

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

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|--|
| Sime Darby Plantation Berhad |
| Client company Address: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia |
| Certification Unit: Pagoh Palm Oil Mill (SOU 19) & Plantations of SOU 19 including Pagoh Estate, Lanadron Estate, Pengkalan Bukit Estate and Welch Estate |
| Location of Certification Unit: Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia |

Report prepared by:
Valence Shem (Lead Auditor)

Report Number: 8852163

Assessment Conducted by:
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Section 1: Executive Summary

| 1.1 Organizational Information and Contact Person | | | |
|--|---|-----------|--|
| MPOB License | Pagoh POM: 565809104000 (valid until 31/10/2019) Pagoh Estate: 508589902000 (valid until 28/2/2019) Lanadron Estate: 522273002000 (valid until 31/7/2019) Pengkalan Bukit: 518941002000 (valid until 28/2/2019) Welch Estate: 522499002000 (validity until 31/7/2019) | | |
| Company Name | Sime Darby Plantation Berhad [Pagoh Palm Oil Mill (SOU 19)] | | |
| Address | Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia | | |
| Group name if applicable: | Sime Darby Plantation Berhad | | |
| Subsidiary of (if applicable) | N/A | | |
| Contact Person Name | Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) | | |
| Website | www.simedarby.com | E-mail | kks.pagoh@simedarby.com |
| Telephone | 03-78484379 (Head Office) | Facsimile | 03-78484356 (Head Office) |

| 1.2 Certification Information | | | |
|---|---|-----------------------|-------------|
| Certificate Number | Mill: MSPO 682037 Plantations: MSPO 685822 | | |
| Issue Date | 12/12/2017 | Expiry date | 11/12/2022 |
| 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) | 11/10/2017 – 13/10/2017 | | |
| Continuous Assessment Visit Date (CAV) 1 | 10/10/2018 – 12/10/2018 | | |
| 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 | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| RSPO 600305 | Roundtable Sustainable Palm Oil | BSI Services Malaysia | 27/01/2019 |

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| 1.3 Location of Certification Unit | | | |
|--|--|----------------------------------|-----------------|
| Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder) | Site Address | GPS Reference of the site office | |
| | | Latitude | Longitude |
| Pagoh Palm Oil Mill | Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia | 2° 4' 40.62" N | 102° 43' 7.3" E |
| Lanadron Estate | Panchor, 84500 Muar, Johor, Malaysia | 2° 10' 48.70" N | 102° 44' 04" E |
| Pengkalan Bukit Estate | Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia. | 2° 07' 29" N | 102° 44' 32" E |
| Welch Estate | Jalan Segamat – Jementah, 85200 Segamat, Johor, Malaysia | 2° 27' 22" N | 102° 39' 12" E |
| Pagoh Estate | Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia. | 2° 4' 40.62" N | 102° 43' 7.3" E |

| 1.4 Plantings & Cycle | | | | | |
|----------------------------------|------------------|---------|---------|---------|---------|
| Estate | Age (Years) - ha | | | | |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 |
| Pagoh | 686.91 | 655.65 | 347.15 | 371.64 | - |
| Lanadron | 309.66 | 401.25 | 815.89 | 163.92 | 77.0 |
| Pengkalan Bukit | 624.97 | 1038.14 | 1190.06 | 126.24 | - |
| Welch | - | - | 576.20 | - | - |
| Total | 1621.54 | 2095.04 | 2929.3 | 661.8 | 77.0 |

| 1.5 FFB Production (Actual) and Projected (tonnage) | | | |
|--|--|------------------------------------|---|
| Producer Group | Projected from last audit (Jan18 – Dec18) | Actual production (Oct17-Sep18) | Projected production for next 12 months (Jan – Dec 2019) |
| Pagoh | 37,000 | 37,053.33 | 37,700 |
| Lanadron | 39,030 | 42,024.01 | 40,000 |
| Pengkalan Bukit | 54,600 | 55,111.28 | 57,900 |
| Welch | 9,000 | 14,100.71 | 11,650 |
| Total | 139,630 | 148,289.33 | 147,250 |

| 1.6 Certified CPO / PK Tonnage | | | |
|---------------------------------------|-----------|--------|----------|
| Mill | Estimated | Actual | Forecast |
| | | | |

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| | (Jan18 – Dec18) | (Oct17-Sep18) | (Jan – Dec 2019) |
|--|--------------------------|--------------------------|--------------------------|
| Mill Capacity: 45 MT/hr | CPO (OER: 20.78%) | CPO (OER: 20.61%) | CPO (OER: 21.50%) |
| | 29,015.11 mt | 38,506.24 mt | 31,658.75 mt |
| SCC Model: IP | PK (KER: 5.50%) | PK (KER: 5.10%) | PK (KER: %) |
| | 7,679.65 mt | 9,525.61 mt | 7,730.63 mt |

| 1.7 Certified Area | | | | | |
|---------------------------|--|-----------------|--|------------------------|---------------------|
| Estates | Total planted (matured + immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
| Pagoh | 1,988.02 | 9.10 | 328.81 | 2,325.93 | 85 |
| Lanadron | 1,694.02 | 19.41 | 251.01 | 1,964.44 | 86 |
| Pengkalan Bukit | 2,924.51 | 2.87 | 169.50 | 3,156.88 | 95 |
| Welch | 576.20 | 0.95 | 870.67 | 1,447.82 | 40 |
| Total | 7,242.75 | 32.33 | 1,619.99 | 8,895.07 | 81 |

| 1.8 Details of Certification Assessment Scope and Certification Recommendation: |
|---|
| <p>BSI Services Malaysia Sdn Bhd has conducted the first Surveillance Assessment of Sime Darby Pagoh SOU 19 located at Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia comprising 1 mill, 4 estates and infrastructures.</p> <p>The onsite assessment was conducted to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.</p> <p>The assessment is a combined assessment for the mill and the group of estates that is supplying to the mill. However the assessment criteria for the mill and the estates were separated following to the required standards. The certification assessment scope is Pagoh Palm Oil Mill SOU 19 and Pagoh SOU 19 Estates which acts as the group manager for Pagoh Estate, Lanadron Estate, Pengkalan Bukit Estate and Welch Estate. This report is the combined report for Pagoh Palm Oil Mill SOU 19 and Pagoh SOU 19 Estates.</p> <p>The onsite assessment was conducted on 10/10/2018 – 12/10/2018.</p> <p>Based on the assessment result, Sime Darby Pagoh SOU 19 complies with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill and recommended for certification to be continued.</p> |

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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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 10/10/2018 – 12/10/2018. The audit programme is included as Appendix A. The approach to the audit was to treat the Pagoh Palm Oil Mill as an MSPO Certification Unit and Pagoh SOU 19 Estates as another MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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

| 1. Assessment Program | | | | | |
|--|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Name (Mill / Plantation / Group smallholders) | Year 1 (Certification) | Year 2 (ASA 1) | Year 3 (ASA 2) | Year 4 (ASA 3) | Year 5 (ASA 4) |
| Pagoh POM | ✓ | ✓ | ✓ | ✓ | ✓ |
| Lanadron Estate | ✓ | | ✓ | | ✓ |
| Pengkalan Bukit Estate | | ✓ | | ✓ | |
| Welch Estate | ✓ | | ✓ | | ✓ |
| Pagoh Estate | | ✓ | | ✓ | |

Tentative Date of Next Visit: October 7, 2019 - October 9, 2019

Total No. of Mandays: 6

BSI Assessment Team:

Valence Shem - Lead Assessor

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

Amir Bin Bahari – Team Member

He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English.

Accompanying Persons: N/A

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

During the Certification Assessment there were 6 major and 2 minor nonconformities raised. The corrective action plans for all the NCRs have been accepted by the audit team members and the effectiveness and evidence of implementation shall be verified in the next surveillance assessment.

| | | | |
|--------------------------------------|---|------------------------------|----------------------|
| Finding Reference | 1693239-201809-M1 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.3.1.1 (Part 3 & 4) |
| Category | Major | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | 1) Female employee was assigned to work after 10.00 p.m. without written permission from Labour Office. 2) Salary deductions for payment of electricity were made without workers' respective approval. | | |
| Clause requirements | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. | | |
| Objective evidence | 1) Female employee at the Pagoh Palm Oil Mill worked as follows: - 9 Aug 2018 until 11PM - 11 Aug 2018 until 11PM - 15 Aug 2018 until 11PM - 20 Aug 2018 until 10.31PM - 25 Aug 2018 until 11PM - 11 July 2018 until 11:01PM There is no written exemption obtained under Section 34 (1) Employment Act 1955 for female employees to work between 10:00PM to 5:00AM 2) Salary deductions for payment of electricity were made without workers' authority. The affected workers are those recruited after 22 November 2016 at Pengkalan Bukit Estate. Salary deductions for payment of electricity from workers at Pagoh Estate have been made without written approval from the Labour Office. | | |

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| Cause | <p>Pagoh Mill: No monitoring for the female workers work at night.</p> <p>Pengkalan Bukit Estate: No monitoring to obtain consent letter from newly recruit workers</p> |
| Correction / containment | <p>Pagoh Mill: 1) Internal memo to limit 2nd shift until 9.30 pm for female workers. 2) Mill have requested approval from JTK Muar for female workers working after 10.00 pm. Form (for Female employees works at Night) was submitted 22/10/2018</p> <p>Pengkalan Bukit Estate Estate has gotten the consent from the said workers.</p> |
| Corrective action | <p>Pagoh Mill: Mill management will monitor and limiting the working hours until 9.30 pm.</p> <p>Pengkalan Bukit Estate: The in-charge person will get written consent hereafter for any new recruitment.</p> |
| Assessment conclusion | <p>Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on sufficient documented evidence. Continuous implementation will be further verified in the next assessment.</p> |

| | | | |
|--------------------------------------|--|------------------------------|-------------------|
| Finding Reference | 1693239-201809-M2 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.4.5.11 (Part 3) |
| Category | Major | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | <ul style="list-style-type: none"> Monitoring of drinking water quality was not done according to the established procedure. Issues detected through the weekly line-site inspection were not acted upon. | | |
| Clause requirements | <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> | | |
| Objective evidence | <ul style="list-style-type: none"> There is no evidence of water quality sampling analysis being done at Pengkalan Bukit Estate in 2018 in accordance to the Sustainable Plantation Management System Appendix 7 Standard Operating Procedure for Water | | |

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|---------------------------------|---|
| | <p>Quality Monitoring issued on 1 June 2016.</p> <ul style="list-style-type: none"> Recurring issues of stray dogs and poultry rearing have been raised in weekly linesite inspection reports of Pengakalan Bukit Estate (Pagoh Division and Main Division) from 11 January 2018 until 4 October 2018 (for Main Division) and 6 October 2018 (for Pagoh Division). However, there is no evidence of any appropriate actions being taken. |
| Cause | <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> Current practice of water analysis only carried for raw water at quarterly interval by R&D. No water sample analysis for treated water carried out in 2018 except sample taken by Jabatan Kesihatan on 18th September 2018 and the result yet to obtain No enforcement been taken on "Rearing Poultry" at resident |
| Correction / containment | <ol style="list-style-type: none"> The sampling of treated water was sent to R&D on 17th October 2018 for analysis. Evidence on sample sent on 17/10/2018 - Estate management will liaise with MPD to resolve the issue. Estate management will liaise with Majlis Perbandaran Daerah Muar to resolve the issue. Briefing during muster on no rearing poultry at residential area will be carried out. |
| Corrective action | <ol style="list-style-type: none"> Estate management will ensure treated water sampling analysis will be done monthly basis in accordance to SOP Appendix 7. Evidence needed: Result from RnD Carey Island <p>The implementation of action plan to be discussed in management meeting. Warning letter to be issued to workers if any disobey of instruction regarding rearing poultry at residential area</p> |
| Assessment conclusion | <p>Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on sufficient documented evidence. Continuous implementation will be further verified in the next assessment.</p> |

| | | | |
|--------------------------------------|--|------------------------------|------------------|
| Finding Reference | 1693239-201809-M3 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.4.2.5 (Part 3) |
| Category | Major | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | Verbal complaint from a worker was not documented. | | |

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| Clause requirements | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. |
| Objective evidence | Based on interview with workers at Pagoh Estate, there was a verbal complaint made by a worker with regards to the electric consumption meter. However, the verbal complaint was not recorded in accordance with "Handling Social Issues" SOP dated 01 Nov 2008. |
| Cause | The complaint was not channel to dedicated person in charge |
| Correction / containment | All complaint to be made through complaint form and documented. |
| Corrective action | All complaint recorded in complaint form |
| Assessment conclusion | Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on sufficient documented evidence. Continuous implementation will be further verified in the next assessment. |

| | | | |
|--------------------------------------|--|------------------------------|------------------|
| Finding Reference | 1693239-201809-M4 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.4.6.1 (Part 3) |
| Category | Major | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | There was inadequate training held by the estate. | | |
| Clause requirements | 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. | | |
| Objective evidence | Pengkalan Bukit Estate – The estate has yet to organise training in relation to the estates main activities for the year 2017/18; a) Harvesting & collection b) IPM – beneficial plant c) Pruning d) MSPO/RSPO awareness e) Fire drill | | |
| Cause | Improper file keeping for training records | | |
| Correction / containment | To make available the training record with attendance, pictorial evidence | | |

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|------------------------------|--|
| Corrective action | Assistant Manager , the PIC for sustainable certification to updates on training conducted in estate |
| Assessment conclusion | Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on sufficient documented evidence. Continuous implementation will be further verified in the next assessment. |

| | | | |
|--------------------------------------|--|------------------------------|------------------|
| Finding Reference | 1693239-201809-M5 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.4.4.2 (Part 3) |
| Category | Major | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | a) There was no HIRARC for nursery activities. b) Inadequate identification of HIRARC for replanting /nursery activities | | |
| Clause requirements | The occupational safety and health plan shall cover the following: a) The risks of all operations shall be assessed and documented | | |
| Objective evidence | a) Pengkalan Bukit Estate – HIRARC for nursery is not available b) Pengkalan Bukit Estate & Pagoh Estate did not identify heat stress as a hazard for the work activities in nursery/replanting and replanting respectively. | | |
| Cause | <ul style="list-style-type: none"> - Insufficient info on health effect from heat stress - HIRARC established not covered for heat stress at replanting activities - HIRARC was not reviewed in accordance to SOP | | |
| Correction / containment | ESH committee reviewed the HIRARC for activity in nursery and replanting activity | | |
| Corrective action | HIRARC reviewed status will be discussed in the ESH meeting. | | |
| Assessment conclusion | HIRARC review meeting was done on 31/10/2018 and HIRARC for Replanting and nursery was reviewed for Pengkalan Bukit Estate while for Pagoh was on 22/10/2018. Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on sufficient documented evidence. Continuous implementation will be further verified in the assessment. | | |

| | | | |
|--------------------------|-------------------|------------------------------|-------------|
| Finding Reference | 1693239-201809-M6 | Certificate Reference | MSPO 682037 |
|--------------------------|-------------------|------------------------------|-------------|

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|--------------------------------------|--|---------------|------------------|
| Certificate Standard | MS2530-2:2013 | Clause | 4.3.2.3 (Part 3) |
| Category | Major | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | There was no clear demarcation of boundary visible at site. | | |
| Clause requirements | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. | | |
| Objective evidence | Pagoh Estate – Separation of area between PLKN / estate field no P94/Block 7 has not been clearly shown/demarcated. Only a signboard being displayed however unable to present the exact boundary line. | | |
| Cause | Pegging/markings is not properly done at boundary | | |
| Correction / containment | Estate has communicated with Land Management Department (LMD) (Internal) for assistance. | | |
| Corrective action | Representative from LMD will be engaging with Pagoh Estate for boundary marking on 23 /10/2018. Evidence: Visit by LMD / Email by LMD | | |
| Assessment conclusion | Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on sufficient documented evidence. Continuous implementation will be further verified in the next assessment. | | |

| | | | |
|--------------------------------------|---|------------------------------|------------------|
| Finding Reference | 1693239-201809-N1 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.4.5.4 (Part 3) |
| Category | Minor | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | The mechanism to ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract, was not demonstrable. | | |
| Clause requirements | 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. | | |
| Objective evidence | At Pengkalan Bukit Estate, the mechanism to ensure employees of contractors such as Ananthan Letchumanan and Kim Soon Lee Sdn Bhd are paid based on legal or industry minimum standards according to the employment contract, was not demonstrable. | | |

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| Cause | No monitoring by management on all legal compliance between contractor and their workers. |
| Correction / containment | Estate management will request all contractor to submit their workers' employment contract in order to ensure it comply with related legal or industry minimum standards |
| Corrective action | Management will ensure all contractors are comply with all requirements. |
| Assessment conclusion | The correction and corrective action are accepted. The effectiveness of implementation shall be verified in the next assessment. |

| | | | |
|--------------------------------------|---|------------------------------|---------------------|
| Finding Reference | 1693239-201809-N2 | Certificate Reference | MSPO 682037 |
| Certificate Standard | MS2530-2:2013 | Clause | 4.4.5.10 (Part 3&4) |
| Category | Minor | | |
| Area/Process: | As per summary report. | | |
| Statement of non conformance: | One of the conditions in employment contract was changed without agreement with the signees. | | |
| Clause requirements | 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. | | |
| Objective evidence | Foreign workers are not receiving 5 kgs of rice and 5 kgs of cooking oil every 2 months as agreed under their employment contracts. Employment contracts sighted were dated: a. 14 May 2018 (Pagoh Palm Oil Mill); b. 16 October 2016 (Pengkalan Bukit Estate) c. 17 September 2015 (Pagoh Estate) | | |
| Cause | The distribution of rice and cooking every two months was revised by Upstream Malaysia Office where the 5kg cooking oil to be substituted with 5 kg of rice instead. | | |
| Correction / containment | Communicate with region office on the revision of distribution of rice and cooking oil (temporarily) Workers were briefed on the revision of rice and cooking oil distribution to the workers during Muster Briefing. | | |
| Corrective action | Revision in employment contract to be communicated to workers or workers representative through Management Meeting. | | |
| Assessment conclusion | The correction and corrective action are accepted. The effectiveness of implementation shall be verified in the next assessment. | | |

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

3.3 Status of Nonconformities Previously Identified and OFI

NA. There were no NCR raised in the previous assessment.

3.4 Issues Raised by Stakeholders

| IS # | Description |
|------|---|
| 1 | Issues: Generally, no issues raised from all the stakeholders. The relationship between the stakeholders and Sime Darby Pagoh has been good so far. |
| | Management Responses: Not required. |
| | Audit Team Findings: No further verification needed. |

3.5 Summary of the Nonconformities and Status

| CAR Ref. | CLASS | ISSUED | STATUS |
|-------------------|-------|------------|--------------------|
| 1693239-201809-M1 | Major | 12/10/2018 | Closed on 4/1/2019 |
| 1693239-201809-M2 | Major | 12/10/2018 | Closed on 4/1/2019 |
| 1693239-201809-M3 | Major | 12/10/2018 | Closed on 4/1/2019 |
| 1693239-201809-M4 | Major | 12/10/2018 | Closed on 4/1/2019 |
| 1693239-201809-M5 | Major | 12/10/2018 | Closed on 4/1/2019 |
| 1693239-201809-M6 | Major | 12/10/2018 | Closed on 4/1/2019 |
| 1693239-201809-N1 | Minor | 12/10/2018 | Open |
| 1693239-201809-N2 | Minor | 12/10/2018 | Open |

