

**MALAYSIAN SUSTAINABLE PALM OIL
- ANNUAL SURVEILLANCE ASSESSMENT 3 (ASA3)
Public Summary Report**

Sime Darby Plantation Berhad
Client company Address: Head Office: Level 5, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: SOU 2 Chersonese Palm Oil Mill Location of Certification Unit: Strategic Operating Unit (SOU 2) 34350 Kuala Kurau, Bagan Serai, Perak, Malaysia

Report prepared by:
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Report Number: 3091801

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	
	Chersonese POM: 533667104000	31 st October 2020	
	Chersonese Estate: 5332370011000	31 st January 2021	
	Kalumpong Estate: 524392002000	31 st October 2020	
	Holyrood Estate: 530733002000	30 th June 2020	
	Tali Ayer Estate: 508238502000	31 st January 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 2) Chersonese Palm Oil Mill: 34350 Kuala Kurau, Bagan Serai, Perak, Malaysia		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Tn. Mr Mohd Riza Mohd Arif (Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com kks.chersonese@simedarbyplantation.com
Telephone	+603-78484379 (Head Office) +6019-2274216 (Mill)	Facsimile	+603-78484363 (Head Office) +605-7277544 (Mill)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682039 Plantations: MSPO 688334		
Issue Date	10/01/2018	Expiry date	9/01/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 and MS 2530-4:2013		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	25 - 27/10/2017		
Continuous Assessment Visit Date (CAV) 1	10 - 12/12/2018		
Continuous Assessment Visit Date (CAV) 2	15 - 17/7/2019		
Continuous Assessment Visit Date (CAV) 3	22 - 24/6/2020		

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Continuous Assessment Visit Date (CAV) 4		TBC	
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 590800	RSPO P&C MYNI 2014, RSPO SCCS June 2017	BSI Services Malaysia Sdn Bhd	4/10/2021
MSPO 714137	MSPO SCCS	BSI Services Malaysia Sdn Bhd	20/11/2024

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	
		Latitude	Longitude
Chersonese Palm Oil Mill	Kilang Kelapa Sawit Chersonese, 34350 Kuala Kurau, Bagan Serai, Perak, Malaysia	4.9772222	100.41111
Chersonese Estate	Ladang Chersonese, 34350 Kuala Kurau, Perak, Malaysia	4.984444	100.449722
Holyrood Estate	Ladang Holyrood, 34100 Selama, Perak, Malaysia	5.123889	100.710000
Tali Ayer Estate	Ladang Tali Ayer, 34300 Bagan Serai, Perak, Malaysia	5.058333	100.522222
Kalumpong Estate	Ladang Kalumpong/Byram, 34300 Bagan Serai, Perak, Malaysia	4.969722	100.601389

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Chersonese Estate	3,026.77	25.87	241.08	3,293.72	91.89
Holyrood Estate	1,235.19	12.19	85.36	1,332.74	92.77
Tali Ayer Estate	3,023.96	24.24	707.90	3,756.10	80.51
Kalumpong Estate	2,529.28	21.09	166.43	2,716.80	93
Total	9,815.20	83.39	1,200.77	11,099.36	88.44

*Kalumpong Estate – Increase of 208.53 ha total area due to latest GPS survey on 2019 after included ex-mill area for new planting

*Holyrood Estate – Increase of 0.44 ha total planted due to resurvey conducted on August 2019.

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1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Chersonese Estate	636.28	1,562.44	641.15	186.90	0	2,390.49	636.28
Holyrood Estate	211.93	714.09	253.22	57.22	0	1,024.53	211.93
Tali Ayer Estate	184.43	1,249.19	1,543.99	46.35	0	2,839.53	184.43
Kalumpong Estate	470.05	370.43	1,505.29	183.51	0	2,059.23	470.05
Total (ha)	1,502.69	3,896.15	3,943.65	473.98	0	8,313.78	1,502.69

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (July 2019 - June 2020)	Actual (July 2019 - June 2020)	Forecast (July 2020 - June 2021)
Chersonese Estate	56,600.00	40,761.23	56,666.00
Holyrood Estate	22,630.57	8,251.04	26,237.40
Tali Ayer Estate	54,462.30	50,225.47	77,507.28
Kalumpong Estate	50,055.00	40,797.25	46,200.56
Total	183,747.87	140,034.99	206,611.24

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (July 2019 - June 2020)	Actual (July 2019 - June 2020)	Forecast (July 2020 - June 2021)
N/A			
Total			

1.8 Certified Tonnage			
	Estimated (July 2019 - June 2020)	Actual (July 2019 - June 2020)	Forecast (July 2020 - June 2021)
	FFB	FFB	FFB
Mill Capacity: 45 MT/hr	183,747.87	140,034.99	206,611.24
SCC Model: SG	CPO (OER: 21.50 %)	CPO (OER: 20.67 %)	CPO (OER: 21.30%)
	39,505.79	28,945.28	44,008.19
	PK (KER:5.50%)	PK (KER: 5.2%)	PK (KER:5.30 %)
	10,106.13	7,288.47	10,950.39

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
28,945.28	0	0	16,870.11	11,156.27	28,026.38

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
7,288.47	0	0	1,581.42	5,524.44	7,105.86

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 22-24/06/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the Sime Darby Plantation Berhad, SOU 2 Chersonese Palm Oil Mill and Supply Base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. 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 MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

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

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

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

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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)
Chersonese POM	X	X	X	X	X
Chersonese Estate	-	X	X	-	-
Tali Ayer Estate	-	X	-	X	-
Kalumpong Estate	X	-	X	-	X
Holyroad Estate	X	-	-	X	X

Tentative Date of Next Visit: July 19, 2021 - July 21, 2021

Total No. of Mandays: 6 Mandays

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Mohamed Hidir Zainal Abidin	Team Leader	Holds a Bachelor Degree in Chemical Engineering from National University of Malaysia. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and ISO 45001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, MSPO Awareness Training and Endorsed RSPO SCCS Lead Auditor Course. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. In this assessment, he assessed on the aspects of supply chain, legal, mill best practices, safety and health, environmental and workers and stakeholders consultation. He is fluent in both verbal/written in English.
Yusof Khairan Nizar Ahmad Tarmizi	Team Member	Has educational background: Certificate of Safety and Health Officer-Malaysian Insurance Institute (2003). Bachelor of Corporate Administration (Hons)-MARA University of Technology, Malaysia (2003), Master of Science in Occupational Safety and Health Management-Northern University of Malaysia (2011). Successfully attended course ISO 9001:2000 IRCA/IATC A Lead Auditor Training-International Management & Technology Limited (Kuala Lumpur), ISO 14001:2004 IEMA Approved EMS Advanced Lead Auditor Training Course-Aspects Moody Certification Ltd (UK). OH&SMS IRCA Certified Lead Auditor Training Course-Moody International (KL). MS

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		<p>1722 Lead Auditor Training NIOSH Certification (KL) and RSPO – TUV Rheinland (Indonesia). MSPO Auditing – SGS (Malaysia). RSPO P&C 2018 Lead Auditor Course – Checkmark Training. Also attended the Quality & Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodied Providing Audit and Certification (ISO/IEC 17021:2015) collaboration with Institute of Quality Malaysia, ISO/IEC 17021. MSPO Peer Reviewer Training (MPOCC). Experience in managing, consulting, training and auditing Quality, Environmental, Occupational Safety and Health Management Systems such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, OHSAS 18001:2007, MS1722:2011 since 1996. Contract Trainer of OSH & Environmental Legal & Other Requirements Lead Auditors course for SIRIM Training Services Sdn Bhd & NIOSH Certification Sdn Bhd. Contract Auditor for Quality, Environmental, Occupational Safety and Health Management System and Malaysia Sustainable Palm Oil (MSPO). OSH, Legal and Environmental Auditor for TUV Rheinland Malaysia RSPO Principles & Criteria. Contract SIRIM QAS International Auditor (2006). Department of Occupational Safety and Health Malaysia (DOSH) Registered Safety and Health Officer (2003-2006). Approved Human Resources Development Fund (HRDF) Trainer (since 2011). Also appointed as Assessor for Prime Minister’s Hibiscus Award involving assessment for oil and gas companies, plantations industries, manufacturing, utilities, cleaning and transportations services (since 2003). MPOCC Registered Peer Reviewer. During the assessment, he covered the legal aspects, best practices, traceability, biodiversity and environment.</p>
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2.2 Accompanying Persons *(not applicable)*

No.	Name	Role
	Nil	

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2.3 Assessment Plan

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

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Yusof
Sunday 21/6/20	PM	Audit team travelling to Kamunting. Check in at SLL Traders Hotel	√	√
Monday 22/6/20 Chersonese POM	0730 am	Audit team travelling to Chersonese POM	√	√
	08.30 - 09.00	<ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit Plan 	√	√
	09.30 - 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc		
	10.00 - 12.30	Stakeholder interview	√	-
	12.30 - 13.30	Lunch	√	√
	13.30 - 16.30	Continue with document review (MSPO part 4), P1: Management commitment and responsibility, P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition. P5: Environment, natural resources, biodiversity and ecosystem services P4: Social responsibility, health safety and employment condition, P6 : Best practices	√	√
16.30 - 17.00	Interim Closing briefing.	√	√	
Tuesday 23/6/20 Tali Ayer Estate	0730 AM	Traveling to Tali Ayer Estate	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	10.00 - 12.30	Stakeholder interview	-	√
	12.30 - 13.30	Lunch	√	√
	13.30 - 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√

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Date	Time	Subjects	Hidhir	Yusof
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 24/6/20 Holyrood Estate	0730 AM	Travelling to Holyrood Estate	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. Stakeholder interview	√	-
	12.30 - 13.30	Lunch	√	√
	13.30 - 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Closing meeting for MSPO	√	√

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 2 Major nonconformities and 1 OFI raised. The Sime Darby Plantation Berhad, SOU 2 Chersonese Palm Oil Mill and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref: 1924802-202004-M1	Area/Process: MS 2530:2013 Part-3	Clause: 4.3.1.1
	Issue Date: 24th June 2020	Due Date: 22nd September 2020
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. ii) Employment Act 1955, Section 24(4) Lawful Deduction: The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General under (c) - deductions in respect of payments to a third party on behalf of the employee.	
Statement of Nonconformity:	Compliance with the applicable local, state, national and ratified international laws and regulations was not effectively demonstrated.	
Objective Evidence:	Holyrood Estate Water supply deduction (deduction code-D066) was made in the month of November 2019 and February 2020 for the following workers: Workers ID: 108879, 111908, 99126, 107661 and 26192.	
Corrections:	To stop immediately the water supply deduction on all workers prior to no approval from JTK.	
Root cause analysis:	Approval for water supply deduction made to JTK Taiping is pending due to person in-charged on the matters was transfer to Ipoh branch. New request need to be send for approval.	

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Corrective Actions:	To sending new request to JTK Taiping on the water supply deduction matters for approval.
Assessment Conclusion:	<p>Implemented evidence verified;</p> <p>i) No deduction was made for August and September 2020 until approval granted from JTK.</p> <p>ii) Application to JTK Taiping dated 28th July 2020 was sighted and pending for approval.</p> <p>Corrective action plan was found to be effective and the NC was closed on 21/9/2020. Continuous implementation will be further verified in the next audit.</p>

Major Nonconformities:		
Ref: 1924802-202004-M2	Area/Process: MS 2530:2013 Part-4	Clause: 4.3.1.1
	Issue Date: 24th June 2020	Due Date: 22nd September 2020
Requirements:	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>ii) Employment Act 1955, Section 24(4) Lawful Deduction: The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General under (c) - deductions in respect of payments to a third party on behalf of the employee.</p>	
Statement of Nonconformity:	Compliance with the applicable local, state, national and ratified international laws and regulations was not effectively demonstrated.	
Objective Evidence:	<p>Chersonese POM</p> <p>Water supply deduction (deduction code-D066) was made in the month of January 2020 and April 2020 for the following workers:</p> <p>Workers ID: 149672, 88320 and 47879</p>	
Corrections:	Mill management has stop the deduction till obtain of Permit Approval	
Root cause analysis:	Approval for water supply deduction made to JTK Taiping is pending due to person in-charged on the matters was transfer to Ipoh branch. New request need to be send for approval.	
Corrective Actions:	Mill personnel had liaised with JTK Taiping on the issue. The application had been submitted and forwarded to JTK Ipoh for Permit Issuance	
Assessment Conclusion:	<p>Implemented evidence verified;</p> <p>i) No deduction was made for August and September 2020 until approval granted from JTK.</p> <p>ii) Application to JTK Taiping dated 28th July 2020 was sighted and pending for approval.</p> <p>Corrective action plan was found to be effective and the NC was closed on 21/9/2020. Continuous implementation will be further verified in the next audit.</p>	

Opportunity For Improvement		
Ref: 1924802-202004-I1	Area/Process: MS 2530:2013 Part-3	Clause: 4.5.1.6

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Objective Evidence:	The Tali Ayer Estate can further improve the discussion on environmental quality issues conducted in the EHS Meeting with more obvious and balanced information stated in the minutes
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Opportunity For Improvement		
Ref: 1924802-202004-12	Area/Process: MS 2530:2013 Part-3	Clause: 4.5.3.5
Objective Evidence:	Domestic waste was disposed at Block 10 A in Holyrood Estate. As found further improvement can be practiced to improve the segregation of recycled items such as plastic bottles and organic waste/food waste.	

