

**MALAYSIAN SUSTAINABLE PALM OIL  
2<sup>nd</sup> SURVEILLANCE ASSESSMENT  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Client company Address: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia
Certification Unit:  East Palm Oil Mill (SOU 8) & Plantations of SOU 8 including East Estate, Dusun Durian Estate & Sepang Estate
Location of Certification Unit: SOU 8 - East Palm Oil Mill, 42960 Carey Island, Selangor, Malaysia

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**Report Number:** 3109000

**Assessment Conducted by:**  
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<b>TABLE OF CONTENTS</b>	<b>Page No</b>
Section 1: Executive Summary .....	3
1.1 Organizational Information and Contact Person .....	3
1.2 Certification Information .....	3
1.3 Location of Certification Unit .....	4
1.4 Certified Area .....	4
1.5 Plantings & Cycle .....	4
1.6 Certified Tonnage of FFB .....	5
1.7 Uncertified Tonnage of FFB .....	5
1.8 Certified Tonnage .....	5
1.9 Actual Sold Volume (CPO) .....	6
1.10 Actual Sold Volume (PK) .....	6
Section 2: Assessment Process .....	7
2.1 BSI Assessment Team .....	8
2.2 Accompanying Persons .....	9
2.3 Assessment Plan .....	9
Section 3: Assessment Findings .....	11
3.1 Details of audit results .....	11
3.2 Details of Nonconformities and Opportunity for improvement .....	11
Section 4: Assessment Conclusion and Recommendation .....	23
Appendix A: Summary of the findings by Principles and Criteria .....	24
Appendix B: List of Stakeholders Contacted .....	117
Appendix C: Smallholder Member Details .....	118
Appendix D: Location and Field Map .....	119
Appendix E: List of Abbreviations .....	125

## Section 1: Executive Summary

<b>1.1 Organizational Information and Contact Person</b>			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	East POM - 533088004000	30/10/2020	
	East Estate - 531308002000	31/07/2020	
	Dusun Durian Estate - 563441011000	31/07/2020	
	Sepang Estate - 533267002000	30/09/2020	
Address	Head Office: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia Operating Unit: SOU 8 - East Palm Oil Mill, 42960 Carey Island, Selangor, Malaysia		
Certification Unit	East Palm Oil Mill (SOU 8)		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM) Tn. Sairani Bin Ariffin (Senior Manager, East Estate (SOU 8 Chairman))		
Website	www.simedarby.com	E-mail	kks.east@simedary.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)

<b>1.2 Certification Information</b>			
Certificate Number	Palm Oil Mill: MSPO 682045 Plantations: MSPO 687976		
Issue Date	10/01/2018	Expiry date	09/01/2023
Scope of Certification	Palm Oil Mill: Production of Sustainable Palm Oil and Palm Oil Products Plantations: Production of Sustainable Oil Palm Fruits		
Standard	i. MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders ii. MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	08/11/2017 - 10/11/2017		
Continuous Assessment Visit Date (CAV) 1	30/01/2019 - 01/02/2019		
Continuous Assessment Visit Date (CAV) 2	10/02/2020 - 12/02/2020		
Continuous Assessment Visit Date (CAV) 3	N/A		

## MSPO Public Summary Report

### Revision 1 (Feb 2020)

Continuous Assessment Visit Date (CAV) 4		N/A	
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 543543	RSPO Principles & Criteria for Sustainable Palm Oil Production; Malaysian National Interpretation: 2019 Supply Chain CPO Mills -: Identity Preserve	BSI Services Malaysia Sdn. Bhd.	18/05/2020

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
East Palm Oil Mill	East Palm Oil Mill, 42960 Carey Island, Selangor, Malaysia	101.43470	2.88425
East Estate	East Estate, 42960 Carey Island, Selangor, Malaysia	101.38961	2.89596
Dusun Durian Estate	Ladang Dusun Durian, 42700 Banting, Selangor, Malaysia	101.46167	2.80055
Sepang Estate	Ladang Sepang, 43900 Sepang, Selangor, Malaysia	101.73834	2.70004

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
East Estate	4994.79	12.15	627.51	5634.45	88.65
Dusun Durian Estate	1961.14	1.43	129.71	2092.28	93.73
Sepang Estate	2706.54	2.40	467.27	3176.21	85.00
<b>TOTAL</b>	<b>9662.47</b>	<b>15.98</b>	<b>1224.49</b>	<b>10902.94</b>	<b>88.62</b>

Remarks: Additional area for infrastructure for East Estate due to new Surau constructed.

1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
East Estate	619.40	1238.11	2766.01	371.27	0	4375.39	619.40
Dusun Durian Estate	71.09	829.53	1000.48	60.04	0	1890.05	71.09
Sepang Estate	484.37	683.92	1317.87	220.38	0	2222.17	484.37

## MSPO Public Summary Report

### Revision 1 (Feb 2020)

<b>Total (ha)</b>	1174.86	2751.56	5084.36	651.69	0	8487.61	1174.86
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#### 1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (May 2019-April 2020)	Actual (Feb 2019-Jan 2020)	Forecast (Feb 2020-Jan 2021)
East Estate	58,124.740	49,909.89	55,175.71
Dusun Durian Estate	59,250.500	36,049.14	52,103.78
Sepang Estate	60,541.530	47,856.50	65,340.24
West Estate		4,279.54	
<b>Total</b>	<b>177,916.77</b>	<b>138,095.07</b>	<b>172,619.73</b>

**Note:**

The mill has received diversion of MSPO certified crop from West Estate (SOU 9 West POM and supply base) in 2019.

#### 1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (May 2019-April 2020)	Actual (Feb 2019-Jan 2020)	Forecast (Feb 2020-Jan 2021)
N/A			
<b>Total</b>			

**Note:**

The mill not received uncertified FFB

#### 1.8 Certified Tonnage

	Estimated (May 2019-April 2020)	Actual (Feb 2019-Jan 2020)	Forecast (Feb 2020-Jan 2021)
	FFB	FFB	FFB
<b>Mill Capacity: 30 MT/hr</b>	177,916.77	<b>138,095.07</b>	172,619.73
<b>SCC Model: SG</b>	<b>CPO (OER: 21.50 %)</b>	<b>CPO (OER: 21.87%)</b>	<b>CPO (OER: 22.00%)</b>
	38,252.11	30,201.39	37,976
	<b>PK (KER: 5.10 %)</b>	<b>PK (KER: 4.8%)</b>	<b>PK (KER: 5.0%)</b>
	9,073.76	6,628.56	8,630

<b>1.9 Actual Sold Volume (CPO)</b>					
<b>CPO (MT)</b>	<b>MSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
N/A					

<b>1.10 Actual Sold Volume (PK)</b>					
<b>PK (MT)</b>	<b>MSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
N/A					

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 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 10/02/2020 - 12/02/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the SOU 8 - East Palm Oil Mill and Supply Base (East Estate, Dusun Durian Estate and Sepang Estate) as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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.

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.

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
East Palm Oil Mill	√	√	√	√	√
East Estate	√		√	√	
Sepang Estate	√	√		√	√
Dusun Durian Estate		√	√		√

**Tentative Date of Next Visit: February 8, 2021 - February 10, 2021**

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

**2.1 BSI Assessment Team**

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



**MSP0 Public Summary Report**  
**Revision 1 (Feb 2020)**

		involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of Mill best practices, Estate best practices, workers welfare, stakeholder consultation, social, long-term economic viability.
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**2.2 Accompanying Persons**

No.	Name	Role
	N/A	

**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	MFM	VS
Sunday 09/02/2020	PM	Audit Team Travelling	√	√
Monday 10/02/2020 East POM	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan</li> </ul>	√	√
	08.30 – 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	09.00 – 11.30	Stakeholder interviews		√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review (MSPO part 4) P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P6: Best practices	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Date	Time	Subjects	MFM	VS
Tuesday 11/02/2020  East Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	09.00 – 11.30	Stakeholder interviews		√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 12/02/2020  Dusun Durian Estate	08.30 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	09.00 – 11.30	Stakeholder interviews		√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting (if any)	√	√
	16.30 – 17.00	Preparation of audit report	√	√
	17.00 – 17.30	Closing Meeting	√	√

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

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

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were three (3) Major & four (4) Minor nonconformities raised. The SOU 8 - East Palm Oil Mill and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
<b>Ref:</b> 1881964-202002-M1	<b>Area/Process:</b> Palm Oil Mill	<b>Clause:</b> 4.5.3.2 - Part 4
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> 11/5/2020
<b>Requirements:</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	
<b>Statement of Nonconformity:</b>	Waste Management Plan is not effectively implemented	
<b>Objective Evidence:</b>	East POM i. During the site visit, it was observed that there is a high potential of leachate generated from EFB stock pile to flow was flowing to the environment through the nearest monsoon drain. The leachate was not channeled to the effluent treatment pond as stated in the waste management plan.  ii. During document review, it was noted that the latest SW disposal was conducted on 26/4/2019. The SW generated after the disposal was on 5/8/2019 as per E-SWISS Inventory reports for the month of August 2019 dated 5/8/2019. Until the audit day, no evidence of SW disposal has been conducted and the SW was stored for 191 days without any approval from DOE. Thus NC were raised.	
<b>Corrections:</b>	Mill management has immediately cleared the EFB at EFB yard and to pump out the water to effluent treatment pond  Mill Management has disposed the Scheduled Waste upon receiving the quotation from Pentas Flora Sdn Bhd on 6/3/2020.	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Root cause analysis:	Lack of mechanism and inadequate monitoring of waste management plan.
Corrective Actions:	To refurbish and heighten the wall at EFB yard. To assigned a person in-charge to monitor and keep track of the movement of scheduled waste and waste management action plan.
Assessment Conclusion:	Evidence submitted: - Schedule waste disposal records from Pentas Flora Sdn. Bhd. dated 6/3/2020. Refer consignment note no. 31004. - Document for tender process for Refurbished EFB Yard at East POM. The evidence of the corrective actions were found to be adequate to close the NCR. The NCR was closed on 22/4/2020 The effective implementation shall be verified in the next assessment.

**Major Nonconformities:**

<b>Ref:</b> 1881964-202002-M2	<b>Area/Process: Palm Oil Mill</b>	<b>Clause:</b> 4.3.1.1 - Part 4
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> 11/5/2020
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The compliance of a legal requirement was not adequately demonstrated	
Objective Evidence:	Based on the punch card record of a female employee (emp. No.: 47347), there were some instances that she had worked after 10 p.m., i.e.: Date Time-out (hr) Aug 1 2331 Aug 2 2335 Aug 13 2331 Aug 22 2340 Dec 19 2330 Dec 21 2328 Jan 11 2339 Jan 28 2334 This is not in accordance to Employment Act 1955, Section 34(1) Prohibition of night work.	
Corrections:	Mill management has apply permit on "Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita" from JTK on 5th February 2020 and the management has decided to immediately change the 2nd shift hour from 3.30pm - 11.30pm to 2.00pm - 10.00pm to comply with applicable legal requirement.	
Root cause analysis:	Lack of mechanism and inadequate monitoring of the system to ensure compliance to legal labour requirement.	
Corrective Actions:	SQM with the assistance of regional HR will organise a training on labour legal compliance for mill and estate personnel tentatively in May/June 2020.	
Assessment Conclusion:	Evidence submitted: - A copy of punch card record dated February 2020 that shows the concerned employee had no longer worked later than 10 p.m. - Training record entitled "Payroll system and Employment Act" that shows the training on labour legal compliance for mill and estate personnel had been conducted The evidence of the corrective actions were found to be adequate to close the NCR. The NCR was closed on 22/4/2020 The effective implementation shall be verified in the next assessment.	

**MSP0 Public Summary Report**  
**Revision 1 (Feb 2020)**

<b>Major Nonconformities:</b>		
<b>Ref:</b> 1881964-202002-M3	<b>Area/Process:</b> Plantations	<b>Clause:</b> 4.6.4.1 - Part 3
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> 11/5/2020
<b>Requirements:</b>	Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information.	
<b>Statement of Nonconformity:</b>	The compliance of legal requirement was not adequately demonstrated by the contractor.	
<b>Objective Evidence:</b>	Some of the lorries used by the FFB transport contractor have exceeded the regulated load limit stipulated in their "Lesen Pengendali" i.e. BDM: 16,000 kg when sending the FFB from Dusun Durian Estate (Sg Gappin Div.) to East POM. Sampled of trips are as follows: Date Ticket No. Lorry No. Weight (BDM) (mt) 16/1/2020 180477 WAW 1024 19.35 23/1/2020 180990 BDD 5344 20.57 24/1/2020 181064 BDD 5344 19.56 29/1/2020 181205 BDD 5344 20.41	
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- To conduct meeting with the FFB transport contractor regarding the 'weight limit' issue and brief them in order to follow the regulation set by the government.</li> <li>- To issue memo of 'FFB Weight Limit' to the contractor and estate staff.</li> </ul>	
<b>Root cause analysis:</b>	Lack of monitoring on contractor's legal requirement especially on the "Lesen pengendali".	
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- Issue a memo to the transporter to educate their lorry driver in monitoring of quantity of the FFB bunches in the bin (Attachment 1).</li> <li>- Briefing to the bin attendant to monitor the quantity of the FFB bunches in the bin to avoid any exceeded weight according to approve weight in "Lesen Pengendali" (Attachment 1).</li> </ul>	
<b>Assessment Conclusion:</b>	Evidence submitted: <ul style="list-style-type: none"> <li>- A copy of memo dated 11/3/2020 that shows the contractor and has been informed about the FFB transport weight limit legal requirements</li> <li>- A copy of FFB weighbridge ticket (#184166, dated 4/4/2020) that shows the regulated weight limit has been complied.</li> </ul> The evidence of the corrective actions were found to be adequate to close the NCR. The NCR was closed on 22/4/2020 The effective implementation shall be verified in the next assessment.	

<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1881964-202002-N1	<b>Area/Process:</b> Palm Oil Mill	<b>Clause:</b> 4.4.4.1 - Part 4
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> Next Assessment
<b>Requirements:</b>	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.	
<b>Statement of Nonconformity:</b>	Safety and health management plan is not effectively implemented	
<b>Objective Evidence:</b>	East POM Audiometric test was conducted on annually basis. Latest test was done on 7 - 25/5/2019. 37 workers were send for the test. 7 workers were found with STS including 2 with hearing impairment. The workers with STS were required to be send	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

	for retest within 3 months period as per date stated in the report. However, until the audit, the workers have yet to be sent for retest. Thus NC were raised.
Corrections:	Audiometric test for all the workers have been conducted on 2/3/2020.
Root cause analysis:	Inefficient tracking system to monitoring compliance of CHRA requirement
Corrective Actions:	To assigned another person to back-up the task of monitoring the requirement in CHRA should the primary person in-charge is not available
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.

Minor Nonconformities:		
<b>Ref:</b> 1881964-202002-N2	<b>Area/Process:</b> Plantations	<b>Clause:</b> 4.4.4.1 - Part 3
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> Next Assessment
Requirements:	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	
Statement of Nonconformity:	Safety and health management plan is not effectively implemented	
Objective Evidence:	Dusun Durian Estate As stated in the CHRA with ref. no 03-04/02/CHRA/2015/3, medical surveillance is highly recommended for workers expose with organic Phosphate Chemical and the surveillance shall be conducted at interval not more than 12 months or such shorter. 2 workers were identified for trunk injection using Achephate. For 2018, the medical surveillance was done 28/11/2018. The next medical surveillance was conducted more than 12 months at 23/1/2020 which is more than 12 months	
Corrections:	To ensure medical surveillance and other requirements in CHRA are well monitored.	
Root cause analysis:	Inefficient tracking system to monitoring compliance of CHRA requirement.	
Corrective Actions:	Prepared monitoring board to monitor the medical surveillance, visually, to avoid and prevent any delays in renewing the medical surveillance to comply with the requirement.	
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.	

