (M) Sdn Bhd	17/11/2020

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
Chaah Palm Oil Mill	Peti surat 104, Chaah Palm Oil Mill 85400 Chaah, Johor , Malaysia	102° 59' 47"	2° 10' 40"
Chaah Estate	Pejabat Ladang Chaah 85400 Chaah, Johor, Malaysia	102° 59' 53"	2° 10' 31"
North Labis Estate	Ladang North Labis, P.o>box No.501 85300 Labis, Johor, Malaysia	103° 03' 00"	2° 23' 00"
Simpang Kiri Estate	Ldg Sg.Simpang Kiri, K.B.No. 103 85400 Chaah , Johor	103° 00' 10"	2° 08' 54"

1.4 Plantings & Cycle

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Chaah Estate		34.70	2503.56	189.95	3.96
North Labis Estate	729.87	1026.61	1241.68	245.78	0.00
Simpang Kiri Estate	249.92	346.19	1499.14	0.00	0.00

1.5 FFB Production (Actual) and Projected (tonnage)

Producer Group	Estimated (Aug 2017–July 2018)	Actual (Aug 2017–July 2018)	Forecast (Aug 2018–July 2019)
Chaah Estate	66,299.76	69,794.49	64,366.56
North Labis Estate	61321.00	55960.00	58978.00
Simpang Kiri Estate	40433.33	42116.65	42142.17

1.6 CPO / PK Tonnage

Mill	Estimated (Aug 2017–July 2018)		Actual (Aug 2017–July 2018)		Forecast (Aug 2018–July 2019)	
	CPO	PK	CPO	PK	CPO	PK
Chaah Palm Oil Mill	30,564.31MT	7,964.23MT	29,195.84MT	7,412.08MT	30,564.31MT	7,964.23MT

1.7 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 20-Chaah located in Chaah, Johor comprising 3 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 26 – 28/9/2018.

Based on the assessment result, Sime Darby Plantation Bhd, SOU 20-Chaah 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
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59200 Kuala Lumpur
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 26 – 28/09/2018. 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.

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There is no nonconformities was raised during previous assessment. The assessment findings for the annual surveillance assessment are detailed in Section 4.2.

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

This report was 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)
Chaah Palm Oil Mill	X	X	X	X	X
Chaah Estate	X	X		X	X
North Labis Estate		X	X		X
Simpang Kiri Estate	X		X	X	

Tentative Date of Next Visit: September 25, 2019 - September 27, 2019

Total No. of Mandays: 6

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 14001, 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.

Daniel Francis -Team Member

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

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The IOM regarding MSPO Implementation from Head, Plantation Sustainability and Quality Management was established, dated 08/09/2017.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	The MSPO policy was communicated to the executive, staff, and workers accordingly on 22-23/05/18 (North Labis Estate) and 22/05/18	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	(Chaah Estate) by the PSQM Team. The training record was made available at both the estates office.	
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 + as and when required.	Yes
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 20 Chaah was conducted on 13-17/08/2018 by GSQM & RSQM Southern Region Team (Lead Auditor: Mohd Saiful Bari Munir, Auditor: Hj Suhaimi Juki, Nurulashida Mohd Saad & Selvarani Ayer. During this audit, there is 05 major NC, 02 minor NC and 03 OFI's raised and all the findings were closed on 21/09/18. The report was made available at both the estates office.	Yes
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The Internal Audit was planned to be conducted annually. The RSPO & MSPO Internal Audit for SOU 20 Chaah was conducted on 13-17/08/2018 by GSQM & RSQM Southern Region Team (Lead Auditor: Mohd Saiful Bari Munir, Auditor: Hj Suhaimi Juki, Nurulashida Mohd Saad & Selvarani Ayer). During this audit, there is 05 major NC, 02 minor NC and 03 OFI's raised and all the findings were closed on 21/09/18. The report was made available at both the estates office.	Yes

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Criterion / Indicator	Assessment Findings	Compliance	
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 14/09/18 which was chaired by the Mill Manager. All the agenda such as OSH Objective, Mill Performance, Training, Complaints, Internal Audit MSPO and was discussed accordingly. The MRM report was made available at both the estates office.</p>	<p>Yes</p>
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p><u>Chaah Estate</u></p> <p>There is Lean Six Sigma Harvested Benefits Validation:</p> <p>a) To reduce monthly usage of A4 paper at office from 20 ream to 10 ream/month.</p> <p>b) To reduce cost of loose fruit cleaning from average RM6.43/month to RM3.38/month.</p> <p>c) To reduce cost of loose fruit collection and improve loose fruit quality in Chaah Estate.</p> <p><u>North Labis Estate</u></p> <p>There is Kaizen Charter project titled:</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>1. To reduce cost of bagworm treatment from RM 26,518.94 to RM 21,215.16 at North Labis Estate by October 2017.</p> <p>2. To increase labour productivity (reduce man power) from using raking manual converted to using Zenoah Blower to remove debris in palm circle.</p>	
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>Chaa Estate: Closed Ended Conservation Trenches (CECT) was wide practiced in the field.</p> <p>North Labis Estate: Estate used the air blower (Zenoah Blowing) for cleaning the debris at FFB and palm circle area for loose fruit collection.</p>	Yes
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>Chaa Estate: Closed Ended Conservation Trenches (CECT) was wide practiced in the field. There is the records of training visit by region for Johor Estate visit.</p> <p>North Labis Estate: There is the 2018/2019 work schedule for Zenoah Blowing to each field with total manpower, cost, budget and actual implementation status updated by Sr. Asst. Manager. Apart from that, there is also the details justification on the implementation status updated buy weekly basis involving working day & hour, productivity, wages, consumable and cost. Seen the operators had went through the training for Zenoah Blowing on 03/08/18 by Asst. Manager.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
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 North Labis Estate and Chaah Estate. Sighted the records of request at all site visited, most of the records show that the request for repairing workers houses.	Yes
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	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.	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The 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.	Yes
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	Assistant manager has been appointed as person responsible for handling social issue for POM and estates. Appointment letters for the	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	officer in-charge for social issues dated 03/07/17 (North Labis Estate) and dated 1/7/2018 (Chaah Estate) were sighted.	
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 5/9/2018 with the participation of stakeholders such as local communities, government authorities, smallholder and contractor in Chaah POM and Chaah Estate. Meeting minutes was sighted and issues reported were recorded. Action plan was developed in the meeting minutes. North Labis Estate has organized two stakeholder meetings since last audit. One of the stakeholder meeting was involved the cattle’s owners only and carried out on 28/12/2017. There was no issue reported by the owners. The other stakeholder meeting was conducted on 29/9/2017 which involved contractors and suppliers, school’s representatives and smallholders. Meeting minutes was sighted.	Yes
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 -	Latest written documented procedures SOP Sustainable Supply Chain & Traceability Appendix 15, Version 3 issuance February 2018 for the chain of custody is with Identity Preserved (IP) model covering all the RSPO, ISCC & MSPO Supply Chain Certification for both mill and estates.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place through Central Reporting System (CRS). Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Sample of ticket as follow:</p> <p><u>North Labis Estate</u> Code : E-134, date: 1/8/18, Weighbridge Ticket# 21468, Field : 00, 00A and 2009A Tonnage: 12,010 kg</p> <p><u>Chaah Estate</u> Code : E-105, date: 13/8/18, Weighbridge Ticket# 23304, Field : 2004A Tonnage: 11,660 kg</p>	Yes
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>Based on the SOP, Head of Operating Unit is responsible for the MSPO implementation of traceability. Interview with them, they had assign the assistant manager and staff for traceability in the estate. Sampled the Weighbridge ticket as follow:</p> <p><u>North Labis Estate</u> Code : E-134, date: 1/8/18, Weighbridge Ticket# 21468, Field : 00, 00A and 2009A Tonnage: 12,010 kg</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Chaah Estate</u> Code : E-105, date: 13/8/18, Weighbridge Ticket# 23304, Field : 2004A Tonnage: 11,660 kg</p>	
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>Chaah Estate has the proper records for sales, delivery and FFB transportation. Sampled the Weighbridge ticket as follow:</p> <p><u>North Labis Estate</u> Code : E-134, date: 1/8/18, Weighbridge Ticket# 21468, Field : 00, 00A and 2009A Tonnage: 12,010 kg</p> <p><u>Chaah Estate</u> Code : E-105, date: 13/8/18, Weighbridge Ticket# 23304, Field : 2004A Tonnage: 11,660 kg</p>	Yes
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & Agricultural Manual (Estate Quality</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Management System) under Standard Operation Manual distributed to all operating units under SOU20.</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.</p> <p>Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The evaluation was last carried out on 11/07/18 (North Labis Estate) and 01/07/18 (Chaah Estate) by Assistant Manager and approved by Estate Manager.</p> <p>As to date, Chaah Estate and North Labis Estate had complied with all the applicable local, state, national and ratified international laws and regulations.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>List of applicable legal and other requirements was made available during the assessment and compiled in the LORR folder.</p> <p>All the legal and other requirements were register accordingly in the legal requirement register including Minimum Wages Order 2016.</p> <p>The evaluation was last carried out on 11/07/18 (North Labis Estate) and 01/07/18 (Chaah Estate) by Assistant Manager and approved by Estate Manager.</p> <p>As to date, Chaah Estate and North Labis Estate had complied with all the applicable local, state, national and ratified international laws and regulations.</p>	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & Agricultural Manual (Estate Quality Management System) under Standard Operation Manual distributed to all operating units under SOU20.</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.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>All the legal and other requirements were register accordingly in the legal requirement register including Minimum Wages Order 2016.</p> <p>The evaluation was last carried out on 11/07/18 (North Labis Estate) and 01/07/18 (Chaah Estate) by Assistant Manager and approved by Estate Manager.</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 SOU20.</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.</p> <p>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</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>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.</p> <p>Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.</p>	Yes
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes. Sighted sampled of Land Title at both estates visited:</p> <p><u>Chaa Estate</u></p> <ol style="list-style-type: none"> Title No: HSD 7746, PTD 2379, 804.3114 Ha Title No: HSD 7745, PT 2378, 1991.0502 Ha <p><u>North Labis Estate</u></p> <ol style="list-style-type: none"> Title No: 132749, Lot 627, 119/7362 Ha Title No: 88289, Lot 693, 196.1783 Ha Title No: 333664, Lot 2658, 206.4779 Ha Title No: 81344, Lot 628, 225.511 Ha 	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.</p> <p>Legal perimeter boundaries were clearly demarcated.</p> <p><u>Chaah Estate</u></p> <p>1. Verified during site visit at border to Hutan Simpan Maokil (Chaah Estate- 02° 10' 13.1" N and 102° 58' 24.3" E), with clear and visible "No Entry" noticeboard placed.</p> <p><u>North Labis Estate</u></p> <p>1. Verified during site visit at field P09B (North Labis Estate- 02° 23' 19.4" N and 103° 1' 52.5" E) with smallholder (Mr Tan), the management had construct the tranches accordingly.</p> <p>2. Verified during site visit at field P14B-1 (North Labis Estate- 02° 23' 09.3" N and 103° 04' 12.4" E) on 25° slope, with clear and visible "No Hunting" noticeboard signage.</p> <p>3. Verified during site visit at border to Hutan Simpan Labis (North Labis Estate- 02° 23' 6.6" N and 103° 04' 4.4" E), with clear and visible "No Entry" noticeboard placed.</p>	Yes
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>There were no issues of land disputes.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should 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.	Yes
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.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was conducted on 6-9 April 2015 by the Social & Environment Projects Unit, PSQM Department covering Chaah POM, Chaah Estate, North Labis Estate and Sg. Simpang Kiri Estate. The methodology of the assessment is through interview with stakeholders such as local communities, workers. 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.	Yes