3.6 Summary of the findings by Principles and Criteria

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

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | A policy for the implementation of MSPO shall be established. - Major compliance - | The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017. All estates and mill in Malaysia at latest have been certified with MSPO. | Complied |
| 4.1.1.2 | The policy shall also emphasize commitment to continual improvement. - Major compliance - | The continual improvement commitment is documented in the following Management & Operation Policies: <ul style="list-style-type: none"> • Quality Management Policy dated January 2015 • Lean Six Sigma Policy dated January 2015 • Quality Policy dated January 2015 • The commitments are made by Datuk Franki Anthony Dass the Managing Director of Sime Darby Plantations Berhad. | Complied |
| Criterion 4.1.2 – Internal Audit | | | |
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for | The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/05/2015 (<i>revision on 01/9/17</i>) documented the process to conduct internal audit. The internal audit schedule for 2018 has been planned and | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | |
|-----------------------|--|--|--|--------------|----------------|------------|---|--|---|--|---|--|--|------------------------------|----------|
| | further improvement. - Major compliance - | communicated by Regional SQM to all regions (Both Peninsular & East Malaysia Estates and Mills). The internal audit for Pagoh SOU including the mill/estate was conducted on 18-20/9/18 and scheduled 1x /year. The audit had covered all the MSP0 MS2530 part 3 and part 4 elements. | | | | | | | | | | | | | |
| 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 - | <p>This is available under internal audit procedure Document ID: SD/SDP/PSQM/IAP. The internal audit reports dated 18-20/9/18 reference no IA-2 were made for the entire operating units for SOU 19 covering all (<i>Pagoh Mill and supporting 4 estates including Pagoh and Pengkalan Bukit Estate</i>). The auditee has responded by including the root cause analysis and corrective action plan. Mainly the issues raised were related supply chain information, discussion with the stakeholders and training among others. The auditor has also complied to the documented procedure through issuance of audit plan to the operating units. This audit notification was sighted and verified.</p> <p>Issues highlighted related to the estates</p> <table border="1"> <thead> <tr> <th></th> <th>Pagoh Estate</th> <th>P Bukit Estate</th> <th>Pagoh Mill</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td>Old signages displayed at store. The estates will replace with new units for display.</td> <td>SCCS inadequate information. The mill has updated & displayed FFB supply base certificate.</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td>COBC training not conducted.</td> </tr> </tbody> </table> | | Pagoh Estate | P Bukit Estate | Pagoh Mill | 1 | | Old signages displayed at store. The estates will replace with new units for display. | SCCS inadequate information. The mill has updated & displayed FFB supply base certificate. | 2 | | | COBC training not conducted. | Complied |
| | Pagoh Estate | P Bukit Estate | Pagoh Mill | | | | | | | | | | | | |
| 1 | | Old signages displayed at store. The estates will replace with new units for display. | SCCS inadequate information. The mill has updated & displayed FFB supply base certificate. | | | | | | | | | | | | |
| 2 | | | COBC training not conducted. | | | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | | | | Compliance |
|--|--|---|---|---|--|------------|
| | | 3 | | Environmental issues not included in the ESH meeting | | |
| | | 4 | Training on HCV not conducted. The estate conducted session on 03/10/18 | Training on HCV not conducted. The estate conducted session on 03/10/18 | | |
| | | 5 | Briefing of SDP policies not conducted. The estate organised session on 21/9/18 | Briefing of SDP policies not conducted. The estate organised session on 26/9/18 | | |
| 4.1.2.3 | Report shall be made available to the management for their review. - Major compliance - | The internal audit reports are distributed to the POM management and Sime Darby Plantation Head Office personnel. There is also monthly SQM meetings at Head Office level and also at Regional level to review the issues/findings raised in both internal and external audit. | | | | Complied |
| Criterion 4.1.3 – Management Review | | | | | | |
| 4.1.3.1 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance - | The Management Review meeting was held on 21/9/18 attended by 18 members. Agenda discussed as follows; <ul style="list-style-type: none"> a) Introduction b) Matters arising c) Sustainability management d) Resources evaluation needs and plan | | | | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| | | <ul style="list-style-type: none"> e) Results from system audits, Customers/stakeholders feedback complaints f) Closing loop of all NCR and Preventive Action g) Changes that could affect the management systems h) Recommendation for improvement <p>The minutes was sighted and verified.</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>Both estates had a continual improvement plan. Focus for the current as mentioned below;</p> <ul style="list-style-type: none"> a) Usage of grabber in newly mature areas for collection during scout harvesting b) Reduction of manning level current 1:10 to 1:11 initiative including semi mechanised system for fertiliser application. c) By passing system of harvesting system direct from Badang to 10 mt bins. d) Introduction of SEMUA 2. Improvement despatch procedure device for D/N e) SDDS-Digital supervision for supervisory personnel. <p>In addition, the improvement for the horizon of 5 years includes the replacement of furniture for the executive /staff quarters and continual maintenance of workers line site. There was minimal expenditure for the estates as both had been earmarked for properties development which has started to take place at Lanadron Estate within SOU 19.</p> | Complied |
| 4.1.4.2 | <p>The company shall establish a system to improve practices in line with new information and techniques or new industry</p> | <p>The management continuously reviewed the estates performance and work method for a continual improvement to achieve better results. Among others was the improvement of mechanisation in harvesting</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | standards and technology (where applicable) that are available and feasible for adoption. - Major compliance - | Initiative and practices among others include the following in Pagoh SOU19; <ul style="list-style-type: none"> a) Usage of grabber in newly mature areas for collection during scout harvesting b) Reduction of manning level current 1:10 to 1:11 initiative including semi mechanised system for fertiliser application. c) By passing system of harvesting system direct from Badang to 10 mt bins. d) Introduction of SEMUA 2. Improvement despatch procedure device for D/N e) SDDS-Digital supervision for supervisory personnel. The Head Office mainly from the Mechanisation, Plantation Advisory & Regional Office played significant role in enhancing the estate agriculture practices. Such program is discussed at Regional level prior to proposal to the higher level. | |
| 4.1.4.3 | An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance - | Where new technology or system are introduced, awareness briefing is provided to the employees at all levels prior to the implementation. This is evidenced via the Zone & SOU meetings and the training plan for Financial Year. The training identified including operations, understanding of MSP0/RSP0 requirements, human rights, company policies, health and safety etc. The FY 2018/19 OPEX budget has included training budget and operations improvement including environmental improvement, worker welfare, OHS etc. | Complied |
| 4.2 Principle 2: Transparency | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.2.1.1 | <p>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.</p> <p>- Major compliance -</p> | <p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p> | Complied |
| 4.2.1.2 | <p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p> | Complied |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | <p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p> | <p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---------------------------------------|--|--|------------|
| 4.2.2.2 | A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance - | As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management. Whereas the Assistant Managers of each estate were delegated to be responsible for issues related to Indicator 1. Seen the appointment letter to all the appointed AMs. | Complied |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance - | The latest stakeholders list was updated on 14/08/2017. The external stakeholder consultation is conduct once a year. The last meeting was conducted for Welch Estate on 28/08/2017. There were no issues raised with regards to the estate operation in the stakeholder consultation. Hence no action plan was required. | Complied |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance - | All the two visited estates send their FFB to Pagh POM. The weighbridge ticket provided the following details: <ul style="list-style-type: none"> • Product (FFB or Loose fruit) • Delivery note from estates stating the weight and fruit grade (A or B). • D.O Number • Date of the shipment The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System. The responsible personal for the traceability is the Estate Manager. | Complied |

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|--|---|--|----------------|
| 4.2.3.2 | The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance - | The method of inspection is by SCCS internal audit 18-20/9/2018 for the entire SOU. Based on the inspection, there was no finding raised on the implementation of traceability procedure. | Complied |
| 4.2.3.3 | The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance - | The overall personal in charge for the traceability is the Head of Operating Unit (in this case, the Estate Managers) and the Mill Manager [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability]. | Complied |
| 4.2.3.4 | Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance - | There is no sale of the FFB per se as both of the sampled estates are the identified as supply base to Pagoh POM and the mill is belonged to the Sime Darby Plantation Bhd. The delivery note of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents. | Complied |
| 4.3 Principle 3: Compliance to legal requirements | | | |
| Criterion 4.3.1 – Regulatory requirements | | | |
| 4.3.1.1 | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - 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 SOU19. SQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Reference the following documents; <ul style="list-style-type: none"> - Estate/Mill Quality Management System, - Level 2: Standard Operating Manual, | Non-conformity |

| Criterion / Indicator | | Assessment Findings | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|-------------------|--|-----------------|--|------------|-------------------|---------|----------|---|------|------------------------|----------|---|------|-----------------------------------|----------------|---|------|---------------------------|--|---|--------|--|-----------------|---|-------|--|----------|---|-----|---|--|--|-------------------|---------|----------|--|--|--|--|--|
| | | <p>- Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The following compliance to the legislative requirement necessary for both estates among others are;</p> <p>a) Pagoh Estate</p> <table border="1"> <thead> <tr> <th></th> <th>Authority/ Agency</th> <th>Details</th> <th>Validity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>DOSH</td> <td>Air compressor PMT 722</td> <td>11/12/19</td> </tr> <tr> <td>2</td> <td>MPOB</td> <td>License no 508-58990-2000 nursery</td> <td>1/5/18-30/4/19</td> </tr> <tr> <td>3</td> <td>MPOB</td> <td>License no 597369-011-000</td> <td></td> </tr> <tr> <td>4</td> <td>KPDKNK</td> <td>Diesel storage license no J034502-18000 mt</td> <td>15/7/18-14/7/19</td> </tr> <tr> <td>5</td> <td>BAKAJ</td> <td>Melencong/mengabstrak air sungai no 06A/Muar/011</td> <td>31/12/18</td> </tr> <tr> <td>6</td> <td>DOE</td> <td>Matters relating to SW inventory & disposal</td> <td></td> </tr> </tbody> </table> <p>b) Pengkalan Bukit Estate</p> <table border="1"> <thead> <tr> <th></th> <th>Authority/ Agency</th> <th>Details</th> <th>Validity</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | Authority/ Agency | Details | Validity | 1 | DOSH | Air compressor PMT 722 | 11/12/19 | 2 | MPOB | License no 508-58990-2000 nursery | 1/5/18-30/4/19 | 3 | MPOB | License no 597369-011-000 | | 4 | KPDKNK | Diesel storage license no J034502-18000 mt | 15/7/18-14/7/19 | 5 | BAKAJ | Melencong/mengabstrak air sungai no 06A/Muar/011 | 31/12/18 | 6 | DOE | Matters relating to SW inventory & disposal | | | Authority/ Agency | Details | Validity | | | | | |
| | Authority/ Agency | Details | Validity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | DOSH | Air compressor PMT 722 | 11/12/19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | MPOB | License no 508-58990-2000 nursery | 1/5/18-30/4/19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | MPOB | License no 597369-011-000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | KPDKNK | Diesel storage license no J034502-18000 mt | 15/7/18-14/7/19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | BAKAJ | Melencong/mengabstrak air sungai no 06A/Muar/011 | 31/12/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | DOE | Matters relating to SW inventory & disposal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Authority/ Agency | Details | Validity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | | Compliance |
|-----------------------|---|--|--------|---|-----------|------------|
| | | 1 | MPOB | license, #518941002000 | 28/2/2019 | |
| | | 2 | KPDKNK | permit #J034492 | 8/7/2019 | |
| | | | DOSH | Air compressor license for Air Receiver Tank: PMT-JH/18 41408 | 24/4/2019 | |
| | | 3 | DOSH | Air compressor license for Air Receiver Tank: PMT-JH/18 41409 | 24/4/2019 | |
| | | 4 | DOE | Matters relating to SW inventory & disposal | | |
| | | <p>Nonetheless, it was found that salary deductions for payment of electricity were made without workers' authority. The affected workers are those recruited after 22 November 2016 at Pengkalan Bukit Estate. Whereas, the salary deductions for payment of electricity from workers at Pagoh Estate have been made without written approval from the Labour Office. Therefore, a non-conformance report was assigned due to this lapse.</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>List of applicable legal and other requirements was made available during the assessment and complied in the QSHE/04/5.2.4 folder. Documented procedure has been 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.</p> <p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR was last reviewed on 14/2/2018 for Pengkalan Bukit and 1/9/2018 for Pagoh.</p> | | | | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|----------------|
| 4.3.1.3 | The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance - | Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. The latest change in regulation applicable to the estate operation was on the Employment Insurance System (EIS) 2017. | Complied |
| 4.3.1.4 | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance - | Tracking system was available to identify the changes in the relevant regulations. The head office is responsible to track the changes in law through website and the information are communicated from the Group Head Office. | Complied |
| Criterion 4.3.2 – Lands use rights | | | |
| 4.3.2.1 | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance - | The management ensure that their oil palm cultivation activities do not diminish the land use rights of other users by ensuring the legal boundary is correct through land survey during the development. | Complied |
| 4.3.2.2 | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance - | The estates were able to demonstrate their right to use the land by possession of land titles. Copies of land titles were available for verification. Pagoh Estate has 30 land titles whereas Pengkalan Bukit has 29 titles. | Complied |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation. Method used for demarcation at Pengkalan Bukit Estate was by using concrete pegging and boundary trenching. This was verified through site visit at boundary with smallholders, village/Blk P10A. The demarcations were visibly maintained. | Non-conformity |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| | | Nonetheless, it was found that at Pagoh Estate, separation of area between PLKN / estate field no P94/Block 7 has not been clearly shown/demarcated. Only a signboard being displayed, however unable to present the exact boundary line. Thus, a non-conformance report was assigned due to this lapse. | |
| 4.3.2.4 | Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance - | NA. No land dispute reported. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes. | NA |
| Criterion 4.3.3 – Customary rights | | | |
| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance - | There is no customary land or negotiated agreements at all the sampled estates. | Complied |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance - | There is no customary land or negotiated agreements at all the sampled estates. | Complied |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance - | There is no customary land or negotiated agreements at all the sampled estates. | Complied |
| 4.4 Principle 4: Social responsibility, health, safety and employment condition | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| Criterion 4.4.1: Social Impact Assessment (SIA) | | | |
| 4.4.1.1 | <p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p> | <p>The Social assessment for SOU19 Pagoh for all operating units (Pagoh Estate, Landaron Estate, Pengkalan Bukit Estate and Welch Estate) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team. The last SIA was conducted in May 2015.</p> <p>The recommendation from the SIA report was transferred to action plans which have has the information about Objective, Action steps, Resources required and review date.</p> | Complied |
| Criterion 4.4.2: Complaints and grievances | | | |
| 4.4.2.1 | <p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p> | <p>System for dealing with complaints and grievances has been established and documented through:</p> <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing. | Complied |
| 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 complaint and grievances is open to affected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. Complaints about house maintenance are recorded in a log book which keeps the information about date, complainant, details of complain and status. Other written complains will be kept in a file. Nonetheless, there has been no complaint received so far.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|----------------|
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance - | The complaint form is made available in the mill and estate offices. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. Training on reporting of ethical misconduct was done incorporated with Code of Business Conduct (COBC) to all the workers at all the visited estates. | Complied |
| 4.4.2.4 | Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance - | Interview conducted with workers and stakeholders showed that they understand the complaint and grievance process. There has been no grievance/complaint recorded for the pass one year. Only request for maintenance housing are made by workers at all the visited estates. | Complied |
| 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 visited estates maintained their records of complaint in a complain file. Records for more than 24 months ago were still kept in the file. Nonetheless, at Pagoh Estate, there was a verbal complaint made by a worker with regards to the electric consumption meter. However, the verbal complaint was not recorded in accordance with "Handling Social Issues" SOP dated 01 Nov 2008. Therefore a non-conformance report was assigned due to this lapse. | Non-conformity |
| 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 - | Estates management have made contribution to the internal and external stakeholders, e.g. monetary donation to Lombok's earthquake victims, by both visited estates. | Complied |
| Criterion 4.4.4: Employees safety and health | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|----------------|
| 4.4.4.1 | An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance - | The Group Occupational Safety & Health Management Policy and Plan had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site SQM executives and monitored by SQM Manager from Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. Commitment to be responsibilities of both employer & employees. The policy as committed will be reviewed/revised as deemed appropriate. In Interviews with the workers and staff during the site visit revealed that the employees have been briefed and has understood the policy. | Complied |
| 4.4.4.2 | The occupational safety and health plan shall cover the following: 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: i. all employees involved shall be adequately trained on safe working practices 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 | The policy has been established and elaborated in item 4.4.4.1 above. The policy amongst others has mentioned the details of the policy statement and the direction of the organisation towards implementing ESH practices. The clause " <i>A safety and health policy, which is communicated and implemented</i> " is mentioned in the policy. Safety briefing to employees & contractors was made in several training sessions inclusive of safety requirement of the organization. The estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following; | Non-conformity |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|------------|----------------------|----|----------|---|--------|---|----------------------|---|----------|----|----------|---|---------|----|------------|---|-------------------|----|------------------|---|-------------------|----|----------|---|--------------|----|------------|---|---------------------|----|-------------|---|----------------|--|--|--|
| <p>identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <p>a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents The HIRARC among others covered activities as follows;</p> <table border="1" data-bbox="1095 620 1756 1040"> <thead> <tr> <th>No</th> <th>Activity</th> <th>No</th> <th>Activity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Office</td> <td>9</td> <td>Harvesting-MB system</td> </tr> <tr> <td>2</td> <td>Security</td> <td>10</td> <td>Manuring</td> </tr> <tr> <td>3</td> <td>Weeding</td> <td>11</td> <td>Replanting</td> </tr> <tr> <td>4</td> <td>P&D – rat baiting</td> <td>12</td> <td>Waste Management</td> </tr> <tr> <td>5</td> <td>Boundary & census</td> <td>13</td> <td>Workshop</td> </tr> <tr> <td>6</td> <td>Road bridges</td> <td>14</td> <td>Break time</td> </tr> <tr> <td>7</td> <td>Drainage & culverts</td> <td>15</td> <td>Weighbridge</td> </tr> <tr> <td>8</td> <td>transportation</td> <td></td> <td></td> </tr> </tbody> </table> <p>Last review made on 25/4/18 & 27/4/18 on the travelling & harvesting /collection on cutting fronds accident on 18/4/18 7 22/4/18 respectively for Pengkalan Bukit. There was nursery establishment in Pengkalan Bukit estate however there was no HIRARC. Working on open area at nursery and replanting at both the estates did not identify heat stress as a hazard. Hence an NCR is raised.</p> | No | Activity | No | Activity | 1 | Office | 9 | Harvesting-MB system | 2 | Security | 10 | Manuring | 3 | Weeding | 11 | Replanting | 4 | P&D – rat baiting | 12 | Waste Management | 5 | Boundary & census | 13 | Workshop | 6 | Road bridges | 14 | Break time | 7 | Drainage & culverts | 15 | Weighbridge | 8 | transportation | | | |
| No | Activity | No | Activity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Office | 9 | Harvesting-MB system | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Security | 10 | Manuring | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Weeding | 11 | Replanting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | P&D – rat baiting | 12 | Waste Management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Boundary & census | 13 | Workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Road bridges | 14 | Break time | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Drainage & culverts | 15 | Weighbridge | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | transportation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

MSPO Public Summary Report
Revision 0 (Aug 2017)