Minor Nonconformities:		
<b>Ref:</b> 1881964-202002-N3	<b>Area/Process:</b> Plantations	<b>Clause:</b> 4.5.3.5 - Part 3
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> Next Assessment
Requirements:	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	
Statement of Nonconformity:	Domestic waste not disposed properly at designated area	
Objective Evidence:	East Estate Noted during site visit at linesite, it was noted that domestic waste was thrown in field P96P which located behind housing block A.	
Corrections:	Estate management is in progress to clean up the area and cover the area with boiler ash from mill.	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Root cause analysis:	Lack of monitoring on the domestic waste disposal.
Corrective Actions:	Estate management together with mill management will erect a signage of "Larangan Pembuangan Sampah di Kawasan ini" and brief the workers on the correct way to dispose their domestic waste.
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.

<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1881964-202002-N4	<b>Area/Process:</b> Palm Oil Mill	<b>Clause:</b> 4.4.2.2 - Part 4
	<b>Issue Date:</b> 12/2/2020	<b>Due Date:</b> Next Assessment
Requirements:	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.	
Statement of Nonconformity:	The handling of complaints was not done in timely manner.	
Objective Evidence:	Based on "Buku Kerosakan Rumah" and "External Complaint Book", some issues were not handled in timely manner, e.g.: • Broken pipe at house no A3 from Thiagaratan on 14/1/2020 • Broken toilet door at house no 48 from K. Muthuvarmaini on 11/1/2020 • Door lock and cement broken at house no 24 from V Kumanesan on 7/10/2019 • Low water pressure at house no A8 from Suhairy Nizam on 21/12/2019 This is not in accordance to the SOM Sub-section 5.5 Management Responsibility , Appendix 5.5.3.2 Procedure for External Communication: a. Within 2 weeks of the date of receipt for communication requiring direct feedback b. Within one week of the completion of the investigation, for communication requiring investigation.	
Corrections:	To brief workers on current financial situation that will affect the effectiveness and timeline for housing repair. Management will propose any defect will resolve within 6 month.	
Root cause analysis:	A mechanism to monitor grievances is not in place.	
Corrective Actions:	To have a guideline on the complaint procedure to and communicate to all employees.	
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.	

<b>Noteworthy Positive Comments</b>	
1.	Good commitment from the management
2.	Good relationship with all stakeholders
3.	Good relationship being maintained with surrounding communities
4.	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**

Major Nonconformities:		
Ref: 1732691-201901-M1	Area/Process: Plantations	Clause: 4.1.2.1 (Part 3)
	Issue Date: 1/2/2019	Due Date: 8/4/2019
Requirements:	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	
Statement of Nonconformity:	The Internal audit was found not effectively implemented.	
Objective Evidence:	<p>Referring to the Internal Audit Procedure (SD/SDP/PSQM/IAP) Rev.2 dated 01/11/2017, Section 6.1.4 states that the internal audit for each certification shall be carried out at least once a year.</p> <p>However, the previous MSPO Internal Audit report for SOU West: East Mill dated 26/10/2017. The latest RSPO &amp; MSPO internal audit was conducted from 07-11/01/2019.</p>	
Corrections:	<p>SQM Malaysia planner will plan the internal and external audit for the whole Malaysia operation and he is responsible to inform the regional SQM on the ground on the tentative date to plan and perform the audit.</p> <p>Regional SQM has confirmed to conduct MSPO/RSPO internal audit in 16 – 20 December 2019 which is not more than 12 months period from the current MSPO Internal Audit dated 7-11 Jan 2019.</p>	
Root cause analysis:	Internal Audit was scheduled and conducted in more than 12 month period due to the decision made by SQM Malaysia to combine both MSPO and RSPO audit together which are scheduled for external audit in end of January 2019. As such, the internal audit is plan to cater both certification audit to ensure the process is carried out effectively.	
Corrective Actions:	<p>The internal audit planning manage by the Mr Vinod (GSQM). He will monitor the IA time frame and will be sent the notification to the RSQM and SOU.</p> <p>SQM Malaysia planner will plan and inform regional SQM the tentative date of internal audit as per Internal Audit Procedure (SD/SDP/PSQM/IAP) Rev.2 dated 01/11/2017.</p> <p>A reminder from Head, Upstream Sustainability Malaysia will be issued to remind members to conduct the internal audits timely as per the details of the Internal Audit Procedure dated Oct 2017.</p>	
Assessment Conclusion:	<p>The following evidence was submitted and verified:</p> <ol style="list-style-type: none"> <li>Email dated 03/04/2019 to confirm the next internal audit for RSPO and MSPO for SOU 8 East scheduled for 16 – 20 Dec 2019.</li> <li>Audit Arrangements for Central East Region 2019 - Internal and External Audit plan.</li> </ol> <p>The evidence submitted was found to be sufficient. Nonetheless, the effectiveness of implementation of corrective action plan shall be verified in the next assessment. Thus, the major NCR is closed on 8/4/2019.</p>	



**MSP0 Public Summary Report**  
**Revision 1 (Feb 2020)**

Verification Statement	The latest internal audit was conducted in November 2019 for both estates while the second latest was in January 2019. Thus, the interval is lesser than 12 months. Thus, the NCR was effectively closed.
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<b>Major Nonconformities:</b>		
<b>Ref:</b> 1732691-201901-M2	<b>Area/Process:</b> Plantations	<b>Clause:</b> 4.3.1.1 (Part 3)
	<b>Issue Date:</b> 1/2/2019	<b>Due Date:</b> 8/4/2019
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The compliance with the some of the legal requirements of deduction permit from JTK was not adequately implemented.	
Objective Evidence:	At Dusun Durian Estate, there was no evidence that consent from workers has been obtained with regards to RM5.00/month pay deduction in accordance to permit from Jabatan Tenaga Kerja [ref.: BHG.PU/9/129 JLD 33(53), dated 6/7/2017	
Corrections:	Estate manage to communicate with WMU, Worker Management Unit CER to come out with form 'Salary Deduction Consent Form'. Each worker need to sign as agreed and the form will be documented.	
Root cause analysis:	Different in understanding by the management in ensuring all the deduction to worker is documented and agreed by worker themselves.	
Corrective Actions:	The specific legal requirement training will be conducted by the RSQM. The objective of the training to enhance the understanding and knowledge regarding on the legal requirement.	
Assessment Conclusion:	<p>The following evidence was submitted and verified:</p> <p>1) Electricity deduction form, dated 28/2/2019, which purpose to get consent from workers about their pay deduction for electricity bill. The form has the information about employee names, description of deduction and amount deducted (RM).</p> <p>2) Training records conducted by the RSQM.</p> <p>The evidence submitted was found to be sufficient. Nonetheless, the effectiveness of implementation of corrective action plan shall be verified in the next assessment. Thus, the major NCR is closed on 8/4/2019.</p>	
Verification Statement	Consent of workers had been obtained through signing of "Tandatangan Persetujuan untuk Electricity Ladang East", which has the information about workers names, ID number and signature. Thus, the NCR was effectively closed.	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Major Nonconformities:		
Ref: 1732691-201901-M3	Area/Process: Palm Oil Mill	Clause: 4.5.1.3 (Part 4)
	Issue Date: 1/2/2019	Due Date: 8/4/2019
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	
Statement of Nonconformity:	The environment improvement plan was found not effectively implemented.	
Objective Evidence:	During the site visit at East POM's EFB collection point, it was found that there was no channel to drain the leachate to the effluent treatment plant.	
Corrections:	The immediate action has been taken by Mill to enforce evacuation of the EFB on daily basis. The construction of the leachate collection pit has completed on March 2019. (evidence1. EFB dispatch record. 2 Pictorial)	
Root cause analysis:	<p>The management team has identified the root cause from the operational issue.</p> <p>1) Due to the high crop recently, the volume of EFB is high and the management decided to dump the EFB for temporary at the said area. The actual practice is, evacuation the EFB on the daily basis.</p> <p>2) Lack of the evacuation by the estate. Due to the rainy season. The EFB application at the field need to stop.</p>	
Corrective Actions:	<ol style="list-style-type: none"> <li>1. To include EFB disposal in the waste management action plan and monitor regularly the volume of the EFB.</li> <li>2. To inform immediately to the estate if the EFB stock getting high and the estate will responsible to evacuate the EFB.</li> <li>3. All the estate shall to establish the EFB application plan for ensure the stock at EFB yard in the minimum level.</li> </ol>	
Assessment Conclusion:	<p>The following evidence was submitted and verified:</p> <ol style="list-style-type: none"> <li>1. EFB disposal record for Feb 2019</li> <li>2. EFB disposal record for March 2019</li> <li>3. Photo evidence of concrete bund constructed along the concrete yard of the EFB.</li> <li>4. Waste management action plan (EFB disposal)</li> </ol> <p>The evidence submitted was found to be sufficient. Nonetheless, the effectiveness of implementation of corrective action plan shall be verified in the next assessment. Thus, the major NCR is closed on 8/4/2019.</p>	
Verification Statement	EFB disposed through land application at sister estate. Sighted the EFB application records at both estate visited. Thus, the NCR was effectively closed.	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

<b>Major Nonconformities:</b>		
<b>Ref:</b> 1732691-201901-M4	<b>Area/Process:</b> Palm Oil Mill	Clause: 4.1.2.1 (Part 4)
	<b>Issue Date:</b> 1/2/2019	<b>Due Date:</b> 8/4/2019
<b>Requirements:</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	
<b>Statement of Nonconformity:</b>	The Internal audit was found not effectively implemented.	
<b>Objective Evidence:</b>	Referring to the Internal Audit Procedure (SD/SDP/PSQM/IAP) Rev.2 dated 01/11/2017, Section 6.1.4 states that the internal audit for each certification shall be carried out at least once a year.  However, the previous MSPO Internal Audit report for SOU West: East Mill dated 26/10/2017. The latest RSPO & MSPO internal audit was conducted from 07-11/01/2019.	
<b>Corrections:</b>	SQM Malaysia planner will plan the internal and external audit for the whole Malaysia operation and he is responsible to inform the regional SQM on the ground on the tentative date to plan and perform the audit accordingly.  Regional SQM has confirmed to conduct MSPO/RSPO internal audit in 16 – 20 December 2019 which is not more than 12 months period from the current MSPO Internal Audit dated 7-11 Jan 2019.	
<b>Root cause analysis:</b>	Internal Audit was scheduled and conducted in more than 12 month period due to the decision made by SQM Malaysia to combine both MSPO and RSPO audit together which are scheduled for external audit in end of January 2019. As such, the internal audit is plan to cater both certification audit to ensure the process is carried out effectively.	
<b>Corrective Actions:</b>	The internal audit planning manage by the Mr Vinod (GSQM). He will monitor the IA time frame and will be sent the notification to the RSQM and SOU a reminder from Head, Upstream Sustainability Malaysia will be issued to remind members to conduct the internal audits timely as per the details of the Internal Audit Procedure dated Oct 2017	
<b>Assessment Conclusion:</b>	The following evidence was submitted and verified:  1. Email dated 03/04/2019 to confirm the next internal audit for RSPO and MSPO for SOU 8 East scheduled on 16 – 20 Dec 2019.  2. Audit Arrangements for Central East Region 2019 - Internal and External Audit plan.  The evidence submitted was found to be sufficient. Nonetheless, the effectiveness of implementation of corrective action plan shall be verified in the next assessment. Thus, the major NCR is closed on 8/4/2019.	
<b>Verification Statement</b>	The latest internal audit was conducted in November 2019 for the mill while the second latest was in January 2019. Thus, the interval is lesser than 12 months. Thus, the NCR was effectively closed.	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1732691-201901-N1	<b>Area/Process:</b> Plantations	<b>Clause:</b> 4.4.5.3 (Part 3)
	<b>Issue Date:</b> 1/2/2019	<b>Due Date:</b> 13/2/2020
Requirements:	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	
Statement of Nonconformity:	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	
Objective Evidence:	At Dusun Durian Estate, based on the contract agreement dated 1/1/2019 between GSP Letchumi and its employees the daily pay is RM38.00/month which is lower than the legal minimum standard. The practice was continuously maintain since 2018 but there has been no evidence that the management has checked this.	
Corrections:	Carry out meeting with contractor to revise contract worker salary & benefit of employment as per required by Employment act.	
Root cause analysis:	Rate payment for Lend Labour work paid by estate to the contractor is higher than minimum wages order, however no agreement during tendering that required contractor to follow minimum wages order & employment act.	
Corrective Actions:	To retender lend Labour agreement by include the Minimum wages order & others benefits which required by Malaysian Laws. This is to ensure contractor able to give reasonable and good rate for them to pay their worker as per requirement.	
Assessment Conclusion:	Correction and corrective action are acceptable and the effective implementation shall be verified in the next assessment.	
Verification Statement	The management of both visited estates ensured that the employees of the contractors are paid according to this standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on minimum standard and employment contract. Thus, the NCR was effectively closed.	

<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1732691-201901-N2	<b>Area/Process:</b> Plantations	<b>Clause:</b> 4.3.1.4 (Part 4)
	<b>Issue Date:</b> 1/2/2019	<b>Due Date:</b> 13/2/2020
Requirements:	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.	
Statement of Nonconformity:	The monitoring of compliance status for the legal requirements on limit of overtime from JTK was not adequately demonstrated.	

**MSP0 Public Summary Report**  
**Revision 1 (Feb 2020)**

Objective Evidence:	Based on pay slip analysis, it was found that there were cases that overtime given are more than JTK's permit [ref.: BHG.PU/9/134 JLD 9(11), dated 27/3/2017], i.e. 130 hours/month:  Emp #77300 – 181.5 Hr in Dec 2018 Emp #123254 – 133 Hr in Dec 2018 Emp #135615 – 131 Hr in Jul 2018
Corrections:	Replacement for workers taking long break will only be offer for existing workers who having less overtime.
Root cause analysis:	Due to certain cases where foreign workers took long break and local workers having discipline issue, replacement from existing available is inevitable as to ensure continuity of processing. Thus will resulted to significant increase on overtime for those replacement workers.
Corrective Actions:	To limit and monitor individual overtime for workers via mid-month checkroll updating. The each workers required to fill up the overtime form then checkroll clerk will key in in the SAP system. The default limit is 120 hours and if required to expand the OT, mill will request to IT department to open 'lock' and the limit capped on 130 Hours.  A request will be issue to JTK for extension of overtime limit from current approval limit.
Assessment Conclusion:	Correction and corrective action are acceptable and the effective implementation shall be verified in the next assessment.
Verification Statement	Based on attendance records of sampled workers, no workers has worked exceeding 130 hr OT per month. Thus, the NCR is effectively closed.