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		<p>Latest meeting with stakeholder was conducted accordingly at estate visited during this audit. At North Labis Estate, the meeting with stakeholder was conducted on 28/12/2017. While at Chaah Estate, the latest meeting with stakeholder was conducted on 5/9/2018. There was no major issue raised during the meeting.</p> <p>The SIA management plan dated 3/7/2018 for North Labis Estate and dated 23/8/18 for Chaah Estate was sighted. The plan was include all the issues raised during the meeting.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The 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.</p>	Yes
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The 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.</p>	Yes
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p>	<p>The complaint was recorded in Buku Laporan Kerosakan Perumahan Pekerja for internal complaint and Government Correspondence for external complaint.</p>	Yes

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	- Minor compliance -	At North Labis Estate, there was a request made from police station (Labis) for spraying activity on 12/7/18. At Chaah Estate, the management had done the road repair work at Kg Hj Kamisan on 28/8/2018.	
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.	Yes
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	All the records of complaints and resolutions from 2016 were available and maintained at the office.	Yes
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 the local communities from Taman Harmoni requested to use the estate road for 1 event on 12/8/2017. There was also a request made from police station (Labis) for spraying police station compound on 12/7/18. At Chaah Estate, the management had done the road repair work at Kg Hj Kamisan on 28/8/2018.	Yes
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator		Assessment Findings	Compliance
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Group Policy on health and safety was established in English and Bahasa Malaysia in Jan 2015 which was approved by Managing Director, Datuk Franki Anthony Dass and seen displayed at various notice boards within estate office.</p> <p>The policy outlines the company's commitment to provide workers with adequate knowledge, training, and experience to ensure continuous improvements in OSH management and performance. As for the new workers, there is induction training upon their arrival at training camp at Sua Betong.</p> <p>The PSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices 	<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.</p> <p>Accident of emergency procedure is presented in Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling presented in Appendix 5.5.3.3. Based on observation to, Scheduled Waste Store, Laboratory, and Chemical Store.</p> <p>The OSH policy and implementation were communicated to the employees through awareness which conducted once a year and</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 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. 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. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 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>during morning muster. Interview with harvesters, they understand the term of the OHS practices.</p> <p><u>Chaah Estate</u></p> <p>The estate management unit has Hazard Identification, Risk Assessment, and Risk Control (HIRARC) document for financial year (FY) 2017/2018 reviewed and updated on 03/09/18.</p> <p>The estate management conducts periodic training for employees such as Safety handling and daily maintenance for tractor driver [12/09/18], HCV, Bufferzone and COBC training [09/08/18] and Waste management plan – recycling of waste and no open burning awareness [13/08/18].</p> <p>Estate management has appointed ESH Committee for 2018/2019 consist representatives from employer and employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements. OSH meeting was conducted accordingly #1: 25/01/18, #2: 13/04/18 and #3: 13/07/18.</p> <p>During site visit to chemical room, diesel tank and premix area, seen the respective sites equipped with fire extinguisher, important contact number and flowchart of emergency. Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>The Hospital Assistance is the key person as first aider and supported by estate staff whom been trained by him. Sighted the training record for first aiders on 11/07/18 attended by staff and workers.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>OSH Committee has records any accident happen and evaluate it on the OSH quarter meeting, which recently had on 13/07/18. There was 3 cases reported for FY17/18. The internal investigation report was conducted accordingly by the management.</p> <p><u>North Labis Estate</u></p> <p>The estate management unit has Hazard Identification, Risk Assessment, and Risk Control (HIRARC) document for financial year (FY) 2018/2019 reviewed and updated on 25/08/18.</p> <p>The estate management conducts periodic training for employees such as OSH refreshing training for Spraying method, calibration and new equipment [16/07/18], Function of OSH Committee [20/09/18], SOP on Mechanical Buffalo handling training [25/07/18] and Competency training for first aid and basic CPR [26/02/18].</p> <p>Estate management has appointed ESH Committee for 2018/2019 consist representatives from employer and employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements. OSH meeting was conducted accordingly #1: 26/12/17, #2: 31/03/18 and #3: 29/06/18.</p> <p>During site visit to chemical room, diesel tank and premix area, seen the respective sites equipped with fire extinguisher, important contact number and flowchart of emergency. Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The Hospital Assistance is the key person as first aider and supported by estate staff whom been trained by him. Sighted the training record for first aiders and fire drill on 26/02/18 attended by staff and workers.</p> <p>OSH Committee has records any accident happen and evaluate it on the OSH quarter meeting. There was 22 cases reported for FY17/18. The internal investigation report was conducted accordingly by the management.</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 4/9/2018 in North Labis Estate and 22/5/2018 in Chaah Estate. The policy was displayed at the notice board outside the office.</p>	Yes
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>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 has been briefed to all the workers on 4/9/2018 in North Labis Estate and 22/5/2018 in Chaah Estate. The policy was displayed at the notice board outside the office.</p>	Yes
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed</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</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	<p>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>days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for October 2017, November 2017, March 2018 and July 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 61034 (NLE) b. Employee No.: 134148 (NLE) c. Employee No.: 109025 (NLE) d. Employee No.: 119865 (NLE) e. Employee No.: 83456 (CE) f. Employee No.: 108992 (CE) g. Employee No.: 120983 (CE) h. Employee No.: 90874 (CE) <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/month or RM 38.46/day.</p> <p>However, the management need further improvement to make sure the reimbursement for NUPW insurance fee need to be consistently paid to the workers (OFI).</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Most of the activity at both estate was done by the checkroll workers.</p>	Yes
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records</p>	<p>There was checkroll workers hired in estate. The contractors only provides the transporters, grass cutting and miscellaneous services.</p> <p>The list of workers includes the full name, passport number, visa and passport validity, nationality, gender, date of birth, date entry, date</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>join, job scope. Sighted also the employment contract and pay slip having all the worker's information.</p>	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>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.: 134148 (NLE) b. Employee No.: 137381 (NLE) c. Employee No.: 130352 (NLE) d. Employee No.: 132698 (NLE) e. Employee No.: 120983 (CE) f. Employee No.: 136406 (CE) g. Employee No.: 130212 (CE) h. Employee No.: 137409 (CE) <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> a. Employee No.: 106650 (NLE) b. Employee No.: 119865 (NLE) c. Employee No.: 109025 (NLE) d. Employee No.: 61034 (NLE) e. Employee No.: 94923 (CE) f. Employee No.: 109149 (CE) g. Employee No.: 108992 (CE) h. Employee No.: 112962 (CE) 	Yes

