

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT 3
Public Summary Report**

Sime Darby Plantation Berhad
Client company Address: Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 18) Diamond Jubilee Palm Oil Mill Location of Certification Unit: KM 8, Jasin-Simpang Bekoh Road, District of Jasin, 77100 Jasin, Melaka, Malaysia

Report prepared by:
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Report Number: 3221216

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Diamond Jubilee POM: 500288804000	30/9/2020	
	Diamond Jubilee Estate: 522967002000	30/6/2021	
	Bukit Asahan Estate: 527615002000	28/2/2021	
	Welch Estate: 522499002000	31/7/2021	
Address	Head Office: Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia		
Certification Unit	Strategic Operating Unit (SOU 18) - Diamond Jubilee Palm Oil Mill, KM 8, Jasin-Simpang Bekoh Road, District of Jasin, 77100 Jasin, Melaka, Malaysia		
Contact Person Name	Shylaja Devi Vasudevan Nair (Headquarters) Syahrul Saramlah (SOU Chairman)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com syahrul.saramlah@simedarbyplantation.com
Telephone	603-78484379 (Head Office) 606-5291 302 (Mill)	Facsimile	603-78484356 (Head Office) 606-5292 019 (Mill)

1.2 Certification Information			
Certificate Number	Plantation: MSPO 688335 Mill: MSPO 682043		
Issue Date	10/01/2018	Expiry date	09/01/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MSPO MS 2530:2013 Part 3 & Part 4		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	21/11/2017 - 23/11/2017		
Continuous Assessment Visit Date (CAV) 1	5/9/2018 - 7/9/2018		
Continuous Assessment Visit Date (CAV) 2	5/8/2019 - 7/8/2019		
Continuous Assessment Visit Date (CAV) 3	7/7/2020 - 9/7/2020		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 591224	Roundtable Sustainable Palm Oil – Principle and Criteria 2018 (Malaysian National Interpretation 2019)	BSI Services Malaysia Sdn Bhd	04/10/2021
MSPO 714120	MSPO SCCS	BSI Services Malaysia Sdn Bhd	11/07/2024

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
Diamond Jubilee Palm Oil Mill	KM 8, Jasin-Simpang Bekoh Road, District of Jasin, 77100 Jasin, Melaka, Malaysia	102.483099	2.334895
Diamond Jubilee Estate	Ladang Diamond Jubilee, KM 8, Jasin-Simpang Bekoh Road, District of Jasin, 77100 Jasin, Melaka, Malaysia	102.48833	2.33055
Bukit Asahan Estate	Ladang Bukit Asahan, Jalan Asahan, 77100 Melaka, Malaysia	102.54583	2.39388
Welch Estate	Jalan Segamat-Jementah, 85200 Segamat, Johor, Malaysia	102.65333	2.45611

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Diamond Jubilee Estate	2,506.97	21.48	307.74	2,836.19*	83.39%
Bukit Asahan Estate	2,965.35	1.36	105.30	3,072.01	96.53%
Welch Estate	576.20	0.95	870.67	1,447.82	39.80%
Total	6,048.52	23.79	1,283.71	7,356.02	82.23%

Note: *Diamond Jubilee Estate has a land acquisition (136.02 ha) from Paduwan & State Govt for Projek Rumah Penjawat Awam 1 Malaysia.

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1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Diamond Jubilee Estate	441.83	574.4	1299.06*	191.68	0.00	2065.14	441.83
Bukit Asahan Estate	206.35	324.8	2,261.48	149.67	23.05	2759.00	206.35
Welch Estate	0.00	0.00	543.16	33.04	0.00	576.20	0.00
Total (ha)	648.18	899.2	4103.70	374.39	23.05	5400.34	648.18

Note: *Diamond Jubilee Estate has a land acquisition (136.02 ha) from Paduwan & State Govt for Projek Rumah Penjawat Awam 1 Malaysia.

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Aug 19-Sept 20)	Actual (Aug 19-June 20)	Forecast (Aug 20-Sept 21)
Diamond Jubilee	64,377.17	25,586.66	54,000.00
Bukit Asahan	58,080.00	47,485.120	59,303.00
Welch Estate	-	7,709.410	11,696.00
Kempas*	-	235.85	-
Serkam*	-	272.74	-
Kemuning*	-	824.5	-
Tangkah*	-	3,626.42	-
Total	122,457.17	85,740.70	124,999.00

Note: *Certified tonnage of FFB from other certified units

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Aug 19-Sept 20)	Actual (Aug 19-June 20)	Forecast (Aug 20-Sept 21)
N/A			
Total			

1.8 Certified Tonnage			
Mill Capacity: 25 MT/hr	Estimated (Aug 19-Sept 20)	Actual (Aug 19-Jun 20)	Forecast (Aug 20-Sept 21)
	FFB	FFB	FFB

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SCC Model: SG	122,457.17	85,740.70	124,999.00
	CPO (OER: 21.80%)	CPO (OER: 21.31%)	CPO (OER: 21.5%)
	26,695.66	18,271.21	26,874.79
	PK (KER: 5.30%)	PK (KER: 5.23%)	PK (KER: 5.5 %)
	6,490.23	4,486.78	6,874.95

1.9 Actual Sold Volume (CPO) (Aug 19-Jun 20)					
Item	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
CPO (MT)	Nil	-	14,364.33	804.13	15,168.46

1.10 Actual Sold Volume (PK) (Aug 19-Jun 20)					
Item	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
PK (MT)		-	983.90	688.55	1,672.45

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 07-09/07/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the mill and plantations as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 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 MSP0 Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

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

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

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

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

This report was externally reviewed by MSP0 approved Peer Reviewer prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Diamond Jubilee POM	√	√	√	√	√
Diamond Jubilee Estate	√	√	√	√	√
Bukit Asahan Estate	-	-	√	-	√
Serkam Estate	√	√	-	-	-
Welch Estate	-	-	-	√	-

Tentative Date of Next Visit: July 5, 2021 - July 7, 2021

Total No. of Mandays: 6

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Elzy Ovktafia (EO)	Team Leader	She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP & AISP from the Incorporated Society of Planters and currently studying Master of Science (Occupational Safety & Health) in Universiti Utara Malaysia. She involves in audits and technical reviews works mainly for Sustainability Programme includes RSPO & MSPO for more than 4 years across 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and a Social Compliance Auditor. Prior to this, she was the Agronomist in R&D Department for almost 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During this assessment, she assessed on the aspects of legal, social and stakeholder engagement. She is able to communicate in fluent Bahasa Malaysia and English.
Vijay Kanna (VK)	Team Member	He holds a bachelor’s degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10 years of tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He

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		has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Occupational, Health & Safety and estate best practises. He is fluent in Bahasa Malaysia and English languages.
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2.2 Accompanying Persons

No.	Name	Role
-		

2.3 Assessment Plan

Date	Time	Subjects	EO	VK
06/07/2020 Monday	PM	Audit team traveling to Melaka and check in Hotel.	√	√
07/07/2020 Tuesday	0830-0900	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). 	√	√
	0900-1200	Diamond Jubilee Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. Visit to laboratory, weighbridge and palm product storage area.	√	√
	1200-1300	Lunch	√	√
	1300-1630	Diamond Jubilee Palm Oil Mill Document Review P1 – P8: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√
	1630-1700	Interim Closing Briefing	√	√
08/07/2020 Wednesday	0830-1200	Welch Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√
	1000-1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-
	1200-1300	Lunch	√	√
	1300-1630	Welch Estate	√	√

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Date	Time	Subjects	EO	VK
		Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).		
	1630-1700	Interim Closing Briefing	√	√
09/07/2020 Thursday	0830-1200	Diamond Jubilee Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√
	1200-1300	Lunch	√	√
	1300-1630	Diamond Jubilee Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√
	1630-1700	Finalization of audit findings and report preparation.	√	√
	1700-1730	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 One (1) Major, Three (3) Minor nonconformities and Two (2) Opportunity for Improvement raised. The Sime Darby-Diamond Jubilee POM 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:		
Ref: 1928872-202007-M1	Area/Process: Sime Darby-Welch Estate & Diamond Jubilee Estate	Clause: 4.4.4.2
	Issue Date: 09/07/2020	Due Date: 08/10/2020
Requirements:	The occupational safety and health plan shall cover the following: <ol style="list-style-type: none"> 1. The risks of all operations shall be assessed and documented. 2. Accident and emergency procedures shall exist, and instructions shall be clearly understood by all employees. 3. 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. 4. Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 	
Statement of Nonconformity:	The occupational safety and health plan were not fully implemented.	
Objective Evidence:	<ol style="list-style-type: none"> 1. HIRARC for Ramp Workstation at Welch Estate was not entirely covered as it did not identify the possible risk associated with the ramp attendants such as working at height & working at slippery surfaces, etc. During the site visit it was sighted that the ramp attendants walk along the FFB Ramp Slope which is slippery due to the oil from the FFB and also, the attendants stand on the FFB Lorry below the ramp to arrange the FFB that has been filled onto the 	

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	<p>lorry trailer. As there are possible risks associated to the work involved, it is necessary that the HIRARC is developed for the mentioned work.</p> <ol style="list-style-type: none"> 2. HIRARC for FFB Evacuation Work at Diamond Jubilee Estate was not entirely covered as it did not identify the possible risk associated with the loader/driver/attendant arranging the FFB while standing on the FFB in the bin. As there are possible risks associated to the work involved, it is necessary that the HIRARC is developed for the mentioned work. Therefore, a minor Non-conformance was raised. 3. Sighted during the Site visit at the Premix Area at Diamond Jubilee Estate, it was noted that the emergency eye wash located at the Premix Area was not functioning. 4. Diamond Jubilee Estate: First Aid Kit compliance monitoring was not fully effective. Sighted 2 expired items dated 30.03.2020 & 30.06.2020 in the First Aid Kit sampled at the Manuring Gang. Further verification indicates the monthly inspection record for the First Aid Kit does not capture on the expired items details. 5. Welch Estate: JKPP 8 form submission compliance was not evident. No evidence available on the completed JKPP 8 form for year ending 2019 was been submitted to DOSH.
<p>Corrections:</p>	<p><u>Welch and Diamond Jubilee Estate:</u> Risk assessment for ramp workers and bin attendant have been added. The HIRARC for water pump have been reviewed to include machine guarding in control measures.</p> <p><u>Diamond Jubilee Estate:</u></p> <ol style="list-style-type: none"> 1) The pull lever for emergency eye wash was repaired by Foreman. 2) The expired items were replaced with new one. <p><u>Welch Estate:</u> All accident report has been retrieved from previous email to GSQM ESH. JKPP 8 submitted to DOSH on 17th July 2020</p>
<p>Root cause analysis:</p>	<p><u>Welch and Diamond Jubilee Estate:</u> The previous assessment did not cover for ramp worker and bin attendant.</p> <p><u>Diamond Jubilee Estate:</u></p> <ol style="list-style-type: none"> 1) The pull lever for emergency eye wash was rusted. 2) No checking on expiry date for first aid items <p><u>Welch Estate:</u> Accident reports for year 2019 have been missing since former Person In charge (PIC) left the Company.</p>
<p>Corrective Actions:</p>	<p><u>Welch and Diamond Jubilee Estate:</u></p>

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	<p>1) HIRARC review for all operations will be done yearly by ESH committee 2) Training was conducted on 09/07/2020 to the ramp worker 3) Training was conducted on 14/07/2020 to all bin attendant.</p> <p><u>Diamond Jubilee Estate:</u></p> <p>1) To include checking on emergency shower and eye wash in workplace inspection 2) Estate Medical Assistant will conduct monthly inspection for all first aids box 3) The inspection checklist for first aid have been revised to include expiry date of first aid items</p> <p><u>Welch Estate:</u> New person-in-charge was nominated for online submission of accident report to state DOSH.</p>
<p>Assessment Conclusion:</p>	<p>Evidence submitted:</p> <p><u>Diamond Jubilee Estate</u></p> <ol style="list-style-type: none"> 1. Checklist for first aid monitoring. 2. Emergency eye wash. 3. Guard water pump and updated HIRARC. 4. Training for Loader & Bin Attendant. <p>Welch Estate</p> <ol style="list-style-type: none"> 1. JKPP8 Akuan Penerimaan. 2. Reviewed HIRARC for Ramp Attendant. 3. Reviewed HIRARC Summary. 4. SOP & Training for Ramp Attendant. <p>The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.</p>

Minor Nonconformities:		
<p>Ref: 1928872-202007-N1</p>	<p>Area/Process: Sime Darby- Diamond Jubilee POM</p>	<p>Clause: 4.4.4.2</p>
	<p>Issue Date: 09/07/2020</p>	<p>Due Date: Next surveillance assessment</p>
<p>Requirements:</p>	<p>Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite</p>	
<p>Statement of Nonconformity:</p>	<p>Monitoring of First Aid Kits were inadequate.</p>	
<p>Objective Evidence:</p>	<p>Diamond Jubilee POM: First Aid Kit compliance monitoring was not fully effective. Sighted 2 expired items dated 7/6/19 & 1/7/20 in the First Aid Kit No. 5 sampled at the</p>	

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	Workshop Area. Further verification indicates the monthly inspection record for First Aid Kit No. 5 does not capture on the expired items details.
Corrections:	New analgesic cream and antiseptic cream have been replaced.
Root cause analysis:	No checking on expiry date for first aid items.
Corrective Actions:	Mill management appointed QA to check first aids box on monthly basis. The inspection checklist for first aid have been revised to include expiry date of first aid items.
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.

Minor Nonconformities:		
Ref: 1928872-202007-N2	Area/Process: Sime Darby- Diamond Jubilee POM	Clause: 4.5.3.1
	Issue Date: 09/07/2020	Due Date: Next surveillance assessment
Requirements:	All waste products and sources of pollution shall be identified and documented	
Statement of Nonconformity:	Identification & Disposal of waste material was not fully effective.	
Objective Evidence:	Identification & Disposal of waste material was not fully effective. The mill has not identified contaminated used PPE & used Oil Based Paint Containers as a source of waste as it was not documented in the Environmental Management Plan. Empty grease containers and several empty oil-based paint containers were dumped together with the scrap metals at the Scrap Metal Yard.	
Corrections:	Grease drums and empty paint containers have been included in the identification of SW in the Environmental Management plan. The scheduled waste are collected and stored in scheduled waste store.	
Root cause analysis:	No briefing conducted to worker on waste disposal.	
Corrective Actions:	1) To identify grease drums and paint containers in Environmental Management Plan. 2) To educate workers on disposal of waste.	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.	