**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1732691-201901-M1	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-M2	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-M3	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-M4	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-N1	Minor	1/2/2019	Closed on 12/2/2020
1732691-201901-N2	Minor	1/2/2019	Closed on 12/2/2020
1881964-202002-M1	Major	12/2/2020	Closed on 22/4/2020
1881964-202002-M2	Major	12/2/2020	Closed on 22/4/2020
1881964-202002-M3	Major	12/2/2020	Closed on 22/4/2020
1881964-202002-N1	Minor	12/2/2020	Open
1881964-202002-N2	Minor	12/2/2020	Open
1881964-202002-N3	Minor	12/2/2020	Open
1881964-202002-N4	Minor	12/2/2020	Open

**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues:</b> <u>Kampung Sri Cheeding</u></p> <p>There is a land belonged to Sime Darby but being used as squatters. The area is near to Bukit Perah and Perkampungan Orang Asli. There are request to have a contribution of Balai Raya and cages of wild dogs.</p> <p><b>Management Responses:</b> The area is now sold to the property company, Srimas and estate will inform the head of villager to contact them for any request.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
2	<p><b>Issues:</b> <u>SK Seri Lanang</u></p> <p>The school management would like to extend their appreciation to the Sime Darby’s management for their contribution and supports.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
3	<p><b>Issues:</b> <u>Gender Committee Representatives</u></p> <p>No sexual harassment cases reported so far. Meeting and activities were conducted actively year round. No domestic violence cases too. New mother needs has been discussed in the gender committee meeting and implemented.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
4	<p><b>Issues:</b> <u>Contractors (FFB Transporter, GSP Letchumy, Sritheran Enterprise)</u></p> <p>Agreement, COBC and Vendor Integrity Pledge within contractor and management is available and signed. They also have been briefed on RSPO/MSPO/ISCC from Sime Darby Management. They has provides the employment contract and pay slips for their workers for management records. No other complaint received from their workers so far.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
5	<p><b>Issues:</b> <u>Workers &amp; NUPW Representatives</u></p> <p>Company have no objection for workers to join any trade union and to take leave/time off for join their meeting. The selection of the representative was made by the election and management didn’t involve at all. In Dusun Durian Estate, the worker’s representative has suggested the PPE stock to be ordered more in future especially for gloves. In East POM, the mill worker who has worked more than 10 years informed that they has not received the ex gratia (bonus) if finish contract which previous worker received.</p> <p><b>Management Responses:</b> Noted on the information and Dusun Durian management will make sure the PPE balance is available. For East POM, the management informed that the Ex-Gratia has been changed to Retention Bonus payment and it has been briefed to worker previously.</p> <p><b>Audit Team Findings:</b> No other issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment the SOU 8 - East Palm Oil Mill and Supply Base Certification Unit complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills. It is recommended that the certification of the SOU 8 - East Palm Oil Mill and Supply Base Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> SAIRANI ARIFFIN	<b>Name:</b> Muhammad Fadzli Masran
<b>Company name:</b> SIME DARBY PLANTATION BHD	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> Sr. Manager	<b>Title:</b> Client Manager
<b>Signature:</b> SIME DARBY PLANTATION BHD EAST ESTATE  SAIRANI ARIFFIN SR MANAGER	<b>Signature:</b> 
<b>Date:</b> 2/6/2020	<b>Date:</b> 18/5/2020

**Appendix A: Summary of the findings by Principles and Criteria**

**MSPO MS: 2530-Part 3 - General principles for Plantations and Organized Smallholders**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	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 <sup>th</sup> September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	Sime Darby Plantation has established a policy called “Group Sustainability & Quality Policy Statement” which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> <li>– Promoting good governance and transparency</li> <li>– Contributing to a better society</li> <li>– Minimising environmental harm</li> <li>– Delivering sustainability quality</li> <li>– The policy is guided by three main documents i.e.:</li> </ul>	Complied



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Responsible Agriculture Charter</li> <li>- Human Rights Charter</li> <li>- Innovation &amp; Productivity Charter</li> </ul> <p>All of the above documents and the policy statement are made available on Sime Darby's website.</p>	
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p><b>- Major compliance -</b></p>	<p>The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit. The internal audit schedule for 2019 has been planned and communicated by Regional SQM to all central west region Estates and Mills.</p> <p>The last internal audit at East Estate was conducted on 12/11/2019 and at Dusun Durian on 13/11/2019. The internal audit had covered all the MSPO MS2530-3:2013 elements. The internal audits were conducted by 4 auditors from an internal department called SQM Malaysia, Central East RSQM.</p> <p>At East Estate, there were 5 Major and 1 Minor NCR raised as a result of the internal audit. The estate has closed all of the NCRs.</p> <p>At Dusun Durian Estate, there were 3 Major NCR raised as a result of the internal audit. The estate has closed all of the NCRs.</p>	Complied
<b>4.1.2.2</b>	<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</p>	<p>The internal audit reports for the estates had included root cause analysis and corrective action plan. Based on the identified root cause recorded in the internal audit report, generally it has guided the</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
	implement the necessary corrective action. - <b>Major compliance</b> -	organisation to provide effective corrections and corrective actions in order to prevent recurrence of non-conformity.	
<b>4.1.2.3</b>	Report shall be made available to the management for their review. - <b>Major compliance</b> -	The internal audit report has been distributed to the estates management and Sime Darby Plantation HQ management. There is a monthly SQM meeting at HQ level to review the trending of findings raised in both internal and external audit.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - <b>Major compliance</b> -	There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year. The latest MSPO Management Review was conducted on 26/11/2019 (East Estate) and 5/2/2020 (Dusun Durian) which was chaired by the Estate Managers and attended by key personnel. Based on the minutes of meeting, among the agenda discussed was: <ul style="list-style-type: none"> <li>- Results of the internal audits covering RSPO and MSPO SCCS</li> <li>- Customer feedback</li> <li>- Status of preventive and corrective actions</li> <li>- Follow up action from management review</li> <li>- Changes that could affect the management system</li> <li>- Recommendations for improvement</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Improvement of the effectiveness of the management system</li> <li>- Resources needs</li> </ul>	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<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><b>- Major compliance -</b></p>	<p>Estates visited has developed continual Improvement Plan and documented in the Kaizen Charter/LSS projects. Sighted the sampled plan/projects at Dusun Durian Estate as follows:</p> <ul style="list-style-type: none"> <li>i. Reduce and control contract and general workers transportation by 15%</li> <li>ii. Reduce and control service of Setuah Electric</li> <li>iii. To close the Creech due to less kids and pay child allowance to the employee</li> <li>iv. Stop supplying Electric and water at ex linesite in Tali Ayer Div. by relocating the remaining employee to Main Div.</li> </ul>	Complied
<b>4.1.4.2</b>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p><b>- Major compliance -</b></p>	<p>Among the new technology adopted by the estates are:</p> <ul style="list-style-type: none"> <li>i. Mechanical spray (ST101) – chemical spray for palm circle using sprayer attached to tractor</li> <li>ii. Multi Bin Silo (MBS) – fertilizer spreader</li> <li>iii. Semi-Mechanized fertilizer application.</li> </ul>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.  - Major compliance -	The action plan is included in the Lean Six Sigma. Trainings on best practices and new technology were among the important elements included in the action plan.	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.  - Major compliance -	Both visited estates have maintained records of requests and responses in Communication Books (internal or external). Land titles/user rights, safety and health plans, plans and impact assessments relating to environmental and social impact, plans for pollution prevention, records of complaints and grievances, plans for continuous improvement are made available upon request.	Complied
<b>4.2.1.2</b>	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.  - Major compliance -	The company has developed a procedure on Documentation and Communication under Section 3, version: 1, year 2008 where the information on sustainable activities will be made publicly available to the general public through Annual Reports, circulars, agreements, Sime Darby website and other publications. Copies of the document such as impact assessment reports and monitoring plans relating to environmental and social, pollution prevention plans, records of complaints and grievances are publicly available upon request.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	SDPB has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/4/2008. The procedure has describe the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	Assistant Managers of the East Estate and Dusun Durian Estate have been appointed as person-in-charge for handling social issue in their respective operating units. Verified appointment letters dated 7/1/2020 issued by the Estate Manager for Dusun Durian Estate and 1/7/2019 issued by Estate Manager for East Estate.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	Stakeholder list was available at both visited estates where relevant stakeholders such as local communities, government authorities, contractors, neighbouring smallholders and etc. were included.  At East Estate, stakeholder meeting was last conducted on 14/11/2019 while at Dusun Durian Estate was on 13/11/2019, with the participation of stakeholder such as school’s representative, contractors, local communities’ representatives, etc. Meeting minutes was available for verification.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements	East Estate and Dusun Durian Estate send their FFB to East POM.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>for traceability of the relevant product(s).</p> <p><b>- Major compliance -</b></p>	<p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> <li>• Product (FFB or Loose fruit)</li> <li>• Delivery note from estates stating the weight and fruit grade (A or B).</li> <li>• D.O Number</li> <li>• Date of the shipment</li> </ul> <p>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 personnel for the traceability is the Estate Manager.</p>	
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager.</p>	Complied
<b>4.2.3.3</b>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>The overall personal in charge for the traceability is the Estate Manager and this is addressed in the established procedure [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	The delivery records 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. Verification of FFB Consignment Note, Weighbridge Tickets, Crop Book and FFB dispatch in SAP and Check-roll System (CRS) system showed that the recording of FFB delivered to the mill is accurate.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	<p>SOU 8 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. SOU 18 had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were</p> <p>East Estate</p> <p>i. MPOB License no. 531308002000. Valid from 1/8/2019 – 31/7/2020.</p> <p>ii. Acephate permit no. SEL/2020/ACP/0010(GL) for purchasing 2000 kg.</p> <p>iii. Diesel permit no B.PGK.SEL/1023. Valid from 12/12/2019 – 11/12/2020</p> <p>Dusun Durian Estate</p> <p>i. MPOB License no. 563441011000. Valid from 1/8/2019 – 31/7/2020.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		ii. Air Compressor permit no. PMT-SL/19 101355. Valid till 16/4/2020 iii. Air Compressor permit no. PMT-SL/19 101351. Valid till 16/4/2020 iv. Diesel permit no. B.PGK.SEL/1375. Valid from 15/12/2019 – 14/12/2020 v. Acephate permit no. SEL/2020/ACP/0007(GL) for purchasing 800kg. Both i. Permission to deduct employees' salary for electric bill, ref.: BHG.PU/9/129 JLD 33(53), dated 6/7/2017, granted by JTK Putrajaya ii. Permission to allow overtime work for employees for more than 130 hours per month, ref.: BHG. PU/9/134 JLD 9(11)	
<b>4.3.1.2</b>	The management shall list all laws applicable to their operations in a legal requirements register. <b>- Major compliance -</b>	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.  The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated was done in July 2019 with addition Occupational Safety and Health (Noise Exposure) Regulations 2019.	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. PSQM Department and respective operating units will undertake the responsibility of identifying,	Complied



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p>	<p>Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																					
	- Major compliance -																							
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Sime Darby did not acquire land from landowners, but leased it directly from the government. The quit rent payment was done accordingly as requirement from the state government.</p> <p>East Estate</p> <p>The estate holds 21 land titles Sighted the sampled land title as follows:</p> <table border="1"> <thead> <tr> <th>Ownership No.</th> <th>Lot No.</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>GRN46219</td> <td>2601</td> <td>2028.28</td> </tr> </tbody> </table> <p>Dusun Durian Estate</p> <p>The estate holds 37 land titles. Sighted the sampled land titles as follows:</p> <table border="1"> <thead> <tr> <th>Ownership No.</th> <th>Lot No.</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>HSD 30755</td> <td>1</td> <td>47.6016</td> </tr> <tr> <td>HSD 27390</td> <td>1462</td> <td>56.3965</td> </tr> <tr> <td>GRN 48787</td> <td>702</td> <td>320.1058</td> </tr> <tr> <td>GRN 62810</td> <td>1697</td> <td>366.4423</td> </tr> </tbody> </table>	Ownership No.	Lot No.	Hectare	GRN46219	2601	2028.28	Ownership No.	Lot No.	Hectare	HSD 30755	1	47.6016	HSD 27390	1462	56.3965	GRN 48787	702	320.1058	GRN 62810	1697	366.4423	Complied
Ownership No.	Lot No.	Hectare																						
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Criterion / Indicator		Assessment Findings				Compliance
		GRN 48428	1718	807.3213		
<b>4.3.2.3</b>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>The legal boundary at both estates visited was clearly demarcated by constructing security trenches along the boundary and it was visibly maintained.</p> <p>East Estate</p> <p>The legal boundary was clearly demarcated as sighted at P08C2 adjacent to Kg. Sg. Rambai.</p> <p>Dusun Durian Estate</p> <p>The legal boundary was clearly demarcated as sighted at P12C adjacent to Taman Perumahan Banting Baru.</p>				Complied
<b>4.3.2.4</b>	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p><b>- Minor compliance -</b></p>	<p>There was no land dispute at both visited estates. The company has the legal ownership documents which is under the Sime Darby Plantation Sdn. Bhd.</p>				Complied
<b>Criterion 4.3.3 – Customary rights</b>						
<b>4.3.3.1</b>	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p><b>- Major compliance -</b></p>	<p>There is no customary land or negotiated agreements at both sampled estates.</p>				Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - <b>Minor compliance</b> -	There is no customary land or negotiated agreements at both sampled estates.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance</b> -	There is no customary land or negotiated agreements at both sampled estates.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	SIA was carried out by PSQM Department on 24-26/3/2014 where it covered for the entire SOU 8 Complex. The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities and etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc.  Both sampled estates have developed action plan for SIA FY2020 to monitor the issues raised during assessment and stakeholder meetings. The plan has incorporated the action plan, person in charge and the status.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation, for communication required investigation.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	It was noted that the estates managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	Both visited estates are using a log book to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon	Record review found that previous complaints and requests for the past 24 months were still available.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	request. - <b>Major compliance</b> -		
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. - <b>Minor compliance</b> -	Some examples of notable contribution by the estates: <u>East Estate</u> <ul style="list-style-type: none"> <li>- <i>Ceramah &amp; Promosi kesihatan di kampong orang asli sg. Bumbun pulau carey bersama jabatan kesihatan daerah kuala Langat, 19/10/2019</i></li> <li>- <i>Program pencegahan serangga perosak menggunakan kaedah semulajadi diberikan kepada pekebun kecil di Pulau Carey, 28/8/2019</i></li> <li>- <i>Program penanaman semula pokok bakau di Ladang East, 22/6/2019</i></li> <li>- Grass cutting at schools – SKJT</li> </ul> <u>Dusun Durian Estate</u> <ul style="list-style-type: none"> <li>- <i>Program gotong royong, 28/9/2019 at SAM Unwanus Saadah</i></li> </ul>	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - <b>Major compliance</b> -	Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new	Minor NC

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>workers, morning briefing and displayed at various notice board within the estate.</p> <p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Both estates visited has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.</p> <p>Sighted the implementation of the management plan FY 2019as follows:</p> <p>East Estate</p> <p>i. Medical surveillance for chemical handlers was conducted on annually basis. Latest surveillance was conducted in 13/1/2019 by certified OHD with reg. no. JKKP/HQ/08/DOC/00/709. 77 workers were send for surveillance and 78 found free from occupational related toxicity while 1 need to attend for retest in one month as per report dated 31/10/2019</p> <p>ii. JKKP 8 form was submitted annually. For FY 2019, the report was submitted to DOSH through MyKKP system on 7/1/2019. Refer report no. JKKP 8/37124/2019</p> <p>iii. Workplace inspection was conducted on quarterly basis before the Safety and Health committee meeting. The result has been discussed</p>	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>during the committee meeting. Sighted the discussion in meeting dated 20/8/2019 and 23/11/2019.</p> <p>Dusun Durian Estate</p> <p>i. JKPP 8 form was submitted annually. For FY 2019, the report was submitted to DOSH through MyKKP system on 31/1/2019.</p> <p>ii. As stated in the CHRA with ref. no 03-04/02/CHRA/2015/3, medical surveillance is highly recommended for workers expose with organic Phosphate Chemical and the surveillance shall be conducted at interval not more than 12 months or such shorter. 2 workers were identified for trunk injection using Achephate. For 2018, the medical surveillance was done 28/11/2018. The next medical surveillance was conducted more than 12 months at 23/1/2020 which is more than 12 months.</p> <p>iii. The estate conducted monthly medical screening for all sprayers. Sighted the records for moth of January 2020, August, July and June 2019.</p>	
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p>i. all employees involved shall be adequately trained on safe working practices</p>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the estate.</p> <p>The estates visited has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment cover all main operations and support operations such as harvesting, weeding, manuring, office operation, security, pest and disease and other support operation. The</p>	Complied