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		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.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - 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. Overtime recorded in the estate daily attendance report. The report for June 2018 and July 2018 at North Labis Estate and Chaah Estate was sighted.	Yes
4.4.5.8	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. - 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 October 2017, November 2017, March 2018 and July 2018 was sampled based on the crop summary as below: <ul style="list-style-type: none"> a. Employee No.: 61034 (NLE) b. Employee No.: 134148 (NLE) c. Employee No.: 109025 (NLE) d. Employee No.: 119865 (NLE) e. Employee No.: 83456 (CE) f. Employee No.: 108992 (CE) g. Employee No.: 120983 (CE) h. Employee No.: 90874 (CE) 	Yes
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. 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	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>mosque fund. Payslip for October 2017, November 2017, March 2018 and July 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 61034 (NLE) b. Employee No.: 134148 (NLE) c. Employee No.: 109025 (NLE) d. Employee No.: 119865 (NLE) e. Employee No.: 83456 (CE) f. Employee No.: 108992 (CE) g. Employee No.: 120983 (CE) h. Employee No.: 90874 (CE) <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/month or RM 38.46/day.</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>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.</p>	Yes
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Medical Assistant in North Labis Estate has conducted linesite inspection in North Labis Division and Sg. Labis Division on weekly basis. Comments were recorded in the inspection checklists such as the toilet clogged at House 458. The management has sent letter to Indah Water Konsortium to request for quotation to clear the septic tank on 19/7/2018. Currently, awaiting the contractor to visit the housing complex.</p>	Yes

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		<p>Hospital Assistant of Chaah Estate has carried out linesite inspection on weekly basis. The last inspection was carried out on 22/9/2018 and acknowledged by the Estate Manager.</p> <p>Clinic, crèches and other facilities such as football field were provided to the workers. Water and electricity was supplied to workers. Government schools were located nearby the estates where the company has provided school bus with subsidize to send the children to school.</p>	
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>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 4/9/2018 in North Labis Estate and 22/5/2018 in Chaah Estate. The policy was displayed at the notice board outside the office.</p>	
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 4/9/2018 in North Labis Estate and 22/5/2018 in Chaah 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>	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 4/9/2018 in North Labis Estate and 22/5/2018 in Chaah 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>	Yes
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>The company has the yearly training matrix SOU 20 (FY 18/19). Sighted the training record based on category which are safety & health, operation, policies, etc. with training requirement for operating units (Estates) with the status. There is matrix for training requirement for operating units with each levels and team.</p> <p>For North Labis Estate, sighted the training records of OSH Committee Training (20/09/18), Spraying Training (21/09/18), Recycle Waste Education (13/09/18) and Buffer Zone Training (19/07/18).</p> <p>For Chaah Estate, seen the training records for Bagworm injector training [20/02/18], Rat baiting training [16/08/18], Inter 16 pump (equipment) training [16/05/18] and SOP for manuring and method of application [12/07/18].</p>	Yes
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</p>	<p>There is matrix for training requirement for operating units with each levels and team.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	description. - Major compliance -		
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	The company has the yearly training matrix SOU 20 – North Labis Estate (FY 18/19) and training matrix 18/19 SOU 20 - Chaah Estate. Sighted the training record based on category which are safety & health, operation, policies, etc. with training requirement for operating units (Estates) with the status. The training procedure is well explain in SDP-EQMS SOM Resource Management issue date 01.11.08, under competence awareness and training as reference.	Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Environment Policy was established. The policy was 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.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>An environmental management plan/pollution prevention plan was established and implemented to monitor the effectiveness of the mitigation measures.</p> <p>This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Last reviewed was done on 02/07/18 (North Labis Estate) and 23/08/18 (Chaah Estate).</p> <p>The management was monitored on quarterly basis which the last monitoring was done on 02/07/18 (North Labis Estate) and 23/08/18 (Chaah Estate).</p> <p>Continuous awareness training programme has been carried out on 22/05/18 (Chaah Estate) and 22-23/05/18 (North Labis Estate) by the company to its workers and other stakeholders.</p> <p>The aspects and impacts analysis of all operations was done accordingly.</p> <p>The latest review for FY17/18 was carried out on 05/06/18 (Chaah Estate) and 15/07/18 (North Labis Estate). There are no changes to the EAI and EIE.</p>	Yes
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>An environmental management plan/pollution prevention plan was established and implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year</p>	Yes

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		<p>to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Last reviewed was done on 02/07/18 (North Labis Estate) and 23/08/18 (Chaah Estate).</p> <p>The management was monitored on quarterly basis which the last monitoring was done on 02/07/18 (North Labis Estate) and 23/08/18 (Chaah Estate).</p> <p>Continuous awareness training programme has been carried out on 22/05/18 (Chaah Estate) and 22-23/05/18 (North Labis Estate) by the company to its workers and other stakeholders.</p>	
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>Environmental Management Programme also includes continual improvement plans.</p> <p>For example, to reduce any run-off pesticides to land, to eliminate traces of oil spillage at the workshop/tractor parking bay, to reduce the released exhaust emission to air, to manage the scheduled waste as per requirement, to reduce massive land contamination at the landfill area and etc.</p>	Yes
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>Annual training programme of the estates includes environmental awareness and compliance related trainings to the executives, staffs and workers.</p> <p>Continuous awareness training programme has been carried out on 22/05/18 (Chaah Estate) and 22-23/05/18 (North Labis Estate) by the company to its workers and other stakeholders.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																								
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Environmental related matters were discussed during toolbox briefing.</p> <p>Workers interview reveal that they are encouraged to discuss environmental issues with the management.</p> <p>Continuous awareness training programme has been carried out on 22/05/18 (Chaah Estate) and 22-23/05/18 (North Labis Estate) by the company to its workers and other stakeholders.</p>	Yes																								
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																											
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Both the estates maintain records of energy usage, which is reported monthly to head office. The use of the fossil fuel against the FFB production is being monitored.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Electricity/mt FFB</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Chaah Estate</td> <td>2016</td> <td>3.15 kwh/mt</td> <td>1.70 ltrs/mt</td> </tr> <tr> <td>2017</td> <td>3.56 kwh/mt</td> <td>1.87 ltrs/mt</td> </tr> <tr> <td>2018</td> <td>3.36 kwh/mt</td> <td>1.63 ltrs/mt</td> </tr> <tr> <td rowspan="3">North Labis Estate</td> <td>2016</td> <td>7.55 kwh/mt</td> <td>4.02 ltrs/mt</td> </tr> <tr> <td>2017</td> <td>7.42 kwh/mt</td> <td>2.28 ltrs/mt</td> </tr> <tr> <td>2018</td> <td>26.46 kwh/mt</td> <td>1.79 ltrs/mt</td> </tr> </tbody> </table>	Estate	Year	Electricity/mt FFB	Diesel/ mt FFB	Chaah Estate	2016	3.15 kwh/mt	1.70 ltrs/mt	2017	3.56 kwh/mt	1.87 ltrs/mt	2018	3.36 kwh/mt	1.63 ltrs/mt	North Labis Estate	2016	7.55 kwh/mt	4.02 ltrs/mt	2017	7.42 kwh/mt	2.28 ltrs/mt	2018	26.46 kwh/mt	1.79 ltrs/mt	Yes
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p>	<p>Both estates visited have estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.</p>	Yes																								