Minor Nonconformities:		
Ref: 1928872-202007-N3	Area/Process: Sime Darby- Diamond Jubilee Estate	Clause: 4.3.1.1
	Issue Date: 09/07/2020	Due Date: Next surveillance assessment
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	

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Statement of Nonconformity:	Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970 was partly complied.
Objective Evidence:	During the site visit at the Diamond Jubilee Estate Pond, it was noted that there were 2 beltings which coupled the Diesel Engine and the Water Pump at the Oil Palm Nursery. Noted that one of the belting was covered with a protection guard while another belting was still exposed during verification visit. This shows that Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970, Regulation 3, First Schedule is partly complied.
Corrections:	New cover was fixed to the secondary belting.
Root cause analysis:	The cover only fixed at main belting.
Corrective Actions:	To include inspection on belting cover during workplace inspection by ESH committee.
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.

Opportunity for Improvement

Ref: 1928872-202007-11	Area/Process: Sime Darby-Diamond Jubilee POM	Clause: 4.4.5.8
Objective Evidence:	Diamond Jubilee POM: Interview session with the female weighbridge operator found that sometimes there is a potential of stay late to wait for crop received. However, based on the punch card records (clause 4.4.5.7 Part 4), no overtime more than 10 pm for female workers verified.	

Opportunity for Improvement

Ref: 1928872-202007-12	Area/Process: Sime Darby-Diamond Jubilee Estate	Clause: 4.4.5.8
Objective Evidence:	Diamond Jubilee Estate: The salary deduction for electricity shown as employees' deduction' in workers' pay slip. However, further verification made confirm that it is for correct amount of electricity deduction.	

Noteworthy Positive Comments

1	Good relationship being maintained with surrounding communities and other stakeholders.
2	Good document retrieval

3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:

Ref: 1807290-201903-N1	Area/Process: Sime Darby- Diamond Jubilee Estate	Clause: 4.3.1.1
	Issue Date: 09/07/2020	Due Date: Next surveillance assessment

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Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.
Statement of Nonconformity:	Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970 was partly complied.
Objective Evidence:	During the site visit at the Diamond Jubilee Estate Pond, it was noted that there were 2 beltings which coupled the Diesel Engine and the Water Pump at the Oil Palm Nursery. Noted that one of the belting was covered with a protection guard while another belting was still exposed during verification visit. This shows that Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970, Regulation 3, First Schedule is partly complied.
Corrections:	New guarding installed by the Foreman.
Root cause analysis:	The guarding was worn out and removed during the maintenance work.
Corrective Actions:	To include guarding inspection for nursery water pump in workplace inspection checklist (WPI).
Assessment Conclusion:	Closed. However, due to the same issue, the Non-conformity was raised again in ASA 3 audit.

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1681230-201809-N1	Minor	7/9/2018	Closed
1807290-201903-N1	Minor	7/8/2019	'Repeated NC and Open'
1928872-202007-M1	Major	9/7/2020	Closed
1928872-202007-N1	Minor	9/7/2020	Open
1928872-202007-N2	Minor	9/7/2020	Open
1928872-202007-N3	Minor	9/7/2020	Open
1928872-202007-I1	OFI	9/7/2020	Open
1928872-202007-I2	OFI	9/7/2020	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Majlis Perbandaran Jasin</p> <p>They have received the contribution of face mask and hand sanitizers from Sime Darby management during COVID 19 pandemic. Overall, Sime Darby management has given full support to Majlis Perbandaran Jasin. The current issues are regarding wild dogs and cows reported and in progress for solution.</p>
	<p>Management Responses:</p> <p>Noted on the information.</p>



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	<p>Audit Team Findings:</p> <p>No other issue.</p>
2	<p>Issues: Head mistress, SJK (T) Ladang Diamond Jubilee & SK Ladang Welch</p> <p>The school management would like to extend their appreciation for the contribution and donations that Sime Darby management given such as monthly milk powder, water bill, grasscutting and building maintenance services, etc. Only 4 students from Diamond Jubilee POM while the 66 students are from outside the estate area.</p>
	<p>Management Responses:</p> <p>Noted on the information.</p>
	<p>Audit Team Findings:</p> <p>No other issue.</p>
3	<p>Issues: Contractors (Temis (M) Sdn Bhd & Kejuruteraan WH)</p> <p>Agreement between Sime Darby and contractors were signed and verified during the audit. No complaint for the management. The payment paid within 1 month as agreed. Contractors were being trained and briefed regarding RSPO & MSPO.</p>
	<p>Management Responses:</p> <p>Noted on the information.</p>
	<p>Audit Team Findings:</p> <p>No other issue.</p>
4	<p>Issues: Local communities (Pengerusi JPKK Felda Bukit Senggeh, Ketua Kampung Bukit Keledang, Wakil Kampung Chabau)</p> <ol style="list-style-type: none"> 1. This is the first time for Felda Bukit Senggeh invited to Sime Darby Diamond Jubilee unit. Hope to get invited more in future. The location of Felda is just adjacent to the Diamond Jubilee Estate's border. No encroachment or dispute case so far. 2. Kampung Bukit Keledang hope that Sime Darby can offer more interesting package for works to local people.
	<p>Management Responses:</p> <ol style="list-style-type: none"> 1. Will invite Felda Bukit Senggeh for stakeholder invitation in future. 2. Estate will share the benefits for working in estate in the next stakeholder meeting next year.
	<p>Audit Team Findings:</p> <p>No other issue.</p>
5	<p>Issues: NUPW Representatives (Diamond Jubilee POM & Welch Estate)</p> <p>The election for NUPW were made through vote. Most of the employee joined NUPW and no restriction from the company. No serious complaint from the workers, mainly for the housing maintenance.</p>
	<p>Management Responses:</p> <p>Noted on the information.</p>
	<p>Audit Team Findings:</p> <p>No other issue.</p>
6	<p>Issues: Foreign Workers (Diamond Jubilee POM, Diamond Jubilee Estate & Welch Estate)</p>

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	<p>Housing were provided free with subside of 35 gallons of clean water. There is retention bonus given to the long-time service workers. Employee can keep their own passport or keep in office. No discrimination practiced.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>
<p>7</p>	<p>Issues: Gender Committee (Diamond Jubilee POM, Diamond Jubilee Estate & Welch Estate) No case of sexual harassment reported in the certification unit. New mothers in the certification units were assessed on their needs and no restriction to have a breastfeeding time, check-up session, etc. the gender committee meeting was conducted regularly with active participation and activities among the female employees.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Sime Darby-Diamond Jubilee POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of Sime Darby-Diamond Jubilee POM Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: SYAHRUL BIN SARANLAH	Name: Elzy Ovktafia Binti Chairul
Company name: THE CHINA ENGINEERS (MALAYSIA) SDN BHD -BUKIT ASAHAN ESTATE	Company name: BSI Services (Malaysia) Sdn Bhd
Title: MANAGER	Title: Client Manager
Signature: 	Signature: 
Date: 17/09/2020	Date: 11/09/2020

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation has established Corporate Policy Statement for MSPO which was signed by Managing Director on January 2015. Additionally, Head of Plantation Sustainability & Quality Management has issued an internal memo documented the commitment Sime Darby towards MSPO implementation dated on 23/11/2018	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The policy established mention that Sime Darby are committed to making a conscious and concerted effort towards the conservation and protection of wildlife and enhancement of the well-being of communities within and around our operations. In addition, the sustainable policy also mentions: 'In support of sustainability, we believe in the principles of quality, safety & health, environmental and social & humanity'. The continual improvement commitment is documented in the following Management & Operation Policies: <ol style="list-style-type: none"> 1. Quality Management Policy 2. Lean Six Sigma Policy 3. Quality Policy 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The commitments are signed by the Managing Director dated January 2015.	
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The internal audit was conducted on annually basis and as and when required as per stated in the SOP established. Latest Internal Audit for SOU 18 was conducted on 12/06/2020 by SQM Central West Region. The internal audit was conducted together for RSPO and MSPO. Issue raised during the audit has been addressed by the estates and mills.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed. All non-conformity raised during the audit has been addressed by the mill. Root cause analysis and Corrective Action Plan was submitted to the Internal Audit Plan for review. The evidenced was verified by the internal audit team before NC closure.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Sime Darby has established SOP on Management Review documented in SOM, Section 5, Management responsibility version 2, issued in 2015. Management review was conducted on annually basis as per SOP established.</p> <p>Latest Management Review Meeting for SOU 18 was conducted on 30/06/2020. The meeting covers on matters arising from last meetings, review on status and issue of input and output, sustainability management, assessment on effectiveness, opportunities for improvement and changes, resource evaluation, results from system audit (internal and external), supply chain and traceability, changes that affect management system, recommendations for improvement and other matters.</p>	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM has established continual improvement plan. The plan covers social, environmental, safety and health and operations. Sighted the sampled continuous improvement plan documented in the Environmental Improvement Plan and Social Management Plan as follows:</p> <p>Environmental Improvement Plan</p> <ul style="list-style-type: none"> a) To maintain the effectiveness of the EAI/EIE b) Contingency during water shortage c) To monitor the usage of treated water on monthly basis 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> d) Protection of watercourse and wetland e) To reuse/recycle wastewater. <p>Social Management Plan</p> <ul style="list-style-type: none"> a) To review social impacts and to implement plans to mitigate the negative impacts and promote the positive ones. b) To ensure compliance to SOP and legal requirements regarding social c) To contribute to local communities' development. d) To address the issues discussed during various avenues e.g. stakeholders meeting, OSH meeting, complaint books, etc. 	
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>System to improve practices in line with new information and techniques was carried out by Mill Management through programs namely 'Lean Six Sigma'. The management on receiving this information, was responsible for the implementation of the new projects.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		communication and request for documentations that could be made available to public/stakeholders.	
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Sime Darby Plantations Berhad continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Berhad website at http://www.simedarbyplantation.com/Sustainability	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The mill has appointed the Assistant Manager, Mr. Muhammad Hanif Bin Ab Talib as management official responsible for consultation and communication issues is as per appointment letter dated 1/1/2019.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>List of stakeholders available as per Details of Stakeholders Diamond Jubilee Mill FY 2019/20.</p> <p>The stakeholder includes authorities, local communities, contractors and vendors/suppliers. Internal stakeholders among all employees including local and foreign workers also available as per List of Local Workers and List of Foreign Workers.</p> <p>Records of communication including confirmation of receipt available as part of publicly available documents including records of Social Impact Assessment (SIA) Report, Management Plan on Social Impact Assessment, Complaint Book (Internal), Complaint Book (External) and stakeholder minutes of meeting (03/07/2020).</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Sime Darby has established SOP for traceability and documented in Sustainable Supply Chain and Traceability version 2, year 2018, issue no 5, issue date Apr 2019. In the SOP stated where if there is contamination of RSPO/MSPO certified material during receiving, processing, storage and dispatch, the mill/estate shall downgrade the materials following the downgrade from certified MSPO: Segregation -> Mass Balance -> Non-certified and the volume of downgraded material shall be recorded accordingly.</p> <p>The mill only received FFB from MSPO certified sister estate under Sime Darby Diamond Jubilee Estate, Bukit Asahan Estate, Welch Estate or from diversion other SOU.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance</p>	<p>The management conduct regular inspections on compliance through Internal Audit conducted on timely basis.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	with the established traceability system. - Major compliance -		
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The Mill Manager as Head of Operating Unit have the overall responsibility for the implementation of SOP and he may assign roles to relevant personnel or invite personnel from various departments necessary to assist in the SOP implementation. Sighted the identified and assigned suitable employees to implement and maintain the traceability system by management is Assistant Manager (Hanif Ab Talib); Appointed date: March 2019.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	<p>The mill only received FFB from MSPO certified sister estate under Sime Darby Diamond Jubilee Estate, Bukit Asahan Estate, Welch Estate or from diversion other SOU. Record FFB received, CPO and kernel storage, sales and delivery was maintained and available at the office for review.</p> <p>The daily records were summarized in FFB Receive Detail Report by Supplier. The records contain FFB, CPO, CPO, PK, Mill performance based on FFB processed, CPO storage tank and PK location. The records of FFB received was recorded in FFB consignment note and FFB weighbridge ticket.</p> <p>The FFB consignment was provided by the estate contains information such as:</p> <ul style="list-style-type: none"> i. Estate Name, Field and Block no. ii. Date harvested ii. Estimate tonnage iii. Vehicle and trailer/bin no. <p>Sighted sampled FFB consignment as follows:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>a. Consignment Note no.: 29549 i. Estate Name, Field and Block no.: Tangkah Estate (99A, 05A & 10A) ii. Date harvested: 30/06/2020 ii. Estimate tonnage: 1100 kg iii. Vehicle and trailer/bin no.: MCR 8956 iv: MSPO Cert no: MSPO 00125 v: Validity: 06/03/2018 – 05/03/2023</p> <p>The ticket contain information as follows: Weighbridge No: 115980 i. The name, address and field/year planted: Bukit Asahan Estate/1998B & 2000H ii. The weight of FFB delivered: 9310 kg iii. The delivery date and time: 30/06/2020 (5.43 PM) iv. Lorry No.: MCC 8759 B9</p>	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. Diamond Jubilee POM obtained and renewed license and permits as required by the law. Sample of licenses or permits viewed were:</p> <ol style="list-style-type: none"> Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah – Jabatan Alam Sekitar Negeri 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Melaka; License No: 004043; Validity Period – 01 July 2020 till 30 June 2021.</p> <p>2. Lesen Abstraksi Air Laut, Sungai Dan lain – Lain Sumber Air; Serial No: BKSAM 0597; Validity Period: 1 November 2019 – 31 October 2020.</p> <p>3. MPOB License; License No: 500288804000; Validity Period – 01 October 2019 till 30 September 2020</p> <p>4. Pemeriksaan Kelayakan Dandang; License No: PMD-MK/19 (PMD4367) 18022; Valid till 28 October 2020</p> <p>5. Perakuan Kelayakan Pengandung Tekanan Tak Berapi; License No: PMT-MK/19 18023 (PMT10180); Valid till 28 October 2020.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM had continued to list all relevant laws related to their operations in a legal requirement register. Diamond Jubilee POM have documented the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements as per 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>List of applicable legal and other requirements register was made available during the assessment available in the LORR file.</p> <p>The latest review of the LORR on Diamond Jubilee POM was done on 30th June 2020.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there</p>	<p>Diamond Jubilee POM have updated the Legal Requirements Register as and when there are any new amendments or any new</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>regulations coming into force. It was last updated on 30th June 2020.</p> <p>Tracking system to identify changes in the relevant regulations was available through the head office, website information and is communicated from the Group Head Office. Sighted the latest review to include new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020, Auxiliary Police Regulations 1970, Movement Control Order & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>PSQM Department at Sime Darby Headquarters and the respective operating units were responsible to monitor compliance and to track update the changes in regulatory requirements as well as monitoring the status of legal compliance. It was as per 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>Diamond Jubilee POM has appointed En. Hanif Bin Ab. Talib (Assistant Manager) as the person in charge to monitor the changes and updates on legal requirements that are relevant to the mill operations as stated in the appointment letter as Person-In-Charge for Environmental/Quality Management Systems.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Diamond Jubilee POM is situated on a freehold land - Grant #20102 Lot 228 which is under Diamond Jubilee Estate. The Land title (Grant) was held by Sime Darby Headquarters and copy of the land title was available during the MSPO audit. The land department at Sime Darby Headquarters is in the process of changing the ownership from – Golden Hope Plantations (Peninsular) Sdn. Bhd to Sime Darby.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The Palm Oil Mill being inside the Grant #20102 Lot 228 which is shared with Diamond Jubilee Estate has its boundary visibly demarcated with a fence surrounding its premises.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
Criterion 4.3.3 – Customary rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Sime Darby has conducted Social Impact Assessment for SOU 18 Diamond Jubilee on 12 -15 July 2016 done by the Sustainability Strategy Unit, PSQM. The assessment covers Diamond Jubilee POM, Diamond Jubilee Estate and Bukit Asahan Estate. The objectives of the assessment are to identify the existing social issues and to develop social management plan. The assessment has involved the participation of stakeholders and attendance list of stakeholders was sighted. The issues raised by the stakeholders were recorded in the SIA report. Social management plan June 2020 has included both operational unit level and individual site level such as issues derived from the worker’s complaint, housing complex area and management.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Sime Darby has established SOP for dealing with complaints and grievances and documented in Sustainable Plantation Management System Appendix 5, Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008.</p> <p>Sime Darby Plantation Berhad-Whistleblowing Response Procedure issuance December 2018</p> <p>Whistleblowing channel:</p> <ol style="list-style-type: none"> 1. E-form: www.simedarbyplantation.com 2. E-mail: senior independent director: seniordirector@simedarbyplantation.com & GCO whistleblowing unit: whistleblowing@simedarbyplantation.com. 3. Toll free numbers (Malaysian Office Hours; GMT +8 hours): Malaysia (1800223388) & hotline: +60192797553, 4. Address: Whistleblowing unit, Sime Darby Plantation Berhad, PO Box 8068, Kelana Jaya, 46781 Selangor, Malaysia. 	<p>Complied</p>
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>As per SOP established, all complaint and grievances are open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The mill recorded all complaints from internal and external stakeholders in Complaint Book. No complaints or grievances received for the past year FY 2020. For housing complaint/repair, the mill implemented the Housing Repair Requisition Form.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Noted during interview with employee and stakeholders, shows the understanding complaint and grievance process. There is no grievance recorded since the last audit. Only request for maintenance housing are made by workers.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Contributions were made based on consultations results as per sample as following: <ol style="list-style-type: none"> 1. SJK(T) Ladang Diamond Jubilee 17/10/2019: Lawatan sambal belajar. 2. Program Minggu Anti-Dadah dan Minggu STEM SMK Simpang Bekoh 2019. 	Complied
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator		Assessment Findings	Compliance
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill.</p> <p>The GSM 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 Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p> <p>The HSE Policy has been effectively communicated to all Mill workers and staffs on 06.07.2020</p>	Complied
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p>i. All employees involved are adequately trained on safe working practices;</p> <p>ii. All precautions attached to products should be properly observed and applied;</p>	<ul style="list-style-type: none"> Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. The policy has been communicated to the workers through induction trainings for new workers, morning briefing and displayed at various notice board within the mill. Sighted the records of the morning briefing done to all the workers dated 06.07.2020. The mill has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as ramp, laboratory, weighbridge, effluent treatment plant 	Major downgraded to minor non-conformity