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <li>ii. all precautions attached to products shall be properly observed and applied</li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</li> <li>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</li> </ul>	<p>HIRARC was reviewed at minimum once a year, if accident occur or changes on the operation.</p> <p>East Estate</p> <p>Latest HIRARC review was on 1/1/2020 for annual review with no changes was made since the last reviewed. FY 2019, 4 review was conducted due to accident occur in the estate. Latest HIRARC review due to accident was conducted on 21/10/2019 due to accident occur under supervision operation on 9/10/2019.</p> <p>Dusun Durian Estate</p> <p>Latest HIRARC annual review was conducted on 10/1/2020. Latest review due to accident cases was done on 13/1/2020 due to accident occur on 11/1/2020 involving tractor driver.</p> <p>The estates visited has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Executives, Medical Assistant and representative form the chemical suppliers to the supervisors and operators. Sighted the sampled training records as follows:</p> <p>East Estate</p> <ul style="list-style-type: none"> <li>i. Circle spray (Div. A) training dated 16/1/2019</li> <li>ii. P&amp;D (Div. A) training dated 18/1/2019</li> <li>iii. Safety at workplace – Circle spraying training dated 18/11/2019</li> <li>iv. Safety for sprayers and Inter Pump maintenance training dated 9/4/2019</li> </ul>	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Dusun Durian Estate</p> <p>i. Chemical handling training dated 8/1/2019</p> <p>ii. Rat baiting training dated 24/7/2019, 14/3/2019</p> <p>iii. Inter 16 pump handling and safety for sprayers training dated 7/2/2020</p> <p>iv. Safety and chemical handling training dated 18/1/2019</p> <p>The estates visited provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008. Sighted during site visit at P17B in East Estate and P14B in Dusun Durian Estate, the sprayers were provided with wellington boots, apron, nitrile gloves and half face respirator. The PPE issuance records were available for review.</p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>The Estate Manager has been appointed as Person Responsible / Chairman for Safety and Health in the estate as per appointment letter dated 1/1/2020 signed by the Regional CEO. The Estate Manager has appointed the medical Assistant as person responsible for Safety and health issue in the estate as per appointment letter dated 25/9/2018.</p> <p>The estate management has established Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and</p>	

**MSPO Public Summary Report  
Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the matters arising from the previous meetings, accident and incident report, workplace inspection, and training. Sighted the minutes meeting records as follows:</p> <p>East Estate</p> <ul style="list-style-type: none"> <li>i. 25/2/2019</li> <li>ii. 26/6/2019</li> <li>iii. 25/9/2019</li> <li>iv. 14/12/2019</li> </ul> <p>Dusun Durian Estate</p> <ul style="list-style-type: none"> <li>i. 8/4/2019</li> <li>ii. 11/7/2019</li> <li>iii. 7/10/2019</li> <li>iv. 20/1/2020</li> </ul> <p>The OHS Chairman and Secretary are in coordination with RSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3.</p>	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Noted during interview with workers show the satisfactory understanding on the emergency procedure established. Training was conducted as follows:</p> <p>East Estate</p> <ul style="list-style-type: none"> <li>i. First aid kit and ERP training dated 6/1/2019</li> <li>ii. Fire drill in collaboration with 'Pertubuhan Cegah Kebakaran, Kuala Lumpur' training dated 25/11/2019</li> </ul> <p>Dusun Durian Estate</p> <ul style="list-style-type: none"> <li>i. Fire drill, firefighting, first aid, CPR and chocking training dated 10/12/2019</li> </ul> <p>First aider present at various work station at the estates visited. The mandore was appointed as responsible for first aid box at each workstation.</p> <p>Noted during site visit, the mandore understanding on the basic first aid treatment was satisfactory. Sighted the latest training was conducted on 6/1/2019 at East Estate and 10/12/2019 at Dusun Durian Estate. The first aid monitoring was conducted on monthly basis by the Medical Assistant. Sighted the monitoring records FY 2019 in each first aid box for spraying gang.</p> <p>The estates maintain the records of accident cases and documented in the "Laporan dan Siasatan Kemalangan" log and reported to HQ using the PSQM-ESH Monthly update form. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		Both estates visited submit the JKPP 8 form on annually basis to DOSH through MyKKP website.	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	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. <b>- Major compliance -</b>	SDPB has incorporated its policy on human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Awareness on this policy was given to the employees through briefing during RSPO and MSPO trainings.	Complied
<b>4.4.5.2</b>	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. <b>- Major compliance -</b>	SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers ID number whom payslips for Aug 2019, Dec 2019 and Jan 2020 were verified is as follows:  East Estate: 63442, 97860, 84988, 94427, 54437, 152116, 63668	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Dusun Durian Estate: 69440, 126908, 98657, 117948, 124008, 137790, 146073	
<b>4.4.5.4</b>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	The management of both visited estates ensured that the employees of the contractors are paid according to this standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on minimum standard and employment contract.	Complied
<b>4.4.5.5</b>	<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><b>- Major compliance -</b></p>	The estates management have registered all their workers into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages and etc. The employment contract, copy of work permit and passport and induction training certificate were kept in the personal file.	Complied
<b>4.4.5.6</b>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>The employees that recruited by the mill are from local, Indonesia, Nepal and India. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work. Duration of contract/ probation period, position offered, wages, annual leave, allowances and etc. was stated in the employment contract. The employment contracts sampled for verification were:</p> <p>East Estate: East Estate: 63442, 97860, 84988, 94427, 54437, 152116, 63668</p> <p>Dusun Durian Estate: 69440, 126908, 98657, 117948, 124008, 137790, 146073</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	Interview with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreement.	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. <b>- Minor compliance -</b>	Among the benefits offered by the company: <ul style="list-style-type: none"> <li>• Monthly rice distribution</li> <li>• Security outstation reimbursement</li> <li>• Security transport allowance</li> <li>• Telephone allowance</li> <li>• Free medical care</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.5.11</b>	<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><b>- Major compliance -</b></p>	<p>The estate's management has provided free housing facilities to all the workers. Basic amenities such as water, football field and etc. were provided to the workers. Electricity which is obtained from the national grid is subsidised by the employer. The housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interview with the workers confirmed that they did not have any complain or grievance related to housing to be reported.</p>	Complied
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability &amp; Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.</p>	Complied
<b>4.4.5.13</b>	<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><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on freedom of association in the "Group Sustainability &amp; Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they are allowed to join any trade union freely.</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.5.14</b>	<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><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability &amp; Quality Policy Statement" mention in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.</p>	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>The estate visited has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.</p> <p>Sighted the sample training records as follows:</p> <p>East Estate</p> <ul style="list-style-type: none"> <li>i. Code of Business Conducted training dated 14/11/2019</li> <li>ii. Safety at workplace – P&amp;D spray technique, PPE and MSDS training dated 12/11/2019</li> <li>iii. MOP Manuring – Multi-Bin Silo operator training dated 19/1/2019</li> <li>iv. Calibration and Safety during manuring application training dated 18/1/2019</li> </ul> <p>Dusun Durian Estate</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>i. Chemical handling training dated 8/1/2019</li> <li>ii. New tractor handling and safety procedure training dated 21/8/2019</li> <li>iii. Farm tractor refresher training dated 11/1/2019</li> <li>iv. Rat baiting training dated 24/7/2019, 14/3/2019</li> <li>v. Fire drill, firefighting, first aid, CPR and chocking training dated 10/12/2019</li> <li>vi. Inter 16 pump handling and safety for sprayers training dated 7/2/2020</li> <li>vii. Safety and chemical handling training dated 18/1/2019</li> <li>viii. Best agronomic practice and IPM practice in oil palm nursery training dated 21/2/2019</li> <li>ix. Harvesting training dated 7/11/2019</li> </ul>	
<b>4.4.6.2</b>	<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><b>- Major compliance -</b></p>	<p>The estates visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p> <p>East Estate</p> <p>33 training was identified for management, employee and contractors and programmed throughout FY 2020.</p> <p>Dusun Durian Estate</p> <p>37 training was identified for management, employee and contractors and programmed throughout FY 2020.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.6.3</b>	<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><b>- Minor compliance -</b></p>	<p>The estates visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.</p>	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The policy has been communicated to the workers through briefing, training and displayed on signboard.</p>	Complied
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Both estates visited has established environmental management plan base on aspect and impacts analysis conducted.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.</p> <p>The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible.</p> <p>East Estate</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>The EAI/EIE and management plan was reviewed on annually basis during Management Review Meeting. Latest review was conducted on 12/1/2020.</p> <p>Dusun Durian Estate</p> <p>The EAI/EIE and management plan was reviewed on annually basis during Management Review Meeting. Latest review was conducted on 10/1/2020.</p>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The estate has established Environmental Management Plan FY 2019. The plan was reviewed on annually basis. Sighted the implementation of the management plan as follows:</p> <p>East Estate</p> <p>i. Sighted at the chemical mixing area, the waste water were collected in the collection sump. The collected waste water were reused to chemical premix.</p> <p>ii. Water tube was placed at ration of 1:50 ha. The monitoring of water level was conducted twice a year. Sighted the Water tube reading result FY 2019 for the month of January and June 2019. For water level below minimum of 60 cm, water pumping or water block was done to ensure the water level is at minimum level.</p> <p>Dusun Durian Estate</p> <p>i. Sighted at the chemical mixing area, the waste water were collected in the collection sump. The collected waste water were reused to chemical premix.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		ii. The estate reduce the usage of rat bait by promoting barn owl box. Sighted the records of barn owl box census conducted in July 2019 for Klanang Baru Division with 41.66% of barn owl occupancy.	
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Program to promote positive impact was documented in Environmental Management Plan.</p> <p>Program to promote positive impact was documented in Environmental Management Plan. The management plan also include a program to promote positive impact as follows:</p> <p>East Estate</p> <ul style="list-style-type: none"> <li>i. Reuse/Recycle waste water</li> <li>ii. Harvesting rain water</li> <li>iii. Waste utilisation</li> </ul> <p>Dusun Durian Estate</p> <ul style="list-style-type: none"> <li>i. Minimize usage of certain pesticide</li> <li>ii. Domestic waste management – waste segregation.</li> </ul>	Complied
<b>4.5.1.5</b>	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p><b>- Major compliance -</b></p>	<p>The estate visited continue provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																								
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>The estate visited has discussed on environmental issue during ESH Committee meeting where representative of the management and employee raised their concerns about environmental quality in the estates.</p>	Complied																								
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																											
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><b>- Major compliance -</b></p>	<p>The estates visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>East Estate Consumption/FFB</th> <th>Dusun Estate Consumption/FFB</th> <th>Durian</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>1.86</td> <td>1.78</td> <td></td> </tr> <tr> <td>Feb 19</td> <td>1.65</td> <td>1.35</td> <td></td> </tr> <tr> <td>Mar 19</td> <td>1.70</td> <td>1.84</td> <td></td> </tr> <tr> <td>Apr 19</td> <td>1.83</td> <td>1.67</td> <td></td> </tr> <tr> <td>May 19</td> <td>1.68</td> <td>1.59</td> <td></td> </tr> </tbody> </table>	Month	East Estate Consumption/FFB	Dusun Estate Consumption/FFB	Durian	Jan 19	1.86	1.78		Feb 19	1.65	1.35		Mar 19	1.70	1.84		Apr 19	1.83	1.67		May 19	1.68	1.59		Complied
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**MSPO Public Summary Report  
Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings			Compliance
		Jun 19	1.57	1.93	
		Jul 19	1.67	1.80	
		Aug 19	1.45	1.60	
		Sep 19	1.54	1.66	
		Oct 19	1.53	1.32	
		Nov 19	1.91	1.65	
		Dec 19	1.74	1.63	
		<p>The estate has established the management plan to optimize the usage of diesel and documented in the Environmental Management Plan under section Energy Management Plan. Sighted the implementation of the management plan follows:</p> <p>i. Estates visited conducted Preventive Maintenance Vehicle monitoring was on daily basis and recorded in Vehicle Service logbook. Sighted the records of daily maintenance records for TM 016, TF 010, TF 020, HM 101 and TF 019 at Dusun Durian Estate.</p>			
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors,			Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
	This shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	including all transport and machinery operations was available in the respective estate yearly budgets	
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	No opportunities of renewable energy usage in the estate visited.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	The estates visited has identified the waste products and source pollution and documented in Waste Management Plan FY 2020. The plan was reviewed on annually basis. The waste has been identified as follows:  i. Workshop – SW 305: used lubricants, SW 306: used lubricant oil, SW 102: Lead acid batteries, SW 312: Residue from workshop  ii. Clinic: SW 404: pathogenic waste, clinical waste, used surgical blades, used syringes  iii. Main division store: SW 408: contaminated soil, from cleaning spill kit, disposed containers, SW 409 empty pesticides container, SW 410: Used filter, gloves and rags, SW 425: waste from the production, formulation, trade or use of pesticides, herbicides or biocides  iv. other waste: rubbish	Complied



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> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p>	<p>Estates visited has established waste management plan as per waste identification. The plan was reviewed on annually basis.</p> <p>East Estate</p> <p>Latest review was conducted on 2/2/2020. Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> <li>i. Domestic waste was collected 3 times a week by contractors appointed by the Majlis Daerah Kuala Langat and disposed at the municipal landfill.</li> <li>ii. Sighted the records of Sime Darby Industries Sdn. Bhd. conducted the vehicle/machineries maintenance service and collected the used oil and filter.</li> </ul> <p>Dusun Durian Estate</p> <ul style="list-style-type: none"> <li>i. Scheduled waste inventory was submitted to DOE through E-SWISS on monthly basis. Sighted the inventory records for the month of October, November and December 2019 and January 2020.</li> <li>ii. Recycle waste such as paper boxes were disposed to recycler. Sighted the collection cash receipt no. 1606 dated 3/2/2020 and 1549 dated 3/12/2019</li> </ul>	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures.</p> <p>Both estate visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>disposal contractor. Stores for scheduled waste were inspected at both estate visited.</p> <p>Sighted the latest disposal records as follows:</p> <p>East Estate</p> <p>Sighted the latest disposal records as follows:</p> <p>i. 17/10/2019, SW 305, C/Note no. 2019101710FB6X7C</p> <p>ii. 15/10/2019, SW 404, C/Note no. 0309554</p> <p>iii. 17/10/2019, SW 404, C/Note no. 0274486</p> <p>Dusun Durian Estate</p> <p>i. Sighted the records of Sime Darby Industries Sdn. Bhd. conducted the vehicle/machineries maintenance service and collected the used oil and filter as per permission letter dated 21/1/2020, 28/11/2019 and 29/8/2019.</p> <p>The estate also generated other Scheduled Waste. Sighted the sampled disposal records as follows:</p> <p>i. 5/11/2019, SW 410, C/Note no. 2019110514OYPICU</p> <p>ii. 5/11/2019, SW 305, C/Note no. 201911051494AMUL</p>	
<b>4.5.3.4</b>	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	Empty pesticides container were identified as recycle waste. All empty pesticides containers were triple rinse, puncture and stored at designated stored before disposed to licensed contractors, SS Setia Technology Enterprise. Refer approval letter from DOE no AS (B) J	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
	<p>national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>91/110/619/069 Jld 3(37) dated 24/10/2018. Sighted the implementation of the triple rinse during site visit at the storage area.</p> <p>Latest empty containers disposal as follows:</p> <p>East Estate</p> <p>i. Invoice no 1598 dated 3/1/2020</p> <p>ii. Invoice no 1472 dated 21/9/2019</p> <p>Dusun Durian Estate</p> <p>i. Invoice no. 1606 dated 3/2/2020</p> <p>ii. Invoice no. 1549 dated 3/12/2019</p> <p>iii. Invoice no. 1500 dated 17/10/2019</p>	
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>East Estate</p> <p>Domestic waste was collected once a week by contractors appointed by the Majlis Daerah Kuala Langat and disposed at the municipal landfill.</p> <p>Noted during site visit at linesite, it was noted that domestic waste was thrown in field P96P which located behind housing block A.</p> <p>Dusun Durian Estate</p> <p>Domestic waste was collected twice a week by appointed tractor driver and disposed at the designated landfill P89K.</p>	Minor NC
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			