Criterion / Indicator		Assessment Findings	Compliance									
	- Major compliance -											
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	<p>There is an application of EFB at the estates visited. Sighted the record:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Financial Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Chaah Estate</td> <td>2018</td> <td>20,832.69 mt</td> </tr> <tr> <td>North Labis Estate</td> <td>18/19</td> <td>5,702.01 mt</td> </tr> </tbody> </table>	Estate	Financial Year	Total	Chaah Estate	2018	20,832.69 mt	North Labis Estate	18/19	5,702.01 mt	Yes
Estate	Financial Year	Total										
Chaah Estate	2018	20,832.69 mt										
North Labis Estate	18/19	5,702.01 mt										
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 -	<p>Visits made to both estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB were maintained and monitored at the both estate.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410).</p> <p>Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p>The latest disposal was carried out on 06/06/18 for North Labis Estate [SW410 (5kg), SW305 (50L)] and 06/06/18 for Chaah Estate [SW305</p>	Yes									

Criterion / Indicator		Assessment Findings	Compliance
		(400L), SW410 (10kg)] by Perniagaan Saudara Baru (002209 valid until 30/4/2019).	
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>Documented waste management action plan was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the both estates visited.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the estates.</p>	Yes
4.5.3.3	<p>The 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 (Hazardous Waste) Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26/2/2016.</p> <p>The latest disposal was carried out on 06/06/18 for North Labis Estate [SW410 (5kg), SW305 (50L)] and 06/06/18 for Chaah Estate [SW305 (400L), SW410 (10kg)] by Perniagaan Saudara Baru (002209 valid until 30/4/2019).</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	Yes
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the</p>	<p>Empty pesticide containers were disposed as a scheduled waste. The latest disposal was done on 02/06/18 (North Labis Estate) and 18/09/18 (Chaah Estate) by SS Setia Teknologi Enterprise (Refer to DOA approval letter dated: 7/12/2015).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	national programme on recycling of used HDPE pesticide containers. - Major compliance -		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory in the both estates visited. Proper storage areas were identified for the storage of the recyclable wastes at the both estates. Landfill area was visited at North Labis Estate (P99-2-date opened on 22/09/18) and Chaah Estate (P00C- date opened on 25/09/18).	Yes
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was from the estate activities. Current monitoring for scheduled waste was through regular monitoring which conducted as per requirement. The latest disposal was carried out on 06/06/18 for North Labis Estate [SW410 (5kg), SW305 (50L)] and 06/06/18 for Chaah Estate [SW305 (400L), SW410 (10kg)] by Perniagaan Saudara Baru (002209 valid until 30/4/2019). The clinical waste (SW404-5.80kg) was disposed by Kualiti Alam Sdn Bhd on 11/04/18 (North Labis Estate). The clinical waste (SW404-	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>0.5kg) was disposed by Kualiti Alam Sdn Bhd on 13/08/18 (Chaah Estate).</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Waste Management Plan for 2018 has been integrated into environmental improvement plan which is being reviewed on yearly basis.</p> <p>Last reviewed was done on 02/07/2018 (North Labis Estate) and 23/03/18 (Chaah Estate) by Sr. Assistant Manager.</p> <p>The plan was monitored regularly.</p>	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). 	<p>Water management plan FY18/19 dated 03/07/2018 (North Labis Estate) and 23/08/18 (Chaah Estate) was established which involved water catchment, water supply by Syarikat Air Johor (SAJ) and water sampling analysis from monsoon drains.</p> <p>Water analysis monitoring was done accordingly. The result for water analysis which was done on 23/07/18 (Report No:IE802/2018) at North Labis Estate shown all the parameters were within the limits.</p> <p>Pesticide analysis test was done accordingly. The result for pesticide analysis which was done on 03/09/18 (Report No: PL683/2018) at Chaah Estate shown all the parameters were within the limits.</p> <p>Water consumption was monitored monthly basis.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<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>	Total water consumption for to-date August 2018 at Chaah Estate was 224,605 m3 and at North Labis Estate was 92,710 m3.	
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>	There is no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Yes
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>	Water harvesting practices was implemented at North Labis Estate and Chaah Estate. It was used for washing tractor at workshop.	Yes
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
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>	HCV Re-Assessment for Strategic Operating Unit (SOU) 20 Chaah has been conducted on August 2016 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. Final Report (Version 2.0).	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>Total HCV area identified for SOU 20 falls under Water Catchment area, bund and river reserve – HCV category 4 – 70.69 Ha distributed among Chaah Estate, Simpang Kiri Estate and North Labis Estate.</p>	
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>In SOU20, identified HCVs- Water Catchment area, bund and river reserve.</p> <p>Their management plan such as:</p> <ul style="list-style-type: none"> • To ensure no agrichemical activities carried out near the water catchment area. • To cover any bare soil with planting of vetiver grasses, groundcovers and to reduce soil erosion. • Establishment of safety/awareness signages • To give briefing during muster to include HCV related. • HCV awareness training for estate management by PERHILITAN or PSQM Dept. or any related agencies. <p>Similar HCV management plan at Chaah Estate and North Labis Estate, the management plan reviewed on 10/08/2018.</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The management plan was monitored on 3 monthly basis by assistant manager.	Yes
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 -	It was noted that zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008 implemented. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted during the field visit at North Labis Estate and Chaah Estate. The replanting was completed on Feb 2018 (North Labis Estae) while at Chaah Estate, the land preparation for field 18A was in progress.	Yes
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 -	The management practice using mechanize system, felled and chipped the palm during land preparation. There was no open burning sighted at field 2017 (North Labis Estate) and 18A (Chaah Estate).	Yes
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 -	The management practice using mechanize system, felled and chipped the palm during land preparation. There was no open burning sighted at field 2017 (North Labis Estate) and 18A (Chaah Estate).	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>The management practice using mechanize system, felled and chipped the palm during land preparation. There was no open burning sighted at field 2017 (North Labis Estate) and 18A (Chaah Estate).</p>	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill while Estates have separate SOP (Sime Darby SOP-EQMS issued 01.11.2008 and Agricultural reference Manual) covers all the activity in the estate including land preparation, planting material, upkeep, harvesting, transport. It was sighted that there was a Revised EHS Manual dated 01.07.2012.</p>	Yes
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Slope & Contour Map as well as Soil series & Contour Map available for both estates visited. There are no planting on slope on more than 25 degree, no peat soils or soil categorized as problematic or fragile soil at all estates. At NLE, the management decided not to maintain the area more than 25 degree.</p> <p>All palm by-products including fronds, EFB, and expeller are recycled. EFB is applied at the rate of 40mt/ha in field.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>North Labis Estate: The block marking was done accordingly, sighted the block marking at field 2016A and field 99.</p> <p>Chaah Estate: The block marking was done accordingly, sighted the block marking at field 02B.</p>	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Chaah Estate and North Labis Estate had established an annual budget for 2018 (Jul-Dec). The Ex-Estate Cost includes the direct cost, fixed cost, manuring cost and others. The budget was plan 2018 with 4 years forecast plan up to 2022.</p>	Yes
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>The long range replanting programme up to 2038 was established. There was no replanting for 2019 at North Labis Estate. While at Chaah Estate, there was 158.95Ha in progress for land preparation.</p>	Yes
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 	<p>All relevant information contained in the annual budget plan for 2018.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2022) and well documented upon request.	Yes
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Sampled below contractors agreements & payments: 1. Perniagaan Khidmat Setia for rental of excavator, Doc No: NLE/CA001/1718 (North Labis Estate) dated 1/10/2017. 2. Dewi Dairy Farm Trading for pruning, raking, transport FFB (field to bin), transport soil, transport fertilizer and hiring machineries at Chaah Estate dated 19/1/2018. Both are having the agreed price mechanism.	Yes
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. Perniagaan Khidmat Setia for rental of excavator, Doc No: NLE/CA001/1718 (North Labis Estate) dated 1/10/2017.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Dewi Dairy Farm Trading for pruning, raking, transport FFB (field to bin), transport soil, transport fertilizer and hiring machineries at Chaah Estate dated 19/1/2018.</p> <p>Both are having the agreed price mechanism.</p>	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>Contractors involved in MSPO training conducted in Safety Townhall 6.0 on 23/5/2018.</p>	Yes
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Sampled below contractors agreements & payments:</p> <ol style="list-style-type: none"> 1. Perniagaan Khidmat Setia for rental of excavator, Doc No: NLE/CA001/1718 (North Labis Estate) dated 1/10/2017. 2. Dewi Dairy Farm Trading for pruning, raking, transport FFB (field to bin), transport soil, transport fertilizer and hiring machineries at Chaah Estate dated 19/1/2018. 	Yes
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p>	<p>Management is aware on this information and there is no dispute during the audit.</p>	Yes
4.6.4.4	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor,</p>	<p>The management had monitored the work completed using work certificate. The certificate will be issued every month, agreed with</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	Estate personnel and contractor representative before payment is made.	
<p>4.7 Principle 7: Development of new planting</p> <p>SOU 20-Chaah did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.</p>			