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 	<p>and water treatment plant. The assessment also covers working type, job step, hazard, effect, existing control, type, probability, etc.</p> <p>HIRARC review was conducted on an annual basis and as and when necessary due to accidents that occur. Sighted the latest HIRARC for COVID-19 dated 19.05.2020. Also sighted the latest HIRARC review for Boiler Station due to an accident involving a worker was conducted on 3rd December 2019 for accident that occurred on 3rd November 2019.</p> <p>The medical surveillance has been done for 22 workers on 28th and 29th January 2020, for those exposed to manganese, chromium, hexane and calcium hypochlorite. No toxic level was detected for 19 workers and all of them were declared fit to work. 3 workers were detected with high manganese trace. The workers were advised to be retested 3 months later. The worker was retested on 28th April 2020 and was declared fit to work.</p> <p>Audiometric test was conducted on 29th July 2019 by PROCOMA Environment (M) Sdn Bhd; Occupational Health Doctor (OHD); Dosh Reg. No. HQ/16/DOC/00/454 86 workers with 17 workers having hearing impairment and the rest having normal hearing. 6 out of the 17 workers were advised to be retested. The Mill had retested the workers on 16th December 2020. The JKKP 7 has been submitted for 6 workers accordingly.</p>	

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<p>- Major compliance -</p>	<p>CHRA was conducted on 6th and 7th May 2015 by registered assessor JKPP HIE 127/171-2(358), Mohamad Khairil Azhar b. Mohd Salim. The CHRA was proposed to be renewed in April 2020 but due to the Movement Control Order 2020, the review of the CHRA is to be conducted in July 2020.</p> <ul style="list-style-type: none"> • The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows: • Chemical Handling & Boiler Water Treatment – 24.07.2019 • Latihan Keselamatan Kendalian Bahan Kimia – 11.07.2019 • The mil has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17/3/2008. <p>Sighted during site visit at the boiler station, workshop, ramp and engine room station, the workers were provided with leather gloves, mask, earplug, safety helmet and safety shoes. The workers acknowledged that they are entitled to appropriate PPE, free of charge by the management. Sighted at the PPE issuance records</p>	

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	<p>documented in 'PPE Issuance Record' log book. The PPE issued recorded by workers and job designation.</p> <ul style="list-style-type: none"> • Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012. • Mill Manager, Muhammad Mukhtarul 'Arifin bin Salimin was appointed to be the Chairman of OSH Committee at the mill as per letter undersigned by the Regional General Manager, Central west Region dated 1st January 2019. Mill management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. • The management conducted regular OSH committee meetings on a quarterly basis and when necessary due to accidents that occur. In the meeting, they discussed issues on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated 13th April 2020 (2/2020), 13th January 2020 (1/2020), 16th October 2019 (4/2019), 25th July 2019 (3/2019). 	

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	<ul style="list-style-type: none"> • Accident of emergency procedure is available in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Sighted during site visit, the workstation also equipped with fire extinguisher, fire hydrant and first aid kit. Noted during interview with employee shows the understanding regarding emergency procedures. <p>The mill has established Emergency Response Team lead by the Mill Manager. Sighted during site visit, the ERT chart and Fire Hydrant and Fire Extinguisher Map was displayed at several notice boards in the mill. Sighted the trainings as below</p> <ul style="list-style-type: none"> • Oil & Chemical Spillage Handling Training – 23.07.2019 • Evacuation Drill & Fire Drill Training – 23.07.2019 <ul style="list-style-type: none"> • First aiders were present at various work station at the mill. During the interview with the Boiler man, fireman and workshop foreman, shows the awareness regarding the emergency procedure if accident occur, person responsible of every first aid box and the location of the nearest first aid box. The first aid box was recently replenished with all stated items available in the box. The latest training conducted for the first aiders was on 11.07.2019. 	

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		<p>Diamond Jubilee POM: First Aid Kit compliance monitoring was not fully effective. Sighted 2 expired items dated 7/6/19 & 1/7/20 in the First Aid Kit No. 5 sampled at the Workshop Area. Further verification indicates the monthly inspection record for First Aid Kit No. 5 was not captured on the expired items details. (Minor NC).</p> <ul style="list-style-type: none"> The Mill has reported 4 accident cases (85 days LTA) for the year 2019 involving mill workers. The JKPP 6 form for all cases has been submitted accordingly. Another 4 cases have been reported via JKPP 7 involving workers with hearing impairment. The JKPP 8 has been submitted to JKPP with the documents available for review. No cases were recorded for the year 2020 as of the audit date. 	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.</p> <p>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. Latest policy briefing for mill workers was conducted on 06/07/2020.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is committed to treat all employees fairly in terms of</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>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.</p>	
4.4.5.3	<p>Management shall ensure that employees' pay, and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers and signed by the workers Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0). Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>Sighted the sampled employment contracts as below:</p> <ul style="list-style-type: none"> i. Employee ID: 0000138485 ii. Employee ID: 0000062012 iii. Employee ID: 0000145964 iv. Employee ID: 0000151747 v. Employee ID: 0000153887 	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Based on the payment voucher checked, daily rate for contract workers is RM 42.31/day for outside town and RM 46.15/day for town area. Pay slip/cash voucher of the workers were sighted that it is according to the employment contract. The records are documented and available for review.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The mill has employed local and foreign workers. All the mill workers are under direct employment and under contract.</p> <p>Sighted the master list of the workers having the information of full names, gender, date of birth, job description and other relevant information.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers.</p> <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0).</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>Sighted the sampled employment contracts as below:</p> <ul style="list-style-type: none"> i. Employee ID: 0000138485 ii. Employee ID: 0000062012 iii. Employee ID: 0000145964 iv. Employee ID: 0000151747 v. Employee ID: 0000153887 <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		volunteered to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain in office.	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The pay slip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, and temple and mosque fund.</p> <p>Sighted and verified the sampled of payslip for employee with ID no. for the month of March, April and May 2020 as follows:</p> <p>Sighted the sampled pay slip as below:</p> <ul style="list-style-type: none"> i. Employee ID: 0000138485 ii. Employee ID: 0000062012 iii. Employee ID: 0000145964 iv. Employee ID: 0000151747 v. Employee ID: 0000153887 	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>There is individual punch card for Sime Darby Plantation-Diamond Jubilee POM to record the accurate working hours and overtime and recorded in Mill Daily Attendance Report.</p> <p>In case the worker is on leave/absence, it is recorded in the same system.</p> <p>Sighted and verified the sampled of attendance records and punch cards for employee with ID no. for the month of March, April and May 2020 as follows:</p>	OFI

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sighted the sampled pay slip as below:</p> <ul style="list-style-type: none"> i. Employee ID: 0000138485 ii. Employee ID: 0000062012 iii. Employee ID: 0000145964 iv. Employee ID: 0000151747 v. Employee ID: 0000153887 <p>OFI:</p> <p>Diamond Jubilee POM:</p> <p>Interview session with the female weighbridge operator found that sometimes there is a potential of stay late to wait for crop received. However, based on the punch card records (clause 4.4.5.7 Part 4), no overtime more than 10 pm for female workers verified.</p>	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contains the following information:</p> <ul style="list-style-type: none"> i. Earnings - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday), Overtime (Week days, Rest days and Holiday) ii. Deduction - Union fee (NUPW & AMESU), SOCSO, EPF, electricity deduction and others 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract.</p> <p>Sighted and verified the sampled of attendance records and punch cards for employee with ID no. for the month of March, April and May 2020 as follows:</p> <p>Sighted the sampled pay slip as below:</p> <ul style="list-style-type: none"> i. Employee ID: 0000138485 ii. Employee ID: 0000062012 iii. Employee ID: 0000145964 iv. Employee ID: 0000151747 v. Employee ID: 0000153887 	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Subsidized rate for water supply, electricity and free accommodation was supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The estate & mill were located nearby the town where the workers could be easily access to the foods and goods. Access to foods was sufficient and affordable through interviewed with the workers.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is committed to develop and apply:</p> <p>Eliminating Violence and Sexual Harassment: We seek to promote an environment where all forms of harassment and abuse are eliminated and to provide support for victims.</p> <p>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. Latest policy briefing for mill workers was conducted on 06/07/2020.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is respecting Freedom of Association:</p> <p>We respect the rights of employees to join and form organizations of their own choice and to bargain collectively.</p> <p>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. Latest policy briefing for mill workers was conducted on 06/07/2020.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management will</p> <p>Eradicate any form of Exploitation: We endeavor to eradicate any form of forced or bonded labour, slavery, human trafficking and sexual exploitation.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																
Criterion 4.4.6: Training and competency																			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>Covid-19 training and briefings were sighted at the mill and estates. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Training</th> <th style="text-align: left;">Date</th> </tr> </thead> <tbody> <tr> <td>Noise Exposure Monitoring Training</td> <td>28.01.2020</td> </tr> <tr> <td>Covid 19 Safety Briefing</td> <td>27.06.2020</td> </tr> <tr> <td>Confined Space Briefing</td> <td>27.11.2019</td> </tr> <tr> <td>Hearing Conversation Training</td> <td>11.07.2019</td> </tr> <tr> <td>5S Training</td> <td>11.07.2019</td> </tr> <tr> <td>Machinery Safety Training</td> <td>11.07.2019</td> </tr> <tr> <td>HIRARC Training</td> <td>09.07.2019</td> </tr> </tbody> </table>	Training	Date	Noise Exposure Monitoring Training	28.01.2020	Covid 19 Safety Briefing	27.06.2020	Confined Space Briefing	27.11.2019	Hearing Conversation Training	11.07.2019	5S Training	11.07.2019	Machinery Safety Training	11.07.2019	HIRARC Training	09.07.2019	Complied
Training	Date																		
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4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The mill has conducted training need analysis for all employees, management staffs and contractors. The training need analysis was conducted based on the job designation and training required by the job type.</p>	Complied																
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function</p>	<p>The mill has a training program which is updated annually. Sighted the Training plan for FY 2020 available consisting of core trainings required based on the training need analysis done for the year.</p>	Complied																

Criterion / Indicator		Assessment Findings	Compliance
	and responsibility in accordance to the documented training procedure. - Minor compliance -		
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	<p>Sime Darby has established Health, Safety and Environment (HSE) Policy Statement signed by the Chief Executive Officer on 1st June 2020. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment.</p> <p>The mill has established environmental management plan based on the aspect and impact analysis conducted and documented in Environmental Management Plan. The plan states the environmental issue, mitigating measures, person responsible, time frame, and monitoring. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p> <p>The plan was communicated to all the management and workers through training, briefing, memo and signboard erected at several places in the estate. The policy and plan have been communicated to the workers and staffs on 06.07.2020.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM continued to have established the Environmental Management Plan which covers EAI/EIE Management Plan, Waste Management Plan, Water Management Plan, HCV Area and Pollution Prevention Plan.</p> <p>The plan was reviewed on 09.06.2020 with no changes being made from the previous plan.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM have established an environmental improvement plan to mitigate the negative impacts and to promote the positive ones. The latest Environmental Management Plan was for FY 2020. The plan has been monitored quarterly. In the plan stated the person in charge to monitor the implementation on each plan as per programmed.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts.</p> <p>The continual improvement plans had programs to promote the positive impacts. For example, to reduce any run-off pesticides to land, to eliminate traces of oil spillage at the workshop/tractor parking bay, to reduce the released exhaust emission to air, to reduce massive land contamination at the landfill area and etc.</p>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p>	<p>Diamond Jubilee POM continued to conduct awareness and training programs 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>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>The Mill had established the annual training program that covers all MSPO requirement. Among the trainings sighted were:</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy Training – 06.07.2020 • Oil & Chemical Spillage Handling Training – 23.07.2019 • EIA & EIE Training – 04.07.2019 • Schedule Waste Training – 04.07.2019 	
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The management continued to have regular meetings with workers where concerns of workers about the environmental quality are discussed. This was discussed at the quarterly held Environmental Performance Monitoring Committee (EPMC) meetings.</p> <p>Records showed that EPMC meetings were held on 13th April 2020 and 13th January 2020 for the year 2020.</p>	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM had established an Energy Management Plan which focused on the efficiency usage of non-renewable energy and renewable energy. The management plan has categorized three type of energy for the management plan, Electricity, Diesel and Fiber and Shell. For boiler fuel, they targeted the ratio of 90% fiber and 10% shell.</p> <p>The mill monitored fuel, electricity and water usage. For 2019 and 2020 (as of June 2020) the usage per Ton of FFB were:</p>	Complied

Criterion / Indicator		Assessment Findings				Compliance
		Month	Water (m ³)	Diesel (Litres)	Electricity (kWh)	
		2019	1.54	0.079	6.86	
		2020 (Jan - June)	1.94	0.074	4.38	
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee POM have established the Energy Management Plan which focused on the efficiency usage of non-renewable energy and renewable energy.</p> <p>The management plan has categorized three type of energy for the management plan, Electricity, Diesel and Fiber and Shell. For boiler fuel, they targeted the ration of 90% fiber and 10% shell.</p> <p>The estimates for direct usage of non-renewable energy for their operations, inclusive of fossil fuel, and electricity to determine energy efficiency of their operations were available in the annual budget and budget projections.</p>				Complied
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Renewable energy used is from biofuel (shell and fiber) for boiler start-up.</p>				Complied
Criterion 4.5.3: Waste management and disposal						
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p>	<p>Records showed that Diamond Jubilee POM had identified waste products and sources of pollution and documented them in the</p>				Major downgraded to

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Waste Management Plan. Waste had been categorized into four groups:</p> <ul style="list-style-type: none"> a) Domestic Waste - Rubbish and Sewage b) Industrial Waste - Scrap Metal, EFB, POME c) Scheduled Waste - used lubricant, used lubricant container, Spent Chemicals, Clinical waste. d) Recycle waste - Paper, plastics, glass and metal <p>Disposal of waste material was not fully effective. The mill has not identified used PPE & used Oil Based Paint Containers as a source of waste. It was not documented in the Environmental Management Plan. Empty grease drum and several empty oil paint containers were sighted to be dumped together with the scrap metals at the Scrap Metal Yard. (Minor NC).</p>	Minor non-conformity
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"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<p>Diamond Jubilee POM have established Waste management Plan base on the identification and source of pollutions and documented in Waste Management Action Plan 2020. The action plans have been developed to ensure they comply to the legal requirements and to improve efficiency and potential recycling of byproducts wherever possible.</p>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005,</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by Management and workers.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The mill also has 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 the mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. The inventory of Scheduled was reported on monthly basis through E-SWISS. Sighted the Fifth Schedule (Inventory of Schedule Waste available at the estate for the month of May 2020, April 2020 and March 2020.</p> <p>Sighted the latest consignment note for the disposal of used rags amounting to 0.4057mt disposed to Ranama Resources Sdn Bhd (Consignment No: 202006031204 VXU3) on 03.06.2020.</p>	
<p>4.5.3.4 Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Diamond Jubilee POM's domestic waste is collected by a licensed contractor (UER Resources Sdn. Bhd.) where the contractor is accountable to collect the domestic waste within the mill linesite to be disposed at the permitted dumping site as stated in the contract. Sighted the Tax Invoice dated 21st May 2020 amounting to RM 910.00 for the Waste/Disposal Service and Rental of Bin.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance				
Criterion 4.5.4: Reduction of pollution and emission							
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule and documented in Pollution Prevention Plan.	Complied				
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	<p>A management plan has been established based on the significant aspect and DOE license compliance schedule and documented in Pollution Prevention Plan.</p> <p>Sighted the implementation of the management plan as follows.</p> <p>Observed the stack emission monitoring conducted by Spectrum Laboratories (Johore) Sdn. Bhd. and submitted Dept. of Environmental as follows:</p> <p><u>Boiler No.1</u></p> <ul style="list-style-type: none"> • Date Monitored: 29th August 2019 • Date Reported: 13th September 2019 • Dust Concentration: 52.08 at 12.0% CO₂ well below the limit 150 mg/m³ <p>Observed the Environmental Air Monitoring conducted by Spectrum Laboratories (Johore) Sdn. Bhd. and submitted Dept. of Environmental as follows:</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;">Parameter</th> <th>Total Suspended Particulate (µg/m³)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Parameter	Total Suspended Particulate (µg/m ³)			Complied
Parameter	Total Suspended Particulate (µg/m ³)						

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Criterion / Indicator		Assessment Findings		Compliance												
		<table border="1"> <tr> <td>Result</td> <td>Point A1</td> <td>67</td> </tr> <tr> <td></td> <td>Point A2</td> <td>115</td> </tr> <tr> <td colspan="2">Specification</td> <td>260</td> </tr> <tr> <td colspan="2">Malaysian Ambient Air Quality Standards, 2013</td> <td></td> </tr> </table>	Result	Point A1	67		Point A2	115	Specification		260	Malaysian Ambient Air Quality Standards, 2013				
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	Point A2	115														
Specification		260														
Malaysian Ambient Air Quality Standards, 2013																
		<p>The Total Suspended Particulate monitored at points A1 and A2 were within the Malaysian Ambient Air Quality Standards, 2013 of 260 µg/m³.</p>														
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system through land application as per approval licensed by DOE. The limit for Final discharge BOD allowed was 5000mg/L. The mill monitored the discharge quality by conducting effluent water sampling analysis on monthly basis. Parameter monitored are pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Samples were taken from each point of treatment in the system consist of raw pond, acid ponds, digester tanks and final pond before field application.</p> <p>Observed the effluent analysis report to DOE for the month of Jan 2020 to June 2020 sighted at the mill. Final discharge conforms to parameter limits for land application.</p>		Complied												
Criterion 4.5.5: Natural water resources																
4.5.5.1	<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>	<p>Water management plan for 2020 was established and documented in the Environmental Plan which involved water catchment, water treatment and water sampling analysis.</p> <p>The plan reviewed annually and monitored on quarterly basis. The management plan focused on:</p>		Complied												

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Criterion / Indicator		Assessment Findings	Compliance														
	a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance -	a) To monitor the quality of main water inlet/outlet for pollutants from mill operations. b) To monitor usage of treated water on monthly basis c) Protection of water course and wetland. d) To reuse/recycle wastewater															
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	As per DOE requirements, Diamond Jubilee Palm Oil Mill practiced land application and the limit allowed for the Biochemical Oxygen Demand (BOD) discharge was <5000 mg/l. The samples are sent to Sime Darby Research Sdn. Bhd for lab testing and the results are as follows. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Month</th> <th>BOD (mg/L)</th> </tr> </thead> <tbody> <tr> <td>January 2020</td> <td>1125</td> </tr> <tr> <td>February 2020</td> <td>1175</td> </tr> <tr> <td>March 2020</td> <td>2910</td> </tr> <tr> <td>April 2020</td> <td>1545</td> </tr> <tr> <td>May 2020</td> <td>1070</td> </tr> <tr> <td>June 2020</td> <td>4590</td> </tr> </tbody> </table>	Month	BOD (mg/L)	January 2020	1125	February 2020	1175	March 2020	2910	April 2020	1545	May 2020	1070	June 2020	4590	Complied
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4.6 Principle 6: Best Practices																	
Criterion 4.6.1: Mill Management																	

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>SOP were available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.</p> <p>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.</p> <p>Sighted the SOP Communicable Disease (Covid – 19) Prevention & Control Procedure; Document ID: SDPB/USM/HSE/001; Date 04.05.2020 available as the latest addition to the SOPs.</p>	Complied
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>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.</p> <p>The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.</p>	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p>	<p>Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan for FY 19/20 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization, FFB pricing etc. It also</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	includes environment, social (workers and staff's welfare), and health and safety component.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The contract documents template was included with the provision for contractors to comply with all Sime Darby Plantation requirements including vendor integrity pledge where the contractor to adhere with integrity, transparency, responsibility, anti-bribery, etc. Pricing mechanism is stated in the appendix and agreed by both parties.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Teras Integrasi Sdn Bhd has submitted invoice to the mill on 07/01/2020. In the invoice stated the payment term of 30 days. The document has been uploaded to the MEX system by the mill on 28/01/2020. Refer document no. 1600004057. The finance department has made payment to Teras Integrasi Sdn Bhd on 28/01/2020, within the payment term of 30 days agreed by both mill and contractors.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Diamond Jubilee POM only receive FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill. For other services, the pricing mechanism was done documented in contract agreement between Sime Darby and the contractors. The contract and pricing mechanism were agreed by both parties. Sampled below contractors:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Teo Tuan Kwee Sdn Bhd (Transportation) • Temis (M) Sdn Bhd 	
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>All contracts were fair legal and transparent and agreed with both parties. In the contracts stated the contract duration, term and condition, indemnity, responsibilities of Sime Darby Plantation and estate management, notices, cost, force majeure, non-assignability, misc., interpretation and rate of payment.</p>	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated to the contractor through MSPO training and formal letter to contractor. Example seen for contractor: Teo Tuan Kwee Sdn Bhd, signed on 08.01.2019.</p>	Complied

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation has established Corporate Policy Statement for MSPO which was signed by Managing Director on January 2015. Additionally, Head of Plantation Sustainability & Quality Management has issued an internal memo documented the commitment Sime Darby towards MSPO implementation dated on 23/11/2018.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy established mention that Sime Darby are committed to making a conscious and concerted effort towards the conservation and protection of wildlife and enhancement of the well-being of communities within and around our operations. In addition, the sustainable policy also mentions: 'In support of sustainability, we believe in the principles of quality, safety & health, environmental and social & humanity'. The continual improvement commitment is documented in the following Management & Operation Policies: <ul style="list-style-type: none"> a. Quality Management Policy b. Lean Six Sigma Policy c. Quality Policy The commitments are signed by the Managing Director dated January 2015.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The internal audit was conducted on annually basis and as and when required as per stated in the SOP established. Latest Internal Audit for SOU 18 was conducted on 11/06/2020 (Welch Estate) and 19/06/2020 (Diamond Jubilee Estate) by SQM Central West Region. The internal audit was conducted together for RSPO and MSPO. Issue raised during the audit has been addressed by the estates and mills.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed. All non-conformity raised during the audit has been addressed by the mill. Root cause analysis and Corrective Action Plan was submitted to the Internal Audit Plan for review. The evidenced was verified by the internal audit team before NC closure.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Sime Darby has established the standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Sime Darby has established SOP on Management Review documented in SOM, Section 5, Management responsibility version 2, issued in 2015. Management review was conducted on annually basis as per SOP established.</p> <p>Latest Management Review Meeting for SOU 18 was conducted on 26/06/2020 (Welch Estate) and 07/07/2020 (Diamond Jubilee Estate). The meeting covers on matters arising from last meetings, review on status and issue of input and output, sustainability management, assessment on effectiveness, opportunities for improvement and changes, resource evaluation, results from system audit (internal and external), supply chain and traceability, changes that affect management system, recommendations for improvement and other matters.</p>	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The estates visited have respectively established continual improvement plans. The plan covers social, environmental, safety and health and operations. Sighted the sampled continuous improvement plans documented as follows:</p> <ul style="list-style-type: none"> a) To review social impacts and to implement plans to mitigate the negative impacts and promote the positive ones. b) To ensure compliance to SOP and legal requirements regarding social c) To contribute to local communities’ development. d) Proper disposal of waste in accordance to SOP and legal requirements. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> e) To increase efficiency in the consumption of non-renewable and renewable energy. f) To ensure activities do not pollute the environment. g) To ensure no open burning at the workers housing complex area. 	
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	System to improve practices in line with new information and techniques were carried out by Estate Management through various programs namely 'Lean Six Sigma'. The management on receiving this information, are responsible for the implementation of the new projects.	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	The estates visited have respectively established continual improvement plans. The plan covers social, environmental, safety and health and operation documented in the yearly management plans and Kaizen Charter. The plans have identified the action plans required to ensure the continuous improvement that have been highlighted together with the person in charge and time frame.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p>	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantations Berhad continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through Sime Darby Plantations Berhad website at http://www.simedarbyplantation.com/Sustainability</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>The estate has appointed the Senior Assistant Manager, Mr. Syahrul Fawwaz (Diamond Jubilee Estate) as the management official responsible for consultation and communication issues is as per appointment letter dated 16/12/2019.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	List of stakeholders available as per Details of Stakeholders Diamond Jubilee Estate and Welch Estate (FY 2019/20). The stakeholder includes authorities, local communities, contractors and vendors/suppliers. Internal stakeholders among all employees including local and foreign workers also available as per List of Local Workers and List of Foreign Workers. Records of communication including confirmation of receipt available as part of publicly available documents including records of Social Impact Assessment (SIA) Report, Management Plan on Social Impact Assessment, Complaint Book (Internal), Complaint Book (External) and stakeholder minutes of meeting (Welch Estate: 02/07/2020) and Diamond Jubilee Estate: 07/07/2020).	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Sime Darby has established SOP for traceability and documented in Sustainable Supply Chain and Traceability version 2, year 2018, issue no 5, issue date Apr 2019. In the SOP stated where if there is contamination of RSPO/MSPO certified material during receiving, processing, storage and dispatch, the mill/estate shall downgrade the materials following the downgrade from certified MSPO: Segregation -> Mass Balance -> Non-certified and the volume of downgraded material shall be recorded accordingly.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Records showed that management conducted regular inspections on compliance with the established traceability system. Example seen for Internal Audit report as clause 4.1.2.1 & 4.1.2.2.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The person having overall responsibility for and authority over the implementation is Head of Operating Unit as per the SOP for Sustainable Supply Chain and Traceability version 2, year 2018, issue no 5, issue date Apr 2019 is Estate Manager and for assisted by Assistant Manager in each estate, as person in charge for Environmental/Quality Management systems as per appointment letter signed by the respective Estate Manager.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The records of FFB sales delivery and transport was recorded in FFB consignment note and FFB weighbridge ticket. The FFB consignment was provided by the estate contains information such as: i. Estate Name, Field and Block no. ii. Date harvested ii. Estimate tonnage iii. Vehicle and trailer/bin no.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	SOU 18 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 obtained and renewed license and permits as required by the law. Among others, the licenses/permit viewed were: Welch Estate 1. MPOB License; License No: 522499002000; Valid from 01.08.2019 to 31.07.2020	Major downgraded to minor non-conformity

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Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Perakuan Kelayakan Pengandung Tekanan Tak Berapi; License No: PMT-JH/20 100790 (JH PMT 22626); Valid till 13.04.2021.</p> <p>3. Permit Barang Kawalan Berjadual (Diesel - 5,460 Liters & Petrol – 270 Liters); No. Siri P: J000125; Reference Number: JH/(SGT)0168/11 PSK; Valid from 31.07.2019 to 30.07.2020.</p> <p>Diamond Estate</p> <p>1. MPOB License (FFB); License No: 522967002000; Valid till 31.08.2020</p> <p>2. Permit Barangan Kawalan Berjadual (Diesel); Permit No: M000216; Valid till 24.10.2020</p> <p>During the site visit at Diamond Jubilee Estate Water Catchment Area, it was noted that there were 2 beltings which coupled the Diesel Engine and the Water Pump at the Oil Palm Nursery. Noted that one of the belting was covered with a protection guard while another belting was still exposed during verification visit (Previous Minor NC). This shows that Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970, Regulation 3, First Schedule is partly complied.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirement register.</p> <p>- Major compliance -</p>	<p>SOU18 have documented the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<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>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units. The LORR have been updated and reviewed by the operating units on:</p> <ol style="list-style-type: none"> 1. Welch Estate – 1st June 2020 2. Diamond Jubilee Estate – 9th June 2020 	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Tracking system to identify changes in the relevant regulations were available through the head office, website information and is communicated from the Group Head Office. Sighted the latest review to include new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020, Auxiliary Police Regulations 1970, Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>PSQM Department at Sime Darby Headquarters and the respective operating units were responsible to monitor compliance and to track and update the changes in regulatory requirements as well as monitor the status of legal compliance of the operating units. It was as per 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>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Welch Estate has appointed En. Muhammad Amin Bin Hussin (Assistant Manager) as the person in charge to monitor the changes and updates on legal requirements that are relevant to the mill operations as stated in the appointment letter as Person in Charge of EQMS dated 30.04.2019.</p> <p>Diamond Jubilee Estate has appointed Syahrul Fawwaz Bin Abdullah (Assistant Manager) as the person in charge to monitor the changes and updates on legal requirements that are relevant to the mill operations as stated in the appointment letter as Person in Charge of EQMS dated 01.01.2020.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.</p>	Complied
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>The management of both estates have documents showing legal ownership/ lease, history of land tenure and the actual use of the land.</p> <p>All Estate operations were on freehold and leasehold land. Land titles were kept with the Land Management Department while copies of land titles and Quit Rent payment receipts were available at the respective estates for verification.</p> <p>Welch Estate:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																											
		<p>Welch Estate has 6 land titles under Johor State. The Quit rent for each land titles were paid accordingly with the records sighted during the audit. The land titles are as below:</p> <table border="1"> <thead> <tr> <th>Land Titles</th> <th>Lot No</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>Welch – 845599</td> <td>2426</td> <td>403.8762</td> </tr> <tr> <td>Welch – 438112</td> <td>5068</td> <td>302.2280</td> </tr> <tr> <td>Welch - 92574</td> <td>971</td> <td>254.4457</td> </tr> <tr> <td>Welch – 82893</td> <td>439</td> <td>43.1141</td> </tr> <tr> <td>Welch – 82895</td> <td>440</td> <td>45.1002</td> </tr> <tr> <td>Welch - 121096</td> <td>2175</td> <td>391.6793</td> </tr> </tbody> </table> <p>Diamond Jubilee Estate:</p> <p>Diamond Jubilee Estate has 32 land titles under Malacca State. The Quit rent payment for each land titles were not paid yet. Nevertheless, the estates have obtained an extension for the quit rent to be paid by 31st July 2020 due to the Movement Control Order with the records sighted during the audit. Among the sampled land titles are as below:</p> <table border="1"> <thead> <tr> <th>Land Titles</th> <th>Lot No</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>DJ - 20718</td> <td>3</td> <td>162.7845</td> </tr> </tbody> </table>	Land Titles	Lot No	Hectarage	Welch – 845599	2426	403.8762	Welch – 438112	5068	302.2280	Welch - 92574	971	254.4457	Welch – 82893	439	43.1141	Welch – 82895	440	45.1002	Welch - 121096	2175	391.6793	Land Titles	Lot No	Hectarage	DJ - 20718	3	162.7845	
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Criterion / Indicator		Assessment Findings			Compliance
		DJ - 20101	13	333.6636	
		DJ - 20103	690	4.2897	
		DJ - 22583	572	10.016	
		DJ - 20642	1783	25.73	
		DJ - 22814	1784	62.72	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>It was noted during visit that legal boundaries are clearly demarcated and visibly maintained. Boundaries with jungle was demarcated with boundary peg while boundaries with smallholders and villages demarcated with boundary pegs/poles and physical trenches and security fences.</p> <p>Welch Estate: Boundary stones are clearly demarcated and visibly maintained with red and white GI Pipes as observed in Block P99 adjacent to a Durian Farm. Additionally, estate legal boundary demarcated with Security Drain Trenches and Fences.</p> <p>Diamond Jubilee Estate: Boundary stones are visibly maintained. The boundary stone are clearly demarcated with red colour GI pipe as observed in field P07H - 1 boundary with Kampong Chenderoh (002°30'431N, 102°48'226E). Estate legal boundary demarcated with physical trenches and security fences.</p>			Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	Sime Darby did not acquire land from landowners but leased it directly from the government. There were no issues of land disputes.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.	Sime Darby has conducted Social Impact Assessment for SOU 18 Diamond Jubilee on 12 -15 July 2016 done by the Sustainability Strategy Unit, PSQM. The assessment covers Diamond Jubilee POM,	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	Diamond Jubilee Estate and Bukit Asahan Estate. For Welch Estate, the Social Impact Assessment for SOU19 is referred since previously Welch Estate is under SOU 19 (Pagoh POM because previously Welch Estate is under Pagoh POM) on 5 th – 8 th May 2015 and SOU 18 (Diamond Jubilee POM) on 12 th – 15 th July 2016 done by the Sustainability Strategy Unit, PSQM. The objectives of the assessment are to identify the existing social issues and to develop social management plan. The assessment has involved the participation of stakeholders and attendance list of stakeholders was sighted. The issues raised by the stakeholders were recorded in the SIA report. Social Management Plan Year 2020 (Welch Estate & Diamond Jubilee POM) has included both operational unit level and individual site level such as issues derived from the worker’s complaint, housing complex area and management.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Sime Darby has established standard operating procedure for dealing with complaint and grievances and documented in Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	As per SOP established, all complaint and grievances are open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Complaint Book for Internal and External stake holders was implemented at estates visited. There were no complaints received from the internal and external stakeholders. Besides, Complaint Form for housing repair/ Housing Repair Requisition Form was implemented as well.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders. Verified during the site visit and stakeholder's interview.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Contributions were made based on consultations results as per sample as following: Welch Estate: <ol style="list-style-type: none"> 1. 17/10/2019: Approval for grass cutting services in school compound from SK Ladang Welch 2. 26/12/2019: Approval for using estate field for football and cricket from SK Ladang Welch 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Diamond Jubilee Estate:</p> <ol style="list-style-type: none"> 1. Monthly distribution of milk powder to school (SJK(T) Ladang Diamond Jubilee). 2. Monthly payment for water bill for SJK(T) Ladang Diamond Jubilee). 3. 2020: Yayasan Sime Darby contribute face mask and hand sanitizer to Majlis Perbandaran Jasin & Ketua Polis IPD Jasin. 	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p> <p>The HSE Policy Statement has been effectively communicated to all Estate workers and staffs as below:</p> <p>Welch Estate on 29.06.2020 & Diamond Jubilee Estate on 01.07.2020.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. 	<ul style="list-style-type: none"> • Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. 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. Sighted the records of the morning briefing done to all the workers and staffs as below: Welch Estate: 29.06.2020 Diamond Jubilee Estate: 01.07.2020 • The estates have conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as Harvesting, Spraying, Manuring, Grass Cutting and Office Work among others. Welch Estate HIRARC Review was conducted on an annual basis and as and when necessary due to accidents that occur. Sighted the latest HIRARC for COVID-19 dated 11.06.2020. Also sighted the latest HIRARC review for Harvesting Operations due to an accident involving a harvesting worker was done on 11.06.2020 for accident that occurred on 01.07.2020. HIRARC for Ramp Workstation at Welch Estate was not entirely covered as it did not identify the possible risk associated with the ramp attendants such as 	<p>Major non-conformity</p>

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<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>working at height & working at slippery surfaces, etc. During the site visit it was sighted that the ramp attendants walk along the FFB Ramp Slope which is slippery due to the oil from the FFB and the attendants stand on the FFB Lorry Trailer below the ramp to arrange the FFB that has been filled onto the lorry trailer. As there are possible risks associated to the work involved, the risk associated to the ramp attendants work were not entirely assessed and documented.</p> <p>Diamond Jubilee Estate The HIRARC has been available for all work units and work stations that the management have identified as potential risk with the recommendation of control measures to reduce the identified risk. Among the HIRARC sighted were COVID -19 Monitoring, Palm Census, Workshop, Using motorcycle, etc. Sighted the HIRARC review for the latest accident dated 25.06.2020 was reviewed on 07.07.2020.</p> <p>HIRARC for FFB Evacuation Work at Diamond Jubilee Estate was not entirely covered as it did not identify the possible risk associated with the loader/driver/attendant arranging the FFB while standing on the FFB in the bin in the field. As there are possible risks associated to the work involved, the risk associated to the FFB driver/driver/attendants work were not entirely assessed and documented.</p>	

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	<p>Welch Estate The medical surveillance was last done on 23 May 2019 for a total of 17 workers involved in chemical handling by Klinik TTMC Ayer Keroh. All the 17 workers were deemed fit to work by the registered doctor. The annual medical surveillance was proposed to be done in May 2020 but due to the MCO it has been postponed to 21st July 2020.</p> <p>CHRA was conducted on April 2015 by registered assessor JKPP/IH 127/171-2 (223) – PAC Testing & Consulting Sdn. Bhd. The CHRA was proposed to be renewed on April 2020 but due to the Movement Control Order 2020, the review of the CHRA was conducted on June 2020 awaiting the printed document.</p> <p>Diamond Jubilee Estate The medical surveillance has been done on 22nd, 25th & 26th June 2020 for a total of 25 workers involved in chemical handling by Klinik TTMC Ayer Keroh. All the 25 workers were deemed fit to work by the registered doctor with no traces of chemical containment in the blood.</p> <p>CHRA was conducted on March 2015 by registered assessor JKPP/IH 127/171-2 (223) – PAC Testing & Consulting Sdn. Bhd. The CHRA was proposed to be renewed in April 2020 but due to the Movement Control Order 2020, the review of the CHRA was conducted on 08 July 2020 awaiting the printed document.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> The estates have established a training program for employees exposed to chemicals used at the palm oil estates to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. Sighted the training records as follows: <p>Welch Estate</p> <ul style="list-style-type: none"> Interpump Training by Mycrop – 21.02.2020 Cypermtrine Spray Training - 07.09.2018 Spraying Training on Glyphosate – 22.07.2018 <p>Diamond Jubilee Estate</p> <ul style="list-style-type: none"> Inter 16 Pump Spraying Training – 14.08.2019 Spraying Training – Main Division – 24.03.2020 Spraying Training – Bukit Kajang Div – 10.03.2020 The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17.03.2008. <p>Sighted during site visit at the spraying gang, manuring gang and workshop, the workers were provided with leather gloves, nitrile gloves mask, earplug, respirator, safety helmet and safety shoes. The workers acknowledged that they are entitled to appropriate PPE, free of charge by the management. The workers understand the importance of wearing the appropriate PPEs during work as they are regular briefed by</p> 	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>the management. Sighted at the PPE issuance records documented in 'PPE Issuance Record' log book. The PPE issued recorded by workers and job designation.</p> <ul style="list-style-type: none"> Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012. Welch Estate The Manager, En Sharin Bin Lugman Hashim was appointed to be the Chairman of OSH Committee at the estate as per letter undersigned by the Regional CEO, Central West Region dated 1st July 2019. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager. Diamond Jubilee Estate The Manager, En. Ahmadi bin Ahmad Mokhthar was appointed to be the Chairman of OSH Committee at the estate as per letter undersigned by the Regional CEO, Central West Region dated 1st June 2020. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager. The management conducted regular OSH committee meetings 	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>on quarterly basis and when necessary due to accident occur. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated as follows:</p> <p>Welch Estate: 26.06.2020 (2/2020), 10.01.2020 (1/2020), 10.10.2019 (4/2019) & 15.07.2019 (3/2019).</p> <p>Diamond Jubilee Estate: 21.05.2020 (2/2020), 21.01.2020 (1/2020), 18.10.2019 (3/2019) & 09.07.2020 (2/2019)</p> <ul style="list-style-type: none"> • Accident and emergency procedures are available in Estate Quality Management System Standard Operation manual (EQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Sighted during site visit, the workstation also equipped with fire extinguishers and first aid kits. Noted during the interview with employees shows the understanding regarding emergency and evacuation procedures. <p>Sighted during the Site visit at the Premix Area at Diamond Jubilee Estate, it was noted that the emergency eye wash located at the Premix Area was not functioning.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>The estates have established Emergency Response Team lead by the Estate Managers. Sighted during site visit, the ERT chart and Fire Extinguisher Map was displayed at several notice board around the estate complex. Sighted the trainings as below</p> <p>Welch Estate:</p> <ul style="list-style-type: none"> • Fire Drill Training – 14.10.2019 <p>Diamond Jubilee Estate</p> <ul style="list-style-type: none"> • Fire Extinguisher Training – 12.02.2020 • IPM Training – 02.07.2020 • First aiders were present at various work station at the mill. The first aiders were responsible for first aid box at each workstation assigned to them by the management. During the interview with the sprayers, manures and store clerk shows the awareness regarding the emergency procedure if accident occur, person responsible of every first aid box and the location of the nearest first aid box. The first aid box was recently replenished with all stated items available in the box. <p>Welch Estate</p> <p>The latest training conducted for the first aiders was on 08.10.2019.</p> <p>Diamond Jubilee Estate</p> <p>The latest training conducted for the first aiders was on 12.02.2020.</p>	

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	<p>First Aid Kit compliance monitoring was not fully effective. Sighted 2 expired items dated 30.03.2020 & 30.06.2020 (Elastic Bandages) in the First Aid Kit sampled at the manuring Gang. Further verification indicates the monthly inspection record for the First Aid Kit was not captured on the expired items details.</p> <ul style="list-style-type: none"> <p>Welch Estate The estate has reported 5 accident cases for the year 2020 as of to date. The Incident notification report have been one for each accident cases and has been reported to the HQ. A further 5 cases has been reported for the year 2019 and the Incident notification Report (INR) has been submitted to the HQ.</p> <p>Welch Estate: JKKP 8 form submission compliance was not evident. No evidence available on the completed JKKP 8 form for year ending 2019 submitted to DOSH. (Minor NC).</p> <p>Diamond Jubilee Estate The estate has reported 3 accident cases for the year 2019 with a total of 10 days LTA. The JKKP 8 Form has been submitted to JKKP on 14.01.2020. For 2020 there were 2 cases reported. Sighted the Incident Detailed Report for both cases available and documented.</p> 	
<p>Criterion 4.4.5: Employment conditions</p>		

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.</p> <p>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. Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Welch Estate: 09/07/2020. 2. Diamond Jubilee Estate: 01/07/2020 	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 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.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers and signed by the workers Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0). Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>Sighted the sampled employment contracts as below:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Welch Estate:</p> <ul style="list-style-type: none"> • Employee ID: 0000073493 • Employee ID: 0000139064 • Employee ID: 0000146650 • Employee ID: 0000157559 <p>Diamond Jubilee Estate:</p> <ul style="list-style-type: none"> • Employee ID: 0000012642 • Employee ID: 0000066918 • Employee ID: 0000066918 • Employee ID: 0000108661 • Employee ID: 0000118702 	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Based on the payment voucher checked, daily rate for contract workers is RM 42.31/day for outside town and RM 46.15/day for town area. Pay slip/cash voucher of the workers were sighted that it is according to the employment contract. The records are documented and available for review</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records</p>	<p>The estates have employed local and foreign workers. All the mill workers are under direct employment and under contract.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Sighted the master list of the workers having the information of full names, gender, date of birth, job description and other relevant information.</p>	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers.</p> <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0).</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>Welch Estate:</p> <ul style="list-style-type: none"> • Employee ID: 0000073493 • Employee ID: 0000139064 • Employee ID: 0000146650 • Employee ID: 0000157559 <p>Diamond Jubilee Estate:</p> <ul style="list-style-type: none"> • Employee ID: 0000012642 • Employee ID: 0000066918 • Employee ID: 0000066918 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Employee ID: 0000108661 Employee ID: 0000118702 <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain in office.</p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The pay slip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, and temple and mosque fund.</p> <p>Sighted and verified the sampled of payslip for employee with ID no. for the month of April, May and June 2020 as follows:</p> <p>Sighted the sampled pay slip as below:</p> <p>Welch Estate:</p> <ul style="list-style-type: none"> Employee ID: 0000073493 Employee ID: 0000139064 Employee ID: 0000146650 Employee ID: 0000157559 <p>Diamond Jubilee Estate:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Employee ID: 0000012642 • Employee ID: 0000066918 • Employee ID: 0000066918 • Employee ID: 0000108661 • Employee ID: 0000118702 	
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of the individual worker indicated in the time records were comply with legal regulations and collective agreements. Based on check roll records, overtime and breaks were recorded and consistent with the pay slip for sample months shown no evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.</p> <p>OFI: Diamond Jubilee Estate: The salary deduction for electricity shown as employees' deduction' in workers' pay slip. However, further verification made confirm that it is for correct amount of electricity deduction.</p>	OFI
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contains the following information:</p> <ul style="list-style-type: none"> i. Earnings - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday), Overtime (Week days, Rest days and Holiday). ii. Deduction - Union fee (NUPW & AMESU), SOCSO, EPF, electricity deduction and others. 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract.</p> <p>Sighted and verified the sampled of payslip for employee with ID no. for the month of March, April and May 2020 as follows:</p> <p>Sighted the sampled pay slip as below:</p> <p>Welch Estate:</p> <ul style="list-style-type: none"> • Employee ID: 0000073493 • Employee ID: 0000139064 • Employee ID: 0000146650 • Employee ID: 0000157559 <p>Diamond Jubilee Estate:</p> <ul style="list-style-type: none"> • Employee ID: 0000012642 • Employee ID: 0000066918 • Employee ID: 0000066918 • Employee ID: 0000108661 • Employee ID: 0000118702 	
<p>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</p>	<p>Subsidized rate of water, electricity and accommodation were supplied to the workers. Facilities such as clinic, football field, temples, community hall and mosque were available on site. Government schools were found constructed inside or nearby the plantations.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	development, medical care and health provisions. - Minor compliance -		
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	Based on visit to the line site and interview with the worker, confirmed that the estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through SAJ or SAM piping while electricity is via TNB grid supply. Access to food supply for the workers are considered adequately and sufficiently as the estate is very near to the town. Welch Estate & Diamond Jubilee Estate: Line site inspection was done weekly by MA and recorded in the log book. Weekly summary reported via checklist for Estate housing inspection i.e. housing complex/NEST/Community Hall Inspections records shown latest inspection done by Medical Assistant or appointed person in charge.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is committed to develop and apply: Eliminating Violence and Sexual Harassment: We seek to promote an environment where all forms of harassment and abuse are eliminated and to provide support for victims. 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. Latest policy briefing for mill workers was conducted on:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Welch Estate: 09/07/2020. 2. Diamond Jubilee Estate: 01/07/2020. 	
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is respecting Freedom of Association: We respect the rights of employees to join and form organizations of their own choice and to bargain collectively.</p> <p>The NUPW minute meeting for Diamond Jubilee Estate was sighted conducted on 04/05/2020.</p> <p>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. Latest policy briefing for mill workers was conducted on:</p> <ol style="list-style-type: none"> 1. Welch Estate: 09/07/2020. 2. Diamond Jubilee Estate: 01/07/2020. 	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management will Eradicate any form of Exploitation: We endeavor to eradicate any form of forced or bonded labour, slavery, human trafficking and sexual exploitation.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance													
Criterion 4.4.6: Training and competency															
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding SOPs of each work, SDS, safe working practices and the correct use of PPE.</p> <p>Covid-19 trainings and briefings were sighted at the estates. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Among other trainings that were sighted are as below:</p> <p>Welch Estate:</p> <table border="1" data-bbox="1050 970 1868 1391"> <thead> <tr> <th>TRAINING</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>Ripeness Standard Training</td> <td>17.03.2020</td> </tr> <tr> <td>Interpump Training by Mycrop</td> <td>21.01.2020</td> </tr> <tr> <td>Training on Poisoning VOPs and Removing Giant Woodies</td> <td>02.03.2020</td> </tr> <tr> <td>Fire Drill Training</td> <td>14.10.2019</td> </tr> <tr> <td>First Aid Training</td> <td>08.10.2019</td> </tr> </tbody> </table>	TRAINING	DATE	Ripeness Standard Training	17.03.2020	Interpump Training by Mycrop	21.01.2020	Training on Poisoning VOPs and Removing Giant Woodies	02.03.2020	Fire Drill Training	14.10.2019	First Aid Training	08.10.2019	<p>Complied</p>
TRAINING	DATE														
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First Aid Training	08.10.2019														

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Criterion / Indicator		Assessment Findings		Compliance
		Tractor Driver On-Site Training	17 & 18.04.2020	
		Diamond Jubilee Estate:		
		TRAINING	DATE	
		IPM Training	02.07.2020	
		Policy & COBC Training	01.07.2020	
		Spillage Drill Training & Exercise	24.06.2020	
		Manuring Training	08.07.2020	
		Spraying Training	24.02.2020	
		Water Management Training	26.02.2020	
		Spot-check Motorcycle Training	14.02.2020	
		PPE Training	25.10.2019	
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	Both Welch Estate and Diamond Jubilee Estate continued to identify training needs of individual employees 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.		Complied

Criterion / Indicator		Assessment Findings	Compliance
	description. - Major compliance -	Both Estates have established the training plan and documented it in the Training Requirements for Operating Unit Year 2020.	
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	Both Estates continued to have a training programme planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. This was evident from the document training programs sighted for 2020 in both estates.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The policy has been briefed to all workers on 29 th June 2020 (Welch Estate and 01 st July 2020 (Diamond Jubilee Estate).	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. - Major compliance -	Estates have established an environmental improvement plan to mitigate the negative impacts and to promote the positive ones. The latest Environmental Management Plan was for FY 2020. The Environmental Management Plan covered EAI/EIE Management Plan, Waste Management Plan, Water Management Plan, HCV Area and Pollution Prevention Plan.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The plan has been monitored quarterly. In the plan stated the person in charge to monitor the implementation on each plan as per programmed. The Environmental Management Plan covered EAI/EIE Management Plan, Waste Management Plan, Water Management Plan, HCV Area and Pollution Prevention Plan.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Both Estates had established an environmental improvement plan to mitigate the negative impacts and to promote the positive ones. The latest Environmental Management Plan was for FY 2020. The plan has been monitored quarterly. In the plan, stated the person in charge to monitor the implementation on each plan as per program. The Environmental Management Plan covered EAI/EIE Management Plan, Waste Management Plan, Water Management Plan, HCV Area and Pollution Prevention Plan. Welch Estate The latest review on the EAI/EIE Plan for FY 2020 was reviewed on 11.05.2020. The management plan has been monitored quarterly. The estate has appointed person in charge to monitor the implementation of each plan as per time the frame stated in the plan. Diamond Jubilee Estate The latest reviewed on the EAI/EIE Plan for FY 2020 was done on 01.01.2020. No changes have been made from the previous plan.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Aspects and Impacts. The continual improvement plans had programs to promote the positive impacts. For example, to reduce any run-off pesticides to land, to eliminate traces of oil spillage at the workshop/tractor parking bay, to reduce the released exhaust emission to air, to reduce massive land contamination at the landfill area and etc.	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Welch Estate and Diamond Jubilee Estate continued to have continuous awareness and training programs planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. Among the trainings and awareness conducted are as below: 1. IPM Training – 02.07.2020 2. Schedule Waste Training – 04.07.2019	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	The estate managements continued to have regular meetings with workers where concerns of workers and management about the environmental quality are discussed. This was discussed at the quarterly held ESH committee meetings. Records showed that HSE meetings were held on: Welch Estate: <ul style="list-style-type: none"> 26.06.2020 (2/2020), 10.01.2020 (1/2020), 10.10.2019 (4/2019) & 15.07.2019 (3/2019). Diamond Jubilee Estate: <ul style="list-style-type: none"> 21.05.2020 (2/2020), 21.01.2020 (1/2020), 18.10.2019 (3/2019) & 09.07.2020 (2/2019) 	Complied

Criterion / Indicator	Assessment Findings	Compliance													
Criterion 4.5.2: Efficiency of energy use and use of renewable energy															
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Welch Estate and Diamond Jubilee Estate have established an Energy Management Plan which focuses on the efficiency usage of non-renewable energy and renewable energy.</p> <p>At the estates, diesel, water & electricity consumptions per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage is being monitored at the operating units for better control and comparison of trends. Sighted the average water, diesel and electricity usage record for year ending 2019 as below:</p> <table border="1" data-bbox="1048 823 1872 1082"> <thead> <tr> <th>Estate</th> <th>Water (Litres)</th> <th>Diesel (Litres)</th> <th>Electricity (kWh)</th> </tr> </thead> <tbody> <tr> <td>Welch Estate</td> <td>2.33</td> <td>1.039</td> <td>6.42</td> </tr> <tr> <td>Diamond Jubilee Estate</td> <td>1.95</td> <td>1.26</td> <td>3.98</td> </tr> </tbody> </table>	Estate	Water (Litres)	Diesel (Litres)	Electricity (kWh)	Welch Estate	2.33	1.039	6.42	Diamond Jubilee Estate	1.95	1.26	3.98	<p>Complied</p>
Estate	Water (Litres)	Diesel (Litres)	Electricity (kWh)												
Welch Estate	2.33	1.039	6.42												
Diamond Jubilee Estate	1.95	1.26	3.98												
<p>4.5.2.2</p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Both Estates have established the Energy Management Plan which focuses on the efficient usage of non-renewable energy and renewable energy.</p> <p>The management plan has categorized three types of energy for the management plan. (Electricity and Diesel and Water)</p> <p>The estimates for direct usage of non-renewable energy for their operations, inclusive of fossil fuel, and electricity to determine energy</p>	<p>Complied</p>												

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Criterion / Indicator		Assessment Findings	Compliance
		efficiency of their operations were available in the annual budget and budget projections.	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Though both estates had established an Energy Management Plan which focuses on the efficient usage of non-renewable energy, there was no opportunity for the use of renewable energy at the moment.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Records showed that both Welch & Diamond Jubilee Estates have identified waste products and sources of pollution and documented them in the Waste Management Plan. Waste have been categorized into four groups: <ol style="list-style-type: none"> 1. Domestic Waste i.e. Rubbish and Sewage 2. Industrial Waste i.e. Scrap Metal, EFB, POME 3. Scheduled Waste i.e. used lubricant, used lubricant container, Spent Chemicals, Clinical waste. 4. Recycle waste: Paper, plastics, glass and metal 	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: <ol style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	Welch Estate and Diamond Jubilee Estate have established an Environment Management Plan 2020 which includes Pollution Prevention Plan 2020 and Waste Management Plan 2020 and it has been monitored quarterly. The management plan focuses on; <ul style="list-style-type: none"> • No open burning in line site area • To ensure proper landfill management • To ensure spraying activity not polluting the environment • To comply with EQA 1974 • Replanting: to prevent the destruction of riparian • Replanting: to minimize soil erosion 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Nutrient recycling strategy is in place and includes use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. EFB applied at selected fields at Diamond Jubilee Estate obtained from Diamond Jubilee POM. Recommended rate is 45mt/ha as per the SOP. POME is channelled to the farrow irrigation system located at Diamond Jubilee Estate.	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Based on policy to manage used chemical containers, the estates only produce chemical containers Class 2 and above therefore they are treated as recyclable waste and not schedule waste.</p> <p>Empty pesticides containers were collected in the recyclable waste store after being triple rinsed and punctured at the bottom of the containers. The used chemical containers were sold to licensed waste managers to be recycled.</p> <p>The estate also generates Schedule Waste as stated in the Second Schedule reported via e-swiss. Among the schedule waste identified are Spent Lubricant, Spent Hydraulic Oil, Clinical Waste and Spent Filter.</p> <p>Sighted the latest Consignment Note for the disposal of Schedule Waste as follows:</p> <p>Welch Estate</p> <ul style="list-style-type: none"> • Waste Manager – Kualiti Alam Sdn Bhd • Date – 10.06.2020 • Type of Waste – Clinical Waste • Consignment Number – 2020061809BT3OCJ 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Diamond Jubilee Estate</p> <ul style="list-style-type: none"> • Waste Manager – Pentas Flora Sdn. Bhd • Date – 20.01.2020 • Type of Waste – Rags, plastics, papers or filters contaminated with scheduled wastes. (Used Oil Filter) • Consignment Number – 2020011716E5QRDA 	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Both, Welch Estate and Diamond Jubilee Estate empty pesticide containers were 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 had been adhered to.</p> <p>The used chemical containers were sold to SS Setia Teknologi Enterprise to be recycled. Sighted the latest disposal receipts of the empty chemical drums to SS Setia as below:</p> <p>Welch Estate: 600kgs of Empty Chemical Drums on 24.10.2019 Diamond Jubilee Estate: 0.0329 Mt of Empty Chemical Drums on 17.06.2020</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Welch Estate</p> <p>Domestic waste collected two times per week. Sighted during the site visit at the landfill at Field P00, it was filled with domestic waste. No scheduled waste observed in the landfill.</p> <p>Diamond Jubilee Estate</p> <p>Domestic waste from Diamond Jubilee Estate was disposed as such to minimize the risk of contamination of the environment and watercourse. Proper disposal of Domestic waste carried out as per the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste was not allowed to be burned.</p> <p>Diamond Jubilee Estate’s domestic waste is collected by a licensed contractor (UER Resources Sdn. Bhd.) where the contractor is accountable to collect the domestic waste within the mill linesite to be disposed at the permitted dumping site as stated in the contract. Sighted the Tax Invoice dated 21st May 2020 amounting to RM 910.00 for the Waste/Disposal Service and Rental of Bin.</p>	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Estates visited have conducted assessment of all polluting activities in the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The assessment was reviewed on an annual basis which includes GHG, Schedule Waste, Recycle Waste and Domestic Waste.</p>	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>For the estate, GHG emissions identified including CO², SO² and NO² from various sources including fossil fuel, chemical, peat oxidation, sinks, crop sequestration, fertilizer consumptions and sequestration in conservation area.</p>	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources</p>	<p>Welch Estate and Diamond Jubilee Estate have established water management plans and it is documented as the management plan in the Environmental Management Plan. The management plan has been</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all-natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>reviewed annually. Sighted the Environment Management Plan for year 2020.</p> <p>The estates have established the Water Management Plan FY 2020 and documented in Environmental Management Plan. The plan reviewed annually and monitored on quarterly basis. The management plan focusing on:</p> <ul style="list-style-type: none"> 1. To monitor the quality of main water inlet/outlet for pollutants from estate operations. 2. Contingency plan during water shortage 3. To monitor usage of treated water on monthly basis 4. To reuse/recycle wastewater 5. Protection of water courses and wet land <p>Visit to Welch Estate and Diamond Jubilee Estate confirmed that there were no waterways passing through the estate. The estates have identified water catchment areas in both the estates. The management plan has identified the possible risk associated to managing the water catchment areas and proposed mitigation methods to maintain the quality and availability of the water catchment area. Among the action plan stated and sighted were:</p> <ul style="list-style-type: none"> 1. Regular patrolling by AP at water catchment area. 2. Signboard indicating No fishing, trespassing, swimming, spraying, manuring and water polluting activities at the area. 3. Gated Fence. 4. Buffer Zone demarcated. (White paint on palms) 5. Awareness Training 	

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	There were no waterways observed in Welch Estate and Diamond Jubilee Estate.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Water harvesting practices such as surface run off water was directed in roadside pits and field drains sighted during the visit at Welch Estate and Diamond Jubilee Estate.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	<p>Welch Estate HCV Re-Assessment for Strategic Operating Unit (SOU) 19 Pagoh has been conducted on August 2016 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. The Final Reported (Version II) dated August 2016 was made available to auditors. The HCV area that has been identified in the estate are as below:</p> <ul style="list-style-type: none"> Water Catchment area – 0.95 Ha category HCV 4 (Welch Estate) <p>Diamond Jubilee Estate. HCV Re-Assessment for Strategic Operating Unit (SOU) 18 Diamond Jubilee has been conducted on July 2016 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. The Final Reported (Version II) dated April 2017 was made available to auditors. The HCV area that has been identified in the estate are as below:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Water Catchment area – 5.58 Ha category HCV 4 (Diamond Jubilee Estate) 	
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Diamond Jubilee Estate HCV Re-Assessment for Strategic Operating Unit (SOU) 18 Diamond Jubilee has been conducted on July 2016 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. The Final Reported (Version II) dated April 2017 was made available to auditors.</p> <p>Based on the above report No RTE was identified within the planted or surrounding village area.</p> <p>Welch Estate HCV Re-Assessment for Strategic Operating Unit (SOU) 19 Pagoh (Welch Estate) has been conducted on August 2016 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd.</p> <p>Based on the above report No RTE was identified within the planted or surrounding village area.</p> <p>Though no RTE were identified to be present, signages that no fishing, no swimming and water polluting activities had been put up and were verified on-site at the estates visited (Diamond Jubilee Estate & Welch Estate) found to have been satisfactorily maintained.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The management plan for monitoring of HCV areas were available and has been adhered to on a quarterly basis. The scope includes muster briefing, awareness training, signage prohibiting illegal activities, marking of slope.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	SOU 18 Estates complied with the Malaysian environmental law –EQA and Regulations 1974 and have established a policy on no open burning. - Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. As advocated, both estates practiced Zero burning. In the replants visited during the audit, it was evident that all palms were felled, shredded, windrowed and left to decompose.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	There were no evidence of any previous crop being highly diseased. There was no evidence that fire has been used for preparing land for replanting in both estates. The estates had adhered to the Zero Burning Policy of Sime Darby Plantation.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning had been required on both estates and there was no evidence to show that any burning had been carried out.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	SOU 18 Estates complied with the Malaysian environmental law –EQA and Regulations 1974 and had established a policy of no open burning. - Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. As advocated, both estates practiced Zero burning. In the replants visited during the audit, it was evident that all palms were felled, shredded, windrowed and left to decompose.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Standard operating procedures had been appropriately documented. Some of the SOP's reviewed were as follow: <ul style="list-style-type: none"> • Sime Darby Agricultural Reference Manual [SDP/OP/ARM dated 1/7/2011] • Estate Quality Management System Standard Operating Procedures 3/3/2008 • Sime Darby Occupational Safety and Health Manual (SDPSB/01/08 dated 3/3/2008) • Handling of Environmental Aspects level 3.0 section VII handling of scheduled wastes. Version 1 2008 issue no 1 dated 1/11/2008. • Plantations / Mill Quality Management System (PQMS / MQMS) Manual, PQMS / MQMS Standard Operating Manual and Procedures (SOP) • Sustainable Plantation Management System (SPMS) Manual, • RSPO Supply Chain Manual, • ESH Management System Manual, • Occupational Safety and Health Manual, • Pictorial Safety Standards • Security Guidelines Manual. • Standard Operating Manual and Procedures (SOP) • Guidelines on River Management" manual, • SOP Communicable Disease (Covid – 19) Prevention & Control Procedure; 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>For the estates, on top of the PQMS, technical guidelines as listed in the Agricultural Reference Manual were also used. It includes the operation activities in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and security. Contents of the manual were disseminated to the workers through morning roll call and trainings. The manuals were kept in the administration office where management staffs can refer.</p> <p>Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>SOU 18 estates have a management strategy for planting on slopes and to minimize and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was sighted in "Slope & River Protection Policy" – Buffer Zone & 25 degrees slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual.</p> <p>Both Welch Estate and Diamond Jubilee Estate had complied with this policy to not plant on slopes above 25° and Buffer Zone.</p> <p>It was also observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interrows. Visits to the site found that significant areas of the ground were covered with <i>Neprolepis biserrata</i>. Most slopes had well</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance									
		established Mucuna bracteata. Cover crop was observed planted in the replants.										
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	The estates have also established a visual identification or reference system for each field. The field number and area hectarage were marked on T shaped concrete slabs and on metal plates placed on the palm trunks.	Complied									
Criterion 4.6.2: Economic and financial viability plan												
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2020 to 2025 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO/MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha. CAPEX - capital expenditure mainly for buildings, furniture and others asset related expenses	Complied									
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Replanting was planned for fields with palms older than 25 years, non-performance field (yield) and fields with high ganoderma infected palms. The replanting programme up to year 2025 for both estates are as follows: <table border="1" data-bbox="1048 1166 1872 1362"> <thead> <tr> <th>Year</th> <th>Diamond Jubilee Estate</th> <th>Welch Estate</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>56.56 Ha</td> <td>Nil</td> </tr> <tr> <td>2022</td> <td>74.93 Ha</td> <td>Nil</td> </tr> </tbody> </table>	Year	Diamond Jubilee Estate	Welch Estate	2021	56.56 Ha	Nil	2022	74.93 Ha	Nil	Complied
Year	Diamond Jubilee Estate	Welch Estate										
2021	56.56 Ha	Nil										
2022	74.93 Ha	Nil										

Criterion / Indicator		Assessment Findings			Compliance
		2023	68.03	Nil	
		2024	26.72	Nil	
		2025	60.39	Nil	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>The business and management plans were available in the annual budget. The annual budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.</p>			Complied
4.6.2.4	<p>The management plan shall be effectively implemented, and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The management plan was effectively implemented, and the achievement of the goals and objectives were regularly monitored, documented and reviewed through Monthly Progress Reports, Monthly Accounts Reports, Annual Financial Reports, Plantation Advisor Visit Reports and Performance Unit Report.</p>			Complied
<p>Criterion 4.6.3: Transparent and fair price dealing</p>					

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The contract documents template was included with the provision for contractors to comply with all Sime Darby Plantation requirements including vendor integrity pledge where the contractor to adhere with integrity, transparency, responsibility, anti-bribery, etc. Pricing mechanism is stated in the appendix and agreed by both parties.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Greenvision Trading & Services submitted invoice to Welch Estate on 01/07/2020 and Sri Yogaletchumi Kali Enterprise submitted invoice to Diamond Jubilee Estate on 29/02/2020. In the invoice stated the payment term of 30 days. The document has been uploaded to the MEX system. Refer document no. 1600026482 (Greenvision Trading & Services) and document no: 2100013654 (Sri Yogaletchumi Kali Enterprise). The finance department has made payment to Greenvision Trading & Services on 08/07/2020 and Sri Yogaletchumi Kali Enterprise on 06/03/2020, within the payment term of 30 days agreed by both mill and contractors.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Diamond Jubilee POM only receive FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill. For other services, the pricing mechanism was done documented in contract agreement between Sime Darby and the contractors. The contract and pricing mechanism were agreed by both parties. Sampled the contractors of Welch Estate: Greenvision Trading & Services (Welch Estate) and Sri Yogaletchumi Kali Enterprise (Diamond Jubilee Estate).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	All contracts were fair legal and transparent and agreed with both parties. In the contracts stated the contract duration, term and condition, indemnity, responsibilities of Sime Darby Plantation and estate management, notices, cost, force majeure, non-assignability, misc., interpretation and rate of payment.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated to the contractor through MSPO training and formal letter to contractor. Example seen for contractor: Greenvision Trading & Services and Sri Yogaletchumi Kali Enterprise (Diamond Jubilee Estate).	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel before payment been made to the contractors. Sighted the progress report update by both contractors and verified by estate management for payment process.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	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. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA

Criterion / Indicator		Assessment Findings	Compliance
	<p>Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p>		
Criterion 4.7.2: Peat Land			
4.7.2.1	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p> <p>- Major compliance -</p>	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	<p>A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.</p> <p>- Major compliance -</p>	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.3.2	<p>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.</p> <p>- Major compliance -</p>	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA

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Criterion / Indicator		Assessment Findings	Compliance
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			

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Criterion / Indicator		Assessment Findings	Compliance
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	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 -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	SOU 18 Estates did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment.	NA

Appendix B: List of Stakeholders Contacted

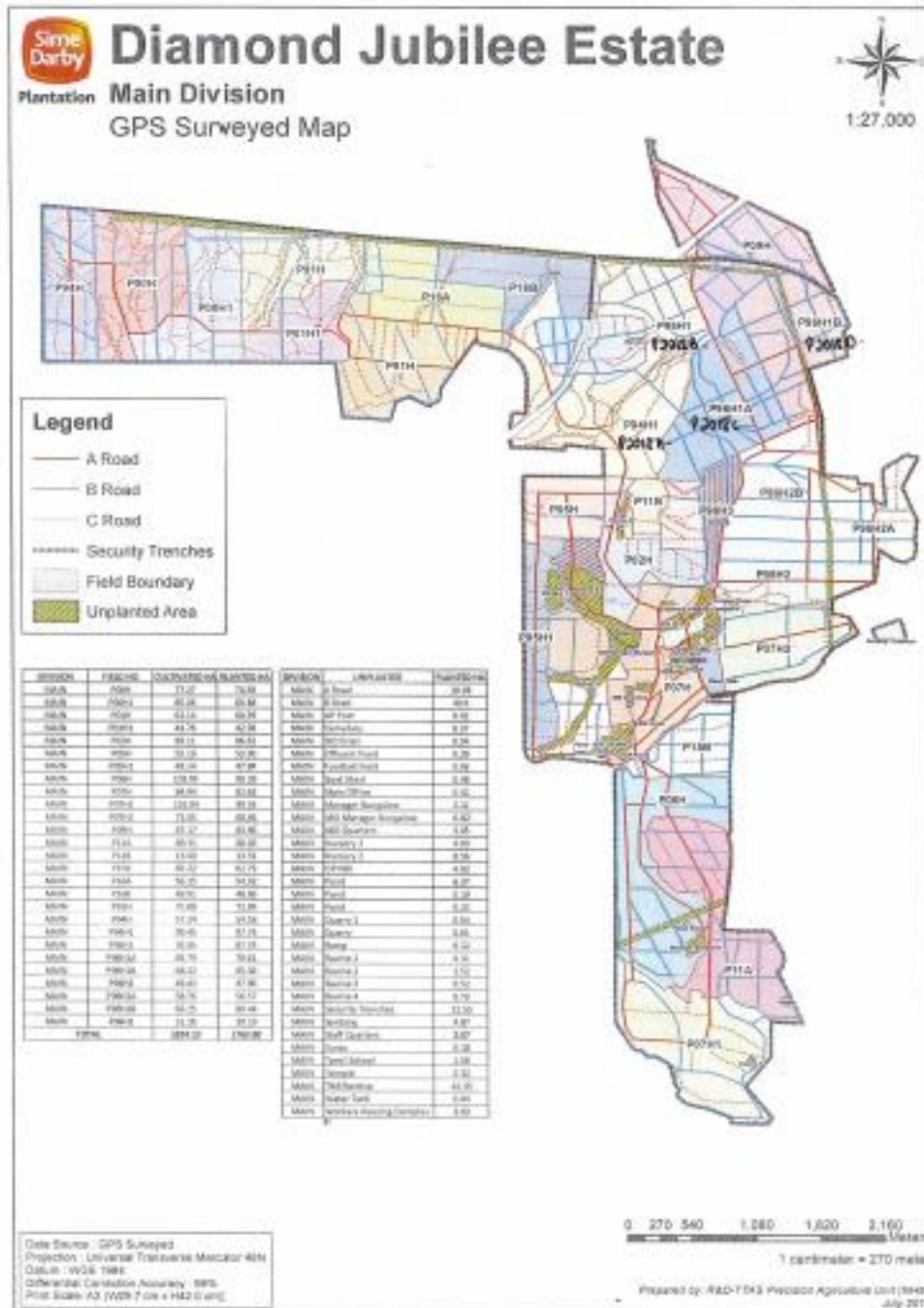
<p>Government Officer: Majlis Perbandaran Jasin SK Ladang Welch SJK(T) Ladang Diamond Jubilee</p>	<p>Community/neighbouring village: Head of Village-Kampung Bukit Keledang Pengerusi JPKK FELDA Bukit Senggeh</p>
<p>Suppliers/Contractors/Vendors: Temis (M) Sdn Bhd Kejuruteraan Elektrik WH</p>	<p>Worker’s Representative/Gender Committee: NUPW Ladang Welch NUPW Diamond Jubilee POM Rubber tapper representatives</p>

Appendix D: Location and Field Map

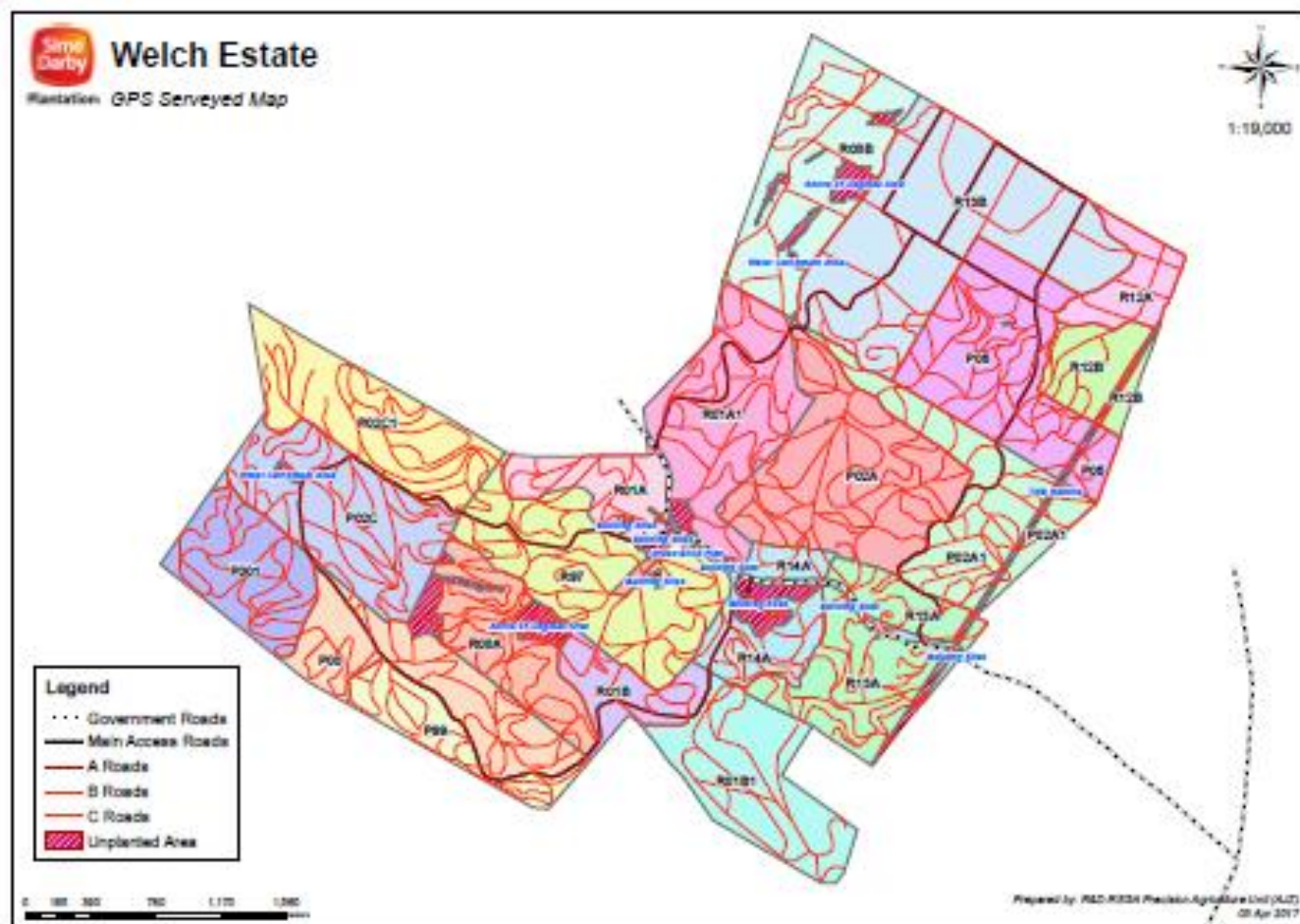


Diamond Jubilee POM

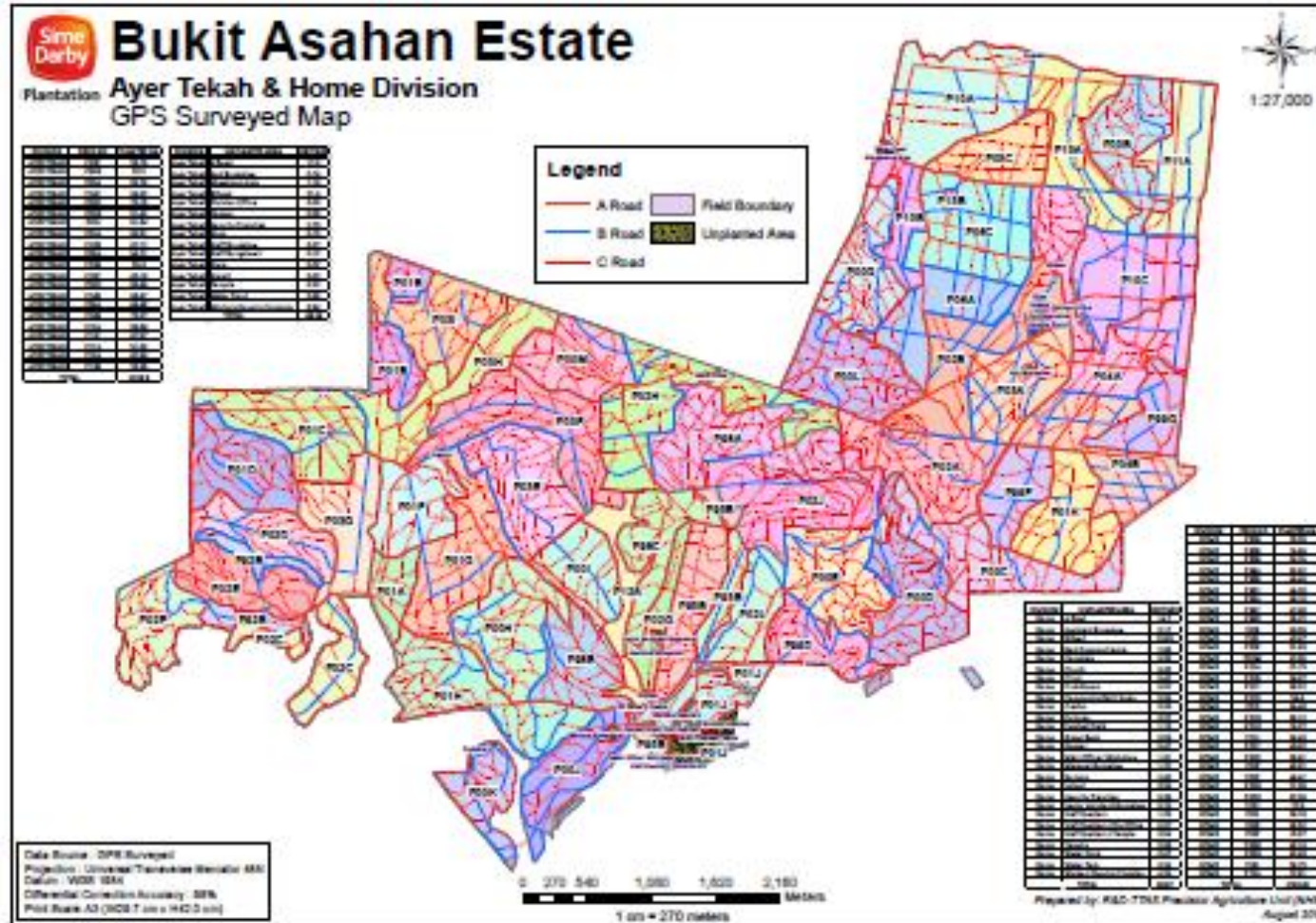
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Diamond Jubilee Estate



Welch Estate



Bukit Asahan Estate

...making excellence a habit.™

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