Criterion / Indicator		Assessment Findings	Compliance																												
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The estates visited has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation.	Complied																												
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	<p>The action plan to reduce the identified significant impact has been documented in Environmental Management Plan under section Pollution Prevention Plan and Energy Management Plan. Sighted the implementation of the management plan as follows:</p> <p>i. The monitoring of diesel usage was conducted on monthly basis. Sighted the records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>East Estate Consumption/FFB</th> <th>Dusun Estate Consumption/FFB</th> <th>Durian</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>1.86</td> <td>1.78</td> <td></td> </tr> <tr> <td>Feb 19</td> <td>1.65</td> <td>1.35</td> <td></td> </tr> <tr> <td>Mar 19</td> <td>1.70</td> <td>1.84</td> <td></td> </tr> <tr> <td>Apr 19</td> <td>1.83</td> <td>1.67</td> <td></td> </tr> <tr> <td>May 19</td> <td>1.68</td> <td>1.59</td> <td></td> </tr> <tr> <td>Jun 19</td> <td>1.57</td> <td>1.93</td> <td></td> </tr> </tbody> </table>	Month	East Estate Consumption/FFB	Dusun Estate Consumption/FFB	Durian	Jan 19	1.86	1.78		Feb 19	1.65	1.35		Mar 19	1.70	1.84		Apr 19	1.83	1.67		May 19	1.68	1.59		Jun 19	1.57	1.93		Complied
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**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

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		Oct 19	1.53	1.32									
		Nov 19	1.91	1.65									
		Dec 19	1.74	1.63									
<b>Criterion 4.5.5: Natural water resources</b>													
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application,</li> </ul>	<p>Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p> <table border="1"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>&gt; 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> </tbody> </table>			River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	Complied
River width	Buffer zone												
> 40 meters	50 meters												
20 to 40 meters	40 meters												
10 to 20 meters	20 meters												

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings		Compliance
	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. <b>- Major compliance -</b>	5 to 10 meters	10 meters	
		< 5 meters	5 meters	
		* > 3 meters	20 meters	
		Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 01/11/2008. Both estate visited has established water management plan and documented in Environmental Management Plan under section Water Management. The management plan focus on monitoring water quality, contingency during water shortage, monitor usage of fresh water and reuse/recycle water. Sighted the implementation of the management plan as follows: East Estate i. The estate conducted Field Drain water sampling on once a year. Sighted the water sampling records as follows: Pesticides water analysis for Field Drain East Estate Report no.: PL957/2019 Sample date: 11/11/2019 Report date: 27/11/2019		

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance						
		<p>Results: Non - Detected</p> <p>Dusun Durian Estate</p> <p>Report no.: PL992/2019</p> <p>Sample date: 3/12/2019</p> <p>Report date: 10/12/2019</p> <p>Results: Non - Detected</p> <p>ii. Both estate visited monitor the water usage on monthly basis. sighted the records FY 2019 as follows:</p> <table border="1" data-bbox="1048 866 1812 1078"> <thead> <tr> <th>Month</th> <th>East Estate Consumption/year</th> <th>Dusun Durian Estate Consumption/year</th> </tr> </thead> <tbody> <tr> <td>Total FY 2019</td> <td>478598.80 m3</td> <td>18276.00 m3</td> </tr> </tbody> </table> <p>iii. The estates visited has placed container for rain water harvesting at the store area. The water harvested was used for washing or garden use.</p>	Month	East Estate Consumption/year	Dusun Durian Estate Consumption/year	Total FY 2019	478598.80 m3	18276.00 m3	
Month	East Estate Consumption/year	Dusun Durian Estate Consumption/year							
Total FY 2019	478598.80 m3	18276.00 m3							
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	No main river crossing both East & Dusun Durian estates.	Complied						

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.5.3</b>	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).  - <b>Minor compliance</b> -	The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates visited. Sighted at the store and premixing area, the rain water harvesting tank was placed behind the muster call area.	Complied
<b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value			
<b>4.5.6.1</b>	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.  - <b>Major compliance</b> -	HCV Re-Assessment for Strategic Operating Unit (SOU) 8 East has been conducted on 14 – 16/5/2014 and 21-23/5/2014 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. Final Report (Version 2.0) dated February 2015  3 HCV under HCV 4 category and 1 HCV under HCV 6 category has been identified in SOU 8 as follows:  East Estate i. HCV 4 – Wildlife Sanctuary 35.03 ha ii. HCV 4 – Fringe Mangroves – 52.72 ha iii. HCV 6 – Mah Meri Graveyard – 0.815 ha  Dusun Durian Estate i. HCV 4 – Nursery Pond	Complied
<b>4.5.6.2</b>	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the	No RTE species were identified in the assessment conducted as per HCV Re-Assessment for Strategic Operating Unit (SOU) 8 Final Report (Version 2.0) dated February 2015.	Complied



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
	<p>protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report.</p>	
<b>4.5.6.3</b>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report. Sighted the implementation of the management plan as follows:</p> <p>i. Monitoring of HCV area was conducted twice a month and recorded in Monitoring of present and potential HCV Areas East Estate logbook. The monitoring focusing on encroachment/sign of trespassing, wildlife issue/conflicts/sighting, pollution/erosion issue and other observation. Sighted the monitoring records dated 12/10/2019, 28/10/2019, 13/11/2019, 25/11/2019. No issue were recorded in the report.</p> <p>The estate also conducted the monitoring on population of uncommon species (bird) such as <i>Leptoptilus Javanicus</i>, <i>Egretta Eulophotes</i> and <i>Adrea Cinerea</i>.</p>	Complied
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	<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><b>- Major compliance -</b></p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing &amp; Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. <b>- Major compliance -</b>	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. <b>- Major compliance -</b>	No controlled burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. <b>- Minor compliance -</b>	Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	SOP was established for the Estates. Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU8 as a guidance document to conduct estate operation. The SOP covers land	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>preparation, planting material, upkeep, harvesting, FFB transportation and etc.</p> <p>Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.</p>	
<b>4.6.1.2</b>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>Landscapes of both estates visited are mostly flat. Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintain accordingly.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p>	Complied
<b>4.6.1.3</b>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.6.2:</b> Economic and financial viability plan			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	SOU 8 has continued its commitment to long term sustainability and improvements through a capital expenditure program. The management has forecasted 5 years business plan from FY 2019 – 2024.	Complied
<b>4.6.2.2</b>	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. <b>- Major compliance -</b>	SOU 8 have long range replanting program until FY 2024. Replanting planned for the palm older than 25 years, non-performance field (yield) and ganoderma infected palm. Observed the replanting program for the next financial year as follows:  East Estate 2020: 68.83 ha for field 94N, 96P and 98C 2021: 270.13 ha for field 97P, 98P1, 98C, 99A 2022: 137.80 ha for field 00A1, 00A2 2023: 275.36 ha for field 00A1, 00A2, 00D and 01A1 2024: 181.90 ha for field 01A, 00B, 00B1, 01D  Dusun Durian Estate 2020: 51.42 ha for field P96B and P02B 2021: 0.00 ha 2022: 0.00 ha	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2023: 139.37 ha or field P96B and P04B 2024: 163.39 ha for field P96K and P02K	
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production : cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance -</b></p>	<p>All relevant information contained in the annual budget plan for as sighted in annual budget FY2020 such as:</p> <ul style="list-style-type: none"> <li>i. Total crop projection and yield potential</li> <li>ii. Activity direct cost               <ul style="list-style-type: none"> <li>a. Mature upkeep</li> <li>b. Manuring</li> <li>c. Harvesting and collection</li> <li>d. Transportation</li> <li>e. Nursery</li> </ul> </li> <li>iii. Estate administration               <ul style="list-style-type: none"> <li>a. Admin Cost</li> <li>iv. Labour overhead</li> <li>v. Road and bridges</li> <li>vi. Cost of production.</li> </ul> </li> </ul>	Complied
<b>4.6.2.4</b>	<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>The budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2024) and well documented upon request.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017.</p> <ul style="list-style-type: none"> <li>- All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ.</li> <li>- Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects</li> </ul>	Complied
<b>4.6.3.2</b>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>The contract agreements between the management and the contractors were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.</p>	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors were made to understand the MSPO requirements and shall provide the required documentation and information through meetings and trainings. Records of attendance of the meetings were available for verification.</p> <p>However, the evidence of compliance with some legal requirements was not adequately demonstrated. It was found that some of the</p>	Major NC

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance																				
		<p>lorries used by the FFB transport contractor have exceeded the regulated load limit stipulated in their "<i>Lesen Pengendali</i>" i.e. BDM: 16,000 kg when sending the FFB from Dusun Durian Estate (Sg Gappin Div.) to East POM. Sampled of trips are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Weight (BDM) (mt)</th> </tr> </thead> <tbody> <tr> <td>16/1/2020</td> <td>180477</td> <td>WAW 1024</td> <td>19.35</td> </tr> <tr> <td>23/1/2020</td> <td>180990</td> <td>BDD 5344</td> <td>20.57</td> </tr> <tr> <td>24/1/2020</td> <td>181064</td> <td>BDD 5344</td> <td>19.56</td> </tr> <tr> <td>29/1/2020</td> <td>181205</td> <td>BDD 5344</td> <td>20.41</td> </tr> </tbody> </table> <p>Thus, a non-conformity report was assigned due to this lapse.</p>	Date	Ticket No.	Lorry No.	Weight (BDM) (mt)	16/1/2020	180477	WAW 1024	19.35	23/1/2020	180990	BDD 5344	20.57	24/1/2020	181064	BDD 5344	19.56	29/1/2020	181205	BDD 5344	20.41	
Date	Ticket No.	Lorry No.	Weight (BDM) (mt)																				
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29/1/2020	181205	BDD 5344	20.41																				
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>All the visited estates have maintained copies of the agreed contracts with their contractors. Based on verification of the contracts, the terms were clearly stipulated and signature of both parties were available.</p>	Complied																				
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required.</p>	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><b>- Major compliance -</b></p>	<p>All works performed by the contractors 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
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
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><b>- Major compliance -</b></p>	<p>There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates</p>	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><b>- Major compliance -</b></p>	<p>There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates</p>	NA
<b>Criterion 4.7.2: Peat Land</b>			



Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.  - Major compliance -	There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.  - Major compliance -	There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>4.7.3.2</b>	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 were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.  - Major compliance -	There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>4.7.3.4</b>	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 were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA

Criterion / Indicator		Assessment Findings	Compliance
	documented and a plan to manage the impacts developed, implemented, monitored and reviewed. <b>- Minor compliance -</b>		
<b>Criterion 4.7.4:</b> Soil and topographic information			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. <b>- Major compliance -</b>	There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. <b>- Major compliance -</b>	There were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.	There were no new plantings activities in all estates visited. Thus, it is not applicable for all 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 were no new plantings activities in all estates visited. Thus, it is not applicable for all estates	NA
<b>Criterion 4.7.6:</b> 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 were no new plantings involving recognized customary land. Thus, it is not applicable for all 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 were no new plantings involving recognized customary land. Thus, it is not applicable for all 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 were no new plantings involving recognized customary land. Thus, it is not applicable for all 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. <b>- Major compliance -</b>	There were no new plantings involving recognized customary land. Thus, it is not applicable for all estates	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	There were no new plantings involving recognized customary land. Thus, it is not applicable for all 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. <b>- Major compliance -</b>	There were no new plantings involving recognized customary land. Thus, it is not applicable for all estates	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	There were no new plantings involving recognized customary land. Thus, it is not applicable for all 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. <b>- Minor compliance -</b>	There were no new plantings involving recognized customary land. Thus, it is not applicable for all estates	NA

**MSPO MS: 2530-Part 4 - General Principles for Palm Oil Mills**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	The internal memo from Mr Tan Men Kong, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 <sup>th</sup> September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> <li>- Promoting good governance and transparency</li> <li>- Contributing to a better society</li> <li>- Minimising environmental harm</li> <li>- Delivering sustainability quality</li> <li>- The policy is guided by three main documents i.e.:</li> <li>- Responsible Agriculture Charter</li> <li>- Human Rights Charter</li> </ul>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Innovation &amp; Productivity Charter</li> </ul> <p>All of the above documents and the policy statement are made available on Sime Darby's website.</p>	
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p><b>- Major compliance -</b></p>	<p>The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit. The internal audit schedule for 2019 has been planned and communicated by Regional SQM to all central west region Estates and Mills.</p> <p>The last internal audit for sustainable palm oil was conducted on 15/11/2019. The internal audit had covered all the MSPO MS2530-4:2013 elements. It was conducted by 5 auditors from an internal department called SQM Malaysia, Central East RSQM. There were 2 Major and 4 Minor NCR raised as a result of the internal audit. The mill has closed all of the NCRs.</p>	Complied
<b>4.1.2.2</b>	<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><b>- Major compliance -</b></p>	<p>The internal audit report dated 15/11/2019 had included root cause analysis and corrective action plan. Based on the identified root cause recorded in the internal audit report, generally it has guided the organisation to provide effective corrections and corrective actions in order to prevent recurrence of non-conformity.</p>	Complied
<b>4.1.2.3</b>	<p>Reports shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The internal audit report has been distributed to the POM management and Sime Darby Plantation HQ management. There</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		is a monthly SQM meeting at HQ level to review the trending of findings raised in both internal and external audit.	
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	<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><b>- Major compliance -</b></p>	<p>There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year. The latest MSPO Management Review was conducted on 17/12/2019 which was chaired by the Mill Manager and attended by 7 key personnel. Based on the minutes of meeting, among the agenda discussed was:</p> <ul style="list-style-type: none"> <li>- Results of the internal audits covering RSPO and MSPO SCCS</li> <li>- Customer feedback</li> <li>- Status of preventive and corrective actions</li> <li>- Follow up action from management review</li> <li>- Changes that could affect the management system</li> <li>- Recommendations for improvement</li> <li>- Improvement of the effectiveness of the management system</li> <li>- Resources needs</li> </ul>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<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><b>- Major compliance -</b></p>	<p>Mill has developed continual Improvement Plan and documented in the Kaizen Charter/LSS/APEX projects. Sighted the plan/projects as follows:</p> <ul style="list-style-type: none"> <li>i. To increase KER percentage from median 4.48% to 5.22%</li> <li>ii. To reduce the usage of electricity (KW).</li> <li>iii. Power generation and electricity supply for mill generated by steam turbine</li> <li>iv. Steam supply to biodiesel</li> <li>v. CPO washing system</li> <li>vi. To enclose the ripple mill with noise absorbing material</li> <li>vii. To enclose the turbine control panel with a complete room from noise absorbing material</li> <li>viii. to liner the external section of polishing drum with sound proof material</li> <li>ix. NIR Online Monitoring system (CPO Quality)</li> </ul>	<p>Complied</p>
<b>4.1.4.2</b>	<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><b>- Major compliance -</b></p>	<p>The staff/workers competency training plan for FY 2020 has been established. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety etc.</p>	<p>Complied</p>



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>The FY2020 OPEX budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS etc.</p> <p>Interview with workers confirmed trainings were provided by company on regular basis.</p>	
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	<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><b>- Major compliance -</b></p>	<p>East Palm Oil Mill has maintained records of requests and responses in Communication Books (internal or external). Land titles/user rights, safety and health plans, plans and impact assessments relating to environmental and social impact, plans for pollution prevention, records of complaints and grievances, plans for continuous improvement are made available upon request.</p>	Complied
<b>4.2.1.2</b>	<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><b>- Major compliance -</b></p>	<p>The company has developed a procedure on Documentation and Communication under Section 3, version: 1, year 2008 where the information on sustainable activities will be made publicly available to the general public through Annual Reports, circulars, agreements, Sime Darby website and other publications. Copies of the document such as impact assessment reports and monitoring plans relating to environmental and social, pollution prevention plans, records of complaints and grievances are publicly available upon request.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	SDPB has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/4/2008. The procedure has describe the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	Assistant Manager (M.F. Ismail) of the East POM has been appointed as Social Responsible Person to handle any issue related to social. Seen the appointment letter dated 1/1/2019 issued by the Mill Manager.	Complied
<b>4.2.2.3</b>	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. <b>- Major compliance -</b>	List of stakeholders was available and last updated on 21/1/2020. Stakeholder meeting was last conducted on 7/11/2019 with the participation of stakeholders such as contractors, school representatives, government authorities and local communities. The minutes of meeting was available for verification. Based on the minutes, issues raised were found to be well addressed.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	East POM is receiving FFB mainly from it supply base - East Estate, Sepang Estate and Dusun Durian Estate. Nonetheless, East POM also occasionally received crop from other POM's supply base such as West Estate.	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> <li>- Supplied from which estate</li> <li>- Product (FFB or Loose fruit)</li> <li>- Delivery note from estates stating the weight and fruit grade (A or B).</li> <li>- D.O Number</li> <li>- Weight of the shipment</li> <li>- Date of the shipment</li> </ul> <p>For despatch of CPO &amp; PK, the weighbridge ticket includes the following information to enable the customer to trace the CPO source</p> <ul style="list-style-type: none"> <li>- Customer Name</li> <li>- Destination of the CPO</li> <li>- Product</li> <li>- DO number</li> <li>- PO number</li> <li>- Weight of the product.</li> </ul> <p>There has been no FFB from other company received by East POM since the last assessment.</p>	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	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 Mill Manager.	Complied
<b>4.2.3.3</b>	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	Based on the company's traceability procedure, the overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description.	Complied
<b>4.2.3.4</b>	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	The records of delivery of CPO & PK to refinery and KCP were verified. The dispatch of the CPO & PK is determined by HQ Sales & Marketing and will be entered into the Sime Weigh System. The delivery records of the CPO & PK 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
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	SOU 8 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by	Major NC

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
<p><b>- Major compliance -</b></p>	<p>the operating units and SQM sustainability team. SOU 18 had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were</p> <ul style="list-style-type: none"> <li>i. MPOB License no. 533088004000 for processing 96000 ton FFB. Valid from 1/10/2019 – 30/10/2020.</li> <li>ii. DOE License no. 001456. Valid from 1/7/2019 – 30/6/2020</li> <li>iii. DOE Contradiction License no. 005838. Valid from 1/10/2019 – 30/9/2020</li> <li>iv. Private Installation License no. 2019/02642. Valid from 1/10/2019 – 10/10/2019</li> <li>v. Competent Person               <ul style="list-style-type: none"> <li>a. AESP for Confined Space                   <ul style="list-style-type: none"> <li>- NW-HQ-AE-R-1150-R valid till 25/1/2021</li> <li>- NW-NSBH-AE-R-0242-P valid till 15/2/2021</li> </ul> </li> <li>b. CePSWam – cert no. CePSWam/197226 valid from 29/4/2019 – 28/4/2020</li> <li>c. CePPOME – cert. no.CePPOME/197881 valid from 30/9/2019 – 29/9/2020</li> <li>d. Engine Driver category A4 cert. no. PJ-T-4-H-0828-2000. Valid till 10/10/2021</li> <li>e. Permission to deduct employees’ salary for electric bill, ref.: BHG.PU/9/129 JLD 33(53), dated 6/7/2017, granted by JTK Putrajaya</li> </ul> </li> </ul>	

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>f. Permission to allow overtime work for employees for more than 130 hours per month, ref.: BHG. PU/9/134 JLD 9(11)</p> <p>Nonetheless, the compliance of one of the legal requirements was not adequately demonstrated. Based on the punch card record of a female employee (emp. No.: 47347), there were some instances that she had worked after 10 p.m., i.e.: Date Time-out (hr) Aug 1 2331 Aug 2 2335 Aug 13 2331 Aug 22 2340 Dec 19 2330 Dec 21 2328 Jan 11 2339 Jan 28 2334 This is not in accordance to Employment Act 1955, Section 34(1) Prohibition of night work. Thus, a non-conformity report was assigned due to this lapse.</p>	
<b>4.3.1.2</b>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated was done in July 2019 with addition Occupational Safety and Health (Noise Exposure) Regulations 2019.</p>	Complied
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	The mill was located in East Estate. The land title were available at the estate for review.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The mill located in the sister estate. The land title was under East Estate. The mill boundary was clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	There was no land disputes noted during the audit at East Oil Mill as East POM is located inside East Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	There is no land encumbered by customary right at this certification unit.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	There is no land encumbered by customary right at this certification unit.	Complied



Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	There is no land encumbered by customary right at this certification unit.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	SIA was carried out by Social & Environment Projects Unit, PSQM Department on 24-26/3/2014 to cover whole SOU 8 (East Palm Oil Mill, East Estate, Dusun Durian Estate and Sepang Estate). The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities and etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc. A newly revised Social Action Plan template where acknowledgment from the stakeholders was included, has been developed and adequately implemented.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	Ref.: Sime Darby Planation Mill Quality Management System, Standard Operating Manual (SOM), Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication, version 2, issue 0, dated 25/5/2015.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		The complaint and grievances is open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback (Clause 6.3 of the procedure) and within one week of the completion of the investigation, for communication required investigation.	
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.  - <b>Major compliance</b> -	<p>Based on the complaint records (<i>Buku Kerosakan Rumah</i>), asome issues were not addressed in timely manner as described as follows:</p> <ol style="list-style-type: none"> <li>1) Broken pipe at house no A3 from Thiagarajan on 14/01/2020.</li> <li>2) Broken toilet door at house no 48 from K. Muthuvarmaini on 11/01/2020.</li> <li>3) Door lock and cement broken at house no 24 from V.Kumanesan on 07/10/19.</li> <li>4) Low water pressure at house no A8 from Suhairy Nizam on 21/12/2019.</li> </ol> <p>This is not in line with the SOM Sub-Section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication</p> <p>6.3 Time frame for External Communication:</p> <ol style="list-style-type: none"> <li>a) Within 2 weeks of the date of receipt for communication requiring direct feedback.</li> <li>b) Within one week of the completion of the investigation, for communication requiring investigation.</li> </ol>	Minor NC

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		Thus, a non-conformity report was assigned due to this lapse.	
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	The mill management has maintained Complaint Book and Houses Repair Record to receive any complaints or grievances from stakeholders.	Complied
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	Interview with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.	Complied
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	Record review found that previous complaints and requests for the past 24 months were still available.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. <b>- Minor compliance -</b>	Since the last assessment, among the contributions from the mill were: <ul style="list-style-type: none"> <li>- Donation of sculptures made of recyclable wastes to a school (ref.: a letter dated 21/8/2019)</li> <li>- Social activities with employees such as organising festival celebrations, sports, indoor games, etc.</li> </ul>	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.4.1</b> An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The mill has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.</p> <p>Sighted the implementation of the management plan FY 2019 and FY 2020 as follows:</p> <p>i. Medical Surveillance for workers expose with chemicals was conducted on annually basis. Latest surveillance was conducted in November 2019 for 23 workers by certified OHD with reg. no HQ/08/DOC/00/709. All workers were found fit to work as chemical handlers.</p> <p>ii. Audiometric test was conducted on annually basis. Latest test was done on 7 - 25/5/2019. 37 workers were send for the test. 7 workers were found with STS including 2 with hearing impairment. The workers with STS were required to be send for retest within 3 months period as per date stated in the report. However, until the</p>	<p>Minor NC</p>

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>audit, the workers have yet to be sent for retest. Thus NC were raised.</p> <p>iii. Latest Chemical Health Risk Assessment (CHRA) was conducted on 23/1/2020 by certified Assessor with reg. no. HQ/09/ASS/00/124. Refer report no. HQ/09/ASS/00/124 – 2020/011.</p>	
<b>4.4.4.2</b>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health</li> </ul>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the estate.</p> <p>The mill has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment cover all main operations and support operations such as boiler station, FFB ramp, fruit handling station, Sterilizer station, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year, if accident occur or changes on the operation.</p> <p>Latest HIRARC review was on 25/5/2019 with changes made in Kernel and Workshop station due to accident occur at the workstation.</p> <p>The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
<p>(Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. Sighted the sampled training records as follows:</p> <ul style="list-style-type: none"> <li>i. chemical handling training dated 13/12/2019</li> <li>ii. sampling and analysis training dated 13/12/2019</li> <li>iii. Chemical handling training dated 14/11/2019</li> </ul> <p>The mill provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008.</p> <p>PPE issuance was recorded in PPE Issue logbook and store BIN Card. The records in the logbook was done by workers basis for monitoring purpose. Sighted the records for laboratory workers with employee no. 145476, 79814, 82271, 136819, 77300, 138081 and 146597. Laboratory works was provided with safety shoes, safety helmet, lab coat, Ear plug, ansel gloves, leather gloves half face/full face respirator and cartridge, and safety goggles.</p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>The Mill Manager has been appointed as Person Responsible / Chairman for Safety and Health in the estate as per appointment letter dated 2/1/2019 signed by the Regional CEO. Estate management has appointed Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH</p>	

**MSPO Public Summary Report  
Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
		<p>committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the OSH achievement, accident and incident report, OSHA compliance, PPE issue, first aid kit monitoring, PPE monitoring, workplace inspection, firefighting equipment monitoring and training. Sighted the minutes meeting records as follows:</p> <ul style="list-style-type: none"> <li>i. 30/4/2019</li> <li>ii. 17/7/2019</li> <li>iii. 13/11/2019</li> <li>iv. 15/1/2020</li> </ul> <p>The OHS Chairman and Secretary are in coordination with RSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3.</p> <p>Noted during interview with workers show the satisfactory understanding on the emergency procedure established. Training was conducted as follows:</p> <ul style="list-style-type: none"> <li>i. ERP, Fire Fighting collaboration with Fire Dept. dated 13/12/2019</li> </ul> <p>First aider present at various work station at the mill with appointed responsible person. Latest training was conducted on 6/1/2020. The first aid monitoring was done on monthly basis. Noted during</p>

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>site visit and interview with workers noted that workers aware regarding the location of the nearest first aid kit from their work station.</p> <p>The mill maintain the records of accident cases and documented in the "Laporan dan Siasatan Kemalangan" log and reported to HQ using the PSQM-ESH Monthly update form. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p>Both estates visited submit the JKPP 8 form on annually basis to DOSH through MyKKP website.</p>	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on human rights in the "Group Sustainability &amp; Quality Policy Statement" mention in Indicator 4.1.1.2. Communication to employees was done through briefing during morning muster call on 7/1/2020. Records of muster call attendance with regards to new policy briefing were maintained.</p>	Complied
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on discriminatory in the "Group Sustainability &amp; Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.</p>	Complied



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers ID number whom payslips for Aug 2019, Dec 2019 and Jan 2020 were verified is as follows:                      47347, 77300, 146597, 132543, 85294, 52594 and 134317.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>There was no contractor engaged to carry out any job in the mill, Thus, this indicator is not applicable.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>The mill management has registered all their workers into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages and etc. The employment contract, copy of work permit and passport and induction training certificate were kept in the personal file.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>The employees that recruited by the mill are from local, Indonesia, Nepal and India. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work. Duration of contract/ probation period, position offered, wages, annual leave, allowances and etc. was stated in the employment</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		contract. The employment contracts sampled for verification were: 47347, 77300, 146597, 132543, 85294, 52594 and 134317.	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month was developed and maintained as well.	Complied
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. <b>- Major compliance -</b>	Interview with workers and document review on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes. The mill has obtained a permit from <i>Jabatan Tenaga Kerja Selangor</i> on 25/9/2013 with Ref. No. JTKS 6/119. Jld 2 (42) to allow their workers to work not more than 130 hours of overtime per month.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in the individual card. Below were the sampled workers ID number whom payslips for Aug 2019, Dec 2019 and Jan 2020 were verified: <ul style="list-style-type: none"> <li>i. Employee Id: 132543</li> <li>ii. Employee Id: 127105</li> <li>iii. Employee Id: 85294</li> <li>iv. Employee Id: 52594</li> <li>v. Employee Id: 134317</li> <li>vi. Employee Id: 146597</li> </ul>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>vii. Employee Id: 77300</p> <p>All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2018 i.e. RM1100/month or RM42.31/day.</p> <p>Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.</p>	
<b>4.4.5.10</b>	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p><b>- Minor compliance -</b></p>	<p>The management has contributed 10kg of rice once every 2 months for all their workers. Apart from that, all the workers are provided with free medical facilities. In additional, all the workers are entitled with the phone allowance of RM5 for every month. Free housing facilities were provided to all the workers and their families.</p>	Complied
<b>4.4.5.11</b>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p><b>- Major compliance -</b></p>	<p>The mill management has provided free housing facilities to all their workers. Basic amenities such as water, electricity, football field and etc. were provided to the workers. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interview with the workers confirmed that they did not have any complain or grievance related to housing to be reported.</p>	Complied
<b>4.4.5.12</b>	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability &amp; Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		some of the workers showed no evidence of sexual harassment or violence happened so far.	
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. The mill management allowed their workers to form or join any association such as NUPW. Document reviewed on their payslip found that they are deducted for the UNION subscription fees of RM 8 monthly. UNION meeting was conducted on 7/11/2019 with the members and management representatives to discuss issues related to workers. The minutes of meeting were available for verification and found properly documented. Interview with the workers confirmed that they are allowed to join any trade union freely.	Complied
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p><b>- Major compliance -</b></p>	SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.	The mill has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Sighted the sample training records as follows: i. MSPO SCCS briefing dated 29/6/2019 ii. CHRA training dated 23/1/2020 iii. MSPO Supply Chain for contractor training dated 26/6/2019 iv. Introduction to GMP (Control of MOH) training dated 14/1/2020 v. Hearing conservation training dated 10/1/2020 vi. 5's training dated 20/12/2019	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	The mill visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	The mill visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	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. <b>- Major compliance -</b>	Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The policy has been communicated to the workers through briefing, training and displayed on signboard.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	Both estates visited has established environmental management plan base on aspect and impacts analysis conducted.  The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.  The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible. The EAI/EIE and management plan was reviewed on annually basis.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. <b>- Major compliance -</b>	The estate has established Pollution Prevention Plan. The plan was reviewed on annually basis. Sighted the implementation of the management plan FY 2019 as follows:  i. The mill has completed the construction of new boiler complete with Electrostatic Precipitator (ESP) system in order to comply with Clean Air Regulation 2014. The mill conducted stack sampling 2 times per year as required in the DOS's compliance schedule. Sighted the sampled if stack sampling conducted as follows:	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>i. Report no.: AE/19/070N  Date sampled: 7/8/2019  Result: 127.90 mg/m<sup>3</sup>, comply to EQA (Clean Air) Regulation 2014</p> <p>ii. Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 001456. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form for 3<sup>rd</sup> and 4<sup>th</sup> quarter of FY 2019.</p>	
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Program to promote positive impact was documented in continual Improvement Plan and documented in the Kaizen Charter/LSS/APEX projects. Sighted the plan/projects as follows:</p> <p>i. To reduce the usage of electricity (KW).</p> <p>ii. Power generation and electricity supply for mill generated by steam turbine</p> <p>iii. Steam supply to biodiesel</p>	Complied
<b>4.5.1.5</b>	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>The estate visited continue provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance														
<b>4.5.1.6</b>	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.  - <b>Major compliance</b> -	The estate visited has discussed on environmental issue during Environmental Performance Monitoring Committee meeting where representative of the management and employee raised their concerns about environmental quality in the estates. Sighted the minutes meeting dated 26/8/2019 and 3/4/2019.	Complied														
<b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy																	
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period  - <b>Major compliance</b> -	<p>The estate visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Consumption/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>0.27</td> </tr> <tr> <td>Feb 19</td> <td>0.10</td> </tr> <tr> <td>Mar 19</td> <td>0.08</td> </tr> <tr> <td>Apr 19</td> <td>0.07</td> </tr> <tr> <td>May 19</td> <td>0.09</td> </tr> <tr> <td>Jun 19</td> <td>0.09</td> </tr> </tbody> </table>	Month	Consumption/FFB	Jan 19	0.27	Feb 19	0.10	Mar 19	0.08	Apr 19	0.07	May 19	0.09	Jun 19	0.09	Complied
Month	Consumption/FFB																
Jan 19	0.27																
Feb 19	0.10																
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**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings		Compliance												
		<table border="1"> <tr> <td>Jul 19</td> <td>0.10</td> </tr> <tr> <td>Aug 19</td> <td>0.07</td> </tr> <tr> <td>Sep 19</td> <td>0.11</td> </tr> <tr> <td>Oct 19</td> <td>0.00</td> </tr> <tr> <td>Nov 19</td> <td>0.00</td> </tr> <tr> <td>Dec 19</td> <td>0.00</td> </tr> </table> <p>The estate has established the management plan to optimize the usage of diesel and documented in the Pollution Prevention Plan FY 2020 established.</p>	Jul 19	0.10	Aug 19	0.07	Sep 19	0.11	Oct 19	0.00	Nov 19	0.00	Dec 19	0.00		
Jul 19	0.10															
Aug 19	0.07															
Sep 19	0.11															
Oct 19	0.00															
Nov 19	0.00															
Dec 19	0.00															
<b>4.5.2.2</b>	<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><b>- Major compliance -</b></p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets</p>		Complied												
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>Renewable energy used is from biofuel (shell and fiber) for boiler start-up. Sighted the records for usage of renewable energy FY 2019 as follows:</p>		Complied												

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings			Compliance
		Month	Shell/ton FFB	Fiber/ton FFB	
		Jan 19	290.70	1546.52	
		Feb 19	262.53	1396.64	
		Mar 19	308.05	1638.82	
		Apr 19	280.10	1490.13	
		May 19	337.05	1793.09	
		Jun 19	273.12	1452.98	
		Jul 19	316.88	1685.83	
		Aug 19	367.96	1957.53	
		Sep 19	245.19	1304.39	
		Oct 19	286.24	1522.81	
		Nov 19	249.34	1326.49	
		Dec 19	202.88	1079.31	
<b>Criterion 4.5.3: Waste management and disposal</b>					

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>The mil has identified the waste products and source pollution and documented in Waste Management Plan. The plan was reviewed on annually basis. The waste has been identified as follows:</p> <ul style="list-style-type: none"> <li>i. Effluent</li> <li>ii. Fiber and Shell</li> <li>iii. EFB</li> <li>iv. Boiler Clinker</li> <li>v. Wash water</li> <li>vi. Scrap metal</li> <li>vii. Scheduled waste</li> <li>viii. Boiler blowdown water</li> <li>ix. Hydrocyclone wash water</li> <li>x. Domestic waste</li> </ul>	Complied
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution.</li> <li>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The mill has established waste management plan as per waste identification. The plan was reviewed on annually basis.</p> <ul style="list-style-type: none"> <li>i. The mill maintain and report the generation of schedule waste to DOE on monthly basis through E-SWISS. Sighted the inventory report for the month of September, October, and November 2019.</li> <li>ii. During the site visit, it was observed that there is a high potential of leachate generated from EFB stock pile to flow was flowing to the environment through the nearest monsoon drain. The leachate</li> </ul>	Major NC

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>was not channeled to the effluent treatment pond as stated in the waste management plan.</p> <p>iii. During document review, it was noted that the latest SW disposal was conducted on 26/4/2019. The SW generated after the disposal was on 5/8/2019 as per E-SWISS Inventory reports for the month of August 2019 dated 5/8/2019. Until the audit day, no evidence of SW disposal has been conducted and the SW was stored for 191 days without any approval from DOE. Thus NC were raised.</p>	
<p><b>4.5.3.3</b></p>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>The mill also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> <li>i. 24/6/2019, SW 322, C/N no. 050969-002-0016</li> <li>ii. 24/6/2019, SW 322, C/N no. 050969-003-0020</li> <li>iii. 24/6/2019, SW 410, C/N no. 050969-008-0017</li> <li>iv. 24/6/2019, SW 102, C/N no. 050969-012-0011</li> <li>v. 24/6/2019, SW 409, C/N no. 050969-014-0023</li> <li>vi. 24/6/2019, SW 306, C/N no. 050969-015-0006</li> <li>vii. 24/6/2019, SW 305, C/N no. 050969-016-0011</li> </ul>	
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	Domestic waste was handled by sister estate, East Estate.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p>	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance								
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. The plan was reviewed on annual basis.</p> <p>Sighted the sampled if stack sampling conducted as follows:</p> <p>i. Report no.: AE/19/070N Date sampled: 7/8/2019 Result: 127.90 mg/m3, comply to EQA (Clean Air) Regulation 2014</p>	Complied								
<b>4.5.4.3</b>	<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><b>- Major compliance -</b></p>	<p>Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 001456. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>4<sup>th</sup> quarter (report date: 12/1/2020)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td style="text-align: center;">7.80</td> <td style="text-align: center;">8.10</td> <td style="text-align: center;">7.80</td> </tr> </tbody> </table>		Oct	Nov	Dec	pH	7.80	8.10	7.80	Complied
	Oct	Nov	Dec								
pH	7.80	8.10	7.80								

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings				Compliance				
		BOD	1105	221	222					
		3 <sup>rd</sup> quarter (report date: 3/10/2019)								
			Oct	Nov	Dec					
		pH	7.60	7.70	7.90					
		BOD	1108	1690	325					
		The effluent analysis confirm with condition prescribed under Compliance Schedule License no. 001456.								
<b>Criterion 4.5.5: Natural water resources</b>										
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application,</li> </ul>	<p>The mill has established water management Plan and documented in Identification and Management of wastewaters and Action Plan to reduce fresh water usage. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame. Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> <li>i. The mill continue to monitor the water consumption. Sighted the records of water consumption as follows:</li> </ul> <table border="1"> <thead> <tr> <th>Month</th> <th>L/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>1.26</td> </tr> </tbody> </table>				Month	L/FFB	Jan 19	1.26	Complied
Month	L/FFB									
Jan 19	1.26									

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings		Compliance																						
	maintenance of equipment to reduce leakage, collection of rainwater, etc.). <b>- Major compliance -</b>	<table border="1"> <tr><td>Feb 19</td><td>1.43</td></tr> <tr><td>Mar 19</td><td>1.58</td></tr> <tr><td>Apr 19</td><td>1.58</td></tr> <tr><td>May 19</td><td>1.48</td></tr> <tr><td>Jun 19</td><td>1.50</td></tr> <tr><td>Jul 19</td><td>1.50</td></tr> <tr><td>Aug 19</td><td>1.44</td></tr> <tr><td>Sep 19</td><td>2.47</td></tr> <tr><td>Oct 19</td><td>1.95</td></tr> <tr><td>Nov 19</td><td>1.62</td></tr> <tr><td>Dec 19</td><td>1.47</td></tr> </table>	Feb 19	1.43	Mar 19	1.58	Apr 19	1.58	May 19	1.48	Jun 19	1.50	Jul 19	1.50	Aug 19	1.44	Sep 19	2.47	Oct 19	1.95	Nov 19	1.62	Dec 19	1.47		
Feb 19	1.43																									
Mar 19	1.58																									
Apr 19	1.58																									
May 19	1.48																									
Jun 19	1.50																									
Jul 19	1.50																									
Aug 19	1.44																									
Sep 19	2.47																									
Oct 19	1.95																									
Nov 19	1.62																									
Dec 19	1.47																									
<b>4.5.5.2</b>	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 001456. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Regular monitoring was done on monthly basis and		Complied																						



**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance																								
	- Major compliance -	<p>every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>4<sup>th</sup> quarter (report date: 12/1/2020)</p> <table border="1"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.80</td> <td>8.10</td> <td>7.80</td> </tr> <tr> <td>BOD</td> <td>1105</td> <td>221</td> <td>222</td> </tr> </tbody> </table> <p>3<sup>rd</sup> quarter (report date: 3/10/2019)</p> <table border="1"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.60</td> <td>7.70</td> <td>7.90</td> </tr> <tr> <td>BOD</td> <td>1108</td> <td>1690</td> <td>325</td> </tr> </tbody> </table> <p>The effluent analysis confirm with condition prescribed under Compliance Schedule License no. 001456.</p>		Oct	Nov	Dec	pH	7.80	8.10	7.80	BOD	1105	221	222		Oct	Nov	Dec	pH	7.60	7.70	7.90	BOD	1108	1690	325	
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<b>4.6 Principle 6: Best Practices</b>																											
<b>Criterion 4.6.1: Mill Management</b>																											
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill	Complied																								

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.  Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	
4.6.1.2	All palm oil mills shall implement best practices.  - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report.  The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports covers on all aspect of operation.	Complied
<b>Criterion 4.6.2:</b> Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2020 and business plan FY 2020 – FY 2024  In the 5 years business plan include items as follows:  i. Mill intake – FFB input  ii. Production of CPO  iii. Production of PK  iv. Total Palm Oil Extraction	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

Criterion / Indicator		Assessment Findings	Compliance
		v. Total Palm Kernel Extraction vi. Mill cost The business plan for FY2019 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization and etc. It also includes environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure.	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	East POM process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	The contract agreements between the management and the contractors were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	The contractors were made to understand the MSPO requirements and shall provide the required documentation and information through meetings and trainings. Records of attendance of the meetings were available for verification.	Complied

**MSPO Public Summary Report**  
**Revision 1 (Feb 2020)**

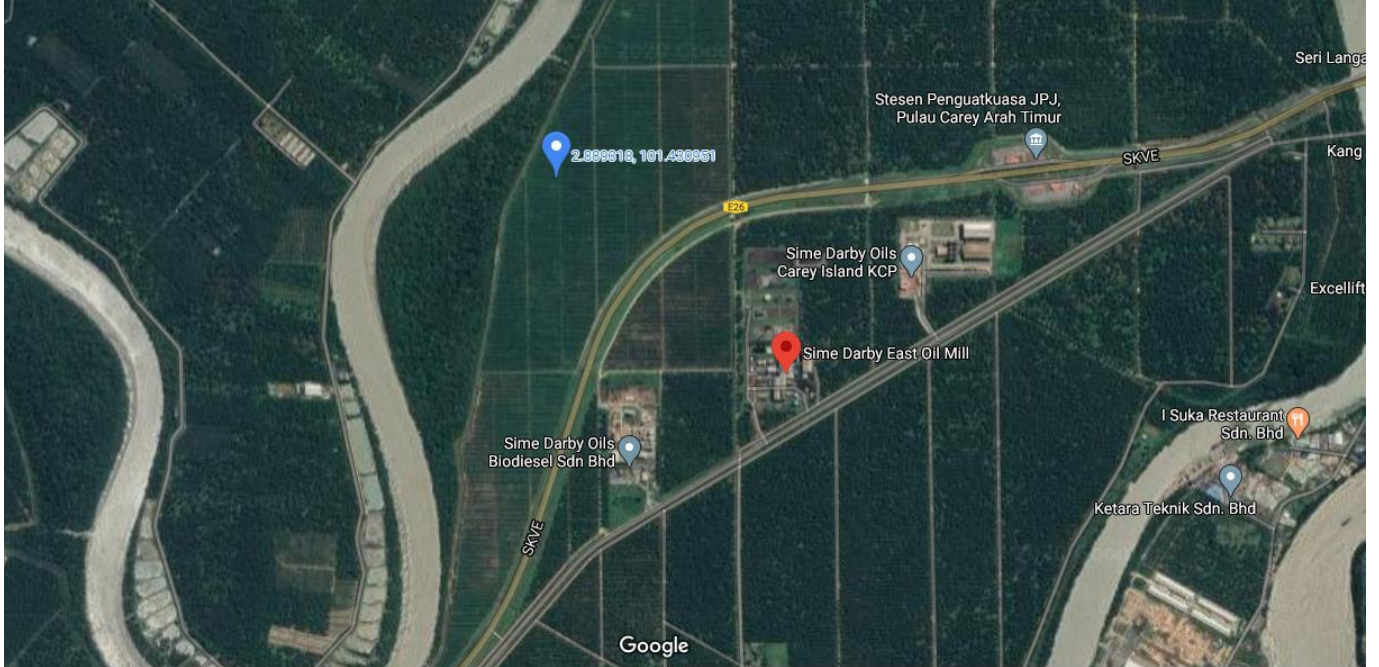
Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through slide presentation material.	Complied

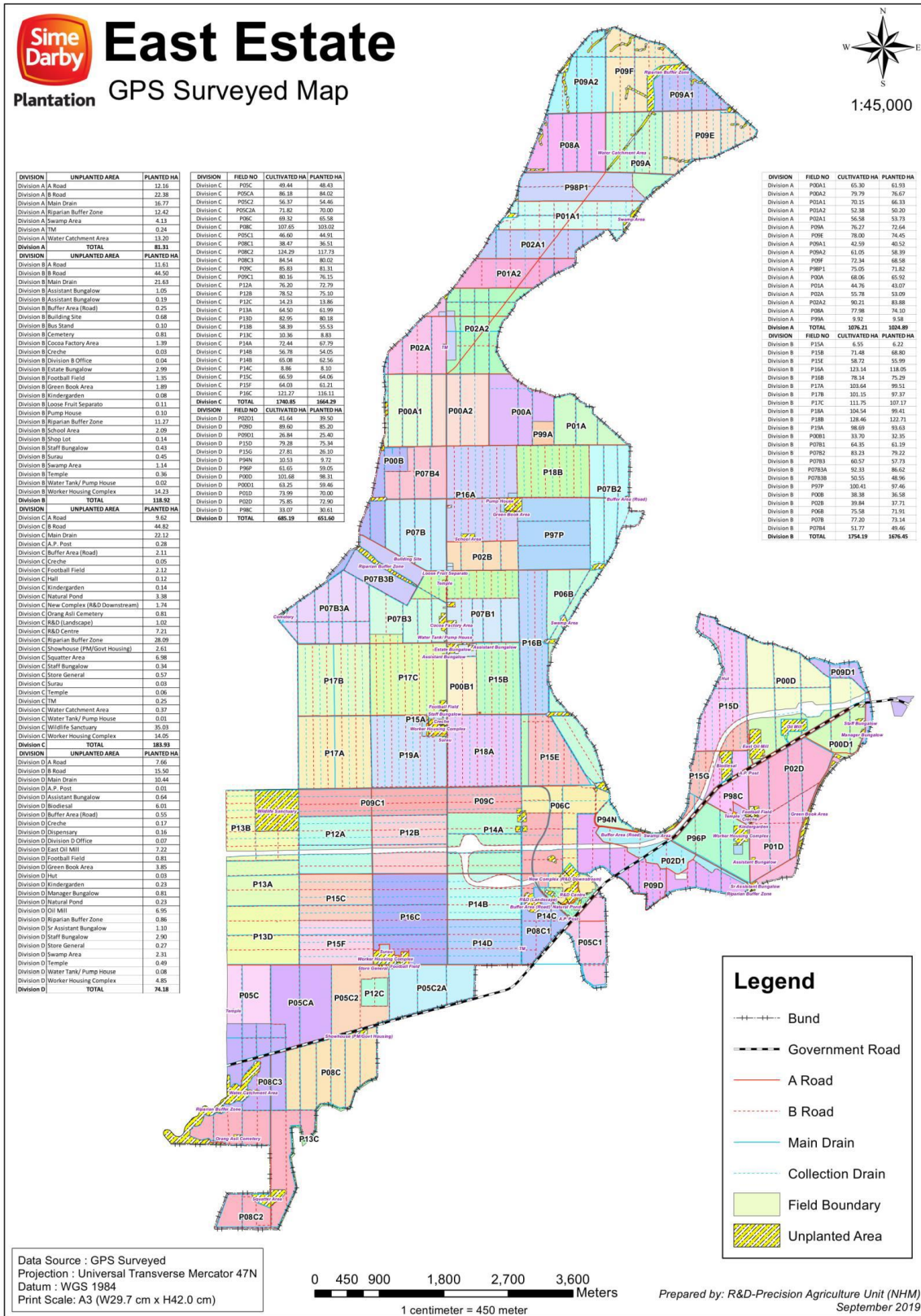
**Appendix B: List of Stakeholders Contacted**

<p><b>Government Officer:</b>          SJKT Pulau Carey Timur          SK Seri Lanang</p>	<p><b>Community/neighbouring village:</b>          Kampung Sri Cheeding</p>
<p><b>Suppliers/Contractors/Vendors:</b>          Tiong Ying Enterprise          GSP Letchumy, Sritheran Enterprise</p>	<p><b>Worker’s Representative/Gender Committee:</b>          Estate managers          Mill engineer          Supervisors, Staff &amp; Clerks          Mill local &amp; foreign workers (process, workshop, etc.)          Estate local &amp; foreign workers (harvesters, sprayers, etc.)          Local workers representatives          Foreign workers representatives          Gender committee representative</p>

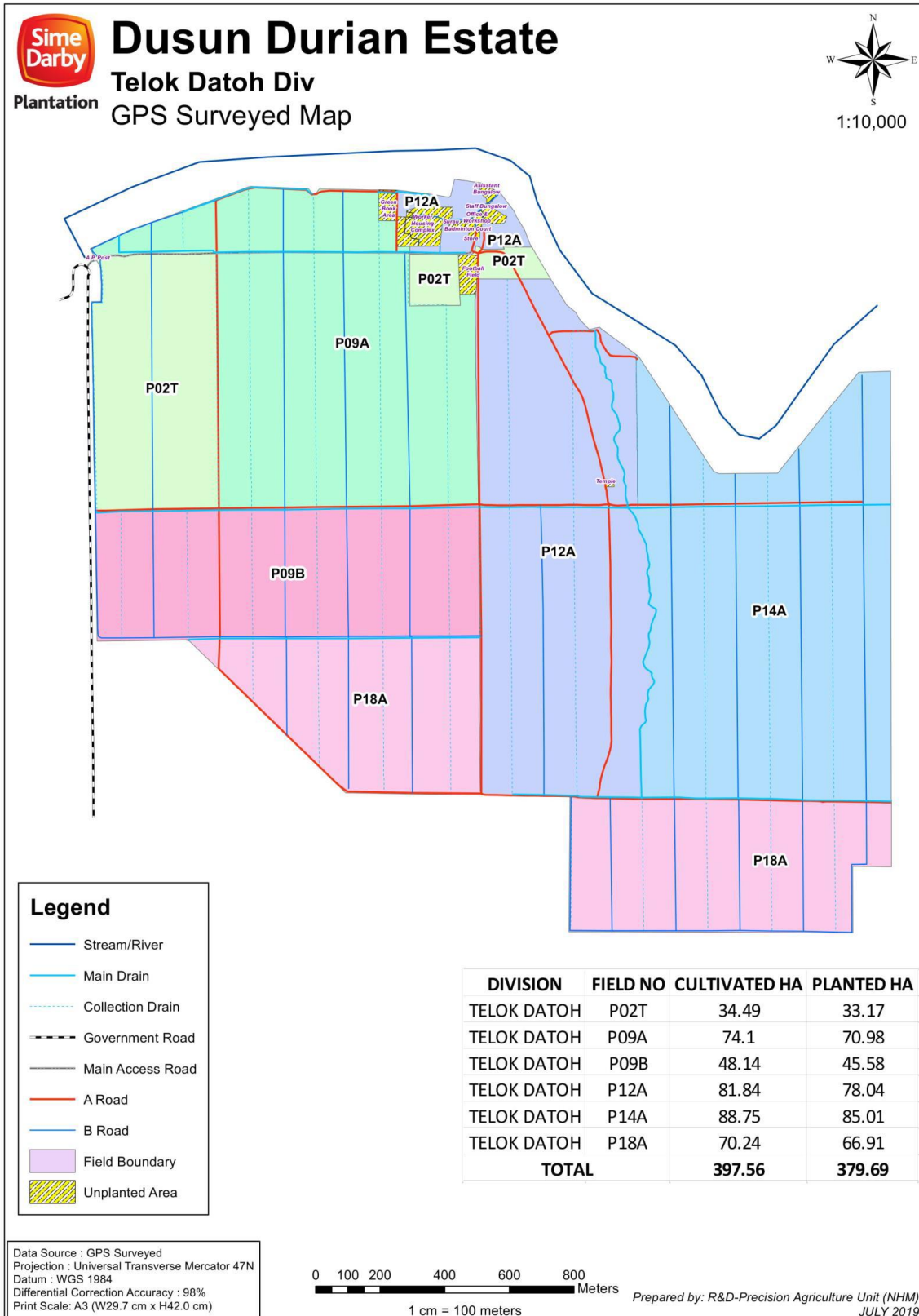


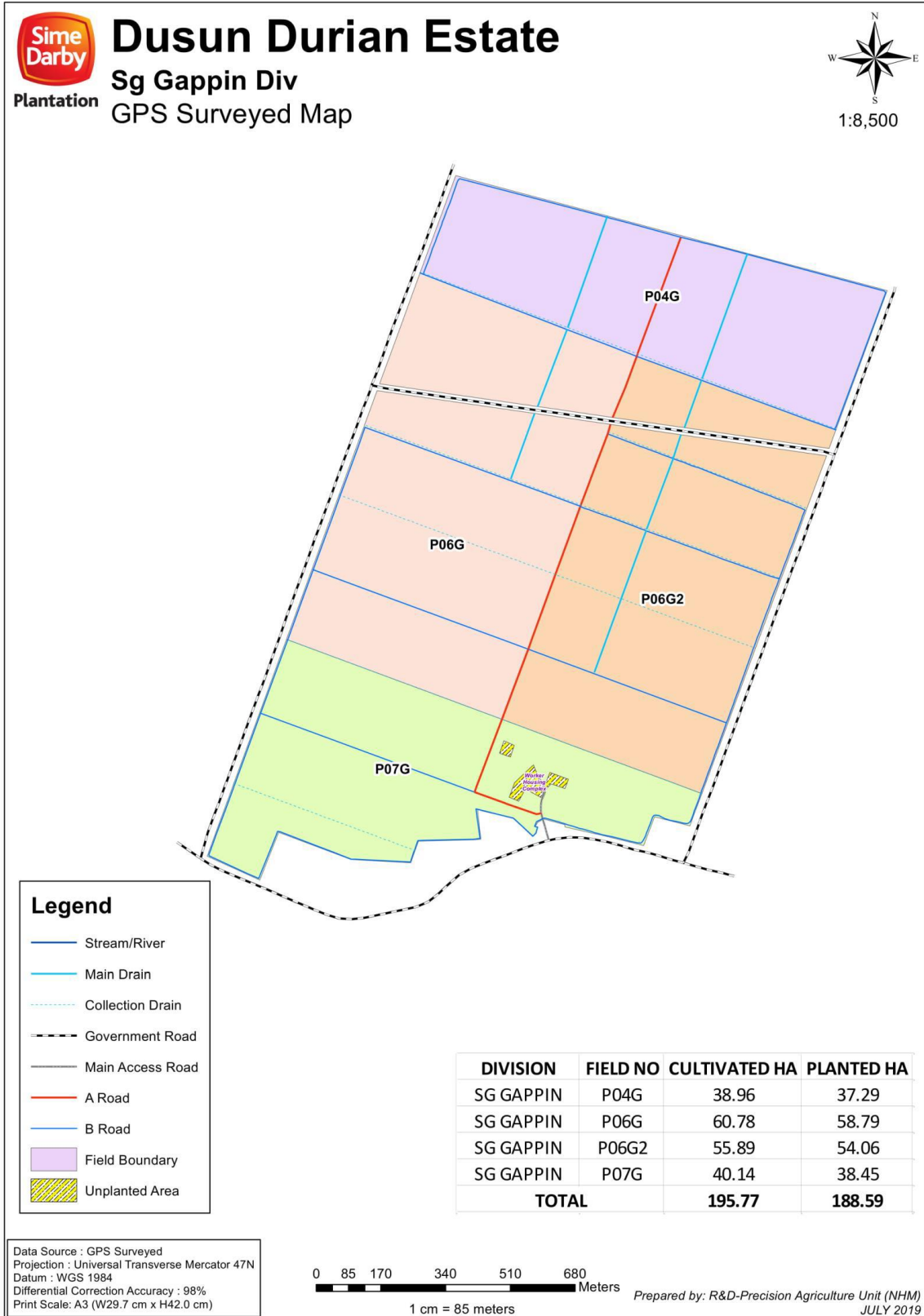
**Appendix D: Location and Field Map**

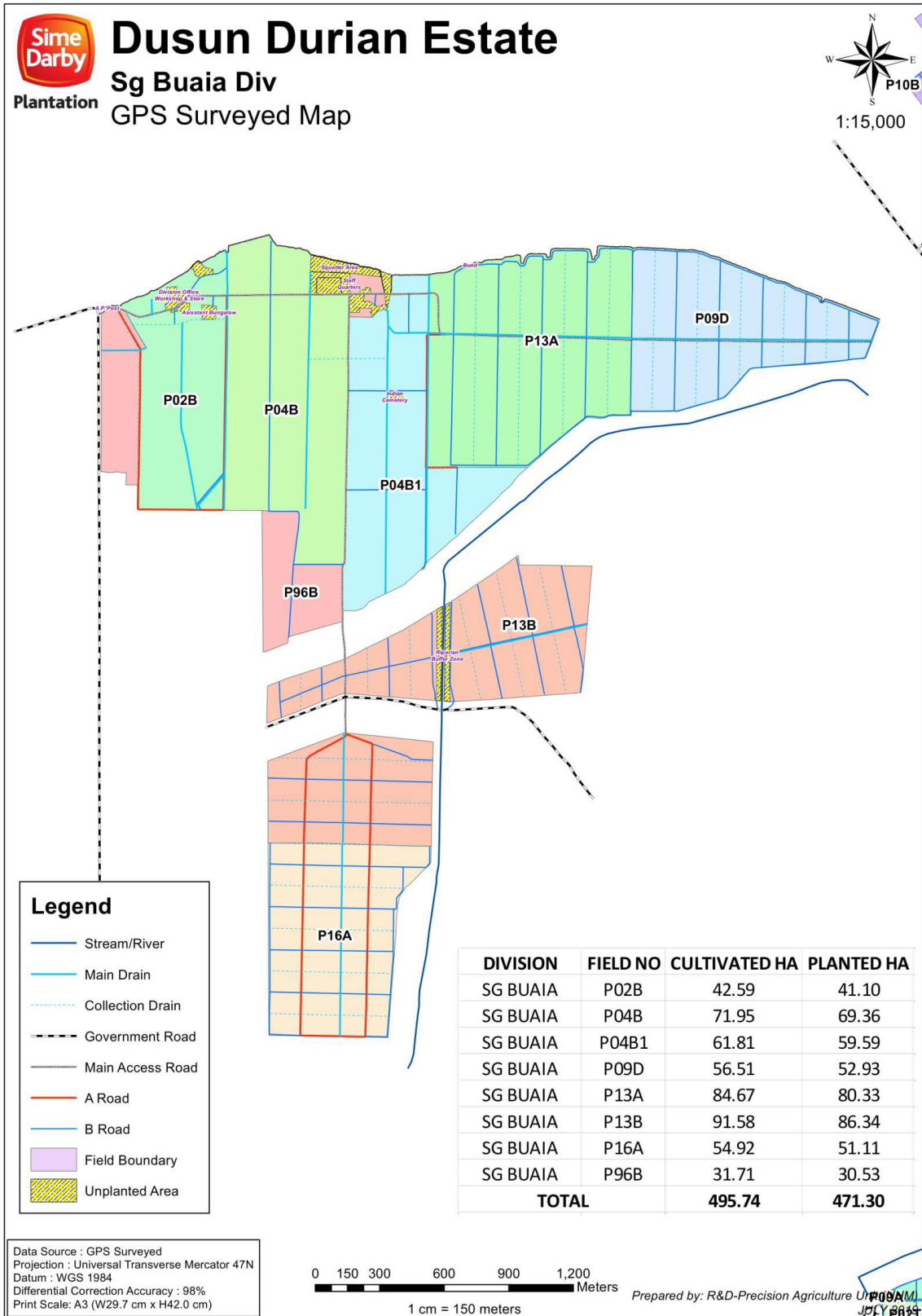


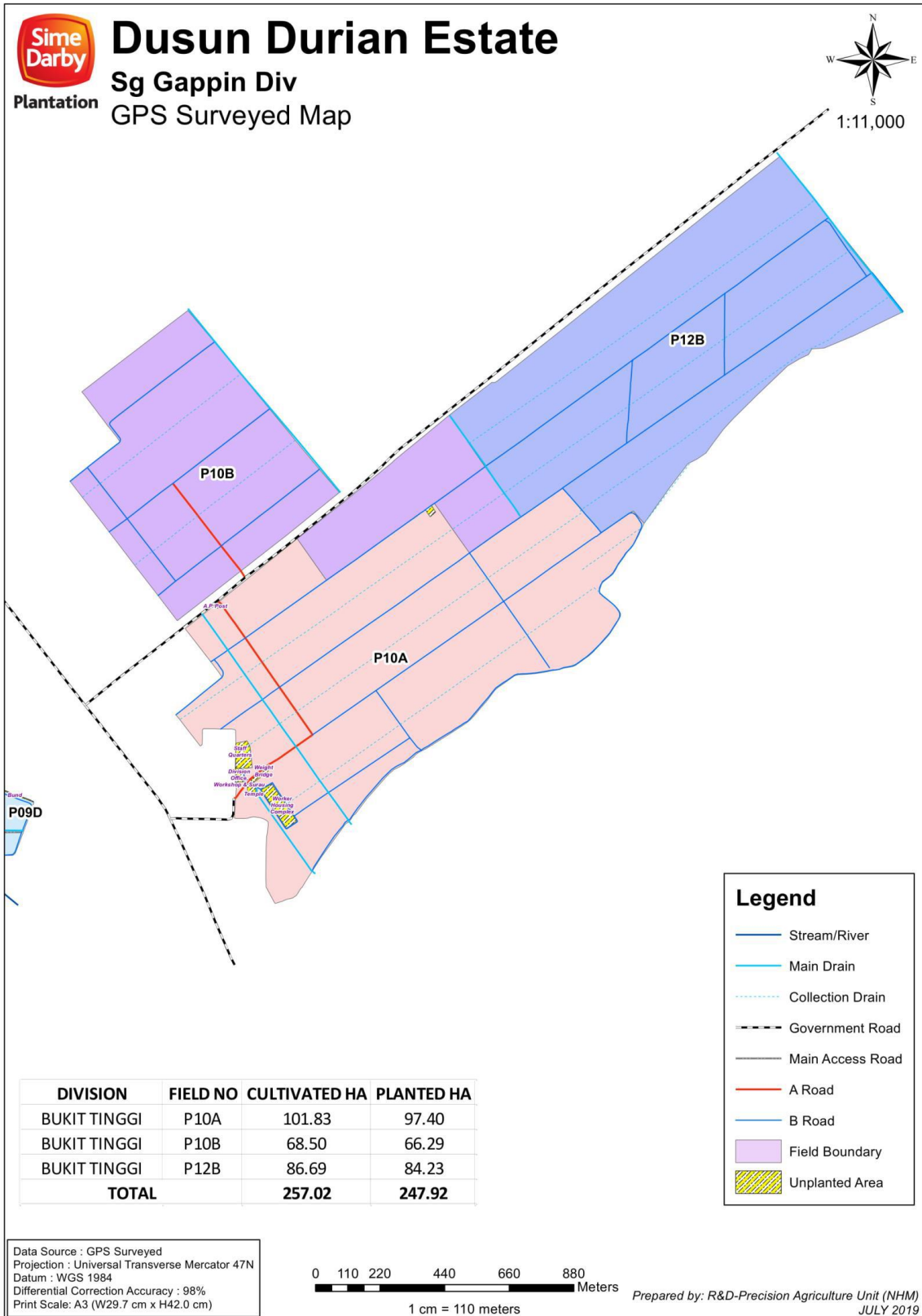












**Appendix E: List of Abbreviations**

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