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 8/9/2017.	Yes
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The MSPO policy was communicated to the executive, staff, and workers accordingly on 21/05/18 by the PSQM Team. The training record was made available at Mills’ office.	Yes
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit procedure (SD/SDP/PSQM/IAP) which was dated 01/09/17 was established. The internal audit need to be conducted annual + as and when required.	Yes
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	The Internal Audit was planned to be conducted annually. The RSPO & MSPO Internal Audit for SOU 20 Chaah was conducted on 13-17/08/2018 by GSQM & RSQM Southern Region Team (Lead	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	implement the necessary corrective action. - Major compliance -	Auditor: Mohd Saiful Bari Munir, Auditor: Hj Suhaimi Juki, Nurulashida Mohd Saad & Selvarani Ayer. During this audit, there is 05 major NC, 02 minor NC and 03 OFI's raised and all the findings were closed on 21/09/18. The report was made available at mill 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 20 Chaah was conducted on 13-17/08/2018 by GSQM & RSQM Southern Region Team (Lead Auditor: Mohd Saiful Bari Munir, Auditor: Hj Suhaimi Juki, Nurulashida Mohd Saad & Selvarani Ayer. During this audit, there is 05 major NC, 02 minor NC and 03 OFI's raised and all the findings were closed on 21/09/18. The report was made available at mill office.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	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 14/09/18 which was chaired by the Mill Manager. All the agenda such as OSH Objective, Mill Performance, Training, Complaints, Internal Audit MSPO and etc was discussed accordingly. The MRM report was made available at mill office.	Yes

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 a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Mill has the Kaizen Charter projects, examples is : 1. To reduce cost in Chaah POM which is charge to Sterilizer Station External Service. 2. To reduce noise level while FFB dumping into ramp hopper by installing additional channel at the base plate hopper.	Yes
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Mill has use Electrostatic Precipitator System for control the smoke emission as per memo circulated dated 22/08/17. The information provided in Written Notification on Air Emission Sources (Air Pollution Control System-Electrostatic Precipitator).	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate 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 Chaah POM. Sighted the records of request at all site visited, most of the records show that the request for repairing workers houses.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
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.	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The 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.	Yes
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Assistant manager has been appointed as person responsible for handling social issue for POM. Appointment letters dated 1/7/2018 nominated Mill Assistant Manager as the Officer in-charge for Social Issue.	Yes
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Stakeholder list was developed where stakeholders such as contractors, suppliers, local communities, government authorities and NGO in the list. The management has maintained an updated list of stakeholder as at July 2018. Stakeholder meeting was conducted on 5/9/2018 for Chaah POM which attended by Police Officer, medical officer, smallholders, representative from village, manager Maybank Labis. Attendance list is sighted. Stakeholder meeting was organized once a year and the last meeting was conducted on 5/9/2018 with the participation of	Yes

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		<p>stakeholders such as local communities, government authorities, smallholder and contractor in Chaah POM. Meeting minutes was sighted and issues reported were recorded. Action plan was developed in the meeting minutes.</p> <p>Chaah POM has implemented External Communication Logbook to record request from external stakeholders. The requests were such as condition of road to mill was unsatisfactory and cattle was found in the estate. Action taken and status of the actions have been recorded in the logbook.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Latest written documented procedures SOP Sustainable Supply Chain & Traceability Appendix 15, Version 2 2016 issuance Oct 2016 for the chain of custody is with Identity Preserved (IP) model covering all the RSPO, ISCC & MSPO Supply Chain Certification for both mill and estates.</p>	Yes
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place through Central Reporting System (CRS). Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance.</p> <p>In Chaah POM, sighted the FFB Receive Summary Report by Supplier with each estate code numbers.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	Based on the SOP, Head of Operating Unit is responsible person for the MSPO implementation related to traceability. Sighted the appointment letter for RSPO/MSPO representative to Tg Ahmad Nur Aiman Bin Tg Abdullah (Asst. Engineer) dated 02/07/18 for Chaah POM.	Yes
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	In Chaah POM, seen the weighbridge ticket for E-Chaah (E105), E-North Labis (E134) and E-Simpang Kiri (E534) dated 26/09/18 was having all the relevant sales & FFB transportation information.	Yes
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU20. 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. The evaluation was last carried out on 1/9/2018 by Assistant Manager and approved by Mill Manager. As to date, the mill comply with all the applicable local, state, national and ratified international laws and regulations.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>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. List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. All the legal and other requirements were register accordingly in the legal requirement register. The evaluation was last carried out on 1/9/2018 by Assistant Manager and approved by Mill Manager.</p>	Yes
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>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. List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. All the legal and other requirements were register accordingly in the legal requirement register. The evaluation was last carried out on 1/9/2018 by Assistant Manager and approved by Mill Manager.</p>	Yes
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 SOU20. 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</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>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>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	Land title for KKS Chaah is under Chaah Estate (H.S.(D):7745, Lot No:PT2378)	Yes
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.	Yes
4.3.2.3	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	Not applicable. Sime Darby did not acquire land from landowners, but leased it directly from the government. Land title for KKS Chaah is under Chaah Estate. There were no issues of land disputes.	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 -	Not applicable. Sime Darby did not acquire land from landowners, but leased it directly from the government. Land title for KKS Chaah is under Chaah Estate. There were no issues of land disputes.	Yes
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Yes
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.	Yes
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.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SIA was conducted on 6-9 April 2015 by the Social & Environment Projects Unit, PSQM Department covering Chaah POM, Chaah Estate, North Labis Estate and Sg. Simpang Kiri Estate. The methodology of the assessment is through interview with stakeholders such as local communities, workers. 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 mill. Stakeholder meeting was conducted on 5/9/2018 for Chaah POM which attended by Police Officer, medical officer, smallholders, representative from village, manager Maybank Labis. Attendance list is sighted. There was no major issue raised during the meeting.</p> <p>The SIA management plan dated 2/4/2018 for Chaah POM was sighted. The plan was include all the issues raised during the meeting.</p>	Yes
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The management had continued to implemented 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.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
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.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint was recorded in communication book for internal complaint and external communication log book for external complaint. At mill, there was a request made from the external stakeholder for road repair on 22/6/2018.	Yes
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	There is complaint & communication procedure & flowchart publicly available in the notice board outside office for both internal and external party reference.	Yes
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 2013 were available and maintained at the office.	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			

Criterion / Indicator		Assessment Findings	Compliance
4.4.3.1	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>The management has done the contribution to local communities. For example the contribution to local communities, Kg Desa Temu Jodoh for upkeep of Muslim graveyard.</p>	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Group Policy on health and safety was established in English and Bahasa Malaysia in Jan 2015 which was approved by Managing Director, Datuk Franki Anthony Dass and seen displayed at various notice boards within estate office.</p> <p>The policy outlines the company's commitment to provide workers with adequate knowledge, training, and experience to ensure continuous improvements in OSH management and performance. As for the new workers, there is induction training upon their arrival at training camp at Sua Betong.</p> <p>The PSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p>	<p>The OSH policy and implementation were communicated to the employees through awareness which conducted once a year and during morning muster. Interview with graders, general workers at sterilizer and boilerman understand the term of the OHS practices.</p>	Yes