| Criterion / Indicator | | Assessment Findings | | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--------------------------------------|--|----------------------------------|--|--|----------------|--|--------------|--|------|----------|------|----------|---------|--------------|----------|---------------------|---------|---------------|---------|----------------------------|---------|----------------------------|--------|--------------|---------|-----------------|----------|-----------------------|---------|---------------------------|----------|----------------------------------|---------|---------------------|---------|-------------------------|---------|--------------------------------------|---------|----------|--|--|---------|------------------|--|--|----------|---------------------|--|--|--------|----------|--|
| | | <p>Both estates provide training to the workers and staff exposed to pesticides and chemicals. The following training sessions were recorded.</p> <table border="1"> <thead> <tr> <th colspan="2">P Bukit Estate</th> <th colspan="2">Pagoh Estate</th> </tr> <tr> <th>Date</th> <th>Training</th> <th>Date</th> <th>Training</th> </tr> </thead> <tbody> <tr> <td>11/5/18</td> <td>Manuring GML</td> <td>11/10/18</td> <td>Spraying -refresher</td> </tr> <tr> <td>23/5/18</td> <td>Town Hall 6.0</td> <td>23/4/18</td> <td>Chemical mixing procedures</td> </tr> <tr> <td>15/8/17</td> <td>Scheduled waste management</td> <td>6/1/18</td> <td>Manuring SOP</td> </tr> <tr> <td>27/5/17</td> <td>Chemical mixing</td> <td>28/10/17</td> <td>Circle spraying - PPE</td> </tr> <tr> <td>16/5/17</td> <td>P&D cypermethrin spraying</td> <td>13/10/17</td> <td>Inter pump maintenance /spraying</td> </tr> <tr> <td>25/5/17</td> <td>Manuring techniques</td> <td>12/9/17</td> <td>ERP – chemical spillage</td> </tr> <tr> <td>16/8/18</td> <td>Chemical awareness, spillage & drill</td> <td>28/9/18</td> <td>Manuring</td> </tr> <tr> <td></td> <td></td> <td>25/9/18</td> <td>Rat baiting /IPM</td> </tr> <tr> <td></td> <td></td> <td>11/10/18</td> <td>Spraying -refresher</td> </tr> <tr> <td></td> <td></td> <td>6/6/18</td> <td>Manuring</td> </tr> </tbody> </table> <p>Details of other training are available 4.4.6.1 (training and competency). OSH programs are also included. Common programs are initiated from HQ level e.g. OSH meeting, workplace inspection, inspection on PPE, training on MSPO/RSPO etc.</p> | | | | P Bukit Estate | | Pagoh Estate | | Date | Training | Date | Training | 11/5/18 | Manuring GML | 11/10/18 | Spraying -refresher | 23/5/18 | Town Hall 6.0 | 23/4/18 | Chemical mixing procedures | 15/8/17 | Scheduled waste management | 6/1/18 | Manuring SOP | 27/5/17 | Chemical mixing | 28/10/17 | Circle spraying - PPE | 16/5/17 | P&D cypermethrin spraying | 13/10/17 | Inter pump maintenance /spraying | 25/5/17 | Manuring techniques | 12/9/17 | ERP – chemical spillage | 16/8/18 | Chemical awareness, spillage & drill | 28/9/18 | Manuring | | | 25/9/18 | Rat baiting /IPM | | | 11/10/18 | Spraying -refresher | | | 6/6/18 | Manuring | |
| P Bukit Estate | | Pagoh Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | Training | Date | Training | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11/5/18 | Manuring GML | 11/10/18 | Spraying -refresher | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23/5/18 | Town Hall 6.0 | 23/4/18 | Chemical mixing procedures | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15/8/17 | Scheduled waste management | 6/1/18 | Manuring SOP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27/5/17 | Chemical mixing | 28/10/17 | Circle spraying - PPE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16/5/17 | P&D cypermethrin spraying | 13/10/17 | Inter pump maintenance /spraying | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25/5/17 | Manuring techniques | 12/9/17 | ERP – chemical spillage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16/8/18 | Chemical awareness, spillage & drill | 28/9/18 | Manuring | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 25/9/18 | Rat baiting /IPM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 11/10/18 | Spraying -refresher | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 6/6/18 | Manuring | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | |
|-----------------------|--|--|----------|--------------------|---|------------|---|---|----------|--|---|----------|------------------------------------|--|
| | <p>The estates provide PPE to the employees relevant to the work handled by the workers. The list of PPEs that were provided by the estates are as below:</p> <table border="1" data-bbox="1088 644 1850 849"> <thead> <tr> <th></th> <th>Category</th> <th>Type of PPE issued</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>harvesters</td> <td>Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots</td> </tr> <tr> <td>2</td> <td>Sprayers</td> <td>Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron.</td> </tr> <tr> <td>3</td> <td>Manuring</td> <td>Apron, Wellington Boots, Dust Mask</td> </tr> </tbody> </table> <p>Records of PPE issuance for both estates were sighted. During the site visit workers were observed to be in PPE.</p> <p>The SOP of handling of chemicals is available.</p> <ul style="list-style-type: none"> a) The document was dated 26/02/17 titled “chemical safety management” 17 pages. b) Therein is shown requirement & selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals. c) Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000) The guidelines are adequate to address the requirement needed. <p>The manual of the SOP is filed and functional.</p> | | Category | Type of PPE issued | 1 | harvesters | Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots | 2 | Sprayers | Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron. | 3 | Manuring | Apron, Wellington Boots, Dust Mask | |
| | Category | Type of PPE issued | | | | | | | | | | | | |
| 1 | harvesters | Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots | | | | | | | | | | | | |
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| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|-----------------------|-----------------|---|------------|-----------------|-------|---|---------|---------|---|---------|---------|---|---------|---------|---|----------|----------|--|
| | | <p>The Managers of both the estates were appointed as the Chairman of the respective ESH committee. The Managers further delegated similar duties to the Assistant for further implementation of the ESH practices in the estates.</p> <table border="1"> <thead> <tr> <th></th> <th>Pengkalan Bukit</th> <th>Pagoh</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10/8/18</td> <td>19/7/18</td> </tr> <tr> <td>2</td> <td>29/5/18</td> <td>19/4/18</td> </tr> <tr> <td>3</td> <td>08/2/18</td> <td>14/1/18</td> </tr> <tr> <td>4</td> <td>16/11/18</td> <td>27/10/17</td> </tr> </tbody> </table> <p>Agenda discussed;</p> <ul style="list-style-type: none"> a) Work place inspection b) Accident/incident update & review c) Unsafe act/condition report d) Legal compliance e) Review of HIRARC f) Assessment report from PSQM-ESH g) Compliance safety by Contractor h) OSH training / OSH program i) Review of medical surveillance <p>The minutes of meeting dated 10/8/18 and 19/4/18 respectively were sighted and verified. Workers during the meeting participated in the discussion mainly on housing and safety. The agenda discussed in the</p> | | Pengkalan Bukit | Pagoh | 1 | 10/8/18 | 19/7/18 | 2 | 29/5/18 | 19/4/18 | 3 | 08/2/18 | 14/1/18 | 4 | 16/11/18 | 27/10/17 | |
| | Pengkalan Bukit | Pagoh | | | | | | | | | | | | | | | | |
| 1 | 10/8/18 | 19/7/18 | | | | | | | | | | | | | | | | |
| 2 | 29/5/18 | 19/4/18 | | | | | | | | | | | | | | | | |
| 3 | 08/2/18 | 14/1/18 | | | | | | | | | | | | | | | | |
| 4 | 16/11/18 | 27/10/17 | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | |
|-----------------------|-----------------------|---|------------|-----------------------|------|--------|---|-------------|---|---|---|----------------|---|---|---|--------------|---|--|---|--------------------|---|---|--|
| | | <p>safety meetings are adequate to address the issue relating to OSH and to update the new legislative requirement for compliance.</p> <p>The procedures for accident and emergencies has been established. There is formation of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarised in a chart flow form and displayed for information of all employees in the estates. They includes emergencies relating fire, explosion, oil spillages & chemical spillages</p> <ul style="list-style-type: none"> a) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2018</i> headed by the Mill Manager b) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Kebakaran</i> c) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Letupan</i> d) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Kimia</i> <p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by SQM and amended to tailor to the situation differences in the estates and mills.</p> <table border="1"> <thead> <tr> <th></th> <th>Emergencies Situation</th> <th>Mill</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire Hazard</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>Injury At Site</td> <td>/</td> <td>/</td> </tr> <tr> <td>3</td> <td>CPO spillage</td> <td>/</td> <td></td> </tr> <tr> <td>4</td> <td>Dieseline spillage</td> <td>/</td> <td>/</td> </tr> </tbody> </table> | | Emergencies Situation | Mill | Estate | 1 | Fire Hazard | / | / | 2 | Injury At Site | / | / | 3 | CPO spillage | / | | 4 | Dieseline spillage | / | / | |
| | Emergencies Situation | Mill | Estate | | | | | | | | | | | | | | | | | | | | |
| 1 | Fire Hazard | / | / | | | | | | | | | | | | | | | | | | | | |
| 2 | Injury At Site | / | / | | | | | | | | | | | | | | | | | | | | |
| 3 | CPO spillage | / | | | | | | | | | | | | | | | | | | | | | |
| 4 | Dieseline spillage | / | / | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | Compliance | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--------------|---|-----------------------------------|---|------------|--------------|--|---|------|----------|---|---------|----------------------------|---|---------|-------------------------|---|---------|----------------------------|---|---------|-----------------------------------|---|---------|-----------------------------------|--|
| | | 5 | Explosion | / | | | | | | | | | | | | | | | | | | | | | | |
| | | 6 | Poisonous animals attack | / | | | | | | | | | | | | | | | | | | | | | | |
| | | 7 | Flood | / | | | | | | | | | | | | | | | | | | | | | | |
| | | 8 | Workers' Strike | / | / | | | | | | | | | | | | | | | | | | | | | |
| | | 9 | Electrocution /Electric shock | / | / | | | | | | | | | | | | | | | | | | | | | |
| | | 10 | Gas Release/Leaks | / | | | | | | | | | | | | | | | | | | | | | | |
| | | 11 | Explosion Incident | / | | | | | | | | | | | | | | | | | | | | | | |
| | | 12 | Rescue Worker From Confined Space | / | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The trainings are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. Among others the training held are as follows;</p> <table border="1"> <thead> <tr> <th></th> <th>Pagoh Estate</th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Date</td> <td>Subjects</td> </tr> <tr> <td>2</td> <td>18/4/18</td> <td>Safety / accident briefing</td> </tr> <tr> <td>3</td> <td>12/9/17</td> <td>ERP – chemical spillage</td> </tr> <tr> <td>4</td> <td>13/9/18</td> <td>First Aid – Snake Bite ERP</td> </tr> <tr> <td>5</td> <td>16/8/18</td> <td>Spillage control / drill exercise</td> </tr> <tr> <td>6</td> <td>02/8/18</td> <td>Fire extinguishers & Gas leakages</td> </tr> </tbody> </table> | | | | Pagoh Estate | | 1 | Date | Subjects | 2 | 18/4/18 | Safety / accident briefing | 3 | 12/9/17 | ERP – chemical spillage | 4 | 13/9/18 | First Aid – Snake Bite ERP | 5 | 16/8/18 | Spillage control / drill exercise | 6 | 02/8/18 | Fire extinguishers & Gas leakages | |
| | Pagoh Estate | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Date | Subjects | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 18/4/18 | Safety / accident briefing | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 12/9/17 | ERP – chemical spillage | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 13/9/18 | First Aid – Snake Bite ERP | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 16/8/18 | Spillage control / drill exercise | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 02/8/18 | Fire extinguishers & Gas leakages | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|----------------|---|-----------|---------------|-----|------------|----------------|--|--|--|---|------|----------|--|--|---|---------|----------------------------|--|--|---|---------|-------------------------|--|--|---|---------|----------------------------|--|--|---|---------|-----------------------------------|--|--|---|---------|-----------------------------------|--|--|--|-------|----------------|--|--|--|--|--|-----------|-----------|---------------|-----|---|--|----|-----|---|---|--|---------|----------------|--|--|--|--|--|-----------|-----------|---------------|-----|---|--|----|----|---|---|--|
| | | <table border="1"> <thead> <tr> <th></th> <th>P Bukit Estate</th> <th colspan="2"></th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Date</td> <td colspan="2">Subjects</td> <td></td> </tr> <tr> <td>2</td> <td>18/4/18</td> <td colspan="2">Safety / accident briefing</td> <td></td> </tr> <tr> <td>3</td> <td>12/9/17</td> <td colspan="2">ERP – chemical spillage</td> <td></td> </tr> <tr> <td>4</td> <td>13/9/18</td> <td colspan="2">First Aid – Snake Bite ERP</td> <td></td> </tr> <tr> <td>5</td> <td>16/8/18</td> <td colspan="2">Spillage control / drill exercise</td> <td></td> </tr> <tr> <td>6</td> <td>02/8/18</td> <td colspan="2">Fire extinguishers & Gas leakages</td> <td></td> </tr> </tbody> </table> <p>The estates distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops.</p> <p>Records available and summarised in JKPP submitted to DOSH on 02/1/18 for the 2017 incidences.</p> <table border="1"> <thead> <tr> <th></th> <th>Pagoh</th> <th colspan="4">Accident Cases</th> </tr> <tr> <th></th> <th></th> <th>LTI cases</th> <th>No of LTI</th> <th>Non-LTI Cases</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td>18</td> <td>155</td> <td>3</td> <td>-</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>P Bukit</th> <th colspan="4">Accident Cases</th> </tr> <tr> <th></th> <th></th> <th>LTI cases</th> <th>No of LTI</th> <th>Non-LTI Cases</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td>2</td> <td></td> <td>20</td> <td>79</td> <td>1</td> <td>-</td> </tr> </tbody> </table> | | | | | P Bukit Estate | | | | 1 | Date | Subjects | | | 2 | 18/4/18 | Safety / accident briefing | | | 3 | 12/9/17 | ERP – chemical spillage | | | 4 | 13/9/18 | First Aid – Snake Bite ERP | | | 5 | 16/8/18 | Spillage control / drill exercise | | | 6 | 02/8/18 | Fire extinguishers & Gas leakages | | | | Pagoh | Accident Cases | | | | | | LTI cases | No of LTI | Non-LTI Cases | LTI | 1 | | 18 | 155 | 3 | - | | P Bukit | Accident Cases | | | | | | LTI cases | No of LTI | Non-LTI Cases | LTI | 2 | | 20 | 79 | 1 | - | |
| | P Bukit Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Date | Subjects | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 18/4/18 | Safety / accident briefing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 12/9/17 | ERP – chemical spillage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 13/9/18 | First Aid – Snake Bite ERP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 16/8/18 | Spillage control / drill exercise | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 02/8/18 | Fire extinguishers & Gas leakages | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Pagoh | Accident Cases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | LTI cases | No of LTI | Non-LTI Cases | LTI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | 18 | 155 | 3 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | P Bukit | Accident Cases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | LTI cases | No of LTI | Non-LTI Cases | LTI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | 20 | 79 | 1 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | | Where required submissions of JKPP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly. The mill submitted the JKPP 8 on 16/1/18 18 complying with the DOSH statutory requirement. Cases if any are reviewed during safety meetings. | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - Major compliance - | The "Social Policy" showcases the company's commitment to providing a workplace that is free from sexual harassment and all other forms of violence against women, workers, and community. The policy also commits to providing sufficient training and development for employees to increase their awareness and enhance their skills in line with this policy. | Complied |
| 4.4.5.2 | The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance - | The Social Policy dated January 2015 enforce the management's direction that all employees should be treated fairly in terms of recruitment, progression, terms and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. Interview with the foreign and local workers, revealed there is no discriminatory issues as the management treat them well. | Complied |
| 4.4.5.3 | Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. | All the estates workers are under direct employment and estates consisted of direct and contract employment of workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|----------------|
| | - Major compliance - | There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/day. | |
| 4.4.5.4 | <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p> | <p>The estates are ensuring that the employees of its contractors are paid based on legal standard by obtaining their payslips and cross checked with the legal requirements. Sampled at Pagoh Estate: Kim Soon Lee Transport Sdn Bhd (EFB Transport) and Ng Sah Leng (Backhoe service provider) – basic pay found to be meeting the minimum standard.</p> <p>However, at Pengkalan Bukit Estate, the mechanism to ensure employees of contractors such as Ananthan Letchumanan and Kim Soon Lee Sdn Bhd are paid based on legal or industry minimum standards according to the employment contract, was not demonstrable. Hence, a non-conformance report was assigned due to this lapse.</p> | Non-conformity |
| 4.4.5.5 | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing. | Complied |
| 4.4.5.6 | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. | Employees have been provided with employment contract which were made reference to the collective agreement between employer and employees. The collective agreement for estates were available for verification. | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|----------------|
| | - Major compliance - | | |
| 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 - | Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over. | Complied |
| 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 is paid 1.5 times; Rest day work is paid 2 times and Public Holiday is paid 3 times. The payslip and the inputs were reviewed and verified that wages and overtime were in line with legal requirements and the MAPA/NUPW agreement. | Complied |
| 4.4.5.9 | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance - | Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements. | Complied |
| 4.4.5.10 | Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance - | The company provides: <ul style="list-style-type: none"> • 10 kg rice to all workers once every 2 months • RM5 mobile subsidy to all workers. • Free medical benefit to workers dependent at the estates clinics. • Renewal for driving license for local workers working as driver • Sending worker’s children to schools The field workers are paid with Productivity Incentive. However, the giving of 10 kgs rice was not in accordance to the employment contract which supposed to be 5 kgs of rice and 5 kgs of | Non-conformity |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|----------------|
| | | cooking oil. Thus, a non-conformance report was assigned due to this lapse. | |
| 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>The basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is borne by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 2-3 each person per house.</p> <p>Line-site inspection is conducted on a weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990. The results of the inspection are being discussed with the estate manager for action.</p> <p>However, monitoring of drinking water quality was not done according to the established procedure at Pengkalan Bukit Estate.</p> <p>Apart from that, recurring issues of stray dogs and poultry rearing have been raised in weekly linesite inspection reports of Pengkalan Bukit Estate (Pagoh Division and Main Division) from 11 January 2018 until 4 October 2018 (for Main Division) and 6 October 2018 (for Pagoh Division). However, there is no evidence of any appropriate actions being taken.</p> <p>Thus, a non-conformance report was assigned due to this lapse.</p> | Non-conformity |
| 4.4.5.12 | The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. | The "Social Policy" seen consist of information on non-discrimination and equal opportunities. Seen the policy displayed in the estate's office and regularly communicated to all levels of the workforce through | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | - Major compliance - | training programs. Based on interview with workers during site visits, there has been no form of discrimination based on race, caste, national origin, religion, disability, gender, etc. The interviewed workers are aware on the term of discrimination and how to respond if such incidents happen to them. | |
| 4.4.5.13 | <p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (iii) which reads “Respecting the rights of employees to form and join unions, and the right to collective bargaining.” Interview with the employees showed that there is no restriction for them to join any trade union.</p> | Complied |
| 4.4.5.14 | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p> | <p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (ii) which reads “We will not employ anyone under the age of 18, unless in vocational and/or formal and structured apprentice-ship, educational and training programmes.” Based on verification of the SEMUA database, which has the information about date of birth and date joined, all the sampled workers were above 18 years of age at the point of recruitment.</p> | Complied |
| Criterion 4.4.6: Training and competency | | | |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | |
|---|---|------------|----------|----------|---------|--------------|---|---------|---------------|--------|---------|------------------------------|---|---------|----------------------------|----|---------|-----------------|---|-----------------------|
| <p>4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p> | <p>The annual training program has been established and significantly covers all aspects of the MSPO/RSP0 Principles and Criteria. Additional subjects include estate operating procedures, crop qualities weeding and manuring standards vehicles maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates in the SOU 19. The subjects for the training are issued and assisted by the PSQM personnel. Among others included in the annual training program 2018/19 are;</p> <ul style="list-style-type: none"> a) OSH Act & regulations 1994/Env Quality Act 1974 b) USECHH 2000 / OSH Committee and function c) First Aid / Scheduled waste/chemical safety d) RSP0/MSPO awareness e) Water treatment / HCV & Biodiversity f) Estates operations/activities SOP g) Emergency evacuation/fire drill h) Company Policies awareness. <p>Records of training sighted during this audit among others are shown below.</p> <ul style="list-style-type: none"> a) Pengkalan Bukit Estate <table border="1" data-bbox="1088 1121 1827 1390"> <thead> <tr> <th>Date</th> <th>subjects</th> <th>attendee</th> </tr> </thead> <tbody> <tr> <td>11/5/18</td> <td>Manuring GML</td> <td>9</td> </tr> <tr> <td>23/5/18</td> <td>Town Hall 6.0</td> <td>Entire</td> </tr> <tr> <td>21/5/17</td> <td>Planting of beneficial plant</td> <td>6</td> </tr> <tr> <td>15/8/17</td> <td>Scheduled waste management</td> <td>35</td> </tr> <tr> <td>27/5/17</td> <td>Chemical mixing</td> <td>3</td> </tr> </tbody> </table> | Date | subjects | attendee | 11/5/18 | Manuring GML | 9 | 23/5/18 | Town Hall 6.0 | Entire | 21/5/17 | Planting of beneficial plant | 6 | 15/8/17 | Scheduled waste management | 35 | 27/5/17 | Chemical mixing | 3 | <p>Non-conformity</p> |
| Date | subjects | attendee | | | | | | | | | | | | | | | | | | |
| 11/5/18 | Manuring GML | 9 | | | | | | | | | | | | | | | | | | |
| 23/5/18 | Town Hall 6.0 | Entire | | | | | | | | | | | | | | | | | | |
| 21/5/17 | Planting of beneficial plant | 6 | | | | | | | | | | | | | | | | | | |
| 15/8/17 | Scheduled waste management | 35 | | | | | | | | | | | | | | | | | | |
| 27/5/17 | Chemical mixing | 3 | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | Compliance | | | | | | | | | | | | |
|-----------------------|----------------------------|---------------------|--------------------------------------|--------|---|------|----------|----------|----------|---------------------|----|---------|----------------------------|---|---------|----------------------------|--------|
| | | 16/5/17 | P&D cypermethrin spraying | 7 | <p>Pengkalan Bukit Estate – has yet to organise training in relation to the estates main activities for the year 2017/18.</p> <p>Harvesting & collection / IPM – beneficial plant / Pruning / MSPO/RSPO awareness / Fire drill.</p> <p>There was inadequate training held by the estate during the period of review, hence an NCR is raised.</p> <p>b) Pagoh Estate</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Subjects</th> <th>Attendee</th> </tr> </thead> <tbody> <tr> <td>11/10/18</td> <td>Spraying -refresher</td> <td>41</td> </tr> <tr> <td>23/4/18</td> <td>Chemical mixing procedures</td> <td>7</td> </tr> <tr> <td>18/4/18</td> <td>Safety / accident briefing</td> <td>Entire</td> </tr> </tbody> </table> | Date | Subjects | Attendee | 11/10/18 | Spraying -refresher | 41 | 23/4/18 | Chemical mixing procedures | 7 | 18/4/18 | Safety / accident briefing | Entire |
| Date | Subjects | Attendee | | | | | | | | | | | | | | | |
| 11/10/18 | Spraying -refresher | 41 | | | | | | | | | | | | | | | |
| 23/4/18 | Chemical mixing procedures | 7 | | | | | | | | | | | | | | | |
| 18/4/18 | Safety / accident briefing | Entire | | | | | | | | | | | | | | | |
| | | 25/5/17 | Manuring techniques | 17 | | | | | | | | | | | | | |
| | | 18/1/18 | Backhoe loader operator | 3 | | | | | | | | | | | | | |
| | | 21/6/18 | First Aid & Emergency Respond | 16 | | | | | | | | | | | | | |
| | | 24-25/7/18 | BOFA – Basic occupational First Aid | 2 | | | | | | | | | | | | | |
| | | 16/8/18 | Chemical awareness, spillage & drill | 5 | | | | | | | | | | | | | |
| | | 24/8/18 | Fire Drill | Entire | | | | | | | | | | | | | |
| | | 3/9/18 | COBC | Entire | | | | | | | | | | | | | |
| | | 20/2/18 | Trunk injection | 8 | | | | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | | | Compliance |
|-----------------------|--|---------------------|--|--------|------------|
| | | 16/1/18 | Ganoderma identification | 6 | |
| | | 6/1/18 | Manuring SOP | 17 | |
| | | 28/10/17 | Circle spraying - PPE | 15 | |
| | | 13/10/17 | Inter pump maintenance /spraying | 39 | |
| | | 12/9/17 | ERP – chemical spillage | 9 | |
| | | 3/10/18 | HCV awareness | 9 | |
| | | 28/9/18 | Manuring | 10 | |
| | | 25/9/18 | Rat baiting /IPM | 9 | |
| | | 22/9/18 | Fw Induction Program | 9 | |
| | | 21/9/18 | SDP Policies briefing | Entire | |
| | | 14-19/8/18 | Harvesting competency training program | 50 | |
| | | 13/9/18 | First Aid – Snake Bite ERP | 26 | |
| | | 12/9/18 | Palm planting safety briefing | 20 | |
| | | 16/8/18 | Spillage control / drill exercise | 15 | |
| | | 18/8/18 | Tractor safety driving | 13 | |
| | | 17/8/18 | Crop quality | 13 | |
| | | 02/8/18 | Fire extinguishers & Gas leakages | 22 | |
| | | 21/7/18 | Machine operator SOP | 13 | |
| | | 6/6/18 | Manuring | 13 | |
| | | 16/5/18 | Town Hall 6.0 | 18 | |
| | | 11/5/18 | Replanting work | 10 | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.4.6.2 | <p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p> | <p>Similar method for identifying the training needs are used in SOU operating units both estates and the mill. The training needs for both Pagoh & Pengkalan Bukit Estates for the FY 2018/19 training program has been established. The details of the training needs include categories of job descriptions, sections, and employees' group. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, field activities, equipment handling, vehicles maintenance etc.</p> | Complied |
| 4.4.6.3 | <p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p> | <p>This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition, it is subject for a review during the financial year should need arises. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the estate along with the MSPO/RSPO certification.</p> | No |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | <p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>There is an Environmental Management Policy for the mill issued and endorsed in Jan 2015 by the Managing Director. Content of the policy among others mentioned that the Company is committed to protecting the environment and conserving biodiversity through sustainable development. Communication to the employees are made through town hall session, safety meetings, weekly briefings. A town hall 6.0</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|--|----------------------------|----------------------|---------------------|------------|--|---|----------|--------------------|---|---------------|---|----------|---|-------|---|----------------------------|---|-----------------|----|---------|---|----------|----|------------|---|------------------|----|------------------|----------|
| | | session for the mill employees was organized. This is a common program initiated by SQM throughout the entire operating units in the SDP. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.1.2 | <p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p> | <p>The EMP policy is available as specified in 4.5.1.1 above. Objectives, target and duration are shown in the Environmental Management program (EMP) incorporating the action plan to be initiated by the estates. The EMP for both estates was sighted. Details of the objectives were also mentioned in 4.5.4.1. The estates identified the aspects and impacts analysis of its operations. Areas are activities at;</p> <table border="1"> <thead> <tr> <th></th> <th>Activities</th> <th></th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>main entrance</td> <td>7</td> <td>FFB transportation</td> </tr> <tr> <td>2</td> <td>Main compound</td> <td>8</td> <td>manuring</td> </tr> <tr> <td>3</td> <td>store</td> <td>9</td> <td>harvesting and collection.</td> </tr> <tr> <td>4</td> <td>scheduled waste</td> <td>10</td> <td>nursery</td> </tr> <tr> <td>5</td> <td>workshop</td> <td>11</td> <td>replanting</td> </tr> <tr> <td>6</td> <td>weeding/spraying</td> <td>12</td> <td>Road maintenance</td> </tr> </tbody> </table> <p>Findings were discussed in OSH meetings.</p> | | Activities | | Activities | 1 | main entrance | 7 | FFB transportation | 2 | Main compound | 8 | manuring | 3 | store | 9 | harvesting and collection. | 4 | scheduled waste | 10 | nursery | 5 | workshop | 11 | replanting | 6 | weeding/spraying | 12 | Road maintenance | Complied |
| | Activities | | Activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | main entrance | 7 | FFB transportation | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Main compound | 8 | manuring | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | store | 9 | harvesting and collection. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | scheduled waste | 10 | nursery | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | workshop | 11 | replanting | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | weeding/spraying | 12 | Road maintenance | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.1.3 | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p> | <p>The environmental improvement combined with the pollution prevention plans FY 2018/19 were sighted. Both estates identified the following activities and areas for improvement plan;</p> <table border="1"> <thead> <tr> <th></th> <th>Environmental Issues</th> <th>Mitigating Measures</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Leakage of pesticides during chemical mixing & washing</td> <td>To recollect water used & recycled during next pre-mixing</td> </tr> </tbody> </table> | | Environmental Issues | Mitigating Measures | 1 | Leakage of pesticides during chemical mixing & washing | To recollect water used & recycled during next pre-mixing | Complied | | | | | | | | | | | | | | | | | | | | | | |
| | Environmental Issues | Mitigating Measures | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Leakage of pesticides during chemical mixing & washing | To recollect water used & recycled during next pre-mixing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | Compliance | |
|-----------------------|---|--|---|-------------------------------------|--|
| | | 2 | Leakage of lubricant/oil from servicing/parking of vehicles | To use oil tray to contain leakages | |
| | | 3 | Reduce water usage | Practice water conservation | |
| | | 4 | Reduce diesel usage | PMV planned maintenance vehicle | |
| | | 5 | Reduce herbicide pesticide | Establishment of nepholepis, LCC/BP | |
| | | BP refers to Beneficial Plant. Monitoring is made through data analysis and the daily field supervision. | | | |
| 4.5.1.4 | A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance - | This is available in the SIA action plan. Details as per indicator 4.1.4.1 and 4.5.1.3 above. Activities/areas identified at working areas, induction program for new workers & housing facilities. | | Complied | |
| 4.5.1.5 | An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance - | A training program is available in the SOU Training Program and updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. | | Complied | |
| 4.5.1.6 | Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance - | The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the POM. The mill level discussed environmental issues during the ESH meetings and during the monthly operations /SOU meetings on priority issues. In addition, dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment. | | Complied | |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|------------|-----------|-----------|------------|---------|------|------|------|--------|------|------|------|---------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|----------|------|------|------|--------|------|------|------|--------|------|------|------|-----------------|
| 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>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>a) Pengkalan Bukit Estate</p> <table border="1" data-bbox="1086 751 1722 1356"> <thead> <tr> <th></th> <th>Diesel /L</th> <th>FFB prodn</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>July 17</td><td>7625</td><td>3984</td><td>1.91</td></tr> <tr><td>Aug 17</td><td>7447</td><td>5232</td><td>1.42</td></tr> <tr><td>Sept 17</td><td>6823</td><td>6380</td><td>1.07</td></tr> <tr><td>Oct 17</td><td>7591</td><td>7275</td><td>1.04</td></tr> <tr><td>Nov 17</td><td>7817</td><td>6813</td><td>1.15</td></tr> <tr><td>Dec 17</td><td>7521</td><td>6178</td><td>1.22</td></tr> <tr><td>Jan 18</td><td>8125</td><td>5149</td><td>1.58</td></tr> <tr><td>Feb 18</td><td>6765</td><td>3668</td><td>1.84</td></tr> <tr><td>Mac 18</td><td>6864</td><td>4240</td><td>1.62</td></tr> <tr><td>April 18</td><td>6765</td><td>3924</td><td>1.72</td></tr> <tr><td>May 18</td><td>7027</td><td>3943</td><td>1.78</td></tr> <tr><td>Jun 18</td><td>6328</td><td>3250</td><td>1.95</td></tr> </tbody> </table> | | Diesel /L | FFB prodn | Diesel/FFB | July 17 | 7625 | 3984 | 1.91 | Aug 17 | 7447 | 5232 | 1.42 | Sept 17 | 6823 | 6380 | 1.07 | Oct 17 | 7591 | 7275 | 1.04 | Nov 17 | 7817 | 6813 | 1.15 | Dec 17 | 7521 | 6178 | 1.22 | Jan 18 | 8125 | 5149 | 1.58 | Feb 18 | 6765 | 3668 | 1.84 | Mac 18 | 6864 | 4240 | 1.62 | April 18 | 6765 | 3924 | 1.72 | May 18 | 7027 | 3943 | 1.78 | Jun 18 | 6328 | 3250 | 1.95 | <p>Complied</p> |
| | Diesel /L | FFB prodn | Diesel/FFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July 17 | 7625 | 3984 | 1.91 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 17 | 7447 | 5232 | 1.42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept 17 | 6823 | 6380 | 1.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 17 | 7591 | 7275 | 1.04 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 17 | 7817 | 6813 | 1.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 17 | 7521 | 6178 | 1.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 18 | 8125 | 5149 | 1.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 18 | 6765 | 3668 | 1.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mac 18 | 6864 | 4240 | 1.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 18 | 6765 | 3924 | 1.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 18 | 7027 | 3943 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun 18 | 6328 | 3250 | 1.95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|-----------|--|------------|--|--|------------|-----------|-----------|------------|---------|------|------|------|--------|------|------|------|---------|------|------|------|--------|------|------|------|--------|-------|------|------|--------|------|------|------|--------|-------|------|------|--------|------|------|------|--------|------|------|------|----------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|-------|--|
| | | b) Pagoh Estate <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Diesel /L</th> <th>FFB prodn</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>July 17</td><td>9111</td><td>3529</td><td>2.58</td></tr> <tr><td>Aug 17</td><td>9253</td><td>3607</td><td>2.57</td></tr> <tr><td>Sept 17</td><td>8975</td><td>3820</td><td>2.35</td></tr> <tr><td>Oct 17</td><td>9824</td><td>4279</td><td>2.30</td></tr> <tr><td>Nov 17</td><td>11145</td><td>3958</td><td>2.82</td></tr> <tr><td>Dec 17</td><td>8292</td><td>3464</td><td>2.39</td></tr> <tr><td>Jan 18</td><td>10166</td><td>3560</td><td>2.86</td></tr> <tr><td>Feb 18</td><td>8237</td><td>2633</td><td>3.13</td></tr> <tr><td>Mac 18</td><td>7972</td><td>2902</td><td>2.75</td></tr> <tr><td>April 18</td><td>7882</td><td>2876</td><td>2.74</td></tr> <tr><td>May 18</td><td>7947</td><td>2945</td><td>2.70</td></tr> <tr><td>Jun 18</td><td>6602</td><td>2573</td><td>2.57</td></tr> <tr><td>Jul 18</td><td>6689</td><td>2730</td><td>2.45</td></tr> <tr><td>Aug 18</td><td>8831</td><td>2820</td><td>3.13.</td></tr> </tbody> </table> | | | | | Diesel /L | FFB prodn | Diesel/FFB | July 17 | 9111 | 3529 | 2.58 | Aug 17 | 9253 | 3607 | 2.57 | Sept 17 | 8975 | 3820 | 2.35 | Oct 17 | 9824 | 4279 | 2.30 | Nov 17 | 11145 | 3958 | 2.82 | Dec 17 | 8292 | 3464 | 2.39 | Jan 18 | 10166 | 3560 | 2.86 | Feb 18 | 8237 | 2633 | 3.13 | Mac 18 | 7972 | 2902 | 2.75 | April 18 | 7882 | 2876 | 2.74 | May 18 | 7947 | 2945 | 2.70 | Jun 18 | 6602 | 2573 | 2.57 | Jul 18 | 6689 | 2730 | 2.45 | Aug 18 | 8831 | 2820 | 3.13. | |
| | Diesel /L | FFB prodn | Diesel/FFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July 17 | 9111 | 3529 | 2.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 17 | 9253 | 3607 | 2.57 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept 17 | 8975 | 3820 | 2.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 17 | 9824 | 4279 | 2.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 17 | 11145 | 3958 | 2.82 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 17 | 8292 | 3464 | 2.39 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 18 | 10166 | 3560 | 2.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 18 | 8237 | 2633 | 3.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mac 18 | 7972 | 2902 | 2.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 18 | 7882 | 2876 | 2.74 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 18 | 7947 | 2945 | 2.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun 18 | 6602 | 2573 | 2.57 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul 18 | 6689 | 2730 | 2.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 18 | 8831 | 2820 | 3.13. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|------------|---------------|----------|---|------------------------|--------------------------------------|---|----------------------------------|------------------|---|-------------|----------|---|-----------------------|--------|---|----------------------------|----------|---|---------------------------------|----------|---|---|-----------------------|----------|
| 4.5.2.2 | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance - | The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by the estate vehicles/machinery /gen-sets was available in the respective estate yearly budgets. | Complied | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | There was no opportunity to use renewable energy in both Estates with the present technology. | Complied | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.5.3: Waste management and disposal | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.3.1 | All waste products and sources of pollution shall be identified and documented. - Major compliance - | All waste and pollution are identified and documented in the Waste Management Action Plan. The compilation for Financial Year 2018/19 was made at SOU level. Details of waste generated from the estates and mill operations among others are shown below; <table border="1" data-bbox="1086 1024 1861 1358"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>3</td> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>4</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>5</td> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>6</td> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>7</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> </tbody> </table> | | Type of waste | Location | 1 | Domestic waste rubbish | Line sites, office, workshop, store, | 2 | Industrial waste-fertilizer bags | Empty bags store | 3 | Scrap metal | workshop | 4 | SW 404 Clinical waste | clinic | 5 | SW rags, plastics, filters | workshop | 6 | Spent lubricant & hydraulic oil | workshop | 7 | Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW, | Scheduled waste store | Complied |
| | Type of waste | Location | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Domestic waste rubbish | Line sites, office, workshop, store, | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Industrial waste-fertilizer bags | Empty bags store | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Scrap metal | workshop | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | SW 404 Clinical waste | clinic | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | SW rags, plastics, filters | workshop | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Spent lubricant & hydraulic oil | workshop | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW, | Scheduled waste store | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|--|------------|---------------|--------------------|---|------------------------|--|---|----------------------------------|--|---|-------------|---|---|-----------------------|--|---|----------------------------|---|---|---------------------------------|---|---|---|---|----------|
| 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>The disposal/recycling of waste generated by the estates are made as follows;</p> <table border="1"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Collection/disposal 2 to 3x /week at designated landfill</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertilizer bags</td> <td>Inventory of bags, reuse for LF collection, sell to appointed contractor</td> </tr> <tr> <td>3</td> <td>Scrap metal</td> <td>Inventory maintained, tender at zone level for sale to licensed contractor.</td> </tr> <tr> <td>4</td> <td>SW 404 Clinical waste</td> <td>Inventory maintained. Storage in sharp bin in clinic. Disposal through VMO clinic.</td> </tr> <tr> <td>5</td> <td>SW rags, plastics, filters</td> <td>Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.</td> </tr> <tr> <td>6</td> <td>Spent lubricant & hydraulic oil</td> <td>Collection by SDI upon completion of maintenance.</td> </tr> <tr> <td>7</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor.</td> </tr> </tbody> </table> | | Type of waste | Action to be taken | 1 | Domestic waste rubbish | Collection/disposal 2 to 3x /week at designated landfill | 2 | Industrial waste-fertilizer bags | Inventory of bags, reuse for LF collection, sell to appointed contractor | 3 | Scrap metal | Inventory maintained, tender at zone level for sale to licensed contractor. | 4 | SW 404 Clinical waste | Inventory maintained. Storage in sharp bin in clinic. Disposal through VMO clinic. | 5 | SW rags, plastics, filters | Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor. | 6 | Spent lubricant & hydraulic oil | Collection by SDI upon completion of maintenance. | 7 | Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW, | Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor. | Complied |
| | Type of waste | Action to be taken | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Domestic waste rubbish | Collection/disposal 2 to 3x /week at designated landfill | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Industrial waste-fertilizer bags | Inventory of bags, reuse for LF collection, sell to appointed contractor | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 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</p> | <p>The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQM and implemented in all estates and mills for all the</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| | and safe handling, storage and disposal. - Major compliance - | applicable practices. The operational control procedures for the scheduled wastes management provides guidelines as follows; a) Management of class 2 (and higher) chemical containers. b) Management of fertiliser bags This document was established on 28/2/2015 and remain effective for practice in all estates and mills. | |
| 4.5.3.4 | Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance - | Under the operational control procedure established as given in 4.5.3.3 above the guideline and practice for handling empty pesticides are as follows; a) All class 2 and above containers are tripled rinsed and hole punctured at the bottom only if the waste generator is to dispose as non-scheduled waste. b) Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process. These guidelines are based on Dept Of Agriculture ref 91/120/038/014 dated 7/11/2002. During the site visit this has been adhered mainly containers are tripled rinsed and hole punctured at the container base. The estates disposed the empty chemicals containers to SS Setia Enterprise on a recycling program. Sighted letter dated 10/10/18 collection of empty chemical containers, empty drums 209 litres. The estates maintain record of the 5 th schedule – inventory of scheduled wastes dated 10/10/18 comprising W305/306/404/409/410 respectively lubricants oil/hydraulic oil/clinical waste/empty container/filter & contaminated rags. | Complied |
| 4.5.3.5 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. | Under the action plan of the waste management plan, the site of landfill is identified at min 3 km away from water course and housing | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | |
|---|--|---|------------|----------------------------|--------------|---|---|--|----------|---|---|--|---|--|---|-------------------------------|----------|
| | - Minor compliance - | <p>complex. Collection is 2 to 3x/week. Monitoring is made by an Executive/staff. The estate manages the mill domestic disposal.</p> <p>The landfill at Pagoh and Pengkalan Bukit Estate is located at field no P93A and P01G respectively. The site was sighted. Signboards are available with date of commencement indicated at site.</p> | | | | | | | | | | | | | | | |
| Criterion 4.5.4: Reduction of pollution and emission | | | | | | | | | | | | | | | | | |
| 4.5.4.1 | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p> | <p>Both estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective & targets and action to be taken. Sighted targeted area assessed among other as follows;</p> <table border="1"> <thead> <tr> <th></th> <th>Sources/objective & target</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Management of HCV river reserve (<i>Parit Jono /Muar Hulu</i>) & buffer zone conservation</td> </tr> <tr> <td>2</td> <td>To monitor waste management plan for its suitability</td> </tr> <tr> <td>3</td> <td>To improve employee's awareness on pollution prevention at housing complex including zero burning policy.</td> </tr> <tr> <td>4</td> <td>To minimise spillage of oil/chemical onto the ground</td> </tr> <tr> <td>5</td> <td>To review aspect identification & impact evaluation to identify significant critical points for control.</td> </tr> <tr> <td>6</td> <td>Maintenance of landfill area.</td> </tr> </tbody> </table> | | Sources/objective & target | 1 | Management of HCV river reserve (<i>Parit Jono /Muar Hulu</i>) & buffer zone conservation | 2 | To monitor waste management plan for its suitability | 3 | To improve employee's awareness on pollution prevention at housing complex including zero burning policy. | 4 | To minimise spillage of oil/chemical onto the ground | 5 | To review aspect identification & impact evaluation to identify significant critical points for control. | 6 | Maintenance of landfill area. | Complied |
| | Sources/objective & target | | | | | | | | | | | | | | | | |
| 1 | Management of HCV river reserve (<i>Parit Jono /Muar Hulu</i>) & buffer zone conservation | | | | | | | | | | | | | | | | |
| 2 | To monitor waste management plan for its suitability | | | | | | | | | | | | | | | | |
| 3 | To improve employee's awareness on pollution prevention at housing complex including zero burning policy. | | | | | | | | | | | | | | | | |
| 4 | To minimise spillage of oil/chemical onto the ground | | | | | | | | | | | | | | | | |
| 5 | To review aspect identification & impact evaluation to identify significant critical points for control. | | | | | | | | | | | | | | | | |
| 6 | Maintenance of landfill area. | | | | | | | | | | | | | | | | |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. | <p>Details of action plan for identified pollutants are shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>Sources/objective & target</th> <th>Action steps</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | Sources/objective & target | Action steps | | | | Complied | | | | | | | | |
| | Sources/objective & target | Action steps | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | Compliance | |
|---|--|--|---|---|--|
| | - Major compliance - | 1 | Management of HCV river reserve (<i>Parit Jono /Muar Hulu</i>) & buffer zone conservation | To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area | |
| | | 2 | To monitor waste management plan for its suitability | SW disposal monitoring | |
| | | 3 | To improve employee's awareness on pollution prevention at housing complex including zero burning policy. | Continuous reminders | |
| | | 4 | To minimise spillage of oil/chemical onto the ground | Continuous training and use of spill trays | |
| | | 5 | To review aspect identification & impact evaluation to identify significant critical points for control. | Review through EA/EIE | |
| | | 6 | Maintenance of landfill area. | Ensure signage & demarcation are visible to intervention. To monitor pollution/erosion | |
| Criterion 4.5.5: Natural water resources | | | | | |
| 4.5.5.1 | The management shall establish a water management plan to maintain the quality and availability of natural water resources | The Water Management Plan for the estates has been established. This is compiled on Group basis and amended to meet demands of specific issue in an operating unit. It is reviewed on annual basis for the Financial Year 2018/19 plan. Included therein are inspection of | | Complied | |

| 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 of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p> | <p>reservoir, water treatment, monitoring of processed water, water leakages/overflow, run-off and ETP monitoring. The estate management has provided contingency plans in event of water crisis for financial year 2018/19.</p> <table border="1" data-bbox="1088 603 1868 820"> <thead> <tr> <th></th> <th>Area/ Incident</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water shortage/ dry spell</td> <td>To purchase water from SAJ. to train/educate staff/workers to conserve water</td> </tr> <tr> <td>2</td> <td>Severe water pollution/contamination</td> <td>to revise demand and supply volume / conditions to reusing/recycling/rationing</td> </tr> </tbody> </table> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in Sime Darby Plantation dated April 2014). The buffer zones established are as following:</p> <table border="1" data-bbox="1088 1034 1906 1230"> <thead> <tr> <th>River width (Meters)</th> <th>Buffer Zone (Meters)</th> </tr> </thead> <tbody> <tr> <td>>40</td> <td>50</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td><5</td> <td>5</td> </tr> </tbody> </table> <p>The management monitors the water quality through water sampling: Monitoring of upstream, midstream and downstream of <i>Parit Jono /Muar Hulu</i> report ref IE1103/2018 dated 21/09/18 was sighted. 4</p> | | Area/ Incident | Action Plan | 1 | Water shortage/ dry spell | To purchase water from SAJ. to train/educate staff/workers to conserve water | 2 | Severe water pollution/contamination | to revise demand and supply volume / conditions to reusing/recycling/rationing | River width (Meters) | Buffer Zone (Meters) | >40 | 50 | 20-40 | 40 | 10-20 | 20 | 5-10 | 10 | <5 | 5 | |
| | Area/ Incident | Action Plan | | | | | | | | | | | | | | | | | | | | | |
| 1 | Water shortage/ dry spell | To purchase water from SAJ. to train/educate staff/workers to conserve water | | | | | | | | | | | | | | | | | | | | | |
| 2 | Severe water pollution/contamination | to revise demand and supply volume / conditions to reusing/recycling/rationing | | | | | | | | | | | | | | | | | | | | | |
| River width (Meters) | Buffer Zone (Meters) | | | | | | | | | | | | | | | | | | | | | | |
| >40 | 50 | | | | | | | | | | | | | | | | | | | | | | |
| 20-40 | 40 | | | | | | | | | | | | | | | | | | | | | | |
| 10-20 | 20 | | | | | | | | | | | | | | | | | | | | | | |
| 5-10 | 10 | | | | | | | | | | | | | | | | | | | | | | |
| <5 | 5 | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|---|---|--|------------|--------|------|---|---------------|--------------------------|---|------------------|--------------------------------------|---|---------------|---------|---|-----------------|---------|----------|
| | | sampling points were selected. BOD level well below 1 mg/l. There is no bore well available in both the estates. | | | | | | | | | | | | | | | | |
| 4.5.5.2 | No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance - | This is in compliance by the estates. This requirement is also audited internally by the SQM personnel. During the field visit no construction of such was observed. | Complied | | | | | | | | | | | | | | | |
| 4.5.5.3 | 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). - Minor compliance - | During the site visit practices of water harvesting are noted mainly constructed on flat areas in both estates. There was construction of MCP = Moisture Conservation Pit at interval of every 40 ft & every 2 palms. Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and to benefit the nearest palm at the pit end to obtain additional moisture. This is part of the common practices introduced within the SDP Group Agriculture Procedures. | Complied | | | | | | | | | | | | | | | |
| Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value | | | | | | | | | | | | | | | | | | |
| 4.5.6.1 | Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance - | The HCV Toolkit for Malaysia by WWF – Malaysia was used for the HCV assessment. There was an appropriate consultation process for identification, management and monitoring of HCVs. The latest review was conducted in the July 2016. Refer to revisited HCV report, version 2 dated August 2016. Based on the latest report, total HCV area within SOU19 is 32.33 Ha with the detailed breakdown per each estate: <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>Area</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Welch Estate:</td> <td>0.95 Ha (catchment area)</td> </tr> <tr> <td>2</td> <td>Lanadron Estate:</td> <td>19.41 Ha (river reserve, Muar river)</td> </tr> <tr> <td>3</td> <td>Pagoh Estate:</td> <td>9.10 Ha</td> </tr> <tr> <td>4</td> <td>P Bukit Estate:</td> <td>2.87 Ha</td> </tr> </tbody> </table> | | Estate | Area | 1 | Welch Estate: | 0.95 Ha (catchment area) | 2 | Lanadron Estate: | 19.41 Ha (river reserve, Muar river) | 3 | Pagoh Estate: | 9.10 Ha | 4 | P Bukit Estate: | 2.87 Ha | Complied |
| | Estate | Area | | | | | | | | | | | | | | | | |
| 1 | Welch Estate: | 0.95 Ha (catchment area) | | | | | | | | | | | | | | | | |
| 2 | Lanadron Estate: | 19.41 Ha (river reserve, Muar river) | | | | | | | | | | | | | | | | |
| 3 | Pagoh Estate: | 9.10 Ha | | | | | | | | | | | | | | | | |
| 4 | P Bukit Estate: | 2.87 Ha | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 4.5.6.2 | <p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>j) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>k) 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>IUCN & WCA 2010 – birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report. For example, vulnerable animal; bearded pig (mammals) under category totally protected. The established management plan has been incorporated the action plan for those identified animals (IUCN and WCA 2010) for proper monitoring.</p> | Complied |
| 4.5.6.3 | <p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p> | <p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires. Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area. Sime Darby Plantation in addition established their own disciplinary measures if found any staff or workers found to capture, harm, collect or kill the RTE species in the estate. On-going monitoring for HCV areas for both Estates has been verified. The monitoring was conducted on monthly basis.</p> | Complied |
| <p>Criterion 4.5.7: Zero burning practices</p> | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 4.5.7.1 | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p> | <p>The Group policy of “Zero open burning” is enforced since July 2008. The operating units adhered to the policy of “Zero open burning” for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. Both estates had replanting program spanned over the forthcoming years. Refer details in 4.6.2.2. In addition, Sime Darby Plantation assigned 1 person based in HQ being in charge to detect any open fire in the Company’s fields using the Global Spot Watch.</p> | Complied |
| 4.5.7.2 | <p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p> | N/A. Details in 4.5.7.1 above | Complied |
| 4.5.7.3 | <p>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.</p> <p>- Major compliance -</p> | N/A. Details in 4.5.7.1 above | Complied |
| 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>This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in Sime Darby Plantation. However, there are variation of practices between inland and coastal estates. Trunk are felled and chipped without having to shred and windrowed in certain conditions. Adjustment of work requirement are finalised from the directive of the replanting unit and the Regional Office.</p> | Complied |
| 4.6 Principle 6: Best Practices | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| Criterion 4.6.1: Site Management | | | |
| 4.6.1.1 | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance - | The SOP for the estates and mill operations are available which is prepared on Group basis. There are levels of the documentation identified as follows; Level 1 Estate quality management system standard operation manual Level 2 EQMS quality management manual Level 3 standard operating procedure Level 4 work instruction Level 5 records. One of the important mechanisms of ensuring the practice is implemented accordingly is through Planning & Monitoring Unit (PMU) assessment which are done quarterly. Among the activities evaluated were replanting activities, manuring, OP mature, P&D. upkeep, costing, etc. Harvesting standard is checked through Structured Crop Recovery (SCRA) & Q+ which is also done quarterly. | Complied |
| 4.6.1.2 | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance - | The estates construct terraces at slope area of more than 6 degree. Planting of cover crop are made to retain the soil structure and conservation. Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. Terraces are constructed inclined towards the terrace wall. | Complied |
| 4.6.1.3 | A visual identification or reference system shall be established for each field. | All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | |
|---|---|--|------------|---------|--|-----------------|-------|------|--------|--------|------|----------------------------|-------|------|---|--------|------|---|----------------------------|----------|
| | - Major compliance - | boundary/corners of every fields. This is observed during the field visit in both Pengkalan Bukit and Pagoh estates. | | | | | | | | | | | | | | | | | | |
| 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>The annual business plan is available as per the Group Financial Procedure. & Guidelines.</p> <p>Both estates and the mill had a similar format i.e in the form of annual budget with a 5 year projection. (Budget year,PY2,PY3,PY4,PY5) This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.</p> <p>Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors . Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles replacement , workers amenities etc. the budget for 2017/18 for both the estates was sighted and verified.</p> | Complied | | | | | | | | | | | | | | | | | |
| 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>Replanting programmes with 5 years projection were available. Below are the details of the program of the visited estates:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Ha/year</th> </tr> <tr> <th>Pengkalan Bukit</th> <th>Pagoh</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>244.66</td> <td>142.08</td> </tr> <tr> <td>2020</td> <td>0 (oldest planted in 2000)</td> <td>90.07</td> </tr> <tr> <td>2021</td> <td>0</td> <td>139.45</td> </tr> <tr> <td>2022</td> <td>0</td> <td>0 (oldest planted in 2003)</td> </tr> </tbody> </table> | Year | Ha/year | | Pengkalan Bukit | Pagoh | 2019 | 244.66 | 142.08 | 2020 | 0 (oldest planted in 2000) | 90.07 | 2021 | 0 | 139.45 | 2022 | 0 | 0 (oldest planted in 2003) | Complied |
| Year | Ha/year | | | | | | | | | | | | | | | | | | | |
| | Pengkalan Bukit | Pagoh | | | | | | | | | | | | | | | | | | |
| 2019 | 244.66 | 142.08 | | | | | | | | | | | | | | | | | | |
| 2020 | 0 (oldest planted in 2000) | 90.07 | | | | | | | | | | | | | | | | | | |
| 2021 | 0 | 139.45 | | | | | | | | | | | | | | | | | | |
| 2022 | 0 | 0 (oldest planted in 2003) | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | Compliance |
|---|--|--|-------|---|------------|
| | | 2023 | 98.41 | 0 | |
| 4.6.2.3 | <p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p> | <p>Business plan is reflected through the establishment of annual budget. The projection of three years was also available. Among the information available in the business plan is crop budget, cost of production per Ha and per mt basis, price forecast and estimation of ROI.</p> | | | Complied |
| 4.6.2.4 | <p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p> | <p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis through SAP system. Through this system, the expenses can be seen by top management. The SOU meeting involving the Managers meets monthly with the Head Zone for the performance review.</p> | | | Complied |
| <p>Criterion 4.6.3: Transparent and fair price dealing</p> | | | | | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|------------------------------------|---|---|------------|
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the estate personnel. | Complied |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance - | All contracts were awarded through tendering system at Zone Level. Approved contractors will be give the LOA. Payments were all made in timely manner and no complaint from the contractor so far. | Complied |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System. | Complied |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Awarded contractors are provided with Letter of Offer (contract agreement) which spelt out the conditions such as commencement, service contract, bank guarantee, insurance policies, failure to provide service, responsibility and indemnity, termination, governing laws, transportation rate and rate adjustment mechanism. | Complied |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance - | The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through slide presentation material. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| 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, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p>- Major compliance -</p> | <p>All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.</p> | Complied |
| 4.7 Principle 7: Development of new planting | | | |
| Criterion 4.7.1: High biodiversity value | | | |
| 4.7.1.1 | <p>Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.</p> <p>- Major compliance -</p> | There is no development of new planting at all the visited estates. | NA |
| 4.7.1.2 | <p>No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p> | There is no development of new planting at all the visited estates. | NA |
| Criterion 4.7.2: Peat Land | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.7.2.1 | New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA) | | | |
| 4.7.3.1 | A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.3.2 | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.3.3 | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.3.4 | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be | There is no development of new planting at all the visited estates. | NA |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance - | | |
| Criterion 4.7.4: Soil and topographic information | | | |
| 4.7.4.1 | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.4.2 | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils | | | |
| 4.7.5.1 | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.5.2 | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. | There is no development of new planting at all the visited estates. | NA |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| | - Major compliance - | | |
| 4.7.5.3 | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| Criterion 4.7.6: Customary land | | | |
| 4.7.6.1 | No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.6.2 | Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance - | There is no development of new planting at all the visited estates. | NA |
| 4.7.6.3 | Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance - | There is no development of new planting at all the visited estates. | NA |

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

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

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | Policy for the implementation of MSPO shall be established. - Major compliance - | The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017. | Complied |
| 4.1.1.2 | The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance - | The continual improvement commitment is documented in the following Management & Operation Policies: a) Quality Management Policy dated January 2015 b) Lean Six Sigma Policy dated January 2015 c) Quality Policy dated January 2015 The commitments are made by Datuk Franki Anthony Dass, The Managing Director of Sime Darby Plantation Berhad. | Complied |
| Criterion 4.1.2 – Internal Audit | | | |
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance - | The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/05/2015 (<i>revision on 01/9/17</i>) documented the process to conduct internal audit. The internal audit schedule for 2018 has been planned and communicated by Regional SQM to all regions (Both Peninsular & East Malaysia Estates and Mills). The internal audit for Pagoh SOU including the mill was conducted on 18- | Complied |

| | | 20/9/18 and scheduled 1x /year. The audit had covered all the MSPO MS2530 part 3 and part 4 elements. | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|--|--|--------------|----------------|------------|---|--|---|--|---|--|--|------------------------------|---|--|--|--|---|---|---|--|---|------------------------------|------------------------------|--|-----------------|
| <p>4.1.2.2</p> | <p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p> | <p>This is available under internal audit procedure Document ID: SD/SDP/PSQM/IAP. The internal audit reports dated 18-20/9/18 reference no IA-2 were made for the entire operating units for SOU 19 covering all (<i>Pagoh Mill and supporting 4 estates including Pagoh and Pengkalan Bukit Estate</i>). The auditee has responded by including the root cause analysis and corrective action plan. Mainly the issues raised were related supply chain information, discussion with the stakeholders and training among others. The auditor has also complied to the documented procedure through issuance of audit plan to the operating units. This audit notification was sighted and verified.</p> <p>Issues highlighted related to the estates/mill</p> <table border="1" data-bbox="1126 842 1910 1367"> <thead> <tr> <th></th> <th>Pagoh Estate</th> <th>P Bukit Estate</th> <th>Pagoh Mill</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td>Old signages displayed at store. The estates will replace with new units for display.</td> <td>SCCS inadequate information. The mill has updated & displayed FFB supply base certificate.</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td>COBC training not conducted.</td> </tr> <tr> <td>3</td> <td></td> <td>Environmental issues not included in the ESH meeting</td> <td></td> </tr> <tr> <td>4</td> <td>Training on HCV not conducted. The estate conducted session on 03/10/18</td> <td>Training on HCV not conducted. The estate conducted session on 03/10/18</td> <td></td> </tr> <tr> <td>5</td> <td>Briefing of SDP policies not</td> <td>Briefing of SDP policies not</td> <td></td> </tr> </tbody> </table> | | Pagoh Estate | P Bukit Estate | Pagoh Mill | 1 | | Old signages displayed at store. The estates will replace with new units for display. | SCCS inadequate information. The mill has updated & displayed FFB supply base certificate. | 2 | | | COBC training not conducted. | 3 | | Environmental issues not included in the ESH meeting | | 4 | Training on HCV not conducted. The estate conducted session on 03/10/18 | Training on HCV not conducted. The estate conducted session on 03/10/18 | | 5 | Briefing of SDP policies not | Briefing of SDP policies not | | <p>Complied</p> |
| | Pagoh Estate | P Bukit Estate | Pagoh Mill | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | Old signages displayed at store. The estates will replace with new units for display. | SCCS inadequate information. The mill has updated & displayed FFB supply base certificate. | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | COBC training not conducted. | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | Environmental issues not included in the ESH meeting | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 5 | Briefing of SDP policies not | Briefing of SDP policies not | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|---|--|--|--|--|
| | | <table border="1"> <tr> <td>conducted. The estate organised session on 21/9/18</td> <td>conducted. The estate organised session on 26/9/18</td> </tr> </table> | conducted. The estate organised session on 21/9/18 | conducted. The estate organised session on 26/9/18 | |
| conducted. The estate organised session on 21/9/18 | conducted. The estate organised session on 26/9/18 | | | | |
| 4.1.2.3 | <p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p> | <p>The internal audit reports are distributed to the POM management and Sime Darby Plantation Head Office personnel. There is also monthly SQM meetings at Head Office level and also at Regional level to review the issues/findings raised in both internal and external audit.</p> | Complied | | |
| Criterion 4.1.3 – Management Review | | | | | |
| 4.1.3.1 | <p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p> | <p>The meeting at SOU level was held on 21/9/18 discussing the following agenda</p> <ul style="list-style-type: none"> a) Introduction b) Matters arising c) Review on status of input/output (crop and cpo) d) Sustainability management <ul style="list-style-type: none"> - Objectives /management program - Resource evaluation needs and plan - Results from system audits - Customers/stakeholder/feedback/complaints - Closing loop all NCR e) Changes that could affect the management systems f) Recommendation for improvement <p>Meeting at the mill level organised on 30/8/18 discussing the following agenda;</p> <ul style="list-style-type: none"> a) Analysis of data /review of objective/management. | Complied | | |

| | | <ul style="list-style-type: none"> b) RSPO/MSP0 audit results and status of corrective & preventive actions c) Objective/environmental & safety & health management program. d) Regulatory noncompliance EQA 1974 e) Legal & others requirement f) Tracking /monitoring of mill performance. <p>The meeting made a conclusive statement on the suitability, effectiveness of the MSP0 implementation.</p> | | | | | | | | | | | | | | | | |
|--|--|---|--|---------------|-------------------------|---|--|--------------------------|---|---------------------------------|---|---|------------------------------------|---|---|---|---|----------|
| Criterion 4.1.4 – Continual Improvement | | | | | | | | | | | | | | | | | | |
| 4.1.4.1 | <p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p> | <p>This is tabulated in the continual improvement plan. Among other includes;</p> <table border="1"> <thead> <tr> <th></th> <th>Project title</th> <th>Project details/benefit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To reduce TNB electricity consumption from (74000kwh to 50000 kwh)</td> <td>Saving on diesoline cost</td> </tr> <tr> <td>2</td> <td>Installation of another Boiler.</td> <td>To utilise during the low cropping month as the existing unit is of higher capacity (fuel shortage issue)</td> </tr> <tr> <td>3</td> <td>Reduction of BOD level to 100 mg/L</td> <td>An improved environmental compliance. This is made through commissioning 7 units of aerators.</td> </tr> <tr> <td>4</td> <td>Installation of ESP (Electrostatic Static Precipitator)</td> <td>To reduce emission dust particulate to the air.</td> </tr> </tbody> </table> | | Project title | Project details/benefit | 1 | To reduce TNB electricity consumption from (74000kwh to 50000 kwh) | Saving on diesoline cost | 2 | Installation of another Boiler. | To utilise during the low cropping month as the existing unit is of higher capacity (fuel shortage issue) | 3 | Reduction of BOD level to 100 mg/L | An improved environmental compliance. This is made through commissioning 7 units of aerators. | 4 | Installation of ESP (Electrostatic Static Precipitator) | To reduce emission dust particulate to the air. | Complied |
| | Project title | Project details/benefit | | | | | | | | | | | | | | | | |
| 1 | To reduce TNB electricity consumption from (74000kwh to 50000 kwh) | Saving on diesoline cost | | | | | | | | | | | | | | | | |
| 2 | Installation of another Boiler. | To utilise during the low cropping month as the existing unit is of higher capacity (fuel shortage issue) | | | | | | | | | | | | | | | | |
| 3 | Reduction of BOD level to 100 mg/L | An improved environmental compliance. This is made through commissioning 7 units of aerators. | | | | | | | | | | | | | | | | |
| 4 | Installation of ESP (Electrostatic Static Precipitator) | To reduce emission dust particulate to the air. | | | | | | | | | | | | | | | | |

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| <p>4.1.4.2</p> | <p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p> | <p>Dissemination of information to the employees are made through dialogues and training. The staff/workers annual training program for FY 2018/19 was established. The training subjects identified among others include operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety etc. The FY2018/19 OPEX/CAPEX budget has included training budget and operations improvement including environmental improvement, worker welfare, OHS etc. Interview with workers and sighting of records confirmed that trainings are provided by the management on regular basis.</p> | <p>Complied</p> |
| <p>4.2 Principle 2: Transparency</p> | | | |
| <p>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</p> | | | |
| <p>4.2.1.1</p> | <p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p> | <p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p> | <p>Complied</p> |
| <p>4.2.1.2</p> | <p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates</p> | <p>Complied</p> |

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| | | <p>and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p> | |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | <p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p> | <p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p> | Complied |
| 4.2.2.2 | <p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p> | <p>As stated in the procedure, the Mill Manager is responsible to deal with the external communication for the respective estates under their management.</p> <p>Whereas an Assistant Managers was delegated to be responsible for issues related to Indicator 1. Seen the appointment letter to all the appointed AMs.</p> | Complied |
| 4.2.2.3 | <p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p> | <p>The latest stakeholders list which consists of contractors, vendors/suppliers, local community heads, etc. was updated on 11/7/2018.</p> <p>Consultation with external stakeholders at Pagoh POM is conducted once a year. The last meeting was conducted on 30/8/2018. It was chaired by the Assistant Manager (Mr. Asrul Ajib) and attended by 14 participants which among others contractors, school representative, village (Kg Kim Kee), AMESU & NUPW</p> | Complied |

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| | | representatives and SL1M trainees. There was no issue raised from the meeting and mostly the feedbacks were positive. | |
| Criterion 4.2.3 – Traceability | | | |
| <p>4.2.3.1</p> | <p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p> | <p>Ref.: Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, Oct 2016.</p> <p>Pagoh POM is receiving FFB mainly from its supply base - Welch Estate, Pengkalan Bukit Estate, Pagoh Estate and Lanadron Estate. Pagoh POM also received crop from other SDPB's supply base under other SOUs namely Sua Betong, Hadapan, Kok Foh, Kempas and Ulu Remis. All of the SOUs have been certified for MSPO.</p> <p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> • Supplied from which estate • Product (FFB or Loose fruit) • Delivery note from estates stating the weight and fruit grade (A or B). • D.O Number • Weight of the shipment • Date of the shipment <p>For despatch of CPO and PK, the weigh bridge ticket includes the following information to enable the customer to trace the CPO source:</p> <ul style="list-style-type: none"> • Customer Name • Destination of the CPO • Product • DO number • PO number • Weigh of the product. | <p>Complied</p> |

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| | | The mill does not accept FFB from other suppliers which are not belonged to SDPB. | |
| 4.2.3.2 | The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance - | The method of inspection is by SCCS internal audit 18-20/9/2018 for the entire SOU. Based on the inspection, there was no finding raised on the implementation of traceability procedure. | Complied |
| 4.2.3.3 | The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance - | The overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description. Hence there is no required to have a formal letter of appointment. The responsible person for traceability is Mr. Balasandar and the training on the traceability has been provided to him by PSQM. | Complied |
| 4.2.3.4 | Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance - | Stock of CSPO & CSPK was recorded in Mass Balancing Records for Oil Mill. Production records were maintained in "Daily production summary". The information about stock balance, sales and delivery is recorded in the format on daily basis. Production of MSPO certified CPO will be started after MSPO certificate is granted. | Complied |
| 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 SOU19. SQM Department and respective operating units will be responsible of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Reference document <ul style="list-style-type: none"> - Estate/Mill Quality Management System, - Level 2: Standard Operating Manual, - Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. | Non-conformity |

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| | | <p>The following compliance to the legislative requirement is necessary for the mill among others;</p> <table border="1" data-bbox="1126 451 1890 636"> <thead> <tr> <th></th> <th>Licence/Permit/Reg. Requirement</th> <th>Validity Period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MPOB- Licence No 565809104000. Approved FFB processed = 180000 mt. actual processed /year = 175902 mt</td> <td>1/11/17-31/10/18</td> </tr> <tr> <td>2</td> <td>DOE - License no 002366</td> <td>01/7/18-30/6/19.</td> </tr> <tr> <td>3</td> <td>Permit to grant overtime 130 hrs/month</td> <td>-</td> </tr> </tbody> </table> <p>Nonetheless, it was found that female employee was assigned to work after 10.00 p.m. without written permission from Labour Office. The employee had worked at the following times based on punch card records:</p> <ul style="list-style-type: none"> - 9 Aug 2018 until 11PM - 11 Aug 2018 until 11PM - 15 Aug 2018 until 11PM - 20 Aug 2018 until 10.31PM - 25 Aug 2018 until 11PM - 11 July 2018 until 11:01PM <p>Thus, a non-conformance report was assigned due to this lapse.</p> | | Licence/Permit/Reg. Requirement | Validity Period | 1 | MPOB- Licence No 565809104000. Approved FFB processed = 180000 mt. actual processed /year = 175902 mt | 1/11/17-31/10/18 | 2 | DOE - License no 002366 | 01/7/18-30/6/19. | 3 | Permit to grant overtime 130 hrs/month | - | |
|-----------------------|---|--|-----------------|---------------------------------|-----------------|---|---|------------------|---|-------------------------|------------------|---|--|---|--|
| | Licence/Permit/Reg. Requirement | Validity Period | | | | | | | | | | | | | |
| 1 | MPOB- Licence No 565809104000. Approved FFB processed = 180000 mt. actual processed /year = 175902 mt | 1/11/17-31/10/18 | | | | | | | | | | | | | |
| 2 | DOE - License no 002366 | 01/7/18-30/6/19. | | | | | | | | | | | | | |
| 3 | Permit to grant overtime 130 hrs/month | - | | | | | | | | | | | | | |
| <p>4.3.1.2</p> | <p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>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.</p> | <p>Complied</p> | | | | | | | | | | | | |
| <p>4.3.1.3</p> | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</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. The latest change in regulation applicable to the estate operation was on the Employment Insurance System (EIS) 2017.</p> | <p>Complied</p> | | | | | | | | | | | | |

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| <p>4.3.1.4</p> | <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>SQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Generally, the Assistant Managers are the persons assigned to monitor on the compliance and update change in regulatory requirements. Apart from that, they were also responsible to carry out the evaluation of compliance at regulated interval. It was found that the responsibilities were delivered accordingly at all the operating units.</p> | <p>Complied</p> |
| <p>Criterion 4.3.2 – Lands use rights</p> | | | |
| <p>4.3.2.1</p> | <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> | <p>The Pagoh POM is located on Pagoh Estate. The Pagoh estate has been established since 1963/1964.</p> <p>The land title applicable to Pagoh POM with Grant number 93881 (lot 2159) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 03/07/2013. The usage of land is not stated. The land was granted by the Johor State. Hence it is applicable for any usage. The original land title was registered on 25/11/2002.</p> | <p>Complied</p> |
| <p>4.3.2.2</p> | <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> | <p>Land title for Pagoh Estate was available. Details are mentioned in the Indicator 4.3.2.2 at MSPO Part 3 above.</p> | <p>Complied</p> |
| <p>4.3.2.3</p> | <p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p> | <p>The mill area is within the area of Pagoh Estate’s land title and therefore demarcation of boundary is not necessary.</p> | <p>Complied</p> |

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| <p>4.3.2.4</p> | <p>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).</p> <p>- Minor compliance -</p> | <p>There is not land dispute recorded. This was verified with stakeholders' consultation.</p> | <p>Complied</p> |
| <p>Criterion 4.3.3 – Customary rights</p> | | | |
| <p>4.3.3.1</p> | <p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p> | <p>NA. Land issue is under the management of Pagoh Estate.</p> | <p>Complied</p> |
| <p>4.3.3.2</p> | <p>Maps of an appropriate scale showing extent of recognized customary rights shall be made available.</p> <p>- Minor compliance -</p> | <p>NA. Land issue is under the management of Pagoh Estate.</p> | <p>Complied</p> |
| <p>4.3.3.3</p> | <p>Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.</p> <p>- Major compliance -</p> | <p>NA. Land issue is under the management of Pagoh Estate.</p> | <p>Complied</p> |
| <p>4.4 Principle 4: Social responsibility, health, safety and employment condition</p> | | | |
| <p>Criterion 4.4.1: Social Impact Assessment (SIA)</p> | | | |
| <p>4.4.1.1</p> | <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>The Social assessment for SOU19 Pagoh for all operating units (Pagoh Estate, Landaron Estate, Pengkalan Bukit Estate and Welch Estate) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team. The last SIA was conducted in May 2015.</p> | <p>Complied</p> |

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| | | The recommendation from the SIA report was transferred to action plans which have has the information about Objective, Action steps, Resources required and review date. | |
| Criterion 4.4.2: Complaints and grievances | | | |
| 4.4.2.1 | A system for dealing with complaints and grievances shall be established and documented. - Major compliance - | System for dealing with complaints and grievances has been established and documented through: <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing. | Complied |
| 4.4.2.2 | The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance - | The complaint and grievances is open to affected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. Complaints about house maintenance are recorded in a log book which keeps the information about date, complainant, details of complain and status. Other written complains will be kept in a file. Nonetheless, there has been no complaint received so far. | Complied |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance - | The complaint form is made available in the mill and estate offices. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. Training on reporting of ethical misconduct was done incorporated with Code of Business Conduct (COBC) to all the workers at the mill. | Complied |
| 4.4.2.4 | Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance - | Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last assessment. Only request for maintenance housing are made by workers. | Complied |

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| <p>4.4.2.5</p> | <p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p> | <p>The mill maintained its records of complaint in a complain file. Records for more than 24 months ago were still kept in the file.</p> | <p>Complied</p> |
| <p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p> | | | |
| <p>4.4.3.1</p> | <p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p> | <p>Among the contributions from the mill were:</p> <ul style="list-style-type: none"> • Monetary contribution to Pejabat Kesihatan Daerah Tenom for organising I Want Sihat program dated 4/5/2017 • Monetary contribution to all mill employees for Hari Raya festival dated 19/6/2017 • Contributed presents (in form of hampers) to SK Pulong dated 21/11/2017 for Excellent Student Award programme | <p>Complied</p> |
| <p>Criterion 4.4.4: Employees safety and health</p> | | | |
| <p>4.4.4.1</p> | <p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>The Group Occupational Safety & Health Management Policy and Plan had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site SQM executives and monitored by SQM Manager from Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. Commitment to be responsibilities of both employer & employees. The policy as committed will be reviewed/revised as deemed appropriate. In Interviews with the workers and staff during the site visit revealed that the employees have been briefed and has understood the policy.</p> | <p>Complied</p> |

| <p>4.4.4.2</p> | <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept | <p>The policy has been established and elaborated in item 4.4.4.1 above. The policy amongst others has mentioned the details of the policy statement and the direction of the organisation towards implementing ESH practices. The clause "A safety and health policy, which is communicated and implemented" is mentioned in the policy. Safety briefing to employees & contractors was made in several training sessions inclusive of safety requirement of the organization.</p> <p>The Mill had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following;</p> <ul style="list-style-type: none"> d) Change in work process e) Revision/changes in legislative requirement f) Occurrence of accidents <p>HIRARC for the mill was formalised on in 2008 with latest review made on sept 208. The significant and routine activities for mill and estates were adequately covered with details as follows;</p> <table border="1" data-bbox="1122 1070 1895 1318"> <thead> <tr> <th></th> <th>Areas/Activities</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reception Station– Wbridge/Ramp</td> <td>7</td> <td>Engine Room</td> </tr> <tr> <td>2</td> <td>Fruit Handling</td> <td>8</td> <td>Product storage /Despatch</td> </tr> <tr> <td>3</td> <td>Sterilizer</td> <td>9</td> <td>Laboratory</td> </tr> <tr> <td>4</td> <td>Threshing</td> <td>10</td> <td>Water treatment</td> </tr> <tr> <td>5</td> <td>Clarification / Oil Room</td> <td>11</td> <td>Effluent Treatment Pond</td> </tr> <tr> <td>6</td> <td>Boiler House</td> <td>12</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • | | Areas/Activities | | Areas /Activities | 1 | Reception Station– Wbridge/Ramp | 7 | Engine Room | 2 | Fruit Handling | 8 | Product storage /Despatch | 3 | Sterilizer | 9 | Laboratory | 4 | Threshing | 10 | Water treatment | 5 | Clarification / Oil Room | 11 | Effluent Treatment Pond | 6 | Boiler House | 12 | | <p>No</p> |
|-----------------------|---|--|---------------------------|------------------|--|-------------------|---|---------------------------------|---|-------------|---|----------------|---|---------------------------|---|------------|---|------------|---|-----------|----|-----------------|---|--------------------------|----|-------------------------|---|--------------|----|--|-----------|
| | Areas/Activities | | Areas /Activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Reception Station– Wbridge/Ramp | 7 | Engine Room | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Fruit Handling | 8 | Product storage /Despatch | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Sterilizer | 9 | Laboratory | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Threshing | 10 | Water treatment | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Clarification / Oil Room | 11 | Effluent Treatment Pond | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Boiler House | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <ul style="list-style-type: none"> • Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the mill and estates office and workshop. In general, the control measures were appropriate to the identified risks. A person-in-charge at each site were appointed to monitor the implementation of the control measures through the 5S initiative <p>The mill has an OSH program for Financial Year 2018/19. The program list as guided by SQM personnel includes the following activities;</p> <ul style="list-style-type: none"> a) OSH committee b) OSH program & review c) OSH inspection d) Health & Hygiene monitoring program <ul style="list-style-type: none"> - monthly medical check-up e) Safety & health training <ul style="list-style-type: none"> - fire drill & fire fighting - Ist aid awareness - chemical safety training <p>The mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded. During the site visit the staff/workers were noted to be equipped with their proper attire & PPE. Acknowledgement of receipt was recorded</p> | |
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| | | <ul style="list-style-type: none"> • The SOP of handling of chemicals is available. d) The document was dated 26/02/17 titled "chemical safety management" 17 pages. e) Therein is shown requirement & selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals. f) Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000) The guidelines are adequate to address the requirement needed. <p>The manual of the SOP is filed and functional.</p> <p>The Mill Manager is appointed as the Chairman for the ESH committee duties among other to preside the ESH meetings. The appointment letter dated 10/7/18 signed by the Regional CEO was sighted and verified. The Manager subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. The Mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. The dates of meeting held are recorded below.</p> <table border="1" data-bbox="1126 1070 1686 1163"> <thead> <tr> <th colspan="4">Pagoh Mill</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>07/9/18</td> <td>3</td> <td>12/3/18</td> </tr> <tr> <td>2</td> <td>11/6/18</td> <td>4</td> <td>14/12/17</td> </tr> </tbody> </table> <p>The minutes of meeting dated 07/9/18 and 12/3/18 respectively were sighted and verified. Workers during the meeting participated in the discussion mainly on housing and safety. All units adopted the agenda as released SQM. This agenda list was sighted and adequate to discuss salient issues relating safety, environmental</p> | Pagoh Mill | | | | 1 | 07/9/18 | 3 | 12/3/18 | 2 | 11/6/18 | 4 | 14/12/17 | |
|------------|---------|--|------------|--|--|--|---|---------|---|---------|---|---------|---|----------|--|
| Pagoh Mill | | | | | | | | | | | | | | | |
| 1 | 07/9/18 | 3 | 12/3/18 | | | | | | | | | | | | |
| 2 | 11/6/18 | 4 | 14/12/17 | | | | | | | | | | | | |

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| | | <p>and health. The agenda as discussed during the meeting among others includes the following;</p> <ul style="list-style-type: none"> a) <i>Laporan Pemakaian PPE</i> b) <i>Laporan Prestasi ESH/Kesihatan</i> c) <i>Laporan LatIhan & SOP/HIRARC</i> d) <i>Laporan Pematuhan Undang-Undang</i> e) <i>Laporan Pematuhan Oleh Kontraktor</i> f) <i>Laporan Kemalangan</i> g) <i>Laporan Pemeriksaan Tempat Kerja</i> h) <i>Laporan Kesihatan & Kawasan Perumahan</i> i) <i>Laporan Bahan Buangan Terjadual/Isu Alam Sekitar</i> <p>The agenda discussed in the safety meetings are adequate to address the issue relating to OSH and to update the new legislative requirement for compliance.</p> <ul style="list-style-type: none"> • The procedures for accident and emergencies has been established. There is formation of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarised in a chart flow form and displayed for information of all employees in the mill. They includes emergencies relating fire, explosion, oil spillages & chemical spillages <ul style="list-style-type: none"> e) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2018</i> headed by the Mill Manager f) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Kebakaran</i> g) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Letupan</i> h) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Minyak</i> i) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Kimia</i> | |
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| | | <p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by SQM and amended to tailor to the situation differences in the estates and mills.</p> <ul style="list-style-type: none"> • <table border="1"> <tr> <td>•</td> <td>•</td> <td>Emergencies Situation</td> <td>•</td> <td>•</td> </tr> <tr> <td></td> <td></td> <td></td> <td>ill</td> <td>state</td> </tr> <tr> <td>•</td> <td></td> <td>Fire Hazard</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td>•</td> <td>Injury At Site</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>CPO spillage</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Dieseline spillage</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Explosion</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Poisonous animals attack</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Flood</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Workers' Strike</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Electrocution /Electric shock</td> <td>•</td> <td>•</td> </tr> <tr> <td>•</td> <td></td> <td>Gas Release/Leaks</td> <td>•</td> <td>•</td> </tr> <tr> <td>0</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>•</td> <td></td> <td>Explosion Incident</td> <td>•</td> <td>•</td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>•</td> <td></td> <td>Rescue Worker From Confined Space</td> <td>•</td> <td>•</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <ul style="list-style-type: none"> • ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The trainings are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. Among others the training held are as follows; <table border="1"> <thead> <tr> <th></th> <th>Date</th> <th>Subjects</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1/8/18</td> <td>Use of PPE at work place</td> </tr> <tr> <td>2</td> <td>13/9/18</td> <td>First Aid training</td> </tr> <tr> <td>3</td> <td>16/8/18</td> <td>Chemical spill drill</td> </tr> </tbody> </table> | • | • | Emergencies Situation | • | • | | | | ill | state | • | | Fire Hazard | • | • | • | • | Injury At Site | • | • | • | | CPO spillage | • | • | • | | Dieseline spillage | • | • | • | | Explosion | • | • | • | | Poisonous animals attack | • | • | • | | Flood | • | • | • | | Workers' Strike | • | • | • | | Electrocution /Electric shock | • | • | • | | Gas Release/Leaks | • | • | 0 | | | | | • | | Explosion Incident | • | • | 1 | | | | | • | | Rescue Worker From Confined Space | • | • | 2 | | | | | | Date | Subjects | 1 | 1/8/18 | Use of PPE at work place | 2 | 13/9/18 | First Aid training | 3 | 16/8/18 | Chemical spill drill | |
|---|---------|--|-----|-------|-----------------------|---|---|--|--|--|-----|-------|---|--|-------------|---|---|---|---|----------------|---|---|---|--|--------------|---|---|---|--|--------------------|---|---|---|--|-----------|---|---|---|--|--------------------------|---|---|---|--|-------|---|---|---|--|-----------------|---|---|---|--|-------------------------------|---|---|---|--|-------------------|---|---|---|--|--|--|--|---|--|--------------------|---|---|---|--|--|--|--|---|--|-----------------------------------|---|---|---|--|--|--|--|--|------|----------|---|--------|--------------------------|---|---------|--------------------|---|---------|----------------------|--|
| • | • | Emergencies Situation | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | ill | state | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Fire Hazard | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | • | Injury At Site | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | CPO spillage | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Dieseline spillage | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Explosion | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Poisonous animals attack | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Flood | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Workers' Strike | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Electrocution /Electric shock | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • | | Gas Release/Leaks | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| • | | Explosion Incident | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| • | | Rescue Worker From Confined Space | • | • | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | Date | Subjects | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 1/8/18 | Use of PPE at work place | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 13/9/18 | First Aid training | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 16/8/18 | Chemical spill drill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <table border="1"> <tr><td>4</td><td>11/8/18</td><td>Scheduled waste management</td></tr> <tr><td>5</td><td>16/8/18</td><td>Working at height</td></tr> <tr><td>6</td><td>10/8/18</td><td>First Aid refresher</td></tr> <tr><td>7</td><td>6/12/17</td><td>Notification of accident/dangerous occurrence</td></tr> <tr><td>8</td><td>11/4/18</td><td>Emergency evacuation</td></tr> <tr><td>9</td><td>26/2/18</td><td>Fire drill</td></tr> </table> <ul style="list-style-type: none"> • • The trained personnel for the First Aid were among the employees working in the mill on shift and the estates staff/mandores. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room etc. Similarly, the estates distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops. <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Mill</th> <th colspan="4">Accident Cases</th> </tr> <tr> <th>LTI cases</th> <th>No of LTI</th> <th>Non-LTI Cases</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td>2</td> <td>76</td> <td>0</td> <td>-</td> </tr> </tbody> </table> <p>Accident incidences recorded. 2 cases with 76 LTI dated 1/6/17 & 26/9/17, 1 AP & 1 Steriliser operator. 10 cases <i>keracunan</i>. Where required submissions of JKPP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly. The mill submitted the JKPP 8 on 16/1/18 18 complying with the DOSH statutory requirement. Cases if any are reviewed during safety meetings.</p> | 4 | 11/8/18 | Scheduled waste management | 5 | 16/8/18 | Working at height | 6 | 10/8/18 | First Aid refresher | 7 | 6/12/17 | Notification of accident/dangerous occurrence | 8 | 11/4/18 | Emergency evacuation | 9 | 26/2/18 | Fire drill | | Mill | Accident Cases | | | | LTI cases | No of LTI | Non-LTI Cases | LTI | 1 | | 2 | 76 | 0 | - | |
|---|---|---|-----------|---------------|----------------------------|---|---------|-------------------|---|---------|---------------------|---|---------|---|---|---------|----------------------|---|---------|------------|--|------|----------------|--|--|--|-----------|-----------|---------------|-----|---|--|---|----|---|---|--|
| 4 | 11/8/18 | Scheduled waste management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | Mill | Accident Cases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | LTI cases | No of LTI | Non-LTI Cases | LTI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | 2 | 76 | 0 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | The "Social Policy" showcases the company's commitment to providing a workplace that is free from sexual harassment and all other forms of violence against women, workers, and community. | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | shall be signed by the top management and communicated to the employees. - Major compliance - | The policy also commits to providing sufficient training and development for employees to increase their awareness and enhance their skills in line with this policy. | |
| 4.4.5.2 | The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance - | The Social Policy dated January 2015 enforce the management's direction that all employees should be treated fairly in terms of recruitment, progression, terms and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. Interview with the foreign and local workers, reveals there is no discriminatory issues as the management treat them well. | Complied |
| 4.4.5.3 | Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance - | All the estates workers are under direct employment and estates consisted of direct and contract employment of workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/day. | Complied |
| 4.4.5.4 | Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance - | There was no contract workers in the mill. | Complied |
| 4.4.5.5 | The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain | There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime | Complied |

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| | <p>full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | Estate Mill Upstream Application (SEMUA) System Employee Master Listing. | |
| 4.4.5.6 | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> | Employees have been provided with employment contract which were made reference to the collective agreement between employer and employees. The collective agreement for the mill were available for verification. | Complied |
| 4.4.5.7 | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p> | Time recording at the mill was implemented through recording of punch card system, which records the time-in and time-out of an employee. The records were updated on daily basis and attendance of workers was monitored regularly through site supervision. | Complied |
| 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>The working hours are recorded using "punch card" system. The punch card will be verified by supervisor daily. The supervisor will input the code in the "Daily Input Form" (e.g. Normal Full Day, rest day work, paid holiday work etc) for the payroll clerk to compile the monthly salary.</p> <p>In case the worker is on leave or absent, it is recorded in the "Daily Input Form".</p> | Complied |
| 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> | Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements. | Complied |
| 4.4.5.10 | <p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional</p> | <p>The company provides:</p> <ul style="list-style-type: none"> • 10 kg rice to all workers once every 2 months • RM5 mobile subsidy to all workers. | Non-conformity |

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| | <p>development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p> | <ul style="list-style-type: none"> • Free medical benefit to workers dependent at the estates clinics. • Renewal for driving license for local workers working as driver • Sending worker’s children to schools <p>The field workers are paid with Productivity Incentive. However, the giving of 10 kgs rice was not in accordance to the employment contract which supposed to be 5 kgs of rice and 5 kgs of cooking oil. Thus, a non-conformance report was assigned due to this lapse.</p> | |
| <p>4.4.5.11</p> | <p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p> | <p>The basic amenities and facilities at the quarters provided by the company to it workers includes electricity, water and domestic waste disposal. Electricity and water is connected with the national infrastructure facilities. The usage of electricity and water is bared by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 3 each per house.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basis amenities (e.g. mattress, cooking utilises).</p> <p>For the mill, there are 34 units of housing to accommodate its 45 workers with their dependents. The QA (Mr. Balasandar) is responsible to conduct the weekly checking of the quarters. The latest checking was done on 4/10/2018. Among the aspects checked were:</p> <ul style="list-style-type: none"> Cleanliness/Domestic wastes/Landscaping Communicable disease controls Drainage system Lavatory & sewerage system Housing compound Road safety | <p>Complied</p> |

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| | | <p>Building requirements & maintenance Water supply Electricity supply Nursery/crèche Community hall, sports and other recreational facilities Clinic/medical facilities</p> | |
| 4.4.5.12 | <p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p> | <p>The "Social Policy" seen consist of information on non-discrimination and equal opportunities. Seen the policy displayed in the estate's office and regularly communicated to all levels of the workforce through training programs. Interviewed with workers during site visits, resulted with no form discrimination based on race, caste, national origin, religion, disability, gender, etc. The interviewed workers are aware on the term of discrimination and how they to respond if such incidents happen to them.</p> | Complied |
| 4.4.5.13 | <p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (iii) which reads "Respecting the rights of employees to form and join unions, and the right to collective bargaining." Interview with the employees showed that there is no restriction for them to join any trade union.</p> | Complied |
| 4.4.5.14 | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p> | <p>Stated in Sime Darby Responsible Agriculture Charter, Clause 2.2 (ii) which reads "We will not employ anyone under the age of 18, unless in vocational and/or formal and structured apprenticeship, educational and training programmes." Based on verification of the SEMUA database, which has the information about date of birth and date joined, all the workers were over 18 years of age at the point of recruitment.</p> | Complied |

| Criterion 4.4.6: Training and competency | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-------------------------------|------|---------|---|--------|--------------------------|---|---------|----------------------------|---|---------|---------------|---|---------|-------------------------------|---|---------|-------------------------|---|---------|--------------------|---|---------|----------------------|---|---------|----------------------|-----------------|
| <p>4.4.6.1</p> <p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p> | <p>The annual training program has been established and significantly covers all aspects of the MSPO/RSPO Principles and Criteria. Additional subjects include mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the SOU 19. The subject for the training are issued and assisted by the PSQM personnel. Among others included in the annual training program 2018/19 are;</p> <ul style="list-style-type: none"> a) OSH Act & regulations 1994/Env Quality Act 1974 b) USECHH 2000 / OSH Committee and function c) First Aid / Scheduled waste/chemical safety d) RSPO/MSPO awareness e) Water treatment / HCV & Biodiversity f) Processing stations SOP g) Emergency evacuation/frie drill h) LOTO system/sime card/hearing conservation/COBC i) Company Policies awareness. <p>Records of training for Pagoh Mill sighted during this audit among others are shown below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Date</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1/8/18</td> <td>Use of PPE at work place</td> </tr> <tr> <td>2</td> <td>15/8/18</td> <td>Environmental & OSH Policy</td> </tr> <tr> <td>3</td> <td>20/9/18</td> <td>COBC briefing</td> </tr> <tr> <td>4</td> <td>3/10/18</td> <td>Policy on children protection</td> </tr> <tr> <td>5</td> <td>3/10/18</td> <td>Policy on gender rights</td> </tr> <tr> <td>6</td> <td>13/9/18</td> <td>First Aid training</td> </tr> <tr> <td>7</td> <td>16/8/18</td> <td>Chemical spill drill</td> </tr> <tr> <td>8</td> <td>15/8/18</td> <td>Environmental policy</td> </tr> </tbody> </table> | | Date | Details | 1 | 1/8/18 | Use of PPE at work place | 2 | 15/8/18 | Environmental & OSH Policy | 3 | 20/9/18 | COBC briefing | 4 | 3/10/18 | Policy on children protection | 5 | 3/10/18 | Policy on gender rights | 6 | 13/9/18 | First Aid training | 7 | 16/8/18 | Chemical spill drill | 8 | 15/8/18 | Environmental policy | <p>Complied</p> |
| | Date | Details | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 1/8/18 | Use of PPE at work place | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 15/8/18 | Environmental & OSH Policy | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 20/9/18 | COBC briefing | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 6 | 13/9/18 | First Aid training | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | 16/8/18 | Chemical spill drill | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | 15/8/18 | Environmental policy | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-----------------------|--|--|-----------------|---------|------------|----|--------|---------------|----|---------|----------------------------|----|---------|-------------------|----|---------|---------------------|----|--------|----------------|----|---------|-----------------------|----|---------|---|----|--------|-------------|----|---------|----------------------|----|---------|------------|----|---------|---------------|----|------------|------------------------------------|----|---------|-----------------|--|
| | | <table border="1"> <tr><td>9</td><td>19/9/18</td><td>OSH policy</td></tr> <tr><td>10</td><td>2/8/17</td><td>PPE adherence</td></tr> <tr><td>11</td><td>11/8/18</td><td>Scheduled waste management</td></tr> <tr><td>12</td><td>16/8/18</td><td>Working at height</td></tr> <tr><td>13</td><td>10/8/18</td><td>First Aid refresher</td></tr> <tr><td>14</td><td>9/8/18</td><td>COBC refresher</td></tr> <tr><td>15</td><td>27/3/18</td><td>RSPO/MSPO Requirement</td></tr> <tr><td>16</td><td>6/12/17</td><td>Notification of accident/dangerous occurrence</td></tr> <tr><td>17</td><td>7/2/18</td><td>5S training</td></tr> <tr><td>18</td><td>11/4/18</td><td>Emergency evacuation</td></tr> <tr><td>19</td><td>26/2/18</td><td>Fire drill</td></tr> <tr><td>20</td><td>26/3/18</td><td>OSHC function</td></tr> <tr><td>21</td><td>19-22/3/18</td><td>HACCP – awareness & implementation</td></tr> <tr><td>22</td><td>24/1/18</td><td>Gender training</td></tr> </table> | 9 | 19/9/18 | OSH policy | 10 | 2/8/17 | PPE adherence | 11 | 11/8/18 | Scheduled waste management | 12 | 16/8/18 | Working at height | 13 | 10/8/18 | First Aid refresher | 14 | 9/8/18 | COBC refresher | 15 | 27/3/18 | RSPO/MSPO Requirement | 16 | 6/12/17 | Notification of accident/dangerous occurrence | 17 | 7/2/18 | 5S training | 18 | 11/4/18 | Emergency evacuation | 19 | 26/2/18 | Fire drill | 20 | 26/3/18 | OSHC function | 21 | 19-22/3/18 | HACCP – awareness & implementation | 22 | 24/1/18 | Gender training | |
| 9 | 19/9/18 | OSH policy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | 2/8/17 | PPE adherence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | 11/8/18 | Scheduled waste management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | 16/8/18 | Working at height | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | 10/8/18 | First Aid refresher | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | 9/8/18 | COBC refresher | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | 27/3/18 | RSPO/MSPO Requirement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | 6/12/17 | Notification of accident/dangerous occurrence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | 7/2/18 | 5S training | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | 11/4/18 | Emergency evacuation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 | 26/2/18 | Fire drill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | 26/3/18 | OSHC function | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | 19-22/3/18 | HACCP – awareness & implementation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | 24/1/18 | Gender training | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.4.6.2</p> | <p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p> | <p>The training needs for the mill 2018/19 training program has been established. The details of the training needs include categories of stations, subjects, and employees group. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management, air emission management. Etc.</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.4.6.3</p> | <p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p> | <p>This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition it is subject for a review during the financial year should need arises. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the mill along with the MSPO/RSPO certification.</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|----------------------------|--------------------|--|--------------------|---|------------------------|----|---------------------------|---|---------------|----|----------|---|-----------|----|--------------------------|---|-------------|----|-----------------------|---|----------------|----|----------------------------|---|-------|----|------------|---|---------------|----|---------------|---|--------------|----|-----------------------|---|--------------|--|--|-----------------|
| Criterion 4.5.1: Environmental Management Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.1.1</p> | <p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>There is an Environmental Management Policy for the mill issued and endorsed in Jan 2015 by the Managing Director. Content of the policy among others mentioned that the Company is committed to protecting the environment and conserving biodiversity through sustainable development. Communication to the employees are made through town hall session, safety meetings, weekly briefings. A town hall 6.0 session for the mill employees was organized. This is a common program initiated by SQM throughout the entire operating units in the SDP.</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.1.2</p> | <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>Aspects/impacts analysis initiated on 15/2/13 of the mill operations covered the following master list document no EAI/2013/MO – STR among others. The EAI was last reviewed on 11/7/18 to include an activity of transferring diesoline to vehicle and lubricant store operations</p> <table border="1" data-bbox="1124 981 1825 1289"> <thead> <tr> <th></th> <th>Station/activities</th> <th></th> <th>Station/activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mill office operations</td> <td>10</td> <td>Power station/engine room</td> </tr> <tr> <td>2</td> <td>Main entrance</td> <td>11</td> <td>Workshop</td> </tr> <tr> <td>3</td> <td>Reception</td> <td>12</td> <td>Effluent treatment plant</td> </tr> <tr> <td>4</td> <td>Sterilizing</td> <td>13</td> <td>Scheduled waste store</td> </tr> <tr> <td>5</td> <td>Fruit handling</td> <td>14</td> <td>Product storage & despatch</td> </tr> <tr> <td>6</td> <td>Press</td> <td>15</td> <td>Laboratory</td> </tr> <tr> <td>7</td> <td>clarification</td> <td>16</td> <td>General store</td> </tr> <tr> <td>8</td> <td>Kernel plant</td> <td>17</td> <td>Water treatment plant</td> </tr> <tr> <td>9</td> <td>Boiler house</td> <td></td> <td></td> </tr> </tbody> </table> | | Station/activities | | Station/activities | 1 | Mill office operations | 10 | Power station/engine room | 2 | Main entrance | 11 | Workshop | 3 | Reception | 12 | Effluent treatment plant | 4 | Sterilizing | 13 | Scheduled waste store | 5 | Fruit handling | 14 | Product storage & despatch | 6 | Press | 15 | Laboratory | 7 | clarification | 16 | General store | 8 | Kernel plant | 17 | Water treatment plant | 9 | Boiler house | | | <p>Complied</p> |
| | Station/activities | | Station/activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Mill office operations | 10 | Power station/engine room | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Main entrance | 11 | Workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Reception | 12 | Effluent treatment plant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Sterilizing | 13 | Scheduled waste store | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Fruit handling | 14 | Product storage & despatch | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Press | 15 | Laboratory | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | clarification | 16 | General store | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Kernel plant | 17 | Water treatment plant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Boiler house | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>4.5.1.3</p> | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p> | <p>This plan is available and updated for the FY 2018/19 and updated on 12/7/18. The environmental issues for Environmental Improvement Plan/Pollution Prevention Plan outlined by Pagoh Mill are shown below;</p> <table border="1" data-bbox="1124 520 1890 1366"> <thead> <tr> <th></th> <th>Environmental issues</th> <th>Mitigating Measures</th> <th>PIC</th> <th>Time frame</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Spillage of leachate at EFB disposal area</td> <td>Fabricate & install gutter at surrounding EFB yard</td> <td>AE/MS</td> <td>Daily</td> </tr> <tr> <td>2</td> <td>Trampling of LF by prime movers JCB</td> <td>To collect the LF time to time</td> <td>Mill supervisor</td> <td>daily</td> </tr> <tr> <td>3</td> <td>Rupture of SW drum</td> <td>To ensure containment wall well maintained.</td> <td>Tech conductor</td> <td>Monthly</td> </tr> <tr> <td>4</td> <td>Crude palm oil leakage</td> <td>To ensure containment wall well maintained. Visual inspection to be carried out by maintenance crew & supervisors</td> <td>Tech conductor</td> <td>weekly</td> </tr> <tr> <td>5</td> <td>CPO overflow from storage tank</td> <td>To ensure containment wall well maintained. To ensure level indicator is in working order</td> <td>TC/Mill supervisor</td> <td>weekly</td> </tr> <tr> <td>6</td> <td>CPO tank rupture</td> <td>To ensure containment wall well maintained</td> <td>Tech conductor</td> <td>monthly</td> </tr> <tr> <td>7</td> <td>Fire in palm kernel drying silo</td> <td>Maintain the temperature 70-80 degree. To install temperature gauge</td> <td>TC/Mill supervisor</td> <td>daily</td> </tr> </tbody> </table> | | Environmental issues | Mitigating Measures | PIC | Time frame | 1 | Spillage of leachate at EFB disposal area | Fabricate & install gutter at surrounding EFB yard | AE/MS | Daily | 2 | Trampling of LF by prime movers JCB | To collect the LF time to time | Mill supervisor | daily | 3 | Rupture of SW drum | To ensure containment wall well maintained. | Tech conductor | Monthly | 4 | Crude palm oil leakage | To ensure containment wall well maintained. Visual inspection to be carried out by maintenance crew & supervisors | Tech conductor | weekly | 5 | CPO overflow from storage tank | To ensure containment wall well maintained. To ensure level indicator is in working order | TC/Mill supervisor | weekly | 6 | CPO tank rupture | To ensure containment wall well maintained | Tech conductor | monthly | 7 | Fire in palm kernel drying silo | Maintain the temperature 70-80 degree. To install temperature gauge | TC/Mill supervisor | daily | <p>Complied</p> |
|-----------------------|---|--|--------------------|----------------------|---------------------|-----|------------|---|---|--|-------|-------|---|-------------------------------------|--------------------------------|-----------------|-------|---|--------------------|---|----------------|---------|---|------------------------|---|----------------|--------|---|--------------------------------|---|--------------------|--------|---|------------------|--|----------------|---------|---|---------------------------------|---|--------------------|-------|-----------------|
| | Environmental issues | Mitigating Measures | PIC | Time frame | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Spillage of leachate at EFB disposal area | Fabricate & install gutter at surrounding EFB yard | AE/MS | Daily | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Trampling of LF by prime movers JCB | To collect the LF time to time | Mill supervisor | daily | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Rupture of SW drum | To ensure containment wall well maintained. | Tech conductor | Monthly | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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|--|---|--|----------|
| | | All action plans are to be monitored on the indicated frequency shown in the plan. | |
| 4.5.1.4 | A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance - | This is available as elaborated in indicator 4.5.1.3 above. Improvement planned for both short and long terms are detailed along with the identified issues. | Complied |
| 4.5.1.5 | An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance - | A training program is available in the SOU Training Program and updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. | Complied |
| 4.5.1.6 | The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance - | The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the POM. The mill level discussed environmental issues during the ESH meetings and also during the monthly operations /SOU meetings on priority issues. In addition, dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment. | Complied |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | |
| 4.5.2.1 | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall 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 - | Energy Management Plan 2018/19 dated 02/7/18 is established with details hereunder. Pagoh Palm Oil Mill consistently monitors the following and tabulate the data on a monthly basis. <ul style="list-style-type: none"> a) The consumption of non-renewable energy (diesel) Direct usage of diesel for the mill operations are recorded. The quantity in mt is divided over the mt FFB processed (ratio) during the month. The performance is measured by this ratio to indicate the level of | Complied |

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| | | <p>performance. The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. There were measures as shown in the energy management plan to reduce and eliminate wastages among others as follows;</p> <ul style="list-style-type: none"> - To ensure optimum FFB ramp balance to commence processing - Timely servicing of vehicles to ensure efficient use of diesel & avoid leakages - Regular servicing of turbine for a better efficiency and to minimise running of gen-set - Educate employees on fuel saving practices. The data for the diesel consumption 2017/18 beginning July 17– Sept 2018 was sighted and verified. The ratio over CPO processed ranges from 0.00044 to 0.00077. Variation due factor on volume FFB processed /total gen-set operation hours/mill utilisation. <p>b) power production and allocation to the mill machinery and complex generated by steam turbine tabulated for the financial year 2018/19. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB.</p> <table border="1" data-bbox="1126 1107 1684 1377"> <thead> <tr> <th>Month</th> <th>Kwh from Turbine</th> <th>FFB processed</th> <th>Kwh/FFB</th> </tr> </thead> <tbody> <tr> <td>July 17</td> <td>239800</td> <td>10520</td> <td>22.79</td> </tr> <tr> <td>Aug 17</td> <td>335600</td> <td>14943</td> <td>22.46</td> </tr> <tr> <td>Sept 17</td> <td>451800</td> <td>18528</td> <td>24.38</td> </tr> <tr> <td>Oct 17</td> <td>399500</td> <td>19639</td> <td>20.34</td> </tr> <tr> <td>Nov 17</td> <td>562100</td> <td>24068</td> <td>23.35</td> </tr> <tr> <td>Dec 17</td> <td>509300</td> <td>22688</td> <td>22.45</td> </tr> <tr> <td>Jan 18</td> <td>362200</td> <td>17787</td> <td>20.36</td> </tr> </tbody> </table> | Month | Kwh from Turbine | FFB processed | Kwh/FFB | July 17 | 239800 | 10520 | 22.79 | Aug 17 | 335600 | 14943 | 22.46 | Sept 17 | 451800 | 18528 | 24.38 | Oct 17 | 399500 | 19639 | 20.34 | Nov 17 | 562100 | 24068 | 23.35 | Dec 17 | 509300 | 22688 | 22.45 | Jan 18 | 362200 | 17787 | 20.36 | |
|---------|------------------|--|---------|------------------|---------------|---------|---------|--------|-------|-------|--------|--------|-------|-------|---------|--------|-------|-------|--------|--------|-------|-------|--------|--------|-------|-------|--------|--------|-------|-------|--------|--------|-------|-------|--|
| Month | Kwh from Turbine | FFB processed | Kwh/FFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July 17 | 239800 | 10520 | 22.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 17 | 335600 | 14943 | 22.46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept 17 | 451800 | 18528 | 24.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 17 | 399500 | 19639 | 20.34 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 17 | 562100 | 24068 | 23.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 17 | 509300 | 22688 | 22.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 18 | 362200 | 17787 | 20.36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <table border="1"> <tr><td>Feb 18</td><td>262400</td><td>13545</td><td>19.37</td></tr> <tr><td>Mac 18</td><td>190700</td><td>9058</td><td>21.05</td></tr> <tr><td>April 18</td><td>403800</td><td>16835</td><td>23.99</td></tr> <tr><td>May 18</td><td>346300</td><td>14631</td><td>23.67</td></tr> <tr><td>June 18</td><td>249000</td><td>12154</td><td>20.49</td></tr> <tr><td>total</td><td>4312500</td><td>194403</td><td>22.79</td></tr> </table> | Feb 18 | 262400 | 13545 | 19.37 | Mac 18 | 190700 | 9058 | 21.05 | April 18 | 403800 | 16835 | 23.99 | May 18 | 346300 | 14631 | 23.67 | June 18 | 249000 | 12154 | 20.49 | total | 4312500 | 194403 | 22.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|---|-------------|---------------|------------------------|-------------|-------------|------------------------|---------|-------|----------|--------|-------|-------|--------|--------|-------|-------|---------|--------|---------|-------|-------|---------|--------|-------|--------|-------|------|-------|------|------|--------|-------|------|-------|------|------|--------|-------|------|-------|------|------|--------|-------|------|-------|------|------|--------|-------|------|------|------|------|--------|------|------|------|------|------|----------|-------|------|-------|------|------|--------|-------|------|-------|------|------|---------|-------|------|------|------|------|--|-----------------|
| Feb 18 | 262400 | 13545 | 19.37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mac 18 | 190700 | 9058 | 21.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 18 | 403800 | 16835 | 23.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 18 | 346300 | 14631 | 23.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 18 | 249000 | 12154 | 20.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| total | 4312500 | 194403 | 22.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.2.2</p> | <p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p> | <p>Target is 22.18.</p> <p>The mill records the following data and tabulated the ratio against the FFB processed to determine the efficiency of their operations;</p> <ul style="list-style-type: none"> a) all the diesel used (non-renewable) for the mill operations (Details as per indicator 4.5.2.1 above) b) fibre/shell used (renewable) <p>In this relation the following data were sighted and verified Renewable energy usage for 2017/18 July-June. Ratio of shell/fibre mt /mt CPO varies from 4.69 to 5.25. This ratio varies from one mill to another subjective to the milling capacity and type of boiler /heating surface/boiler age.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>FFB processed</th> <th>Total CPO</th> <th>Total fibre</th> <th>Total shell</th> <th>Total shell fibre /CPO</th> </tr> </thead> <tbody> <tr><td>July 17</td><td>10520</td><td>2049</td><td>7364</td><td>3156</td><td>5.13</td></tr> <tr><td>Aug 17</td><td>14943</td><td>2845</td><td>10460</td><td>4483</td><td>5.25</td></tr> <tr><td>Sept 17</td><td>18528</td><td>3591</td><td>12969</td><td>5558</td><td>5.16</td></tr> <tr><td>Oct 17</td><td>19639</td><td>3898</td><td>13747</td><td>5891</td><td>5.04</td></tr> <tr><td>Nov 17</td><td>24068</td><td>4625</td><td>16848</td><td>7220</td><td>5.20</td></tr> <tr><td>Dec 17</td><td>22688</td><td>4639</td><td>15881</td><td>6806</td><td>4.89</td></tr> <tr><td>Jan 18</td><td>17787</td><td>3497</td><td>12451</td><td>5336</td><td>5.09</td></tr> <tr><td>Feb 18</td><td>13545</td><td>2888</td><td>9482</td><td>4063</td><td>4.69</td></tr> <tr><td>Mac 18</td><td>9058</td><td>1856</td><td>6340</td><td>2717</td><td>4.88</td></tr> <tr><td>April 18</td><td>16835</td><td>3563</td><td>11784</td><td>5050</td><td>4.72</td></tr> <tr><td>May 18</td><td>14631</td><td>3026</td><td>10242</td><td>4389</td><td>4.83</td></tr> <tr><td>June 18</td><td>12154</td><td>2507</td><td>8508</td><td>3646</td><td>4.85</td></tr> </tbody> </table> | Month | FFB processed | Total CPO | Total fibre | Total shell | Total shell fibre /CPO | July 17 | 10520 | 2049 | 7364 | 3156 | 5.13 | Aug 17 | 14943 | 2845 | 10460 | 4483 | 5.25 | Sept 17 | 18528 | 3591 | 12969 | 5558 | 5.16 | Oct 17 | 19639 | 3898 | 13747 | 5891 | 5.04 | Nov 17 | 24068 | 4625 | 16848 | 7220 | 5.20 | Dec 17 | 22688 | 4639 | 15881 | 6806 | 4.89 | Jan 18 | 17787 | 3497 | 12451 | 5336 | 5.09 | Feb 18 | 13545 | 2888 | 9482 | 4063 | 4.69 | Mac 18 | 9058 | 1856 | 6340 | 2717 | 4.88 | April 18 | 16835 | 3563 | 11784 | 5050 | 4.72 | May 18 | 14631 | 3026 | 10242 | 4389 | 4.83 | June 18 | 12154 | 2507 | 8508 | 3646 | 4.85 | | <p>Complied</p> |
| Month | FFB processed | Total CPO | Total fibre | Total shell | Total shell fibre /CPO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July 17 | 10520 | 2049 | 7364 | 3156 | 5.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 17 | 14943 | 2845 | 10460 | 4483 | 5.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept 17 | 18528 | 3591 | 12969 | 5558 | 5.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 17 | 19639 | 3898 | 13747 | 5891 | 5.04 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 17 | 24068 | 4625 | 16848 | 7220 | 5.20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 17 | 22688 | 4639 | 15881 | 6806 | 4.89 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 18 | 17787 | 3497 | 12451 | 5336 | 5.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 18 | 13545 | 2888 | 9482 | 4063 | 4.69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mac 18 | 9058 | 1856 | 6340 | 2717 | 4.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 18 | 16835 | 3563 | 11784 | 5050 | 4.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 18 | 14631 | 3026 | 10242 | 4389 | 4.83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 18 | 12154 | 2507 | 8508 | 3646 | 4.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | total | 194403 | 38990 | 136082 | 58321 | 4.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---------------------------------|-------|--------|-------|------|----------|-------|------|---------|---|-----------------|---------------------------------|---------------------|---|---------------------|---|-------------------------------|---|----------------|---------|---------------------------------|--------|---------------------------------|---|------------------|------|--------------------------|-----|--------------|-------|-------------------|-------|-------------------|--|--|------------|------------|----------|
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell used in the mill is shown in 4.5.2.2 above. The long term planning for biogas implementation was reviewed to stand similar with other sister mills in the Group. The recovered biogas will be used for energy generation (e.g. steam & electricity). | | | | | | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.5.3: Waste management and disposal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.3.1 | All waste products and sources of pollution shall be identified and documented. - Major compliance - | <p>All waste and pollution are identified and documented in the Waste Management Plan for Financial Year 2018/19 dated 9/7/18. The waste generated from the mill operations as shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>Waste</th> <th>Item</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td rowspan="3">1</td> <td rowspan="3">Scheduled Waste</td> <td>Spent lubricants /hydraulic oil</td> <td>Workshop activities</td> </tr> <tr> <td>Used batteries/ used rags /empty containers</td> <td>Workshop activities</td> </tr> <tr> <td>Hexane/spent chemicals/empty containers</td> <td>Laboratory and boiler station</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Domestic Waste</td> <td>Rubbish</td> <td>Line site/office & mill complex</td> </tr> <tr> <td>Sewage</td> <td>Line site/office & mill complex</td> </tr> <tr> <td rowspan="4">3</td> <td rowspan="4">Industrial Waste</td> <td>POME</td> <td>Effluent Treatment Plant</td> </tr> <tr> <td>EFB</td> <td>EFB station.</td> </tr> <tr> <td>Shell</td> <td>Boiler shell yard</td> </tr> <tr> <td>fibre</td> <td>Boiler fibre yard</td> </tr> <tr> <td></td> <td></td> <td>Scrap iron</td> <td>Scrap yard</td> </tr> </tbody> </table> | | | | | | | Waste | Item | Sources | 1 | Scheduled Waste | Spent lubricants /hydraulic oil | Workshop activities | Used batteries/ used rags /empty containers | Workshop activities | Hexane/spent chemicals/empty containers | Laboratory and boiler station | 2 | Domestic Waste | Rubbish | Line site/office & mill complex | Sewage | Line site/office & mill complex | 3 | Industrial Waste | POME | Effluent Treatment Plant | EFB | EFB station. | Shell | Boiler shell yard | fibre | Boiler fibre yard | | | Scrap iron | Scrap yard | Complied |
| | Waste | Item | Sources | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Scheduled Waste | Spent lubricants /hydraulic oil | Workshop activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Used batteries/ used rags /empty containers | Workshop activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Hexane/spent chemicals/empty containers | Laboratory and boiler station | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Domestic Waste | Rubbish | Line site/office & mill complex | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Sewage | Line site/office & mill complex | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Industrial Waste | POME | Effluent Treatment Plant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | EFB | EFB station. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Shell | Boiler shell yard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | fibre | Boiler fibre yard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Scrap iron | Scrap yard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <p>The source of mill pollution generated from the mill is the smoke from the boiler. It is monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE. There was no major issue.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|--|-----------------|------|----------------|-----------------|---------------------------------|--|--|---|---|--|---|---|----------------|---------|--|--------|-------------------------------|------------------|------|--|-----|---|-------|------------------------|-------|----------------------------|--|------------|-----------------------------------|-----------------|
| <p>4.5.3.2</p> | <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> | <table border="1"> <thead> <tr> <th>Type</th> <th>Item</th> <th>Action/Program</th> </tr> </thead> <tbody> <tr> <td>Scheduled waste</td> <td>Spent lubricants /hydraulic oil</td> <td>SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005;</td> </tr> <tr> <td></td> <td>Used batteries/ used rags /empty containers</td> <td>. Establishment & notification of SW . Labeling & Coding of SW . SW Inventory</td> </tr> <tr> <td></td> <td>Hexane/spent chemicals/empty containers</td> <td>. Disposal < 180 days & approved quantity/volume.</td> </tr> <tr> <td rowspan="2">Domestic Waste</td> <td>Rubbish</td> <td>Disposed together with the estate to the estate landfill</td> </tr> <tr> <td>Sewage</td> <td>Disposal by authorizes vendor</td> </tr> <tr> <td rowspan="4">Industrial Waste</td> <td>POME</td> <td>Monitoring of application & through operation of evaporators</td> </tr> <tr> <td>EFB</td> <td>Monitoring of application in the field.</td> </tr> <tr> <td>Shell</td> <td>Sell to approved buyer</td> </tr> <tr> <td>fibre</td> <td>Sell trough approved buyer</td> </tr> <tr> <td></td> <td>Scrap iron</td> <td>Tender and sold to approved buyer</td> </tr> </tbody> </table> | Type | Item | Action/Program | Scheduled waste | Spent lubricants /hydraulic oil | SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005; | | Used batteries/ used rags /empty containers | . Establishment & notification of SW . Labeling & Coding of SW . SW Inventory | | Hexane/spent chemicals/empty containers | . Disposal < 180 days & approved quantity/volume. | Domestic Waste | Rubbish | Disposed together with the estate to the estate landfill | Sewage | Disposal by authorizes vendor | Industrial Waste | POME | Monitoring of application & through operation of evaporators | EFB | Monitoring of application in the field. | Shell | Sell to approved buyer | fibre | Sell trough approved buyer | | Scrap iron | Tender and sold to approved buyer | <p>Complied</p> |
| Type | Item | Action/Program | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Scheduled waste | Spent lubricants /hydraulic oil | SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005; | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Used batteries/ used rags /empty containers | . Establishment & notification of SW . Labeling & Coding of SW . SW Inventory | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Hexane/spent chemicals/empty containers | . Disposal < 180 days & approved quantity/volume. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Domestic Waste | Rubbish | Disposed together with the estate to the estate landfill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Industrial Waste | POME | Monitoring of application & through operation of evaporators | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | EFB | Monitoring of application in the field. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Shell | Sell to approved buyer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | fibre | Sell trough approved buyer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Scrap iron | Tender and sold to approved buyer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.3.3</p> | <p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed</p> | <p>The SOP on Scheduled Waste disposal is established and implemented. Details as provided in SDP MQMS Standard Operating Procedure Section VII- Handling of scheduled waste.</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance - | The inventory of the waste generated is recorded using the "E-SWISS" inventory system. Methodology of SW disposal is also described in indicator 4.5.3.2 above. | | | | | | | | | | | |
|---|---|--|----------|----------------------|---------------------|-----|------------|---|---|--|-------|-------|----------|
| 4.5.3.4 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance - | Domestic waste disposal for the mill and estate has been made simpler through the collection and disposal by the estate management 2 to 3 times a week. Collection are made from a centralized point accumulated internally by the estate management from the living quarters and office complex. The risk of contamination has been minimized through this system. | Complied | | | | | | | | | | |
| 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 - | The polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact. The identified impact if any will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation. It was last reviewed on 12 July 18. Areas of focus include activities at the chemical store / workshop / store / scheduled waste / diesel tank / boiler house / effluent pond / WTP. | Complied | | | | | | | | | | |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance - | The environmental issues for Environmental Improvement Plan/Pollution Prevention Plan outlined by Pagoh Mill are shown below; <table border="1" data-bbox="1122 1141 1888 1316"> <thead> <tr> <th></th> <th>Environmental issues</th> <th>Mitigating Measures</th> <th>PIC</th> <th>Time frame</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Spillage of leachate at EFB disposal area</td> <td>Fabricate & install gutter at surrounding EFB yard</td> <td>AE/MS</td> <td>Daily</td> </tr> </tbody> </table> | | Environmental issues | Mitigating Measures | PIC | Time frame | 1 | Spillage of leachate at EFB disposal area | Fabricate & install gutter at surrounding EFB yard | AE/MS | Daily | Complied |
| | Environmental issues | Mitigating Measures | PIC | Time frame | | | | | | | | | |
| 1 | Spillage of leachate at EFB disposal area | Fabricate & install gutter at surrounding EFB yard | AE/MS | Daily | | | | | | | | | |

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|-----------------------|---|--|-------------------------------------|---|--------------------|---------|-----------------|
| | | 2 | Trampling of LF by prime movers JCB | To collect the LF time to time | Mill supervisor | daily | |
| | | 3 | Rupture of SW drum | To ensure containment wall well maintained. | Tech conductor | Monthly | |
| | | 4 | Crude palm oil leakage | To ensure containment wall well maintained. Visual inspection to be carried out by maintenance crew & supervisors | Tech conductor | weekly | |
| | | 5 | CPO overflow from storage tank | To ensure containment wall well maintained. To ensure level indicator is in working order | TC/Mill supervisor | weekly | |
| | | 6 | CPO tank rupture | To ensure containment wall well maintained | Tech conductor | monthly | |
| | | 7 | Fire in palm kernel drying silo | Maintain the temperature 70-80 degree. To install temperature gauge | TC/Mill supervisor | daily | |
| <p>4.5.4.3</p> | <p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p> | <p>The treated mill effluent discharge is regularly monitored as prescribed in the “Jadual Pematuhan” license issued to the mill. The limit for the Biochemical Oxygen Demand (BOD) discharge is <100 mg/l for water course. Regular monitoring is made on monthly basis and quarterly. In addition daily site checking on the effluent ponds are made by the supervisory personnel and effluent attendants. Reports for the effluent parameters are submitted using “Borang Penyata Suku Tahun” to DOE for compliance. Sighted the</p> | | | | | <p>Complied</p> |

| | | <p>effluent results in the laboratory at random and all parameters are in compliance to the DOE requirement.</p> <table border="1" data-bbox="1126 451 1637 695"> <thead> <tr> <th></th> <th>Standard</th> <th>01/7/18</th> <th>06/8/18</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>5-9</td> <td>8.0</td> <td>9.0</td> </tr> <tr> <td>BOD</td> <td>100</td> <td>26</td> <td>29</td> </tr> <tr> <td>SS</td> <td>400</td> <td>80</td> <td>-</td> </tr> <tr> <td>TS</td> <td>0</td> <td>-</td> <td>-</td> </tr> <tr> <td>AN</td> <td>150</td> <td>6</td> <td><1</td> </tr> <tr> <td>TN</td> <td>200</td> <td>38</td> <td>63</td> </tr> <tr> <td>O&G</td> <td>50</td> <td>9</td> <td>6</td> </tr> </tbody> </table> <p>All parameters comply with the standard set by DOE. Stringent level of BOD will be imposed commencing 2019.</p> | | Standard | 01/7/18 | 06/8/18 | pH | 5-9 | 8.0 | 9.0 | BOD | 100 | 26 | 29 | SS | 400 | 80 | - | TS | 0 | - | - | AN | 150 | 6 | <1 | TN | 200 | 38 | 63 | O&G | 50 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-----------|-----------------|---------------|-----------|---------|-------|-------|------|--------|-------|-------|------|---------|-------|-------|------|--------|-------|-------|------|--------|-------|-------|------|--------|-------|-------|------|--------|-------|-------|------|--------|-------|-------|------|--------|-------|------|------|----------|-------|-------|------|--------|-------|-------|------|---------|-------|-------|------|-------|--------|--------|------|-----------------|
| | Standard | 01/7/18 | 06/8/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 5-9 | 8.0 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 100 | 26 | 29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SS | 400 | 80 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TS | 0 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AN | 150 | 6 | <1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TN | 200 | 38 | 63 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| O&G | 50 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 4.5.5: Natural water resources</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.5.1</p> | <p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> 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> | <table border="1" data-bbox="1126 863 1715 1318"> <thead> <tr> <th>Month</th> <th>Water usage /mt</th> <th>FFB processed</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr><td>July 17</td><td>12833</td><td>10520</td><td>1.22</td></tr> <tr><td>Aug 17</td><td>16669</td><td>14943</td><td>1.12</td></tr> <tr><td>Sept 17</td><td>20104</td><td>18528</td><td>1.09</td></tr> <tr><td>Oct 17</td><td>22331</td><td>19639</td><td>1.14</td></tr> <tr><td>Nov 17</td><td>26611</td><td>24068</td><td>1.11</td></tr> <tr><td>Dec 17</td><td>24895</td><td>22688</td><td>1.10</td></tr> <tr><td>Jan 18</td><td>20356</td><td>17787</td><td>1.14</td></tr> <tr><td>Feb 18</td><td>16811</td><td>13545</td><td>1.24</td></tr> <tr><td>Mar 18</td><td>11806</td><td>9058</td><td>1.30</td></tr> <tr><td>April 18</td><td>22373</td><td>16835</td><td>1.33</td></tr> <tr><td>May 18</td><td>17528</td><td>14631</td><td>1.20</td></tr> <tr><td>June 18</td><td>13826</td><td>12154</td><td>1.14</td></tr> <tr><td>Total</td><td>226143</td><td>194403</td><td>1.16</td></tr> </tbody> </table> | Month | Water usage /mt | FFB processed | Water/FFB | July 17 | 12833 | 10520 | 1.22 | Aug 17 | 16669 | 14943 | 1.12 | Sept 17 | 20104 | 18528 | 1.09 | Oct 17 | 22331 | 19639 | 1.14 | Nov 17 | 26611 | 24068 | 1.11 | Dec 17 | 24895 | 22688 | 1.10 | Jan 18 | 20356 | 17787 | 1.14 | Feb 18 | 16811 | 13545 | 1.24 | Mar 18 | 11806 | 9058 | 1.30 | April 18 | 22373 | 16835 | 1.33 | May 18 | 17528 | 14631 | 1.20 | June 18 | 13826 | 12154 | 1.14 | Total | 226143 | 194403 | 1.16 | <p>Complied</p> |
| Month | Water usage /mt | FFB processed | Water/FFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July 17 | 12833 | 10520 | 1.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 17 | 16669 | 14943 | 1.12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept 17 | 20104 | 18528 | 1.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 17 | 22331 | 19639 | 1.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 17 | 26611 | 24068 | 1.11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 17 | 24895 | 22688 | 1.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 18 | 20356 | 17787 | 1.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 18 | 16811 | 13545 | 1.24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar 18 | 11806 | 9058 | 1.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 18 | 22373 | 16835 | 1.33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 18 | 17528 | 14631 | 1.20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 18 | 13826 | 12154 | 1.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 226143 | 194403 | 1.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <p>The Water Management Plan for the mill has been established. It was last reviewed on July 18 for the 2018/19 plan. Included therein are inspection of water catchment, water treatment, monitoring of processed water, water leakages/overflow, run-off and ETP monitoring. Employees were educated to conserve water in their daily usage. The mill management has provided contingency plans in event of water crisis.</p> <table border="1" data-bbox="1124 619 1908 836"> <thead> <tr> <th data-bbox="1124 619 1200 651"></th> <th data-bbox="1200 619 1491 651">Area/ Incident</th> <th data-bbox="1491 619 1908 651">Action Plan</th> </tr> </thead> <tbody> <tr> <td data-bbox="1124 651 1200 724">1</td> <td data-bbox="1200 651 1491 724">Water shortage/ dry spell</td> <td data-bbox="1491 651 1908 724">To purchase water from SAJ. to train/educate staff/workers to conserve water</td> </tr> <tr> <td data-bbox="1124 724 1200 836">2</td> <td data-bbox="1200 724 1491 836">Severe water pollution/contamination</td> <td data-bbox="1491 724 1908 836">to revise demand and supply volume / conditions to reusing/recycling/rationing</td> </tr> </tbody> </table> | | Area/ Incident | Action Plan | 1 | Water shortage/ dry spell | To purchase water from SAJ. to train/educate staff/workers to conserve water | 2 | Severe water pollution/contamination | to revise demand and supply volume / conditions to reusing/recycling/rationing | |
|--|--|--|-----------------|----------------|-------------|---|---------------------------|--|---|--------------------------------------|--|--|
| | Area/ Incident | Action Plan | | | | | | | | | | |
| 1 | Water shortage/ dry spell | To purchase water from SAJ. to train/educate staff/workers to conserve water | | | | | | | | | | |
| 2 | Severe water pollution/contamination | to revise demand and supply volume / conditions to reusing/recycling/rationing | | | | | | | | | | |
| <p>4.5.5.2</p> | <p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p> | <p>No other plan established at current. Monitoring of BOD made to ensure it meets regulatory limits. The level will be reduced further as imposed by DOE effective 2019.</p> | <p>Complied</p> | | | | | | | | | |
| <p>4.6 Principle 6: Best Practices</p> | | | | | | | | | | | | |
| <p>Criterion 4.6.1: Mill Management</p> | | | | | | | | | | | | |
| <p>4.6.1.1</p> | <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p> | <p>The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The</p> | <p>Complied</p> | | | | | | | | | |


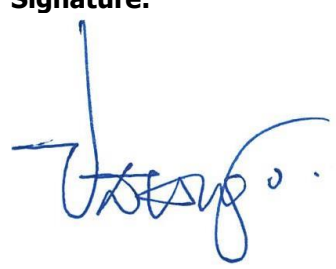
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| | | Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition there are also manuals available within the industry and MPOB that are used as guidelines. | |
| 4.6.1.2 | All palm oil mills shall implement best practices. - Major compliance - | The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the Mill Advisor scheduled on a 6 monthly basis. In addition there are audits by SQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others. | Complied |
| Criterion 4.6.2: Economic and financial viability plan | | | |
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year 2018/19 / PY2 / PY3 / PY4 / PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK. Component of operating expenditure includes process labour, maintenance external, maintenance parts, consumable, EVIT, admin cost, labour overhead. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill. | Complied |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the mill personnel. | Complied |

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| <p>4.6.3.2</p> | <p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -</p> | <p>All contracts were awarded through tendering system at Zone Level. Approved contractors will be give the LOA. Payments were all made in timely manner and no complaint from the contractor so far.</p> | <p>Complied</p> |
| <p>Criterion 4.6.4: Contractor</p> | | | |
| <p>4.6.4.1</p> | <p>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 -</p> | <p>This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System.</p> | <p>Complied</p> |
| <p>4.6.4.2</p> | <p>The management shall provide evidence of agreed contracts with the contractor. - Major compliance -</p> | <p>Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues.</p> | <p>Complied</p> |
| <p>4.6.4.3</p> | <p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -</p> | <p>The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through slide presentation material.</p> | <p>Complied</p> |

4.0 Assessment Conclusion and Recommendation:

| Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings | |
|--|---|
| Based on the findings during the assessment Pagoh Palm Oil Mill and Pagoh SOU 19 Estates Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of Pagoh Palm Oil Mill and Pagoh SOU 19 Estates Certification Unit is to be continued. | |
| Acknowledgement of Assessment Findings | Report Prepared by |
| Name: Syahrul Bin Saramlah | Name: Valence Shem |
| Company name: Sime Darby Plantation Berhad – Pagoh Estate | Company name: BSI Services Malaysia Sdn Bhd |
| Title: Manager | Title: Lead Auditor |
| Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>  Sime Darby Plantation Berhad (Co. No: 647166-V) Pagoh Estate SYAHRUL BIN SARAMLAH MANAGER | Signature:  |
| Date: 09/03/2019 | Date: 9/3/2019 |

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Appendix A: Assessment Plan

| Date | Time | Subjects | VS | AB |
|-------------------------|-----------|---|----|----|
| Wednesday 10/10/2018 | | Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation) <i>Note: Conducted by Hafiz on Monday (8/10) together with RSPO.</i> | | |
| | 0900-1230 | Pagoh POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc. | ✓ | ✓ |
| | | Stakeholder consultations: <i>Conducted together with RSPO</i> | ✓ | |
| | 1230-1300 | Lunch break | ✓ | ✓ |
| | 1300-1630 | Pagoh POM Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc. | ✓ | ✓ |
| | 1630-1700 | Interim closing briefing | ✓ | ✓ |
| Thursday 11/10/2018 | 0900-1230 | Pengkalan Bukit 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, Scheduled wastes management, worker housing, clinic, Landfill, , etc. | ✓ | ✓ |
| | 1230-1330 | Lunch break | ✓ | ✓ |
| | 1330-1630 | Pengkalan Bukit Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc. | ✓ | ✓ |
| | 1630-1700 | Interim closing briefing | ✓ | ✓ |
| Friday 12/10/2018 | 0830-1300 | Pagoh 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, Scheduled wastes management, worker housing, clinic, Landfill, , etc. | ✓ | ✓ |
| | 1200-1400 | Lunch break & Friday prayer | ✓ | ✓ |
| | 1400-1530 | Pagoh Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc. | ✓ | ✓ |

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| | | | | |
|--|-----------|---|---|---|
| | 1530-1600 | Verify any outstanding issues & preparation for closing meeting | ✓ | ✓ |
| | 1600-1700 | Closing meeting | ✓ | ✓ |

Appendix B: List of Stakeholders Contacted

Internal Stakeholders

| |
|--|
| Workers' Representative Women's Representative Harvesters Mill Operators Sprayers General workers Hospital Assistant |
|--|

External Stakeholders

| Government Departments | NGOs and others | Local Communities |
|---|------------------------|--|
| <ul style="list-style-type: none"> - Pejabat Imigresen Muar - Pejabat Kesihatan Muar - IPD Muar - Schools representatives – SK Panjang Sari | Nil | <ul style="list-style-type: none"> - Village representative – Kg Sri Meranti, Sri Baru, Kg Panjang Sari - Contractors (including transporters) |

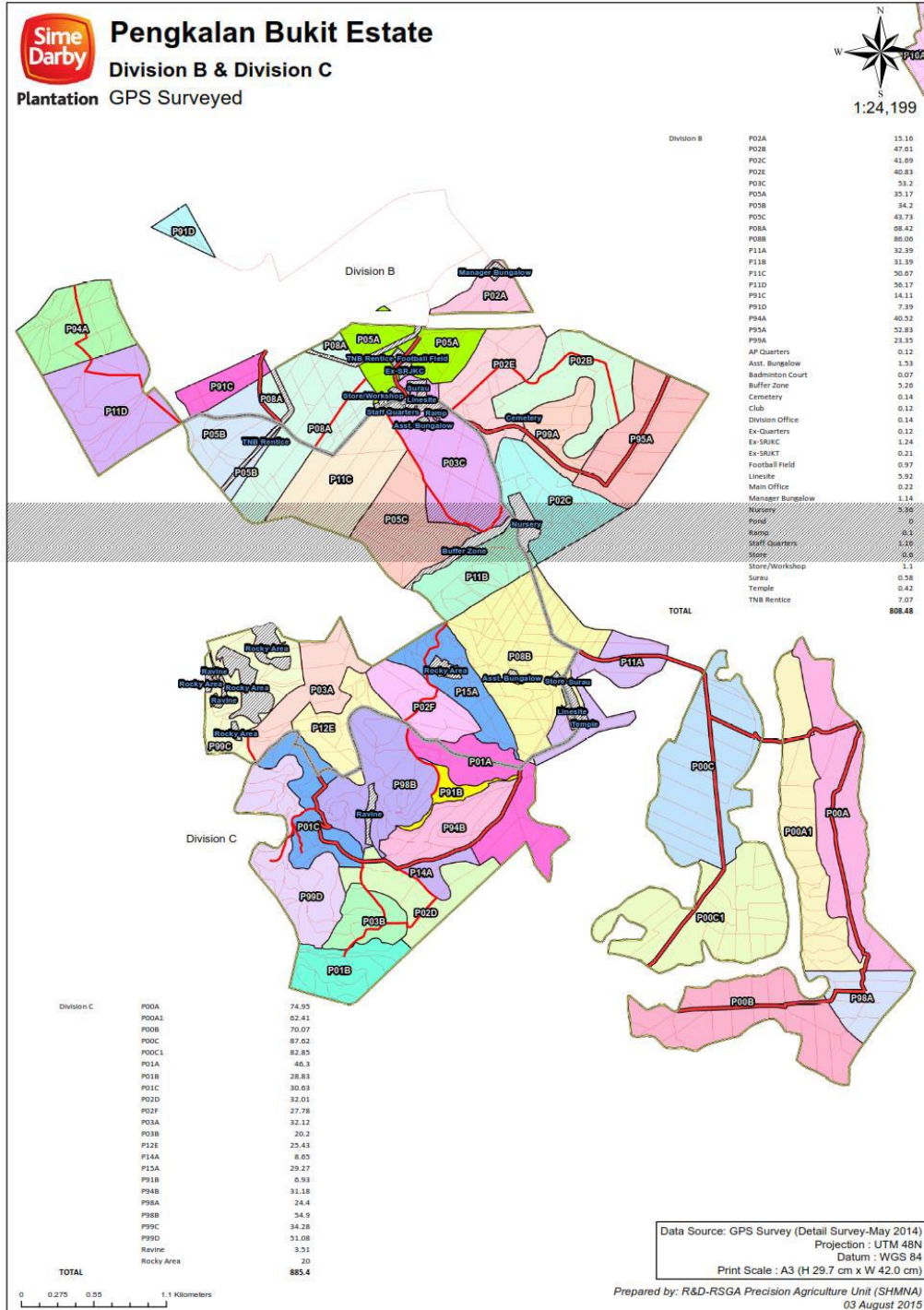
Appendix C: Smallholder Member Details

N/A

Appendix D: Location and Field Map

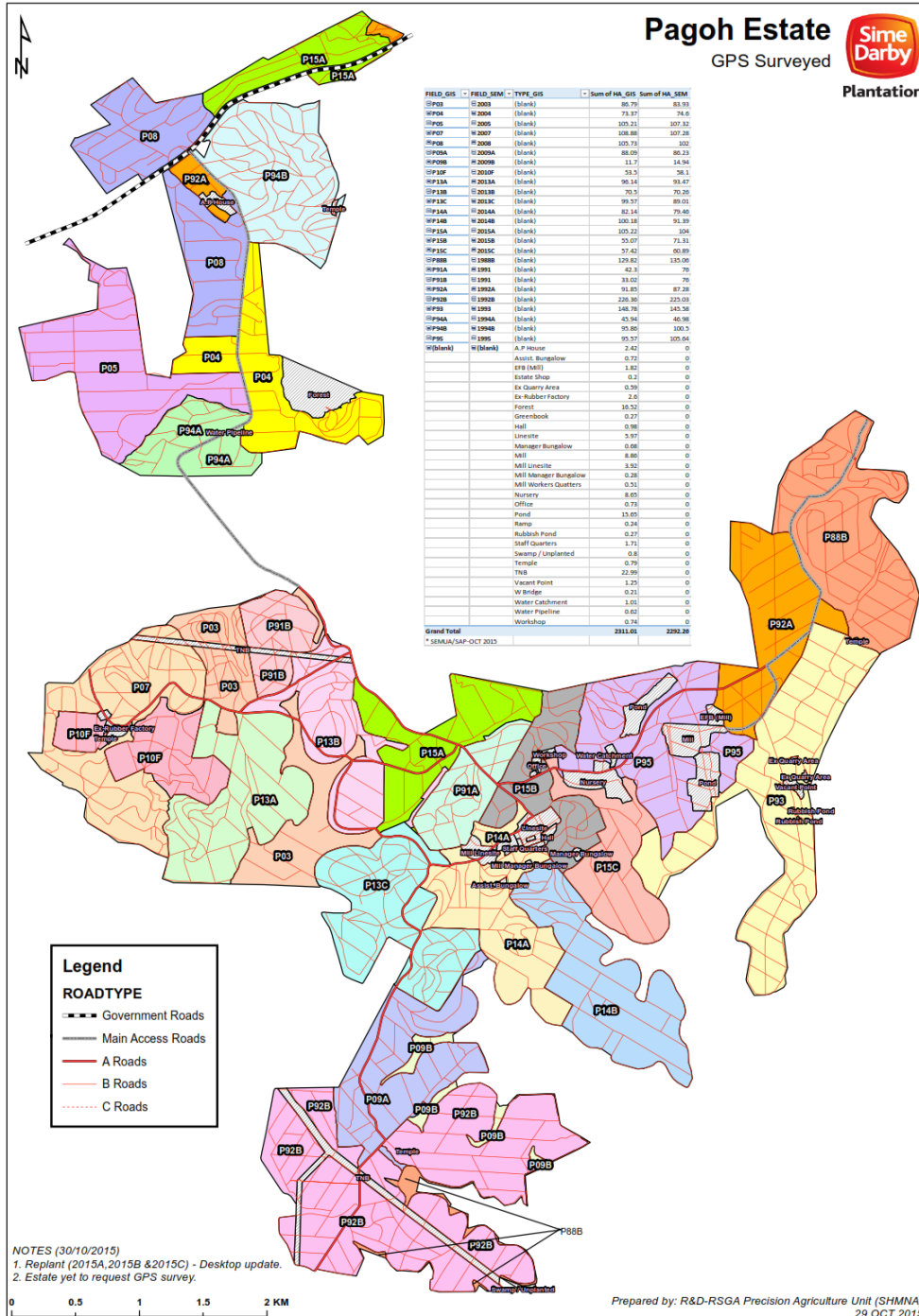


Pengkalan Bukit Estate



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Appendix E: List of Abbreviations

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