Noteworthy Positive Comments	
1	Good positive comments from internal and external stakeholders

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1797684-201903-M1	Area/Process: MS 2530:2013 Part-3	Clause: 4.4.4.2 - Part 3
	Issue Date: 17/7/2019	Date closed: 11/9/2019
Requirements:	b) The risks of all operations shall be assessed and documented. 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).	
Statement of Nonconformity:	i) Risk of activities are not assess and documented. ii) Awareness on importance of wearing PPE provided is not effectively implemented.	
Objective Evidence:	<p>Chersonese Estate Noted during site visit at Schedule Waste store and Chemical Premix area, there are activities with safety and health risk which are not captured in the HIRARC such as collecting chemical mixing waste water from collection sump and loading of SW 409 through barrier at the scheduled waste.</p> <p>Kalumpong Estate The estate has provided PPE for the harvester with appropriate PPE. However, during site visit at P99A sighted the harvester didn't wear helmet during harvesting work and not put in the chisel cover while riding motorcycle. This shows the awareness on importance of wearing PPE provided is not effectively implemented.</p>	
Corrections:	<p>Chersonese Estate The HIRARC Review Team will review the HIRARC with to include the activity for mixing chemical (collecting water from sump) and loading Scheduled Waste (SW409).</p> <p>Kalumpong Estate To conduct refresher HCTP (Harvesting Competency Training Program) to all harvester.</p>	
Root cause analysis:	Chersonese Estate	

	<p>Estate management has developed and reviewed HIRARC on yearly basis as mentioned in the OSH Manual. However, the operation activity was not cover during the risk assessment conducted.</p> <p>Kalumpong Estate</p> <p>The estate management has issued the relevant PPE to the workers. the workers itself understood the importance on the PPE usage, however the workers only use the PPE only during the monitoring by the management. It's found that, the awareness PPE usage especially for new workers still unsatisfactory.</p>
Corrective Actions:	<p>Chersonese Estate</p> <p>To conduct risk identification and HIRARC training. HIRARC for all activity shall be evaluated by HIRARC review team & monitored by the SQM-NTR.</p> <p>Kalumpong Estate</p> <p>The Management agreed to enforce the implementation of the PPE. The mandore and supervisor will monitor the usage of the PPE at the worksite. During the morning muster, Assistance Manager need to ensure the PPE is well provided based on the PPE checklist. The workers whom are not complete with PPE is prohibited to go the worksite until the PPE provided to them. In SDP, we will issue the SIME card to the workers under unsafe act, and consider for management to issuance the warning letter.</p>
Assessment Conclusion:	No recurrence of issues noted. The previous Major NC is remained closed.
Verification Statement	<p>ASA3 verification:</p> <p>PPE were provided to workers such as helmet, safety boots and helmet in Tali Ayer estate observed during site visit at 01A Block 4 for harvesting activity. Sampled in Holyrood Estate the PPE distribution record book started from 01/07/19 covering face mask, green nitrile glove, respirator 3M, Apron, Ear Plugs, Helmet, Safety bbots. Last issue for Safety boots in January 2020. Observed 3 Sprayers wearing PPE such as Apron, Cartridge face mask, Safety boots and gloves. 2 Manurers at Block 11 A found wearing apron, green nitrile gloves, safety boots and safety glass.</p> <p>Hazard and risk assessment at Tali Ayer Estate was established and latest revision due to Covid-19 on 06/05/2020. Accident on 10/06/19 attacked by wild boar during collecting loose fruits revised on 27/06/19 under harvesting activity. In Holyrood Estate, HIRARC was last reviewed dated 29/04/2020 due to Covid-19 pandemic and focusing exposure to security personnel.</p>

Major Nonconformities:		
Ref: 1797684-201903-M2	Area/Process: MS 2530:2013 Part-3	Clause: 4.4.5.11 - Part 3
	Issue Date: 17/7/2019	Date closed: 11/9/2019
Requirements:	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.	

Statement of Nonconformity:	Amenities and facilities provided were not in compliance with Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446)
Objective Evidence:	Chersonese Estate There was no effective monitoring system to ensure all drug/medicine readily useable for treatment. Vaccine (anti-tetanus) date of expiry: December 2018 was still kept in the refrigerator. Further check in the VMO logbook, frequency of visit is only once a month and no visit carried out for October 2018. Refer to visit report dated 20/11/18, 4/9/18 and 28/8/18.
Corrections:	<ol style="list-style-type: none"> 1. Check the drug/medicine expiry date when receiving new drug/medicine stock. 2. To ensure VMO visiting book is updated and available.
Root cause analysis:	<ol style="list-style-type: none"> 1. No stock movement for drug/medicine carried out to check the expiry date period. 2. VMO visit was carried out fortnightly however the visiting book were misplace during the external audit.
Corrective Actions:	<ol style="list-style-type: none"> 1. Regular stock check monthly carried out by HCA and verified by Estate Management (Labelling system for every medicine / drug). Include date of expired in inventory records. <p>To include the frequency of VMO visit in the agreement letter (every fortnightly) and get the acknowledgement by VMO.</p>
Assessment Conclusion:	No recurrence of issues noted. The previous Major NC is remained closed.
Verification Statement	<p>ASA3 verification:</p> <p>Arokiasamy A/L Mariafrancis (Asst. Manager) was appointed by Estate Manager as Appointment Letter dated 06/01/2020 to be incharged person for workers housing quarters management. Include conduct inspection, risk assessment, non-conformances issues.</p> <p>Gobi A/L Pupathy (Block 1), Mohamad Fitri (Block 2), Zulkarnain Abu Hassan (Block 3), Kamaruzaman (Block 4), Hidayatul Isma (Block 5), Mogana Sundram (Block 6), Monagarash (Block 7). Appointment Letter dated 06/01/2020 by Manager. Observed in Tali Ayer Estate the housing area was properly kept and maintained. Grass cutting and drainage found to be promptly cleaned. Rubbish bin allocated to each houses as sighted.</p>

Minor Nonconformities:		
Ref: 1797684-201903-N1	Area/Process: MS 2530:2013 Part-3	Clause: 4.4.4.2 - Part 3
	Issue Date: 17/7/2019	Date closed: 11/9/2019
Requirements:	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	
Statement of Nonconformity:	SOP for handling domestic waste and scheduled waste is not effectively implemented.	
Objective Evidence:	<p>Chersonese The domestic waste dumping site were located at P95A. The site were near to the collection drain where the leachate water from the domestic waste will went into the collection drain and flow into Sg. Kurau. This was against the SOP established, SD/SDP/PSQM(ESH)/203-EN7 dated 13/3/2017.</p> <p>Recycle program was not effectively implemented. Found evidence of recycle waste in the municipal rubbish bin. This was against the SOP established, Sustainable</p>	

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	Plantation Management System; Appendix 9; Procedure for Handling of Domestic Waste; Ver. 1; Year: 2008; Issue no.: 1; Date: 1/11/2008.
Corrections:	i) To identify new location of temporary dumping site and to ensure no leachate into collection drain. ii) To initiate and educate all employees on waste segregation at source.
Root cause analysis:	i) Location of temporary dumping site is near with collection drain. ii) Recycling programmed have not been carried for a long time. Last carried out was several years ago.
Corrective Actions:	i) Estate management will establish the recycle item record and closely monitor the practice at the housing complex. ii) SQM-NTR also will verify the implementation and advice the management for improvement.
Assessment Conclusion:	Implemented corrective action was verified and no recurrence of issue observed. Thus, the previous minor was closed effectively on 24/6/20.
Verification Statement	ASA3 verification: Observed at Tali Ayer Estate workers housing a waste bin allocated to all houses. Observed at workshop area a Recycling waste collection centre. In Holyrood Estate, the housing quarters were maintained and allocated bins for each houses sighted. A recycling bin located at centre of the blocks found being used for storage of recycled plastic bottles.

Minor Nonconformities:		
Ref: 1797684-201903-N2	Area/Process: MS 2530:2013 Part-3	Clause: 4.6.4.1 - Part 3
	Issue Date: 17/7/2019	Date closed: 11/9/2019
Requirements:	Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	Provision of documentation and information on MSP0 requirements was not evidence.	
Objective Evidence:	Based on consultation with contractors and sample agreements with contractors by Kalumpong Estate, the contract addendum as per memo from HQ on requirement of contractors to fulfil MSP0 requirements documentation was not evidently provided to contractors since not attached in contract agreement copies.	
Corrections:	Develop the contract addendum on requirement of contractor to comply with MSP0 requirement	
Root cause analysis:	Contractors has been given training about MSP0 requirement, however the contract addendum on requirement of contractor to comply with MSP0 requirement was not documented.	
Corrective Actions:	To include /attach the addendum onto each contract prior to issuing to contractors which includes briefing as well. Record keeping is to be carried out by OUs & verified by SQM.	
Assessment Conclusion:	Implemented corrective action was verified and no recurrence of issue observed. Thus, the previous minor was closed effectively on 24/6/20.	
Verification Statement	ASA3 verification: Verified latest agreement signed with contractor together with addendum attached for acknowledgement/acceptance records.	

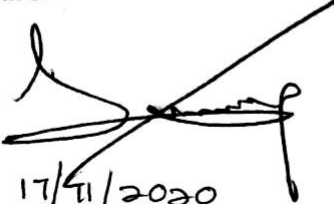

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1719793-201811-M1	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-M2	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-M3	Major	12/12/2018	Closed on 14/2/2019
1719793-201811-N1	Minor	12/12/2018	Closed on 14/2/2019
1797684-201903-M1	Major	17/7/2019	Closed on 11/9/2019
1797684-201903-M2	Major	17/7/2019	Closed on 11/9/2019
1797684-201903-N1	Minor	17/7/2019	Closed on 24/6/2020
1797684-201903-N2	Minor	17/7/2019	Closed on 24/6/2020
1924802-202004-M1	Major	24/6/2020	Closed on 21/9/2020
1924802-202004-M2	Major	24/6/2020	Closed on 21/9/2020

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: Contractor (Bagan Samak Enterprise) All terms and conditions in the contract as these have been explained to them by the estate official prior to signing. The contractors also confirmed that rate calculations/pricing mechanism are clearly understood and inserted in the contracts they have signed. Payment is received within 30 days of issuance of invoice.
	Management Responses: Stakeholders' comments are noted.
	Audit Team Findings: The payment term and rate calculations are also clearly stipulated. Pay slips of workers belonging to both contractors were sighted, and it was confirmed that the wages are above the Minimum Wages (Amendment) Act 2018.
2	Issues: NUPW representative. The management has never restricted any movement or freedom to form an association in the company. NUPW membership are offered to workers regardless of their nationality. No unresolved issue highlighted by union members so in the estate.
	Management Responses: Will continue to assist whenever possible
	Audit Team Findings: No further issue.
3	Feedbacks: Gender Representatives – They are aware of the function of the committee and reported that there was no sexual harassment case reported. They were given equal opportunity to work in the company.
	Management Responses: The management will ensure the welfare and safety of female workers are protected.
	Audit Team Findings: No further issue.
4	Feedbacks: Workers representative: No issue with the management and always open for consultation and assistance. Equal opportunity to all workers regardless of their nationality, gender and race.
	Management Responses: No favouritism and all workers are equally treated.
	Audit Team Findings: No further issue.

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment <i>Sime Darby Plantation Berhad, SOU 2 Chersonese Palm Oil Mill and Supply Base</i> Certification Unit complies with the <i>MS 2530-2:2013 or MS 2530-3:2013 or MS 2530-4:2013</i> . It is recommended that the certification of <i>Sime Darby Plantation Berhad, SOU 2 Chersonese Palm Oil Mill and Supply Base</i> Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: BATU MASAMU AL SUBRATHMORION	Name: Mohamed Hidhir Zainal Abidin
Company name: SIME DARBY PLANTATION BERHAD	Company name: BSI Services (M) Sdn Bhd
Title: MANAGER	Title: Lead Auditor
Signature:  Date: 17/11/2020	Signature:  Date: 16 th November 2020

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017. On top of the said commitment, Group Sustainability & Quality Policy Statement signed by Group Managing Director, Mohamed Helmy Othman Basha dated 2 nd December 2019 supported with Responsible Agriculture Charter (RAC), Innovation & Productivity Charter (IPC) and Human Right Charter (HRC).	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: i) Responsible Agriculture Charter (RAC) ii) Innovation & Productivity Charter (IPC) iii) Human Right Charter (HRC) The commitments are made by Group Managing Director, Mohamed Helmy Othman Basha dated 2 nd December 2019	Complied

Criterion 4.1.2 – Internal Audit									
<p>4.1.2.1</p>	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p>Internal audit was carried by Sustainable & Quality Management Unit (SQM) team on 11th June 2020 for Tali Ayer Estate. Audit covered both documentation and field operation for estate. At Holyrood Estate, internal audit was carried out on 10th June 2020.</p>	<p>Complied</p>						
<p>4.1.2.2</p>	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Audit was carried out Sustainable & Quality Management Unit (SQM). Total of 6 major and 3 minor NCs raised. Corrective action plan has been accepted and closed on 20th June 2020.</p> <table border="1" data-bbox="1048 799 1890 965"> <thead> <tr> <th>Estate</th> <th>Date of audit</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Holyrood</td> <td>10th June 2020</td> <td>Accepted and closed on 20th June 2020.</td> </tr> </tbody> </table>	Estate	Date of audit	Status	Holyrood	10 th June 2020	Accepted and closed on 20 th June 2020.	<p>Complied</p>
Estate	Date of audit	Status							
Holyrood	10 th June 2020	Accepted and closed on 20 th June 2020.							
<p>4.1.2.3</p>	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report has distributed to the estate management and Sime Darby Plantation HQ management. There is a month SQM meeting at HQ level to review the treading of findings raised in both internal and external audit.</p>	<p>Complied</p>						
Criterion 4.1.3 – Management Review									

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<p>4.1.3.1</p>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The latest management review was carried out on 12/6/20 at Tali Ayer Estate. The combined MSPO meeting was chaired by mill manager and attended by assistant manager and head of department. All pertinent elements in the standard has been discussed for effective implementation of MSPO towards continual improvement. Management review meetings carried out for other sites as the following:</p> <table border="1" data-bbox="1048 571 1890 671"> <thead> <tr> <th data-bbox="1048 571 1469 620">Estate</th> <th data-bbox="1469 571 1890 620">Date of meeting</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 620 1469 671">Holyrood</td> <td data-bbox="1469 620 1890 671">22nd June 2020</td> </tr> </tbody> </table>	Estate	Date of meeting	Holyrood	22 nd June 2020	<p>Complied</p>
Estate	Date of meeting						
Holyrood	22 nd June 2020						
<p>Criterion 4.1.4 – Continual Improvement</p>							
<p>4.1.4.1</p>	<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>Tali Ayer and Holyrood Estate have established the method for continual improvement, e.g.: Kaizen and various action plans including upgrade of workers housing, waste recycling programs and etc.</p>	<p>Complied</p>				
<p>4.1.4.2</p>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The management has conducted training need analysis on annual basis to identify the needs of training for each group of workers. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety etc. The training identified were programmed throughout the year.</p>	<p>Complied</p>				
<p>4.1.4.3</p>	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>There was plan established where in Chersonese Estate an Automated Circle Spraying System; ST-101 GEO-I was been use on trial for spraying of Glyphosate & Ally within the matured palm area of the estate field.</p>	<p>Complied</p>				

4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The 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
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	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 Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx	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

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4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	As stated in the procedure, the Mill/Estate Managers are responsible to deal with the external communication for the respective estates under their management. Whereas the Assistant Managers (AM) of each mill/estates were delegated to be responsible for issues related to Indicator 1. Refer to letter dated 1 st January 2020 for Holyrood Estate.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	The latest stakeholders list for Tali Ayer Estate was updated on February 2020. The external stakeholder consultation is conduct once a year. The last meeting was conducted on 19 th June 2020. There were no issues raised with regards to the mill operation in the stakeholder consultation. Hence, no action plan was required.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	SOU2 Estates used the SOP in the QMM manual Section 7 Product Realisation Sub section 7.5.3 Identification and traceability – Level 3 Reference SOP, Section C6 – FFB Identification & Traceability to comply with the requirements for traceability of its product which is FFB.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The management conducted regular inspections on compliance with the established traceability system. For example at Tali Ayer Estate, FFB despatch detail report summarized on daily basis. Total of 2,989.39 mt of FFB despatched to Chersonese POM as at 31/5/20 based on SIME Semua 2.0 (CRS system) for traceability reporting.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The management of SOU2 estates had identified and assigned suitable employees to implement and maintain its traceability system. SIME Semua 2.0 (CRS system) for traceability. Electronic tag/chip is used for each and every load/consignment. Chip is linked to Semua apps and scanned and before weigh and despatch. All information were recorded in the system which traceable to identify [field, crop type,	Complied

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		harvesting date, number of bunches, weight etc]. Person in charge for the each load/consignment is harvesting mandore and bunch counter.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The were no sale of product (FFB) done by SOU2 estates as all its FFB was sent SDPB own mill. Records of FFB delivery to the mill were maintained and records verified were: i) Despatch date: 31/5/20, FFB from field P00, WB ticket number: 139607, lorry: JCJ5110, weight: 6,020 Kg.	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 -	Sime Darby Plantation Berhad has established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 2. Tali Ayer Estate a. MPOB License for Tali Ayer Estate (Mukim Parit Buntar, Bagan Serai) license No. 508238502000 for 3611.29 Ha valid from 01/02/20-31/01/21. b. Air Compressor PK-PMT 512 valid till 29/01/20. Dosh Officer inspected on 22/06/2020 delay due to MCO. Refer to DOSH Log Book. c. Diesel Storage Permit for 18,000 Litres for Tali Ayer Estate valid till 31/12/2020. Holyrood Estate	Non – Compliance

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		<p>a. CHRA was conducted by approved competent assessor Hj. Shaari Chin reported on 05/14/17 and currently under review process.</p> <p>b. Medical Surveillance was conducted for year 2019 by Dr. T. Sakthi Yananthan (HQ/12/DOC/00/262). Involving 24 workers.</p> <p>c. MPOB License No. 530733002000 (Holyrood Estate) with size of 1333.12 Ha valid from 01/07/20-30/06/21.</p> <p>d. Diesel tank with 6,000 litres have valid permit from KPDNKK till 03/12//20.</p> <p>e. Air Compressor PK PMT 5004 valid till 17/02/2021.</p> <p><i>"Employment Act 1955, Section 24(4) Lawful Deduction: The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General under (c) - deductions in respect of payments to a third party on behalf of the employee."</i></p> <p><u>Holyrood Estate</u></p> <p>Water supply deduction (deduction code-D066) was made in the month of November 2019 and February 2020 for the following workers: Workers ID: 108879, 111908, 99126, 107661 and 26192.</p> <p>Thus, a major NC was issued.</p>	
<p>4.3.1.2</p>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The list established as Sime Darby Plantation Legal and Other Requirements Register which was updated as and when necessary. Sampled a Legal Requirements Register (QHSE/04/5.2.4) GSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate Quality Management System, Level 2: Standard Operating</p>	<p>Complied</p>

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		Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. All legal requirement was documented in Legal and Requirement Register. Sighted the evidence of compliancy to applicable law and regulations at Chersonese Estate	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Legal and other requirements register was updated as of January 2019 which includes relevant new requirements such as Minimum Wages Order Amended 2018. <i>Akta Pencegahan Penyakit Berjangkit 1988</i> , Movement Control Order 2020. This was observed in both estate Tali Ayer and Holyrood.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	The Senior Assistant Manager Tali Ayer Estate (Abdul Hafiz b. Ahmad) was assigned as the responsible person in-charge to monitor compliance and to track update or changes in relevant requirements. Appointment Letter dated 01/01/19. Sighted records of latest evaluation of compliance done on 4/1/2019 summarized that compliance level was at 100 % with satisfactory rating. Holyrood Estate appointed Muhamad Amirul b. Amir as letter dated 04/03/19 as person incharged for updating legal requirements.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The usage of all land titles area for agriculture purposes and no land encroachment occur.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	The management Sime Darby Plantation Berhad group estates have provided documents to show legal ownership. Sighted during the audit were the title documents issued as summarized below:	Complied

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	- Major compliance -	Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Tali Ayer	No.35978 4 Lot 19777/ Kerian	591.4 ha Ha	Freehold	Agriculture	Complied
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 -	Holyrood	Total 13 grant i)No. HM 85423, lot 781, Mukim Hulu Ijok	476.012	Freehold	Agriculture	Complied
Criterion 4.3.3 – Customary rights							

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4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land for the portion of land.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land for the portion of land.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social impacts were identified based on the Social Impact Assessment as documented in the SIA Report SOU 2 Chersonese; Assessment Date: 14-17 June 2015; Assessment by Sustainability Strategy Unit PSQM Department. Based on the assessment, management plan was established with annual review upon consultation with relevant stakeholders. Latest SIA management plan dated 22/1/20 was sighted at Tali Ayer Estate. Social impact related to COVID-19 included for operation.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The 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	Complied

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		<p>issues. Records of communication sighted available as per following types:</p> <ul style="list-style-type: none"> - Estate complaint book - Roll call muster note book - Tool box briefing contractor - External communication files (official/authority/others) 	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>The complaint form is made available in the estates office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or by mail. This information is available in notice boards in the mill.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last audit. Only request for maintenance housing are made by workers.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Subsection 4.2.3 Control of Documents.</p>	Complied
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			

<p>4.4.3.1</p>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>The estates management have made contribution to the local communities and stakeholders such as donation to school sports day, temple repair, safety town hall (safety programs, motivational and religious talk) for the benefit of local communities and also workers.</p>	<p>Complied</p>
<p>Criterion 4.4.4: Employees safety and health</p>			
<p>4.4.4.1</p>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. Tali Ayer and Holyrood Estates had established Safety and Health Management Plan and documented in ESH Program FYR 2020 covering EHS Risk Management, ESH Structure, Incident Reporting, EPR, Chemicals Safety Management, Noise Management, Contractor Safety Management, and etc.</p>	<p>Complied</p>
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices 	<ul style="list-style-type: none"> a. Established a Safety and Health Policy for Tali Ayer and Holyrood Estates as mentioned earlier and posted at notice board. b. Hazard and risk assessment at Tali Ayer Estate was established and latest revision due to Covid-19 on 06/05/2020. Accident on 10/06/19 attacked by wild boar during collecting loose fruits revised on 27/06/19 under harvesting activity. In Holyrood Estate, Hirarc was last reviewed dated 29/04/2020 due to Covid-19 pandemic. Focusing exposure to security personnel. All activity in estate covered. c. Awareness training to sprayers were conducted on 20/02/20 attended by 4 workers. Chemical mixing training was conducted on 19/06/2020 attended by 5 workers. Sampled at Chemical Store at Tali Ayer Estate found proper ventilation, PPE provided, Spill Kit, SDS 	<p>Complied</p>

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	<ul style="list-style-type: none"> ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded. 	<p>revised (every 5 years), signages were properly posted. Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM(ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012 and Pictorial Safety Standard (PSS) Estate dated 17/3/2008. Medical Surveillance was conducted on 23/07/19 at Klinik Vijay Sdn Bhd. List or workers such as sprayers, manurers were sighted. In Holyrood Estate training for sprayer was conducted by Mycrop on 13/11/19.</p> <ul style="list-style-type: none"> d. PPE were provided to workers such as helmet, safety boots and helmet. Sampled in Holyrood Estate the PPE distribution record book started from 01/07/19 covering face mask, green nitrile glove, respirator 3M, Apron, Ear Plugs, Helmet, Safety boots. Last issued for Safety boots were in January 2020. e. Tali Ayer Estate Manager was appointed by the Sime Darby management to be the Chairman of OSH Committee at the estates as per letter signed by the Regional CEO for Northern Region. In Holyrood Estate the Estate Manager was appointed as SHC Chairman as Appointment Letter dated 01/01/2020. The management appointed Asst. Manager as person responsible for Safety and Health. Mill management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, employer representatives and employee representative's appointment letter by the Mill Manager. The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements. f. The management of Tali Ayer Estate conducted OSH committee meeting on quarterly basis as minutes sampled dated 24/04/20, 27/01/20, 25/10/19, 27/07/19. In the meeting discussed issue on employees' safety, health and welfare such as safety and health 	
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	<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>achievement report, safety compliance by contractors, workplace audit report, legal compliance, safety and health training and etc. In Holyrood Estate, the SHC meeting was conducted regularly as minutes sampled dated 11/03/2020, 23/12/19, 11/09/19, 15/07/19. Issues discussed pertaining to workplace inspection result, PPE, Chemical store management, Health status of workers and accident statistics.</p> <p>g. JKPP 8 was submitted to DOSH by the Chief Clerk for Tali Ayer Estate on 23/01/2020. One accident involving Nepalese harvester on 10/06/19. 14 days medical leave. In Holyrood Estate, JKPP 8 was submitted to DOSH on 31/01/19.</p> <p>JKPP 6 for accident involving Indonesian Manurer (Passport No. B8209121). Accident on 22/06/19 finger injury due to thorn prick during frond stacking. 14 days medical leave.</p>	
<p>Criterion 4.4.5: Employment conditions</p>			
<p>4.4.5.1</p>	<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>All the Estates subscribe to Social and Human Right Policy signed by the Executive Chairman on 2/1/19. This was communicated to all employees during muster briefings and Company Policy training held on 11th May 2020 (GME) and on 16th June 2020 (KE Division B). The Policy is also displayed on main notice boards within the Estate premises.</p>	<p>Complied</p>
<p>4.4.5.2</p>	<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>The Estates subscribe to the policy signed by Executive Chairman on 2/1/2019 where the management is committed 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 characteristic</p>	<p>Complied</p>

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		The implementation of this Policy was confirmed by workers interviewed, where they confirmed that no form of discrimination exists.																													
<p>4.4.5.3</p>	<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>Workers’ pay slips were sighted for the months of July 2020 (peak crop) February 2020 (normal) and November 2019 (low crop). Pay slips belong to the following workers were verified and it showed that all sampled workers receive minimum wages of RM1,100 and above, which is in compliance with the Minimum Wages (Amendment) Order 2018. The Malaysian workers’ wages are deducted for statutory payments such as the EPF, SOCSO and EIS.</p> <table border="1" data-bbox="1050 719 1865 1093"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr><td>80290</td><td>75101707XXXX</td></tr> <tr><td>149116</td><td>85021708XXXX</td></tr> <tr><td>120866</td><td>M8839753</td></tr> <tr><td>132430</td><td>AT747249</td></tr> <tr><td>141801</td><td>55043008XXXX</td></tr> <tr><td>145970</td><td>86040938XXXX</td></tr> <tr><td>121955</td><td>AS774263</td></tr> </tbody> </table> <p>Holyrood Estate</p> <table border="1" data-bbox="1050 1158 1865 1380"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr><td>155342</td><td>C4265630</td></tr> <tr><td>106480</td><td>AS844229</td></tr> <tr><td>26241</td><td>75####02&%\$</td></tr> <tr><td>26192</td><td>711009086375 71&**))_+++**</td></tr> <tr><td>30152</td><td>750111086584</td></tr> </tbody> </table>	Employee ID	NRIC/Passport No	80290	75101707XXXX	149116	85021708XXXX	120866	M8839753	132430	AT747249	141801	55043008XXXX	145970	86040938XXXX	121955	AS774263	Employee ID	NRIC/Passport No	155342	C4265630	106480	AS844229	26241	75####02&%\$	26192	711009086375 71&**))_+++**	30152	750111086584	<p>Complied</p>
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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>Management for the Estates ensure employees of contractors are paid in accordance with the provisions of the Minimum Wages Order by making it compulsory for contractors to submit their workers' monthly pay slips. For Tali Ayer Estate, FFB transporter (Bagan Samak Enterprise) submits the workers' monthly wage payment slip. Sighted during the audit were monthly wage payment slip May 2020. It was evident that the workers are paid more than the statutory minimum wages.</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 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>Tali Ayer Estate maintained a record of all employees, SEMUA – Employee Master Listing – Ref: ZCKRLM04 as at June 2020 for total of 120 workers (Oil Palm), under the following categories:</p> <ol style="list-style-type: none"> 1) Monthly paid 2) Daily rated or General Worker 3) Staff <p>The list had the following information details for each employee:</p> <ul style="list-style-type: none"> - Division - Employee Number - Employee Name - New NRIC/Passport Number - Date of Birth - Date joined 	Complied										

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		<p>In addition each employee had details in individual registration forms and another for foreign workers with details of passport and work permits.</p>																	
<p>4.4.5.6</p>	<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>All employees on Tali Ayer Estate had been provided with fair contracts which were signed by both employee and employer.</p> <p>Employment Contract Form for local and foreign workers were available. Information indicated in the form showed that all employees were provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local and foreign worker indicated in the employment records were available.</p> <p>Foreign worker contract was valid for 2-3 years depending on nationality. 1 year contract extension will be offered and renewed on annual basis subject to the mutual agreement between workers and employer. Sample of employment contract checked:</p> <table border="1" data-bbox="1055 954 1868 1385"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>80290</td> <td>75101707XXXX 75^&&&&((</td> </tr> <tr> <td>149116</td> <td>85021708XXXX 85**&&^%\$\$#</td> </tr> <tr> <td>120866</td> <td>M8839753</td> </tr> <tr> <td>132430</td> <td>AT747249</td> </tr> <tr> <td>141801</td> <td>55043008XXXX 55@##\$\$\$%#</td> </tr> <tr> <td>145970</td> <td>86040938XXXX 86@##%&&*()</td> </tr> <tr> <td>121955</td> <td>AS774263</td> </tr> </tbody> </table>	Employee ID	NRIC/Passport No	80290	75101707XXXX 75^&&&&((149116	85021708XXXX 85**&&^%\$\$#	120866	M8839753	132430	AT747249	141801	55043008XXXX 55@##\$\$\$%#	145970	86040938XXXX 86@##%&&*()	121955	AS774263	<p>Complied</p>
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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>Tali Ayer Estate had established a time recording system for all employees. Time recording system has been carried out manually on daily basis for field and office staff & executives. For office staff & executives, the working hours are recorded in the Executives & Staff Attendance List.</p> <p>For field workers, they record the working hours in the Daily Time Record. The overtime working hours always mutually agreed and approved by the assistant manager. The documented working hours available in the daily check roll records.</p>	Complied																				
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of each individual employee is recorded in their respective employment contracts which clearly stipulate that working hours is 8 hours from 7 AM to 3 PM inclusive of 30 minutes of break time. Based on records available, and interviews conducted with the workers confirmed that they work 8 hours. Any overtime work is paid in accordance with the provisions of the Employment Act 1955.</p>	Complied																				
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective</p>	<p>Wages and overtime payment documented on the pay slips at Tali Ayer Estate was in line with legal regulations and collective</p>	Complied																				

	<p>agreements. - Major compliance -</p>	<p>agreements. Pay slips of all employees are available as evidence of salary payment. The pay slip contain the following information :</p> <ul style="list-style-type: none"> a. Jenis Pendapatan Termasuk Dalam Gaji Purata b. Jenis Pendapatan Tidak Termasuk Dalam Gaji Purata c. Tanggungan Perbelanjaan d. Potongan <p>Some pay slips verified were:</p> <table border="1" data-bbox="1050 657 1865 1031"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>80290</td> <td>75*****</td> </tr> <tr> <td>149116</td> <td>85*****</td> </tr> <tr> <td>120866</td> <td>M8839753</td> </tr> <tr> <td>132430</td> <td>AT747249</td> </tr> <tr> <td>141801</td> <td>55*****</td> </tr> <tr> <td>145970</td> <td>86*****</td> </tr> <tr> <td>121955</td> <td>AS774263</td> </tr> </tbody> </table> <p><u>Holyrood Estate</u></p> <table border="1" data-bbox="1050 1098 1865 1385"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>155342</td> <td>C4265630</td> </tr> <tr> <td>106480</td> <td>AS844229</td> </tr> <tr> <td>26241</td> <td>75*****</td> </tr> <tr> <td>26192</td> <td>71*****</td> </tr> <tr> <td>30152</td> <td>75*****</td> </tr> <tr> <td>107661</td> <td>AE9811896</td> </tr> <tr> <td>99126</td> <td>AS767268</td> </tr> <tr> <td>111908</td> <td>L9216788</td> </tr> </tbody> </table>	Employee ID	NRIC/Passport No	80290	75*****	149116	85*****	120866	M8839753	132430	AT747249	141801	55*****	145970	86*****	121955	AS774263	Employee ID	NRIC/Passport No	155342	C4265630	106480	AS844229	26241	75*****	26192	71*****	30152	75*****	107661	AE9811896	99126	AS767268	111908	L9216788	
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		Cross checked with OER @ Out turn & Earning Report – Daily Rated (ZCKR_OER), numbers of out turn days tally with total salary paid in the pay slip.												
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	The company provides: i) 10 kg rice to all workers once every 2 months ii) RM5 mobile subsidy to all workers. iii) Free medical benefit to workers dependent at the estates clinics. iv) Renewal for driving license for local workers working as driver v) Sending worker’s children to schools			Complied									
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	<p>SOU2 Estates on-site living quarters were provided to all employees. At time of visit these quarters were observed to be habitable with basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Line site inspections were carried weekly by the HA and biweekly inspections carried out by VMO. Line site inspection guided under operational control procedure, SD/SDP/PSQM(ESH)/204-OD6, rev:0 dated 26/2/15. Records of line site inspection as per below table:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date of inspection</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Tali Ayer</td> <td>4/6/20, 12/6/20 & 16/6/20</td> <td>Weekly inspection</td> </tr> <tr> <td>Holyrood</td> <td>1/6/20, 8/6/20 a& 15/6/20</td> <td>Weekly inspection</td> </tr> </tbody> </table>			Estate	Date of inspection	Remarks	Tali Ayer	4/6/20, 12/6/20 & 16/6/20	Weekly inspection	Holyrood	1/6/20, 8/6/20 a& 15/6/20	Weekly inspection	Complied
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<p>4.4.5.12</p>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>SDPB had established “Gender Policy” dated January 2015 and signed by the Managing Director which provided guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>Tali Ayer Estate had established a Gender Committee with the Manager as Patron, a chairwoman, a vice chairman, a secretary, and other committee members. Latest gender committee meeting was carried out on 16/6/20. At time of visit there was no case reported on any form of sexual harassment or violence at the workplace.</p>	<p>Complied</p>						
<p>4.4.5.13</p>	<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>The management of SOU2 Estates respected the right of all employees to join a trade union relevant to the industry. This was evident from deductions made for union subscription and insurance in the pay slips of employees. This was further confirmed by workers during interviews. On both divisions on SOU2. Estates there were a NUPW chairman and secretary and records on meeting held with management were sighted.</p> <table border="1" data-bbox="1050 938 1861 1066"> <thead> <tr> <th>Estate</th> <th>Date of meeting</th> </tr> </thead> <tbody> <tr> <td>Tali Ayer Estate</td> <td>4/7/19</td> </tr> <tr> <td>Holyrood</td> <td>16/4/20</td> </tr> </tbody> </table>	Estate	Date of meeting	Tali Ayer Estate	4/7/19	Holyrood	16/4/20	<p>Complied</p>
Estate	Date of meeting								
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<p>4.4.5.14</p>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>SDPB had a “Child protection policy” which advocated compliance to all relevant local and internal laws. From the employments records and SEMUA – Employee Master Listing – Ref ZCKRLM04, the youngest worker employed is 21 years old.</p> <p>At Tali Ayer Estate, children and young persons were not employed or exploited. The minimum age complied with local, state and national legislation. A perusal of the employee master list found no employee below the national minimum age legislation. Consultations with estate employees and school teacher confirmed that there was no employee under the minimum age.</p>	<p>Complied</p>
<p>Criterion 4.4.6: Training and competency</p>			
<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>Available as sampled a training Plan at Tali Ayer Estate (2020) such as OSH Legals (Jul), Env. Legal (Sep), Foreign Workers Induction Programme (Feb, Jul, Oct), PPE Training and Demonstration (Aug), Triple Rinse Training and Demo (May), Social training (Dec), RDPO & MSPO Training (Jul), and total of 42 types of training to be considered.</p> <p>Holyrood Estate has established a Training Plan for FY 2020. 39 Types of training listed such as OSH Legal (Feb), EQA (Marc), ERP (Feb, May, Aug), Accident investigation Technique (may, Sep), Buffer Zone Training (May), Manuring Training (Sept) and others.</p>	<p>Complied</p>
<p>4.4.6.2</p>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Available Training Need and Plan FY 2020 for Tali Ayer Estate as sampled. In Holyrood Estate, the Training Needs/Matrix was established for all position (Manager-workers/contractor). 31 type of trainings listed covering all employees and related contractor.</p>	<p>Complied</p>

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<p>4.4.6.3</p>	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Among training conducted:</p> <ul style="list-style-type: none"> a. First Aider training conducted on 15/01/2020 attended by 2 workers of Tali Ayer Estate. b. Sprayers, triple Rinse training was conducted on 20/02/2020 attended by 4 workers. c. RSPO & MSPO Briefing to workers and contractors was conducted on 19/06/2020 attended by 10 participants. d. Chemical Mixing training was conducted on 19/06/2020 attended by 6 participants. e. COBC & Policy training was conducted on 16/06/2020 attended by 52 workers. f. Fire Drill training conducted on 17/04/19 attended by 56 workers. g. Chemical Spill training conducted on 12/01/19 attended by 4 workers. <p>Training conducted in Holyrood Training as sampled:</p> <ul style="list-style-type: none"> a. Kubota Training conducted 15/08/19 attended by 12 workers. b. Crane Maintenance Training was conducted on 28/08/19 attended by 6 workers. c. PPE Training on Noisy Working Environment was conducted on 04/03/2020 and 22/02/2020. d. Premix Training and Demonstration was conducted on 25/02/2020. e. HCV Briefing was done by Mohd Hidhir Hamdan dated 05/05/18 during morning muster meeting. 	<p>Complied</p>
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		<p>f. Refresher training was conducted on 09/06/2020 attended by 6 manurers.</p> <p>g. Mycrop provided training on Spraying Techniques and Safety Aspect on 13/11/19 attended by 10 workers.</p>	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>As sighted in Tali Ayer and Holyrood Estates, Sime Darby has established Environmental Policy signed by the Managing Director on January 2015. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment and ensuring commitment of compliance to environmental laws as stated in the policy.</p>	Complied
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>The Tali Ayer Estate has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review FY 2020.</p> <p>Holyrood Estate has established the Environmental Management Plan FY 2020. Various negative impacts mitigated with this EMP.</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, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The Tali Ayer Estates has established the Environmental Management Plan dated 22/01/2020 based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the</p>	Complied

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		<p>environment and documented in Environmental Improvement/Pollution Prevention Plan</p> <p>EMP for Holyrood Estate established to mitigate negative impacts such as pesticides leakage during spraying activity, exhaust gas emission form vehicle, land contamination during chemical mixing, open burning. While promoting positive impact through</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Programme to promote positive impact were established such as rainwater collection, recycle of water at premix area, recycle of waste for FY 2020.</p>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>The Tali Ayer Estate provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers. Recycle and water & Electricity briefing was conducted on 28/05/2020 to promote understanding among workers.</p>	Complied
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The management of tali Ayer Estate discussed issue regarding environmental quality concern combined with SHC meeting quarterly conducted as sampled on 24/04/20, 27/01/20, 25/10/19, 27/07/19. The Tali Ayer Estate can further improve the discussion on environmental quality issues conducted in the EHS Meeting with more obvious and balanced information stated in the minutes.</p> <p>In Holyrood Estate the environmental quality meeting conducted together with SHC as minutes sampled dated 11/03/2020, 23/12/19, 11/09/19, 15/07/19. A discussion on environmental issues sighted such</p>	Complied

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		as scheduled waste management, chemicals spillage management, recycling programme, energy saving programme and etc.																																																							
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																									
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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. - Major compliance -	Consumption and Monitoring of Diesel and electricity available from Jan-May 2020. Baseline values measured based on yearly performance and being monitored on monthly basis.	Complied																																																						
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	<p>Available data as sampled:</p> <table border="1"> <thead> <tr> <th colspan="6">Diesel</th> </tr> <tr> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mac</th> <th>Apr</th> <th>Mar</th> </tr> </thead> <tbody> <tr> <td>Diesel Used</td> <td>11,613</td> <td>10,998</td> <td>9,374</td> <td>14,855</td> <td>23,023</td> </tr> <tr> <td>FFB Production</td> <td>4,077</td> <td>5204</td> <td>5580</td> <td>5303</td> <td>4596</td> </tr> <tr> <td>Diesel/FFB</td> <td>2.85</td> <td>2.11</td> <td>1.68</td> <td>2.80</td> <td>5.01</td> </tr> <tr> <th colspan="6">Electricity</th> </tr> <tr> <td>Unit (kW)</td> <td>36,917</td> <td>38,654</td> <td>35,737</td> <td>35,737</td> <td>42,291</td> </tr> <tr> <td>FFB Production</td> <td>4,077</td> <td>5,204</td> <td>5,580</td> <td>5,303</td> <td>4,596</td> </tr> <tr> <td>Electricity/FFB</td> <td>9.05</td> <td>7.43</td> <td>6.40</td> <td>6.74</td> <td>9.20</td> </tr> </tbody> </table>	Diesel						Month	Jan	Feb	Mac	Apr	Mar	Diesel Used	11,613	10,998	9,374	14,855	23,023	FFB Production	4,077	5204	5580	5303	4596	Diesel/FFB	2.85	2.11	1.68	2.80	5.01	Electricity						Unit (kW)	36,917	38,654	35,737	35,737	42,291	FFB Production	4,077	5,204	5,580	5,303	4,596	Electricity/FFB	9.05	7.43	6.40	6.74	9.20	Complied
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4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy applied in both Tali Ayer and Holyrood Estates.	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 -	The Tali Ayer Estate and Holyrood Estate had identified the waste products and source pollution and documented in Environmental Management Plan. under section Waste Management. The waste identified as follows: i. Domestic waste – Rubbish ii. Scheduled waste – used lubricants/hydraulic oil, Clinical waste, iii. Recyclable waste – Reuse empty pesticides containers.	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: 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 -	Waste management Action Plan 2020 for Tali Ayer and Holyrood Estates established as sampled dated 22/01/2020. Sources of wastes and pollution found clearly identified. Recycle waste such as used containers through recycler and proper disposal to reduce environmental impact.	Complied
4.5.3.3	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. - Major compliance -	Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of scheduled waste material were carried out as per the company procedures. The procedures are fully understood by workers and managers. Scheduled waste store visited at Tali Ayer Estate also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.	Complied

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		Observed during workers (Store keeper) interview 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. All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal record	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	The Tali Ayer and Holyrood Estates had identified empty pesticides container as recycle waste in the waste identification. The empty container was triple rinse and use back as premix chemical container or puncture and stored at designated storage area before sent to licensed contractors for disposal named Aliran Segar Sdn Bhd. SW 305 Lubricant was last disposed to Aliran Segar Sdn Bhd dated 03/07/19 quantity of 150 Litres. Clinical waste disposal to Edgenta Mediserve Sdn Bhd. as consignment note dated 22/06/2020 for SW 404 (10 litres bin).	Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	All domestic waste collected dispose to Majlis Daerah Krian Landfill for final disposal. OFI - While for Holyrood Estate, the domestic waste was disposed at Block 10 A. Found further improvement can be practiced to improve the segregation of recycled items such as plastic bottles and organic waste such as food waste.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	The visited Tali Ayer Estate and Holyrood Estate had conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation and Waste identification.	Complied

	- Major compliance -		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The action plan to reduce the identified significant impact has been documented in several action plan i.e Pollution Prevention/Environmental management Plan and Waste management Plan. The managements Plan were available for review.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. 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	Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks Both estates visited had established Water Management Plan FY 2020 and reviewed annually basis. The management plan focusing on activity with impact to water shortage, dry spell and severe water contamination/pollution. Tali Ayer Estate and Holyrood Estate used water supplied by Lembaga Air Perak. Monitoring of consumption/usage was conducted on monthly basis and available for review. In Holyrood Estate the buffer zone marking with white paint sighted few faded marking and need to be repaint at Sungai Segar. Manager mentioned those already in a planned and waiting budget approval.	Complied

	<p>the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>		
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	No bunds were sighted across main rivers and waterways in both estates. Sampled in Holyrood Estate at Sungai Segar area.	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	The estate and Plantation Sustainability Department has conducted HCV assessment in June 2016. No HCV on biodiversity identified as per report. The management has identified conservation area and established management plan to monitor and ensure the area are well conserve. The list of common wild life found in SOU 2 were listed such as White throated King Fishers, Crested Serpent Eagle, Barn Owl, Red Jungle Fowl, Intermediate Egret, Wild Boars, Dusky Leaf Monkey, Long Tailed Macaque, Common Cobra, Monitor Lizard.	Complied

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<p>4.5.6.2</p>	<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>In Tali Ayer Estate and Holyrood Estate, found management has communicated the information regarding the HCV, RTE and conservation area with the employee through briefing and signage erected at few area in the estate.</p>	<p>Complied</p>
<p>4.5.6.3</p>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>According to the HCV report for both estates visited, there are no RTE species (according to IUCN classification) sighted at the operating units. Tali Ayer Estate has established HCV management plan to monitor all conservation area identified in the estate. Sighted the implementation of the management plan such as continual monitoring of RTE and signage posted for illegal hunting and fishing. Similar report applicable to Holyrood Estate.</p>	<p>Complied</p>
<p>Criterion 4.5.7: Zero burning practices</p>			
<p>4.5.7.1</p>	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. During site visit in Tali Ayer and Holyrood Estates sighted no used of fire for waste disposal purpose. This included at worker housing quarters.</p>	<p>Complied</p>
<p>4.5.7.2</p>	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where</p>	<p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and</p>	<p>N/A</p>

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	there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	preparation was used such as felling & chipping, cambering/land forming and path construction.	
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Observed no land clearing and felling for the replanting at Tali Ayer and Holyrood Estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction as sighted during site visit at Tali Ayer Estate and Holyrood Estate. Replanting planned in 2020 only.	Complied
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 on best management practices for Sime Darby Plantation is available in Agricultural Reference Manual for Oil Palm Estates (Ver.1; date: 1 Jul 2008). The SOP includes: <ul style="list-style-type: none"> 1. Planting Material 2. Nursery Techniques 3. Replanting 4. Land Preparation 5. Planting Density 6. Maturity Age 7. Field Upkeep 8. Manuring 	Complied

		<ul style="list-style-type: none"> 9. Canopy Management 10. Water Management in coastal/ peat plantings 11. Ablation 12. Ripeness standard 13. Harvesting interval 14. Loose fruit collection 15. Plant protection 16. Weed control 17. Leguminous cover crop establishment 	
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>Based on SPMS, Appendix 14: SOP for slope protection;</p> <ul style="list-style-type: none"> a. Slopes >25 degree must be excluded from any new plantation development and replanting programme. b. Slopes <25 degree the existing crop and vegetation shall be maintained accordingly. <p>Planting of forest trees for enrichment of the species is recommended</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>During site verification, seen all fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every fields.</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>- Major compliance -</p>	<p>The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 5 years projection. (Budget year, PY2, PY3, PY4, PY5). This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.</p>	Complied

		<p>Component of operating expenditure includes</p> <ul style="list-style-type: none"> a) Administration, b) harvesting & collection, c) field upkeep, transportation, d) road and bridges, e) labour overhead, f) EVIT (running accounts for engines, vehicles, implements & tractors. <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles replacement, workers' amenities etc. the budget for 2020 and 2021 for both the estates was sighted and verified.</p>													
<p>4.6.2.2</p>	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance –</p>	<p>Sime Darby Plantation Berhad have established a replanting program spanned over a 10-years period from 2021 till 2029. The first 5 years programme summarize as per below table:</p> <table border="1" data-bbox="1050 906 1883 1002"> <thead> <tr> <th>Estate</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Tali Ayer</td> <td>-</td> <td>46.35 ha</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Estate	2021	2022	2023	2024	2025	Tali Ayer	-	46.35 ha	-	-	-	<p>Complied</p>
Estate	2021	2022	2023	2024	2025										
Tali Ayer	-	46.35 ha	-	-	-										

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<p>4.6.2.3</p>	<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>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p>	<p>Complied</p>
<p>4.6.2.4</p>	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report.</p> <ul style="list-style-type: none"> a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. b) The management also provides variance report on the performance and reviewed on a monthly basis. <p>The supervisory personnel maintained a daily cost for the field operations.</p>	<p>Complied</p>
<p>Criterion 4.6.3: Transparent and fair price dealing</p>			
<p>4.6.3.1</p>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance –</p>	<p>The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit was contract dated 1st March 2020 between Sime Darby Plantation Berhad and Bagan Samak Enterprise for external FFB transport to Sime Darby POM. Details rates are clearly indicated in the contract under Appendix 1 & 2 of the contract.</p>	<p>Complied</p>

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<p>4.6.3.2</p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -</p>	<p>Reviewed during the audit were contracts entered between the Estates and third parties. The contracts and PO are fair as they contain provisions relating to the Estates' and contractors' obligations, payment calculation, mutual termination clause, and mutually agreed between Sime Darby Plantation Berhad and contractor. It was also stipulated that payment is to made within 30 days after upon receipt of the invoice. Sighted during the audit was invoice from Bagan Samak Enterprise (Inv No 1193) dated 31st May 2020 and was paid on 9th June 2020. There is evidence that payments are made in a timely manner.</p>	<p>Complied</p>
<p>Criterion 4.6.4: Contractor</p>			
<p>4.6.4.1</p>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -</p>	<p>Sighted during the audit was the inclusion of MSPO requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors, and reiterated during the stakeholder meeting.</p>	<p>Complied</p>
<p>4.6.4.2</p>	<p>The management shall provide evidence of agreed contracts with the contractor. - Major compliance -</p>	<p>Evidence of contracts with contractors were provided by the Estate management. At Tali Ayer Estate, contract dated 1st March 2020 between Sime Darby Plantation Berhad and Bagan Samak Enterprise for external FFB transport to Sime Darby POM. The contracts contain provisions related to statutory obligations, EPF, SOCSO, min wages, insurance, safety tools, etc. Appendix 1 of contract states FFB transport rates mechanism.</p>	<p>Complied</p>
<p>4.6.4.3</p>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -</p>	<p>Statement on compliance with MSPO requirements is included in the agreement and signed and acknowledged by the contractor (Bagan Samak Enterprise) on 1st March 2020. The auditors have been able to</p>	<p>Complied</p>

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		have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.	
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 -	Each contractor will be observed and monitored for FFB transporter and the transporters are required to show the weighbridge ticket from the mill as proof that FFB was delivered to the Mill as agreed. For harvesting contractor, FFB tonnage will be extracted from weighbridge data (from POM or estate with weighbridge) and work/job completed check by assistant/manager using work completion certificate/checklist for approval.	Complied
4.7 Principle 7: Development of new planting - Sime Darby Plantation Berhad, SOU2 group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.			

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8 th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017. On top of the said commitment, Group Sustainability & Quality Policy Statement signed by Group Managing Director, Mohamed Helmy Othman Basha dated 2 nd December 2019 supported with Responsible Agriculture Charter (RAC), Innovation & Productivity Charter (IPC) and Human Right Charter (HRC).	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The continual improvement commitment is documented in the following Management & Operation Policies: i) Responsible Agriculture Charter (RAC) ii) Innovation & Productivity Charter (IPC) iii) Human Right Charter (HRC) The commitments are made by Group Managing Director, Mohamed Helmy Othman Basha dated 2 nd December 2019	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 -	Internal audit was carried by Sustainable & Quality Management Unit (SQM) team on 9 th June 2020 for Chersonese Palm Oil Mill. Audit covered both documentation and field operation for the mill.	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 -	Internal audit process is defined under Internal audit procedure, SD/SDP/PSQM/IAP, rev:2 dated 1/11/2017. Audit was carried out Sustainable & Quality Management Unit (SQM). Total of 6 major and 3 minor NCs raised. Corrective action plan has been accepted and closed on 20 th June 2020.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the POM management and Sime Darby Plantation HQ management. There is a month SQM meeting at HQ level to review the treading of findings raised in both internal and external audit.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The latest management review was carried out on 11/6/20. The combined MSPO meeting was chaired by mill manager and attended by assistant manager and head of department. All pertinent elements in the standard has been discussed for effective implementation of MSPO towards continual improvement.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	The mill planned to install new “dust collecting system” to reduce from 40% to 15% as method for continual improvement new boiler complete with upgraded dust collection system to meet the Environment Quality (Clean Air) Regulations 2014. Currently tuning process after commission.	Complied
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	The management has conducted training for Vorsep System Operation on 04/12/19. Training was conducted by Choon Hin Engineering Works. Also training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health etc.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The 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
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	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.	Complied

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	social outcomes. - Major compliance -	Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx	
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 (subsection 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 -	As stated in the procedure, the Mill/Estate Managers are responsible to deal with the external communication for the respective estates under their management. Whereas the Assistant Managers (AM) of each mill/estates were delegated to be responsible for issues related to Indicator 1. Seen the appointment letter to the appointed Assistant Manager. Refer to letter dated 1 st June 2020 for Chersoneses POM.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders	The latest stakeholders list for Chersonese POM was updated on 2/1/20. The external stakeholder consultation is conduct once a year. The last meeting was conducted for Chersonese POM on	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	shall be properly maintained. - Major compliance -	12/3/20. There were no issues raised with regards to the mill operation in the stakeholder consultation. Hence, no action plan was required.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	All the two visited estates send their FFB to Chersonese POM. The weighbridge ticket provided the following details: i) Product (FFB or Loose fruit) ii) Delivery note from estates stating the weight and fruit grade (A or B). iii) D.O Number iv) Date of the shipment The Sustainable Plantation Management System Appendix 15, ver:2, issue: 5 dated April 2019 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System. The responsible personal for the traceability is the Mill Manager.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The Sustainable Plantation Management System Appendix 15, ver:2, issue: 5 dated April 2019 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager.</p>	
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>Person in charge assigned for traceability is the mill assistant manager. Refer to appointment letter dated 19/6/19.</p>	Complied
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>The records of CPO sales has been verified. The dispatch of the CPO are determine by HQ Sales & Marketing and will be entered into the Sime Weigh System. The weigh bridge operator will check the system before releasing the dispatch.</p>	Complied
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>The latest evaluation was conducted on 10/06/2020 by QA supervisor and approved by Sr. Asst Mill Manager. As to date, the Cheronese POM comply with all the applicable local, state, national and ratified international laws and regulations. Compliance to each applicable law and regulation is monitored by the operating units. Sighted the sampled evidence of compliancy to the regulation as follows:</p> <p>a. Available list of Competency Certs for KKSC 2020. Monitoring competency compliance as 1st Grade Steam Engineer,</p>	Non-Compliance

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		<p>CePSWAM proposed new candidate (Old resigned). AESP, FFB Grader, CePPOME proposed new candidate.</p> <p>b. Fire Cert (Pending) Wednesday. Available evidence of letter from BOMBA dealing for renewal for expired cert serial No 292264 dated 03/05/17. Bomba visited on 09/10/19. Available a receipt of payment 9FPX Transaction ID: 1911121128200279 dated 12/12/19 to Bomba amounted RM 620 as payment for Fire Certificate.</p> <p>c. Training for SW was conducted on 10/01/2020</p> <p>d. Noise Induced Hearing Loss was conducted on 28/01/2020</p> <p>e. <i>Akta Timbang dan Sukat 1972 & Peraturan-Peraturan Timbang dan Sukat 1981</i> for weight bridge ATK (E) 60,000 Kg Mettle Toledo Ind 246. Serial No of equipment B522989612. (Form D). dated 10/02/2020.</p> <p>f. MPOB License No 533667104000 for KKS Chersonese valid 01/11/2019-31/10/2020 for processing 192,000 MT FFB/Year.</p> <p>g. Diesel Tank with KPDNKK Permit under <i>Peraturan-Peraturan Kawalan Bekalan 1974 (Peraturan 9(2))</i> for approved quantity of 10,000 Lit. of Diesel from 07/05/2019-06/05/2020.</p> <p>h. JAS License of Designated Premise Crude Palm Oil AS9B) A91/11/616/089 (5) from 01/07/19-30/06/2020 for capacity of 45 MT/Hour.</p>	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register.	The Legal and Other Requirements Register (LORR) for Sime Darby Plantation Berhad (Estate/Mill -Upstream Malaysia) was	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	updated as of July 2019 by Group Sustainability & Quality Management (GSQM)	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The Legal and Other Requirements Register (LORR) for Sime Darby Plantation Berhad (Estate/Mill -Upstream Malaysia) was updated as of July 2019 which includes relevant new requirements such as Minimum Wages Order Amended 2018. <i>Akta Kawalan Penyakit Berjangkit 1988</i> , Movement Control Order 2020 was included related to Covid-19 pandemic.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	QA Supervisor was assigned as the responsible person in-charge to monitor compliance and to track update or changes in relevant requirements.	Complied
Criterion 4.3.2 – Lands use rights			
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 -	Based on the results of documentations, site visit and stakeholder consultation, no evidence that the oil palm milling activities diminished the land use rights of others.	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 -	The land title applicable to Chersonese POM with Grant number 71380 (lot 4647) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 26/04/1993.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is not land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Sustainable Plantation Management System (SPMS) Appendix 3 dated 01/11/2008 documented the process in handling boundaries disputes.	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 -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights. Therefore, this Indicator is not applicable.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights. Therefore, this Indicator is not applicable.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights. Therefore, this Indicator is not applicable.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) for SIA Chersonese POM on 29-31/5/2019. The assessment was carried out through interviewed with stakeholders, document reviewed and site visit. The assessment was involved the participation of internal and external stakeholders such as local authorities, local communities, contractors and workers</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>System for dealing with complaints and grievances has been established and documented through:</p> <p>i) Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008)</p> <p>ii) Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.</p>	Complied
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>The complaint and grievances is open to affected parties including internal and external stakeholders. The time to process the complaints or grievances is 2 weeks. Complaints about house maintenance are recorded in a log book which keeps the information about date, complainant, details of complain and status. Other written complains will be kept in a file. Nonetheless, there has been no complaint received so far</p>	Complied

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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 complaint form is made available in the mill and estate offices. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail. Training on reporting of ethical misconduct was done incorporated with Code of Business Conduct (COBC) to all the workers at the mill	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded since the last assessment. Only request for maintenance housing are made by workers.	Complied
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 mill maintained its records of complaint in a complain file. Records for more than 24 months ago were still kept in the file.	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 -	Among contribution given and CSR programme introduced by Chersonese POM; i) 10 kg rice bag every 2 months ii) Employment opportunities for local – new recruitment	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 Plantation Berhad has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. Chersonese POM has established Safety and Health Management Plan and documented in ESH Program FYR 2020 covering EHS Risk Management, ESH Structure, Incident Reporting, EPR, Chemicals Safety Management, Noise Management, Contractor Safety Management, and etc.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). 	<ul style="list-style-type: none"> a. As sampled in Chersonese POM the Safety and health Management Policy was signed by Datuk Franki Anthony Dass (Managing Director) January 2015. Available Group Sustainability & Quality Policy Statement mentioned that the policy should be guided by commitments spelt out in company Human Right Charter. The policy signed by Mohamed Helmy Othman Basha (Group MD) Dated 02/12/19. Sime Darby Human Right Charter rev. 2020 under 3.2.3 mentioned providing a safe and healthy working environment by delivering accident prevention training, risk minimization focused training and providing appropriate PPE. b. Hirarc as found revised dated 25/11/18 after accident of attacked by monkey. Wild boar attack that can cause bodily injury was included in Hirarc dated 13/10/2019. Other Hirarc was found revised for Maintenance due to accident on Aris Ahmad (05/07/19) and Jamil (23/10/19). 	Complied

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<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>c. Chemical awareness training was conducted on 10/09/18 involving 22 workers.</p> <p>d. PPE was distributed to workers among others, safety helmet, ear plugs, ear muff, safety boots, mask, safety vest, gloves and etc. This was observed wear by workers during site visit.</p> <p>e. SOP for Chemical Safety Management Document No. SD/SDP/PSQM(EHS)/202-OH4 dated 26/02/15. Sime Darby Plantation.</p> <p>f. Available appointment letter of Safety and health Committee included Mill Manager as Chairman of Safety and Health Committee. (Previous Manager Mr. Azizi b. Abdul Rahman) dated 15/12/2018. SHC Organization Chart consist of Chairman, Secretary, Employer Reps (12), Employees Reps (12).</p> <p>g. SHC Meeting was conducted on 11/05/2020, 11/02/2020, 09/11/19, 10/08/19, 11/05/19. The management conducted OSH committee meeting on quarterly basis. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training and etc. Records from such meeting found kept and maintained. Among discussed as sampled issues such as Fire Certificate, legal compliance, Hirarc, CHRA, PPE and etc.</p> <p>h. Accident of emergency procedure for Chernonse POM under EHS Management System Manual dated 01/07/12. SD/SDP/SQM (EHS)/001-1. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Sighted during site visit, the emergency handling flowchart was available at the</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>workshop, store and press station. The workstation also equipped with fire extinguisher and first aid kit.</p> <p>i. Available 9 trained first aiders such as in the list sampled. Observed 2 first aid boxes in Supervisor Room and Workshop.</p> <p>The mill recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update form. Sighted the reports for the month of October and November 2018. The accident occurred was reviewed on quarterly basis during OSH committee meeting. JKPP 8 was submitted to DOSH using myKKP dated 11/01/2020 under Chersonese POM by Mill Asst Manager. 2 accident involving worker with IC No (630318025803) on 30/06/19 and IC No. (860818386027) on 21/10/19.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is mentioned in the Group Sustainability & Quality Policy Statement signed by Group Managing Director on 2nd December 2019 and further detailed out under Human Right Charter revised 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 regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>The top management of Sime Darby Plantation Berhad is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated under Human Right Charter revised 2020. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well.</p>	Complied

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		Interview with workers indicates that there is no such discrimination occurs in the workplace	
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>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements.</p> <p>Sample of pay slips for foreign workers for November 2019, January 2020 and April 2020:</p> <ul style="list-style-type: none"> i) Employee no. 47879, passport no. AN401368 ii) Employee no. 88320, passport no. AS318740 iii) Employee no. 149672, passport no. AU360347 <p>Sample of pay slips for foreign workers for November 2019, January 2020 and April 2020:</p> <ul style="list-style-type: none"> i) Employee no. 26676 ii) Employee no. 103649 iii) Employee no. 158550 <p>Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p>	<p>There are no permanent contract workers at Chersonese POM.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor 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>Chersonese POM maintain an accurate record of all employees (local and foreign) under Employee Master Listing report, ZCKRLM04. Total of 103 employees as at October 2019 listed under mill's check roll.</p> <p>Records updated and verified during the audit were found contains the following details of information for every employees.</p> <p>Employee Name Activity Nationality Gang details Date of Birth Occupation Religion Employment Date Sex Passport No. and Expiry Date (for foreigner) Work Permit Expiry Date Identification Card no. Socso. No. EPF no.</p>	Complied

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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 for local and foreign workers are available. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local and foreign workers indicated in the employment records are available. Foreign worker contract is valid for 2 year plus yearly contract extension for those who intent to continue working with the company.</p> <p>Sample of employment contract available for the local workers:</p> <ul style="list-style-type: none"> i) Employee no. 26676 ii) Employee no. 103649 iii) Employee no. 158550 <p>Sample of employment contract available for the foreign workers:</p> <ul style="list-style-type: none"> i) Employee no. 47879, passport no. AN401368 ii) Employee no. 88320, passport no. AS318740 iii) Employee no. 149672, passport no. AU360347 	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Chersonese POM has established a time recording system using punch card for all employees. Time recording system has been implemented by punch card system for all mill employees.</p> <p>The working hours for all employees have been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer</p>	Complied

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4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on the Mill Daily Attendance Report (CKRRD005) and punch card records, overtime and breaks were recorded and consistent with the payslip for sample months in November 2019, January 2020 and April 2020. There were evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980. Extension of overtime limit for maximum of 130 hours was granted based on JTK approval ref: BHG PU/9/134 JLD (11), 27/3/17.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment.</p> <p>The pay slip contain the following information:</p> <ul style="list-style-type: none"> a) Earnings <ul style="list-style-type: none"> - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) b) Deduction <ul style="list-style-type: none"> - Union fee (NUPW & AMESU), SOCSO, EPF, electricity deduction and others <p>Deduction approval obtained for:</p> <ul style="list-style-type: none"> i) Electricity deduction – BHG.PU/9/129 JLD 38 (53) dated 6th July 2017 (blanket approval under Sime Darby Plantations) ii) Cooperation deduction (Koperasi Pekerja Ladang – Ladang and Perindustrian Malaysia Berhad) – 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>JTK.PK.(1)PMT(SEK.24) 10802 Jld 15 (32) dated 6th March 2020</p> <p>No approval granted for water deduction based on letter ref: JTK.PK(1)PMT(SEK.24)10802 Jld 15(30) dated 25th February 2019. Application was rejected by JTK State of Perak. Deduction made in the month of Nov 19, Jan 20 and Apr 20;</p> <p>i) D066 – water supply deduction (ID no. 149672, 88320, 47879)</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The company provides:</p> <p>5kg rice and 5kg cooking oil to all workers once every 2 months</p> <p>RM5 mobile subsidy to all workers.</p> <p>Free medical benefit to workers dependent at the estates clinics.</p> <p>Renewal for driving license for local workers</p> <p>Sending worker’s children to schools</p> <p>Once a year festival token to all workers</p> <p>Yearly schooling assistance</p> <p>Sime Darby scholarship</p> <p>The field workers are paid with Productivity Incentive. The more they work the higher the incentive.</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>The basic amenities and facilities at the quarters provided by the company to it workers including electricity, water and domestic waste disposal. Electricity and water is connected with the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>national infrastructure facilities. The usage of electricity and water is bared by the workers themselves.</p> <p>During the field assessment, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 2-3 each people per house.</p> <p>Line site inspection is conducted on weekly basis as per the Workers' Minimum Standards Housing and Amenities Act 1990. The results of the inspection is being discussed with the estate manager for actions.</p> <p>For foreign workers, all foreign workers will be given a starter kit which includes basis amenities (e.g. mattress, cooking utilises).</p>	
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The Gender Policy has been included under Human Right Charter revised 2020. The Policy covers the commitment to prevent sexual harassment and all forms of violence against women, workers and community. The signatory of the policy is Group Managing Director, Mohamed Helmy Othman Basha dated 2nd December 2019</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</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union.</p> <p>Human Right Charter revised 2020 covers the commitment of the company towards respecting the rights of all personnel to form and join trade unions of their choice to bargain collectively. Latest union meeting with mill management dated 12/3/20 is referred</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	should not be discriminated against or suffer repercussions. - Major compliance -	to. No concern highlighted by the union representative based on the meeting minute.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Human Right Charter revised 2020 covers the commitment to not condone forced labour or child labour. The signatory of the policy is Group Managing Director, Mohamed Helmy Othman Basha dated 2 nd December 2019. Site observation, interviewing with workers and verification of workers master list confirmed that there is no child labor. Youngest workers employed is 20 years old.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	Available EHS Management System Manual EHS Competency and Training (SD/SDP/SQM(EHS)/001-2-3) dated 01/07/12. analysis conducted for all employee, management and contractors. The plan is documented in Training Plan Chersonese POM FY 2020. A total of 30 training programs were identified and programmed throughout the FY 2020.	Complied
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Available a training Matrix for Chersonese POM 2020 that required by all employees based on job description such as Mill Manager, Sr. Asst. Engineer, Asst. Engineer, Mill assistant, Wireman, Storekeeper, Driver, Lab Assistant, Mill Workers, Auxiliary Police including contractors.	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function	Various trainings were conducted as evidently observed in the records of attendance:	Complied

Criterion / Indicator		Assessment Findings	Compliance
	and responsibility in accordance to the documented training procedure. - Minor compliance -	a. Vorsep System Operation conducted on 04/02/19 b. CHRA Training conducted on 24/02/20 c. SW Management was conducted on 10/01/20 d. EIA/EIA Training Workshop conducted on 18/04/20 Policy, Human Right Defenders (HRD) and Workers Minimum Standard of Housing and Amenities (AMD) Act 2019. On 18/04/20.	
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 -	Sime Darby has established Environmental Policy signed by the Managing Director (Datuk Franki Anthony Dass) on January 2015. The Environmental Management Plan has been established for Period of Jan-Dec 2020 to monitor the identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.	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 -	The mill has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation covers all operations in the mill. The EAI and EIE were reviewed by the EAI/IEI Review Team by annually basis. The latest review effective from 1/1/2020 – 31/12/2020. The Environmental Management Plan (EMP) Period Jan-Dec 2020 was established base on Environmental Aspect Impact Identification and	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The Environmental Improvement Plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and will be reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Actions to promote the positive impact was conducted such as recycling, rain water harvesting and EFB application in the estate but not established as continual improvement plan.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The Chersonese POM continue provided training to ensure the awareness regarding the environmental policy among the employee. The mill management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Chersonese POM has established Environmental Performance Monitoring Committee to monitor the environmental quality for the mill. The committee consist of Manager as chairman, secretary and representative form the management and employee. The meeting was conducted on quarterly basis. Latest meeting was conducted on 17/04/2020	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

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Criterion / Indicator		Assessment Findings	Compliance																								
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>The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of nonrenewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel and electricity usage for FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th>Month/Year</th> <th>Diesel Consumption</th> <th>LFFB Processed</th> <th>Lit/MT FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1432</td> <td>10757.97</td> <td>0.13</td> </tr> <tr> <td>Feb</td> <td>2344</td> <td>16092.70</td> <td>0.14</td> </tr> <tr> <td>Mac</td> <td>2406</td> <td>17231.89</td> <td>0.14</td> </tr> <tr> <td>Apr</td> <td>2871</td> <td>14786.81</td> <td>0.19</td> </tr> <tr> <td>May</td> <td>1592</td> <td>13006.50</td> <td>0.12</td> </tr> </tbody> </table>	Month/Year	Diesel Consumption	LFFB Processed	Lit/MT FFB	Jan	1432	10757.97	0.13	Feb	2344	16092.70	0.14	Mac	2406	17231.89	0.14	Apr	2871	14786.81	0.19	May	1592	13006.50	0.12	Complied
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets</p>	Complied																								
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The mill used the shell and fiber as boiler fuel. Sighted the records of renewable energy usage per CPO produce FY 2020.</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</p>	<p>As sampled the mill has identified the waste products and source pollution and documented in Waste Management Plan 2020.</p>	Complied																								

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Criterion / Indicator		Assessment Findings	Compliance
	documented. - Major compliance -	Among waste as follows: i. Sc identified were scheduled waste – Spent lubricants, spent hydraulic oil, empty lubricants, grease, hydraulic oil containers, hexane, spent IPA, Empty chemical containers ii. Domestic waste – Rubbish, sewage iii. Industrial waste – POME, EFB, decanter cake, compost Records on the usage and disposal were well recorded and documented.	
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: 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. - Major compliance -	As mentioned above a Waste Management Plan 2020 was established and the plan was reviewed on annually basis. Three issues identified such as Scheduled Waste, Domestic waste (Rubbish, sewage) and Industrial waste (POME, EFB, decanter cake, compost). The mitigation action, PIC and dateline were clearly mentioned as sampled.	Complied
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -	A Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material was carried out as per the company procedures. This was verified during site visit to Scheduled Waste Store. The procedures are fully understood by workers as interviewed conducted with the Scheduled Waste PIC. 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. All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005	Complied
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	Domestic waste were managed by Chersonese Mill by allocating a bin for collection and disposed at Kubang Kerian Municipal	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	landfill. Sampled at workers housing quarters and staff quarters, each houses allocated with a waste bins.	
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. Environmental Management Plan 2020 has been established based on the significant aspect identified and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. GHG calculation was conducted and available as sampled for data collected in the year 2019.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The Chersonese Mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Assessment 2020. Environmental Management Plan 2020 has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. Available as sampled for month of May 2020, Environmental Performance Report submitted to DOE as required.	Complied
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the	As sampled the treated POME effluent was regularly monitored as prescribed under "Jadual Pematuhan" 004229. Limit of Biochemical Oxygen Demand (BOD) discharge is 50 mg/l. Regular monitoring was done on monthly basis and reported to DOE as	Complied

Criterion / Indicator		Assessment Findings	Compliance
	respective state and national policies and regulations. - Major compliance -	sighted an Environmental Performance Report for month of May 2020.	
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance -	The Chersonese Mill has established Water Management Plan 2020 and documented in Water Management and Reduction Plan. The plan focusing on shortage of water supply due to dry spell, severe water pollution and contamination of surface and ground water. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame. The mill continue to monitor the water consumption	Complied
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 -	The treated effluent discharge was regularly monitored as prescribed under "Jadual Pematuhan" 004229. Limit of Biochemical Oxygen Demand (BOD) discharge is 50 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance as sighted for march 2020.	Complied
4.6 Principle 6: Best Practices			

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Assistant Engineer and the Mill Assistant. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the CEO/General Manager and also technical personnel from the Head Office. DOSH performed the annual UPV machinery inspection. The last mill advisory visit was done on 2-3 July 2019. In addition, there are audits by PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.	Complied
Criterion 4.6.2: Economic and financial viability plan			

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Criterion / Indicator		Assessment Findings	Compliance
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 -	Sighted, 5 years Business Plan from 2020-2024. The planning was on Checkroll Labour, Contract Labour, Maintenance Internal & External, Consumables and Engine Vehicle Implement Transport (EVIT).	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	This is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the mill personnel. Under contract between Mayang Bayumas and mill dated 1 st May 2020, pricing mechanism detailed out under Appendix 1 (Schedule of Transport Rates) and Appendix 2 (Transport Rate Adjustment Mechanism).	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far. For example, tax invoice for Mayang Bayumas, invoice date 30/4/20, received on	Complied
Criterion 4.6.4: Contractor			

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Criterion / Indicator		Assessment Findings	Compliance
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 -	A contract was sighted. The evaluation and tender process was handled by the Procurement Department at Head Office. Transaction between Mayang Bayumas and the mill dated 1 st May 2020 letter of award LOA on the CPO transportation. Inclusive in the contract is a clause 6.2 requiring compliance on safety factors and PPE; a) Comply with any applicable laws, regulations, terms and conditions. b) PPE issued to the employees c) Ensure safety of employees	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contracts transacted between Chersonese POM and Mayang Bayumas dated 1 st May 2020 for duration of 3 months (ad-hoc) 1 st May 2020 to 31 st July 2020	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	This requirement has been specified during a briefing by the mill to CPO transporter on 27/6/18. In addition, there was a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness issued to all the contractors, vendors of the mill. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System	Complied

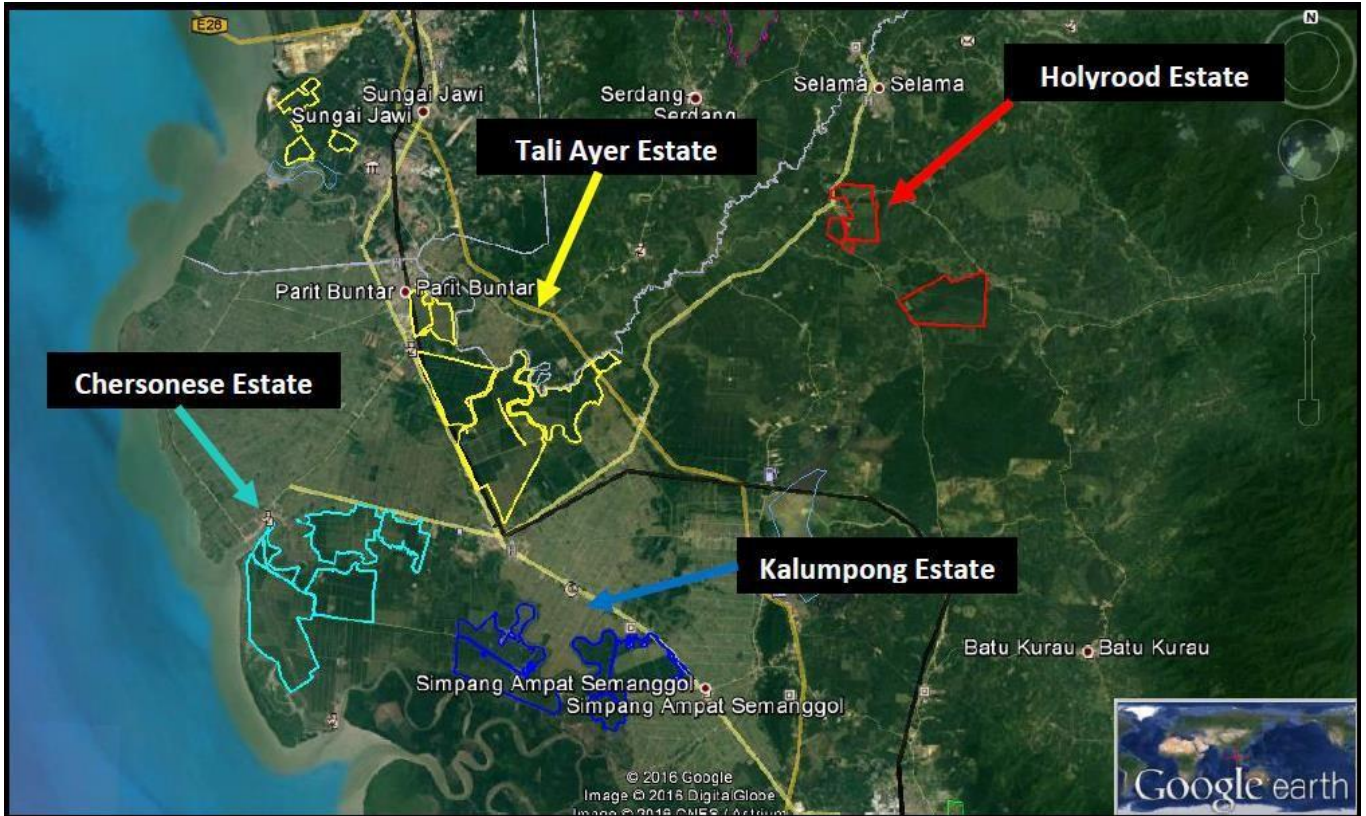
Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Nil</p>
<p>Suppliers/Contractors/Vendors: FFB suppliers (Padang Mutiara Sdn Bhd, G.M Timber Supply Sdn Bhd) Harvesting contractor (Ali Bin Che Mat, Ong Utama Contractor)</p>	<p>Worker’s Representative/Gender Committee: GME/POM social representative GME/POM workers/stakeholder representative EHA</p>

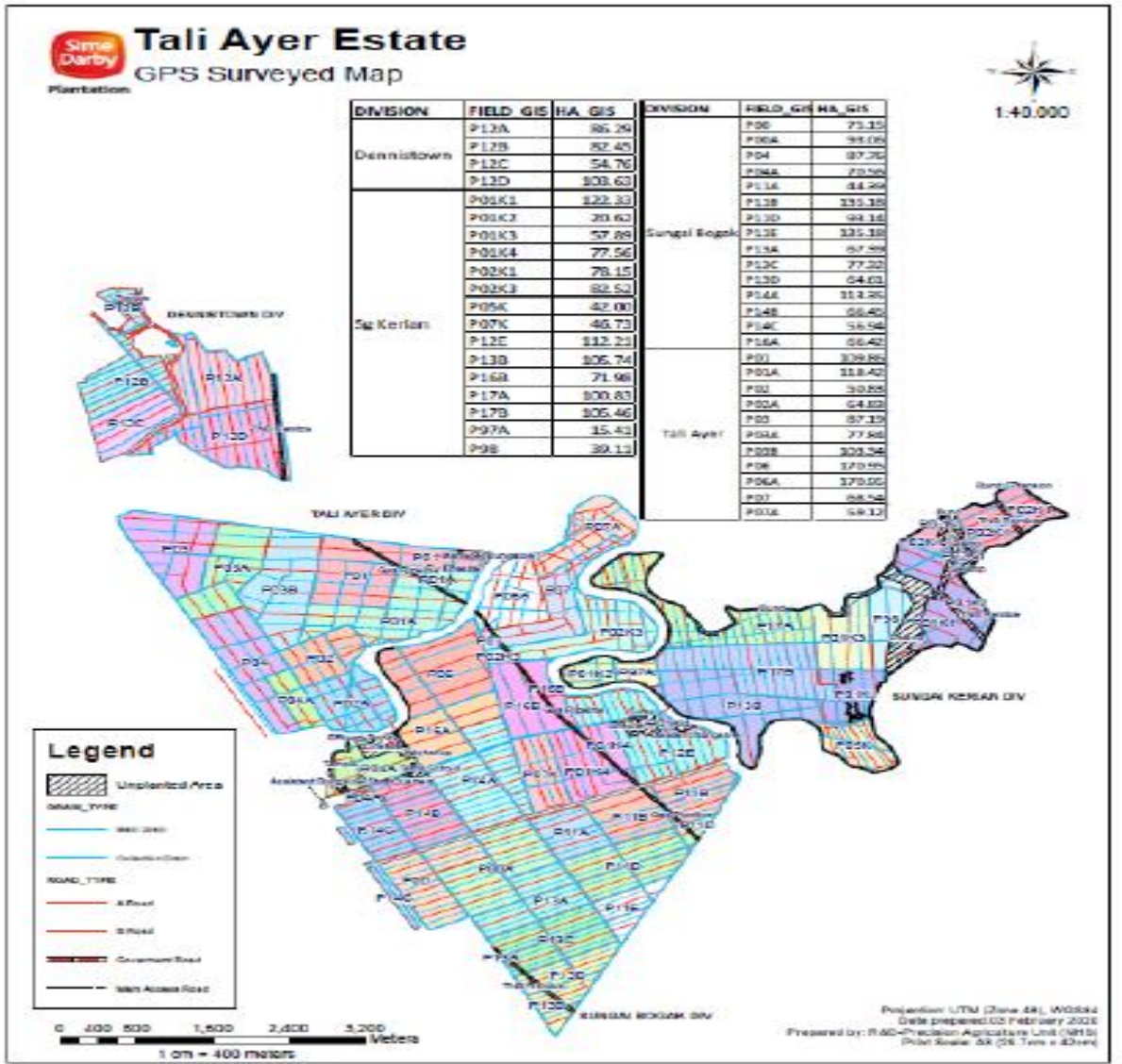
Appendix C: Smallholder Member Details

(Not applicable)

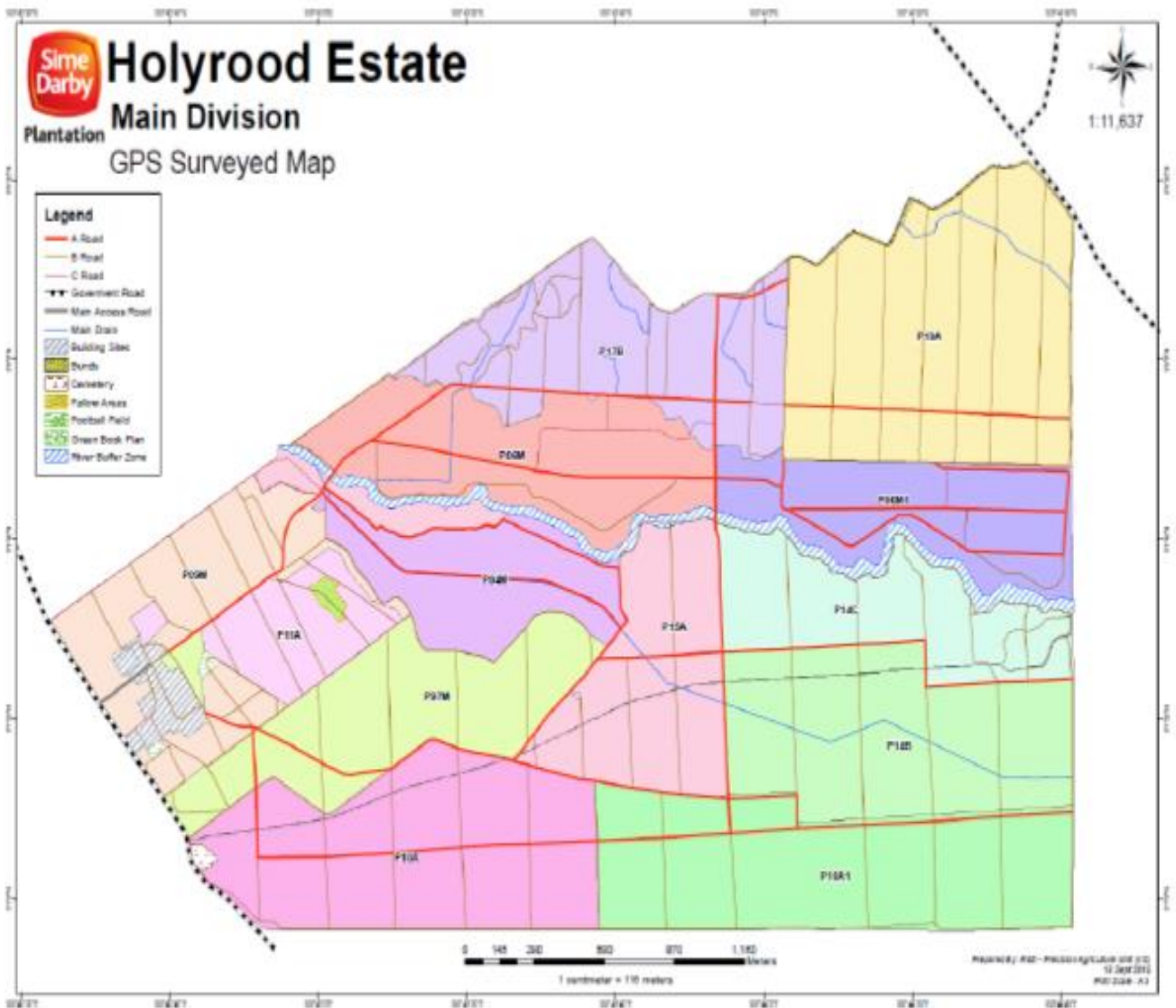
Appendix D: Location and Field Map



Tali Ayer Estate



Holyrood Estate



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