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded. 	<p>The mill management unit has Hazard Identification, Risk Assessment, and Risk Control (HIRARC) document for financial year (FY) 2017/2018 reviewed on 01/07/18, which covers working type, job step, hazard, effect, existing control, type, probability, etc.</p> <p>The mill management conducts periodic training for employees exposed to chemicals as mentioned in OSH Programme. PPE for FFB Grader such as safety helmet, safety shoes and vest, meanwhile Laboratory Assistant was equipped with Laboratory Coat and Respirator. PPE's were provided every year on no charge basis. This is also conformed through review on PPE delivery records. Furthermore, safety devices such as shower, eyewash, fire extinguisher and first aid box were available.</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 management has appointed ESH Committee for FY2018/2019 which consist of Chairman, Secretary, twelve representatives from Employer and twelve representatives from Employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</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. Based on observation to, Scheduled Waste Store, Laboratory, and Chemical Store.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>The OSH policy and implementation were communicated to the employees through awareness which conducted once a year and during morning muster. Interview with operators, they understand the term of the OHS practices.</p> <p>It was found that the production area, boiler room and engine room equipped with fire extinguisher, important contact number and flowchart of emergency. Furthermore, based on interview with worker, the worker was able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>The Estate Hospital Assistance is the key person as first aider and supported by mill executives whom been trained by Hospital Segamat. Sighted the training record for first aiders on 11/07/18 attended by staff and workers.</p> <p>The mill has list of first aid equipment box which located in Engine Room, Electrical Workshop, Grading station, Laboratory, Supervisor Room, Store and Office. Monitoring record of items used who checked by Medical Assistant were also available.</p> <p>Mill management has appointed ESH Committee for 2018/2019 consist representatives from employer and employee. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements. OSH meeting was conducted accordingly #1 (2018/2019): 13/07/18, #4(2017/2018): 13/04/18, #3 (2017/2018): 25/01/18 and #2(2017/2018): 26/10/17.</p> <p>OSH Committee has records any accident happen and evaluate it on the OSH quarter meeting. There was no accident case reported</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		in the 1st quarter. Several issues being discussed and evaluated are man-hours work, work place inspection, accident report, firefighting and drill evacuation, training and other issues related to OSH.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees. - Major compliance -	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 4/9/2018 in Chaah POM, 17/7/2018 in Sungai Simpang Kiri Estate and 22/5/2018 in Chaah Estate. The policy was displayed at the notice board outside the office.	Yes
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	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 has been briefed to all the workers on 4/9/2018 in Chaah POM. The policy was displayed at the notice board outside the office.	Yes
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	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 October 2017, November 2017, March	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>2018 and July 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 14626 (CPOM) b. Employee No.: 74793 (CPOM) c. Employee No.: 137039 (CPOM) d. Employee No.: 128457 (CPOM) e. Employee No.: 116096 (CPOM) <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/month or RM 38.46/day.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Most of the activity at both estate was done by the checkroll workers.</p>	Yes
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 transporters, grass cutting and miscellaneous services.</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>	Yes
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</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.: 128457 (CPOM) b. Employee No.: 137039 (CPOM) 	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> a. Employee No.: 74793 (CPOM) b. Employee No.: 112306 (CPOM) c. Employee No.: 116096 (CPOM) <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 the employees and employers.</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>	Yes
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>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 October 2017, November 2017, March 2018 and July 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 14626 (CPOM) b. Employee No.: 74793 (CPOM) c. Employee No.: 137039 (CPOM) d. Employee No.: 128457 (CPOM) e. Employee No.: 116096 (CPOM) 	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Mill has employed local and foreign workers. All the mill workers was 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 October 2017, November 2017, March 2018 and July 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> a. Employee No.: 14626 (CPOM) b. Employee No.: 74793 (CPOM) c. Employee No.: 137039 (CPOM) d. Employee No.: 128457 (CPOM) e. Employee No.: 116096 (CPOM) <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/month or RM 38.46/day.</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Medical care is provided for free, complimentary rice provided to workers once in every 2 months, price bonus for normal days, phone allowance and insurance reimbursement.</p>	Yes
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>Linesite inspection was carried out on weekly basis by Supervisor and verified by the Assistant in Chaah POM. Seen the inspection records by using the Housing Complex/ Next/ Community Hall Inspections form where the last inspections for September 2018 were conducted on 5/9/2018, 12/9/2018 and 19/9/2018. No issue was reported during the inspections.</p>	Yes

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		Clinic, crèches and other facilities such as football field were provided to the workers. Water and electricity was supplied to workers. Government schools were located nearby the estates where the company has provided school bus with subsidize to send the children to school.	
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 4/9/2018 in Chaah POM. The policy was displayed at the notice board outside the office.	Yes
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	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 4/9/2018 in Chaah 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.	Yes
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	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 4/9/2018 in Chaah POM. The policy	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		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.	
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	For Chaah POM, sighted the Schedule Waste Training (18/09/2018), Incident Classification & NADOPOD Training (18/09/18), Working at height Awareness Training (22/09/18) and Confined Space (07/09/18).	Yes
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	There is matrix for training requirement for operating units with each levels and team.	Yes
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	The company has the yearly training matrix 2018/2019 SOU 20 Chaah POM. Sighted the training record based on category which are safety & health, operation, policies, etc. with training requirement for operating units (Estates) with the status. The training procedure is well explain in SDP-EQMS SOM Resource Management issue date 01.11.08, under competence awareness and training as reference.	Yes

Criterion / Indicator	Assessment Findings	Compliance	
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>Environment Policy was established. The policy was 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 aspects and impacts analysis of all operations was done accordingly. The latest review for FY17/18 was carried out on 06/07/18. There is no change to the EAI and EIE.</p>	<p>Yes</p>
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Last reviewed was done on 02/07/18.</p> <p>Continuous awareness training programme has been carried out on 21/05/18 by the company to its workers and other stakeholders.</p>	<p>Yes</p>
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>The continuous implementation of the improvements activities was checked during the field and document audit. The environmental management plan has been established to monitor the identified</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>significant activities that give impacts on environment. Last reviewed was done on 02/07/18.</p> <p>A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented. The management was monitored on quarterly basis where the last monitoring was done on 02/07/18.</p> <p>Continuous awareness training programme has been carried out on 21/05/18 by the company to its workers and other stakeholders.</p>	
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>Environmental Management Programme also includes continual improvement plans. For example, For example, to reduce any run-off pesticides to land, to eliminate traces of oil spillage at the workshop/tractor parking bay, to reduce the released exhaust emission to air, to reduce massive land contamination at the landfill area and etc.</p>	Yes
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p>	<p>Annual training programme of the mill includes environmental awareness and compliance related trainings to the executives, staffs and workers.</p> <p>Continuous awareness training programme has been carried out on 21/05/18 by the company to its workers and other stakeholders.</p>	Yes
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Environmental related matters were discussed during toolbox briefing. Workers interview reveal that they are encouraged to discuss environmental issues with the management.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance														
		Continuous awareness training programme has been carried out on 21/05/18 by the company to its workers and other stakeholders.															
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																	
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	<p>The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimised in order to reduce the dependence on diesel fossil fuel.</p> <p>No electric supply from TNB for Chaah POM and fully dependent on diesel powered generator and steam turbine.</p> <table border="1"> <thead> <tr> <th>POM</th> <th>Year</th> <th>Electricity/mt FFB</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Chaah POM</td> <td>16/17</td> <td>8.32 kwh/mt</td> <td>0.22 ltrs/mt</td> </tr> <tr> <td>17/18</td> <td>8.07 kwh/mt</td> <td>0.18 ltrs/mt</td> </tr> <tr> <td>2018</td> <td>10.39 kwh/mt</td> <td>0.18 ltrs/mt</td> </tr> </tbody> </table>	POM	Year	Electricity/mt FFB	Diesel/ mt FFB	Chaah POM	16/17	8.32 kwh/mt	0.22 ltrs/mt	17/18	8.07 kwh/mt	0.18 ltrs/mt	2018	10.39 kwh/mt	0.18 ltrs/mt	Yes
POM	Year	Electricity/mt FFB	Diesel/ mt FFB														
Chaah POM	16/17	8.32 kwh/mt	0.22 ltrs/mt														
	17/18	8.07 kwh/mt	0.18 ltrs/mt														
	2018	10.39 kwh/mt	0.18 ltrs/mt														
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.	<p>Chaah POM has established an estimation of total energy required. This estimation was compared to the actual usage on monthly basis.</p> <p>Fossil fuel usage recorded at 0.18 ltr/FFB process for FY17/18.</p>	Yes														

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available.</p>	Yes
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>The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill.</p> <p>Scheduled Waste identified included spent lubricating oil (SW 305), used chemical containers/drums (SW 409), used filters (SW410) and Waste of non-halogenated organic solvents (Spent IPA) SW</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>322. Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p>The latest disposal was carried out on 08/07/18 for SW322 (0.9300mt), SW409 (0.4030mt), SW305 (0.6604mt) and SW410 (0.4230mt) by Kualiti Alam Sdn Bhd (002076-valid until 30/4/19).</p>	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>Documented waste management action plan was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company mill.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the POM. Proper storage areas were identified for the storage of the recyclable wastes at the estates.</p>	Yes
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste (Hazardous Waste) Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016.</p> <p>The latest disposal was done on 08/07/18 by Kualiti Alam Sdn Bhd for SW322, SW409, SW305 and SW410.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory in the both estates visited. Proper storage areas were identified for the storage of the recyclable wastes at mill. Landfill area was visited at Chaah Estate (P00C-date opened on 25/09/18) (Chaah Estate- 02° 9' 38.5" N and 102° 59' 7.8" E).	
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, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Based on the assessment of all polluting activities as per Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was done through online boiler smoke density, alarm and six-monthly boiler stack monitoring for dust particulate. Latest stack monitoring was done on 29/05/18 by PAC Testing & Consulting Sdn Bhd (Report ref: PAC-AE-180513) for boiler chimney no. 3. Result shown that the stack emissions were within approval limit. For effluent discharge, the latest effluent analysis test report dated 12/09/18 (Report No: EP394/2018) was verified and found that POM is in compliance with the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly on 12/07/18 (Ref: MS/PK/DOE/AS4/07) for 2 nd quarter (April – June 2018).	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	<p>Chaah POM Waste Management Plan for Jul – Dec 2018 was established and has been integrated into the environmental improvement plan which is being reviewed on a yearly basis.</p> <p>Based on action plan, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment.</p> <p>The company are monitored POME application on daily basis. GHG emission calculated using RSPO approved calculator (version 3.0).</p>	Yes
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance -	<p>Scheduled of compliance for Chaah POM from DOE (004721) will expire on 30/06/19.</p> <p>The method for effluent discharge at Chaah POM through land application at Chaah Estate. The BOD limit for final discharge was not higher than 5000 mg/l.</p> <p>The latest effluent analysis test report dated 21/09/18 was verified and found that POM is in compliance with the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977.</p> <p>For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly on 12/07/18 (Ref: MS/PK/DOE/AS4/07) for 2nd quarter (April – June 2018).</p>	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources	Water management plan for Jul-Dec 2018 dated 02/07/2018 was established which involved water catchment, water supply by SAJ	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>and water sampling analysis from monsoon drains. Upstream downstream water monitoring was done accordingly. Water analysis monitoring was done accordingly.</p> <p>The result for water analysis which was done on 30/07/18 (Report No: IE858/2018) at Chaah POM shown all the parameters were within the limits.</p> <p>Effluent analysis report was done on 21/09/18 (Report No: EP394/2018) by Sime Darby Research Sdn Bhd. All the parameters tested were within the parameter.</p> <p>Water consumption was monitored monthly basis. Total average water consumption for period July 17 – June 18 at Chaah POM was 161,589.26 m³</p>	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>As per scheduled of compliance for Chaah POM from DOE (004721 - expiry on 30/06/19), the method for effluent discharge at Chaah POM through land application at Chaah Estate.</p>	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill while Estates have separate</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		SOP (Sime Darby SOP-EQMS issued 01.11.2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc. It was sighted that there was a Revised EHS Manual dated 01.07.2012.	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Chaah POM has implemented the mill best practice as per SOPs.	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Chaah POM had established an annual budget for the financial year Jul-Dec 2018. The palm oil mill budget includes the projected FFB processed, CPO and PK production, labour cost, maintenance cost, mill consumables, EVIT, admin cost which projected for five years.	Yes
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Sampled below contractors agreements & payments: 1. Budaya Mulia Supply & Services, Doc No: SSJ FORM/OPEX/STR/FEB2018/REV 1, for grass cutting at water reservoir, mill compound and workers quarters dated 1/1/2018., mill compound and workers quarters From the agreement, the contractor agreed on the price mechanism. The agreement was signed by the management and contractor.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	<p>Sampled below contractors agreements & payments:</p> <p>1. Budaya Mulia Supply & Services, Doc No: SSJ FORM/OPEX/STR/FEB2018/REV 1, for grass cutting at water reservoir, mill compound and workers quarters dated 1/1/2018.</p> <p>From the agreement, the contractor agreed on the price mechanism. The agreement was signed by the management and contractor.</p> <p>The payment was made in timely manner. Sighted the invoice as follow:</p> <p>1) Invoice No: 004007, PO No:4300428983 dated: 21/7/2018</p>	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	For Chaah POM, sighted the 3 workers representatives from Maju Mech Sdn Bhd attended the same Safety Townhall Meeting 5.0 on 03.10.17.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	<p>Sampled below contractors agreements & payments:</p> <p>1. Budaya Mulia Supply & Services, Doc No: SSJ FORM/OPEX/STR/FEB2018/REV 1, for grass cutting at water reservoir, mill compound and workers quarters dated 1/1/2018.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		From the agreement, the contractor agreed on the price mechanism. The agreement was signed by the management and contractor.	
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.	Yes

3.3 Details of Nonconformities and Opportunity for improvement

There is no nonconformity raised during this audit.

Opportunity For Improvement		
Ref	Area/Process	Clause
1687912-201809-I1	Sime Darby Plantation Bhd - Chaah POM, Chaah Estate, Sg Simpang Kiri Estate and North Labis Estate	4.4.5.3 [Part 3]
Requirements:	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.	
Objective Evidence:	The reimbursement for NUPW insurance fee need to be consistently paid.	

Noteworthy Positive Comments	
1	Positive comments from all stakeholders interviewed

3.4 Status of Nonconformities Previously Identified

No nonconformity raised during previous assessment.

3.5 Issues Raised by Stakeholders

IS #	Description
1	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.
	Management Responses: The management will continue to ensure payment will be made promptly.
	Audit Team Findings: Verified the payment vouchers found that the payment was made accordingly.
2	Issues: School Representatives – They have good relationship with the management. Assistance and contribution were given whenever they requested from the management. For eg: the management has provided free transport to send the children to night tuition at the school for free.
	Management Responses: The management will ensure that reasonable contribution will be provided to the communities whenever they requested.
	Audit Team Findings: No other issue.
3	Issues:



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	<p>Officer from Local Health Clinic – He informed that the management has given full corporation whenever they organized health awareness events such as pap-smear and tuberculosis. They are allowed to enter the workers’ quarters to carry out inspection whenever required.</p> <p>Management Responses: The management will give full corporation and maintain good relationship with the authority.</p> <p>Audit Team Findings: No further issue.</p>
4	<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>
5	<p>Issues: Gender committee members – They informed that they are aware with the procedure to lodge complain 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>

3.6 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
N/A			

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment, Sime Darby Plantation Bhd, SOU 20-Chaah Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 20-Chaah Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: ADRIAN MOHD FAZRIN MOHD FAIROZ	Name: Mohd Hafiz Mat Hussain
Company name: SIME DARBY PLANTATION BERHAD	Company name: BSI Services Malaysia Sdn Bhd
Title: MANAGER	Title: Lead Auditor
Signature: 	Signature: 
Date: 18TH OCTOBER 2018	Date: 10 th October 2018

Appendix A: Assessment Plan

Date	Time	Subjects	(MH)	(DF)
Tuesday 25/09/2018	PM	Travel to Yong Peng, Johor	√	√
Wednesday, 26/09/2018	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	North Labis 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.	√	√
	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, 27/09/2018	07:30 – 08:30	Travel to Chaah POM	√
08:30- 11:00		Chaah 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	√	√

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Friday, 28/09/2018	07:30 – 08:30	Travel to Chaah Estate	√	√
	08:30-11:00	Chaah 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	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 15:30	Continue with Document review and site verification if deemed necessary.	√	√
	15:30 – 16:30	Preparation for closing meeting	√	√
	16:30 – 17:30	Closing meeting	√	√

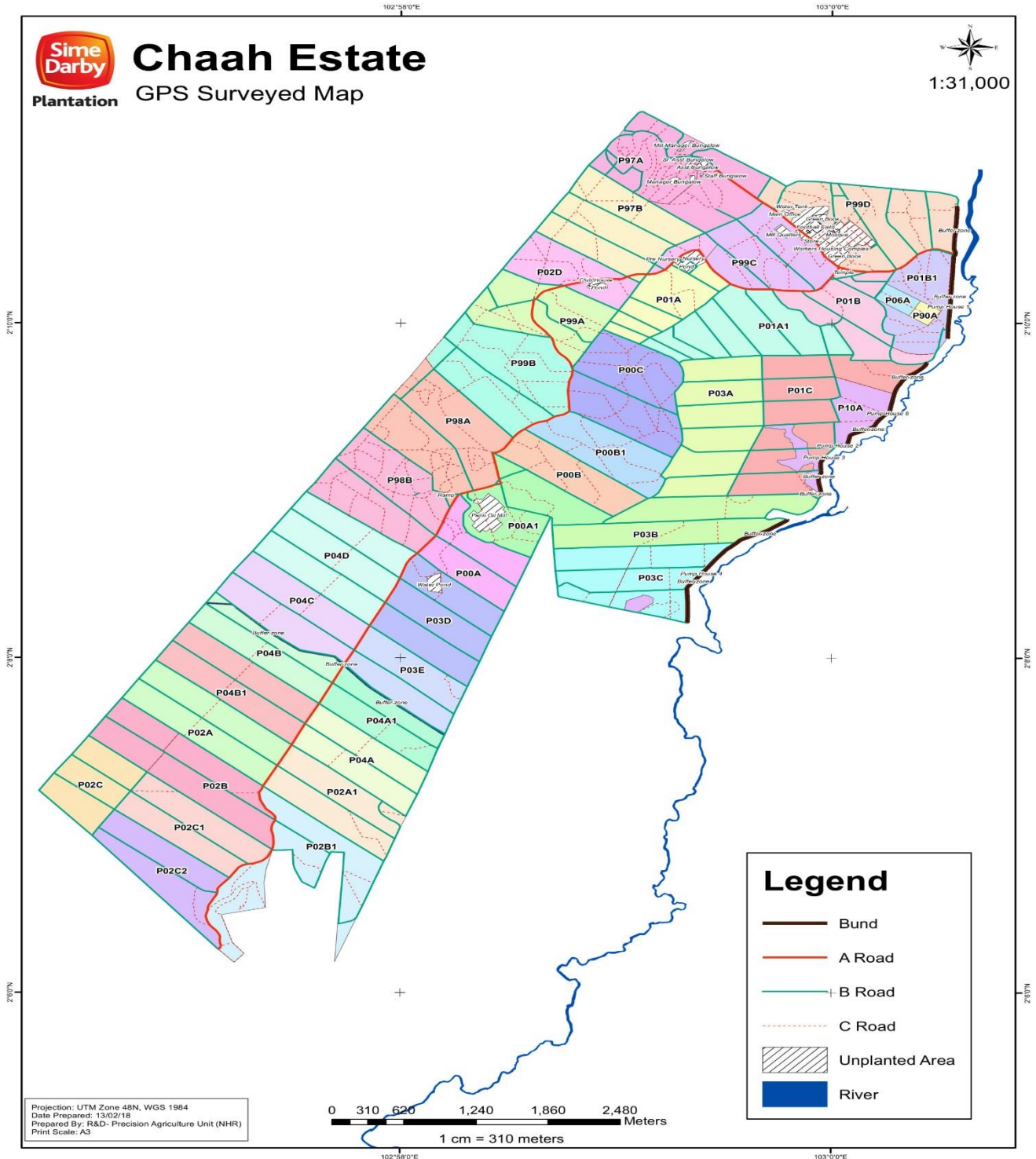
Appendix B: List of Stakeholders Contacted

1. Worker's Representative
2. Contractors
3. School Representatives
4. Officer from Local Health Clinic
5. Supplier
6. Gender committee members

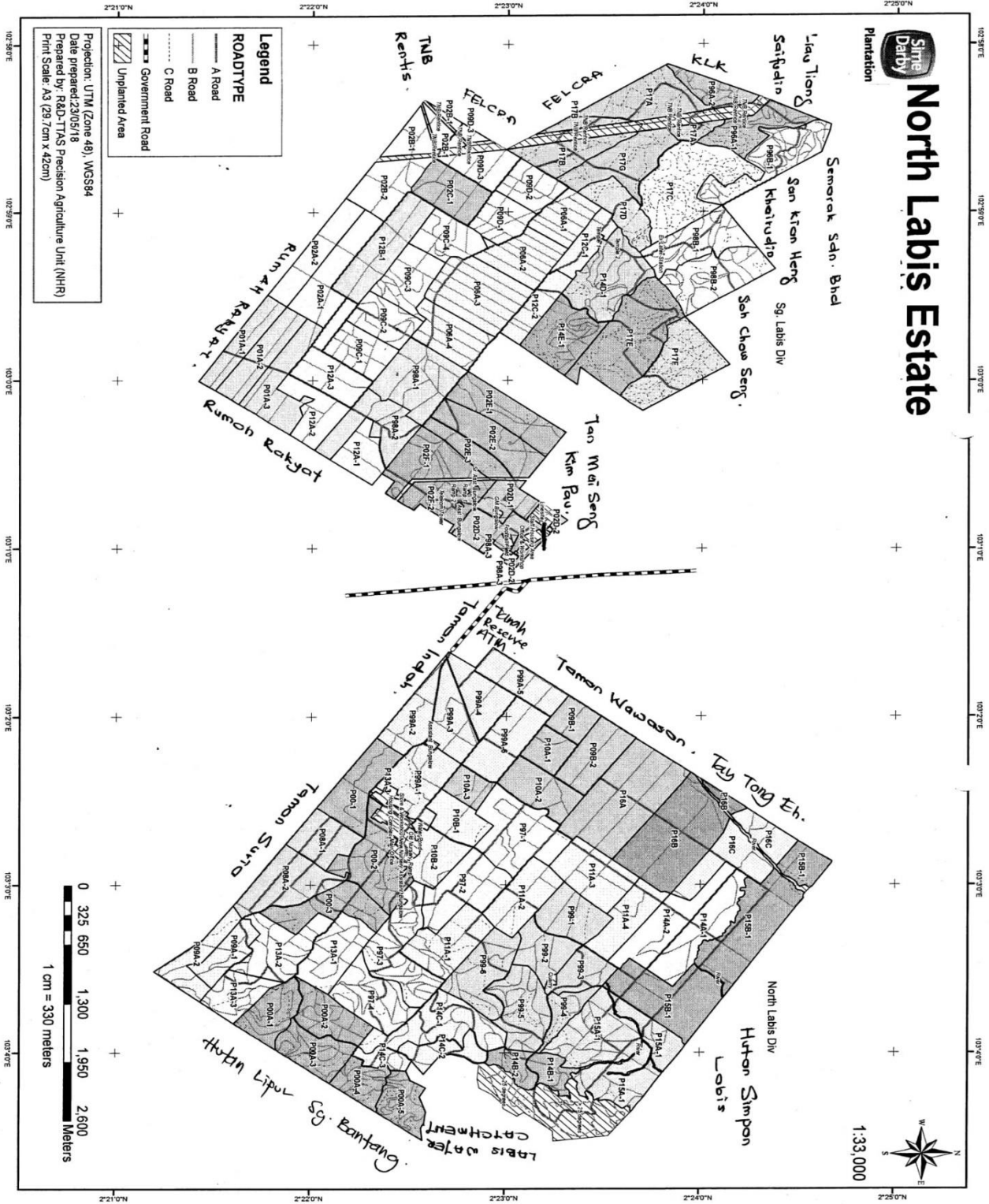
Appendix C: Smallholder Member Details

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

AN	Ammoniacal Nitrogen
ANPN	National Park Agency Gabon
BOD	Biological Oxygen Demand
CE	Chaah Estate
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CPOM	Chaah Palm Oil Mill
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
MSP0	Malaysian Sustainable Palm Oil
NLE	North Labis Estate
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids