

**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 4 Flemington Palm Oil Mill and Group Estates Location of Certification Unit: Strategic Operating Unit (SOU 4) - Flemington Palm Oil Mill and Group Estates, Lot 5138, Jalan Sg Dulang, Sungai Sumun 36309 Teluk Intan, Perak, Malaysia

Report prepared by:
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Report Number: 3091803

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	
	Flemington POM - 529874-004000	31 st May 2021	
	Sungai Samak Estate - 526340-002000	31 st January 2021	
	Sabak Bernam - 545859-002000	31 st January 2021	
	Bagan Datoh Estate - 525521-002000	31 st December 2020	
	Flemington Estate - 525193-002000	30 th November 2020	
Address	(HQ): Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia (Site): Strategic Operating Unit (SOU 4) - Flemington Palm Oil Mill, Lot 5138, Jalan Sg Dulang, Sungai Sumun, 36309 Teluk Intan, Perak, Malaysia		
Certification Unit	Strategic Operating Unit (SOU 4) - Flemington Palm Oil Mill and Group Estates		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr Abdul Ghafar Bin Sulaiman (Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	kks.flemington@simedarbyplantation.com
Telephone	05-6489198	Facsimile	05-6489195

1.2 Certification Information			
Certificate Number	Mill: MSPO 682042 Plantations: MSPO 690017		
Issue Date	9/2/2018	Expiry date	8/2/2023
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)	1, 2 & 4 November 2017		
Continuous Assessment Visit Date (CAV) 1	15 - 17 August 2018		
Continuous Assessment Visit Date (CAV) 2	22 - 24 July 2019		
Continuous Assessment Visit Date (CAV) 3	13 - 15 July 2020		
Continuous Assessment Visit Date (CAV) 4	TBA		
Other Certifications			

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Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 714138	MSPO SCCS 1 st October 2018	BSI Services (M) Sdn Bhd	17/09/2024
RSPO 590802	RSPO P&C MYNI 2019	BSI Services (M) Sdn Bhd	04/10/2021

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Flemington POM	Lot 5138, Jalan Sg Dulang, Sungai Sumun, 36309 Teluk Intan, Perak, Malaysia	101.857389	3.927975
Flemington Estate	Lot 4541, Jalan Simpang Empat - Bagan Datuk, 36309 Teluk Intan, Perak, Malaysia	101.880675	3.890981
Bagan Datoh Estate	Lot 3710, Bagan Datuk, 36100 Perak, Malaysia	101.790183	3.9927
Sungai Samak Estate	Lot 4672, Ulu Bernam, 36500 Perak, Malaysia	101.147758	3.749378
Sabak Bernam Estate	Lot 2094, Jalan Haji Suhaimi, 45307 Sabak Bernam, Selangor, Malaysia	101.006978	3.759381

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Flemington Estate	1,792.92	7.38	177.66	1,977.96	90.64
Bagan Datoh Estate	3,605.49	2.00	174.37	3,781.86	95.40
Sungai Samak Estate	2,766.43	7.81	251.50	3,025.74	91.65
Sabak Bernam Estate	2,355.99	1.24	154.56	2,511.79	93.80
TOTAL	10,520.83	18.43	758.09	11,297.35	93.22

1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Flemington Estate	689.29	528.11	444.18	131.34	0	1,103.63	689.29
Bagan Datoh Estate	1,410.39	1,374.48	428.65	387.53	4.44	2,195.10	1,410.39
Sungai Samak Estate	286.43	826.90	1,653.10	0	0	2,480.00	286.43
Sabak Bernam Estate	928.38	886.21	182.21	359.19	0	1,427.61	928.38

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Total (ha)	3,314.49	3,615.7	2,708.14	878.06	4.44	7,206.34	3,314.49
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1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (October 2019 - September 2020)	Actual (July 2019 - June 2020)	Forecast (July 2020 - June 2021)
Flemington Estate	36,484.43	27,891.160	37,467.18
Bagan Datoh Estate	77,861.58	53,462.470	78,651.58
Sungai Samak Estate	84,592.87	62,099.970	84,592.87
Sabak Bernam Estate	29,828.31	27,047.450	29,728.31
Total	228,767.19	170,501.05	230,439.94

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (October 2019 - September 2020)	Actual (July 2019 - June 2020)	Forecast (July 2020 - June 2021)
Bagan Pasir	15,071.73	8,554.361	13,581.85
Kuala Perak	10,971.49	6,412.738	10,181.58
Perniagaan Sinaran Mewah	8,487.35	8,853.037	14,056.07
Ban Boon Teng	10,691.47	9,439.295	14,986.87
Green Agro	1,021.68	708.990	1,125.67
Perniagaan K.Sawit Hiap Thye	10,165.52	9,517.044	15,110.32
Sawit Teluk Baru	1,942.17	1,347.756	2,139.85
Nona Commodities	358.79	293.280	465.64
VR Plantation	102.48	201.591	320.07
Liang Pang & Sons Trading	0	20.220	0
Total	58,812.68	45,348.312	71,967.92

1.8 Certified Tonnage			
Mill Capacity: 60 MT/hr	Estimated (October 2019 - September 2020)	Actual (July 2019 - June 2020)	Forecast (July 2020 - June 2021)

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SCC Model: MB	FFB	FFB	FFB
	228,767.19	170,501.05	230,439.94
	CPO (OER: 21.70 %)	CPO (OER: 20.30%)	CPO (OER: 20.95 %)
	49,642.5	34,611.71	48,277.17
	PK (KER: 5.5 %)	PK (KER: 4.89%)	PK (KER: 5.47 %)
	12,582.20	8,337.50	12,605.06

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
34,611.71	0	0	0	34,500	34,500

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
8,337.50	0	0	0	8,100	8,100

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 13-15/07/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill and Group Estates 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.

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)
Flemington POM	X	X	X	X	X
Flemington Estate	X	-	X	-	X
Bagan Datoh Estate	X	-	X	-	X
Sungai Samak Estate	-	X	-	X	-
Sabak Bernam Estate	-	X	-	X	-

Tentative Date of Next Visit: July 12, 2021 - July 14, 2021

Total No. of Mandays: 6 man-days

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohamed Hidir Zainal Abidin	Lead auditor	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.
Mohamad Fitri Mustafa	Team Member	He graduated in Degree of Agribusiness with more than 12 years working experience in various plantation company with skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). He involved in ISCC and MSPO auditing since September 2017 and qualified as Lead Auditor/Auditor for MSPO and ISO 9001. He has completed the MSPO Auditor Course in 2018 held by SGS (M) Sdn Bhd. During this assessment, he assessed on the aspects of environment, occupational safety & health, legal and good mill/agriculture practices. He is able to communicate in fluent Bahasa Malaysia and English.

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2.2 Accompanying Persons (Not Applicable)

Nil

2.3 Assessment Plan

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

PRELIMINARY AGENDA				
Date	Time	Subjects	MH	MF
Sunday 12/7/20	PM	Audit team travelling to Teluk Intan. Check in at Grandcourt Hotel	-	√
Monday 13/7/20 Sabak Bernam Estate	0730 am	Audit team travelling to Sabak Bernam Estate	√	√
	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	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)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Tuesday 14/7/20 Sungai Samak Estate	0730 AM	Traveling to Sungai Samak 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	√	√

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Date	Time	Subjects	MH	MF
	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	Interim Closing briefing.	√	√
Wednesday 15/7/20 Flemington POM	0730	Travelling to Flemington POM	√	√
	09.00 - 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	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 1 Major & 1 Minor nonconformities and 5 OFIs raised. The Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill and Group Estates 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: 1933875-202007-M1	Area/Process: 1933875-202007-M1	Clause: 4.5.1.3 part 3
	Issue Date: 15th July 2020	Due Date: 14th October 2020
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored	
Statement of Nonconformity:	Spraying effect was observed at drain edges.	
Objective Evidence:	<p><u>Sabak Bernam Estate</u></p> <p>The estate has established the Action Plan Biodiversity of Sime Darby Plantation Sdn Bhd. Issues were highlight in this plan and action plan was arrange to reduce the usage of agriculture chemical:</p> <ul style="list-style-type: none"> i) To inform & train all the sprayer to maintain soft grasses at the interrow. ii) No spraying allowed in the CSA areas, riparian, reserved area, drain edges and along the road. iii) To get attendance and picture while training conducted. <p>During the site visit, the audit team has sighted the effect of spraying (dry plant) close to the drain edge. Indicated in this plan, no spraying allowed in the CSA areas, riparian, reserved areas, drain edges and along the road.</p>	

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Corrections:	<ul style="list-style-type: none"> - Estate mark the last palm along the drain edges with white paint as indicator for sprayers not to spray at the palm circle. - The affected drain edge will be repaired during the desilting program if there is any erosion.
Root cause analysis:	<ul style="list-style-type: none"> - Poor Understanding& awareness on the Biodiversity Action Plan by mandore, field staff & sprayers - No clear demarcation of last palm at the edge since the palm just replanted on last year
Corrective Actions:	<ul style="list-style-type: none"> - Estate has conduct education and awareness training of drain edge area & buffer zone to the whole spraying gang. - Mandore will use their handbook/checklist on the monitoring for spraying near to the drain edge, riparian & CSA areas.
Assessment Conclusion:	<p>Implemented evidence verified;</p> <ul style="list-style-type: none"> - Awareness training was given to mandore and sprayers on 14th July 2020. Verified training attendance and module. - Drain edge area has been clearly demarcated at the last row of palm near to drain edge area. No spraying allowed at the said area. This has been clearly demonstrated and communicated during awareness training. - As part of continuous monitoring, a checklist named "<i>Senarai Semak Peraturan Keselamatan, Kesihatan dan Alam Sekitar</i>" is currently being used for monitoring. Verified record of inspection at filed 2019H, 20B and 13B dated 28th September 2020 is referred to. <p>Thus, the major NC is closed on 14th October 2020. Continuous implementation will be further verified in the next assessment.</p>

Minor Nonconformities:		
Ref: 1933875-202007-N1	Area/Process: 1933875-202007-N1	Clause:4.5.1.2 part 3
	Issue Date: 15th July 2020	Due Date: next surveillance audit
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	
Statement of Nonconformity:	Diesel spillage observed at the water pump station	
Objective Evidence:	<p><u>Sabak Bernam Estate</u></p> <p>The estate has developed environmental aspect impact identification where it covers the operations in the estate. Among the activity cover in the environment aspect impact is operation water pump, cleaning and maintenance. Aspects captured under this activity are discharge to air, noise and power consumption.</p> <p>Even though, the management has identified the aspect of 'diesel spillage during the operation of the mobile water pump', diesel spillage was observed during the site visit at the water pump.</p>	

Corrections:	<ul style="list-style-type: none"> - The contaminated soil has been taken out immediately during the audit day and placed in Scheduled Waste Store. The waste has been classified as SW409 code - The spillage tray is place under the diesel pump immediately
Root cause analysis:	No environmental mitigation plan for probability of diesel spillage.
Corrective Actions:	<ul style="list-style-type: none"> - The oil spillage tray is identified as one of mitigation to avoid the oil spill from the diesel pump as an This also will be as precaution step even the condition of diesel pump works well. - Enhancing the understanding of diesel pump operation procedure for related workers through refresher training
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.

Opportunity For Improvement		
Ref: 1933875-202007-I1	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.4.5.11 part 4
Objective Evidence:	Overall housing/line site hygiene and cleanliness has yet to be further enhanced; i) Grass cutting round for main division ii) Routine drainage system cleaning to avoid blockage iii) Waste dumping/collection area at field 95N/18	

Opportunity For Improvement		
Ref: 1933875-202007-I2	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.4.5.12 part 3
Objective Evidence:	At time of visit, there was one (1) reported case of potential sexual harassment. The case being handle by gender committee and management team for proper investigation. Resolution process has yet to be properly recorded and communicated to the complainant for improvement and transparency.	

Opportunity For Improvement		
Ref: 1933875-202007-I3	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.5.4.2 part 3
Objective Evidence:	Contract for outsource transporter issued by Group Procurement HQ. There are some of contracts which yet to be renewed however delayed due to MCO. Acknowledgement from the transporter to be expedited to ensure agreed/signed contract renewed and signed in timely manner.	

Opportunity For Improvement		
Ref: 1933875-202007-I4	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.4.1.1 part 3
Objective Evidence:	Social impacts have been identified related to school (SJKT Sg Samak) which located within estate area. Other related social impacts which due to estate daily operation has yet to be included in the plan for continual improvement.	

Opportunity For Improvement		
Ref: 1933875-202007-I1	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.5.3.1 part 3
Objective Evidence:	From the waste management plan, under column Item Description, only used lubricant has been group in Schedule Waste. Other schedule waste such as fluorescent lamp tube was not recognized as the schedule waste	

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

3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:		
Ref: 1801305-201905-N1	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.4.5.11 Part 3
	Issue Date: 24th July 2019	Date of closure: 15th July 2020
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:	Condition of the living quarters was found unsatisfactory.	
Objective Evidence:	<p>Site visit to living quarters of New Coconut Division found the following issues:</p> <ul style="list-style-type: none"> i. House No. 116 A and 116 B – Stay by replanting contractor's workers. 8 workers stay in 116 B with two bedrooms while 7 workers stay in 116 A with two bedrooms. This was not complied with the Housing Agreement signed by the contractors which only allowed 8 persons for 2 houses. Window glasses were missing and condition of the houses was unsatisfactory. ii. House No. 118 A and 118 B – Recyclable items such as tin and plastic bottles were found inside dustbin. iii. House 118 A – Ceiling lamp was found half hanging on the ceiling. iv. The flooring behind the backyard was found cracked and drainage was blocked with stagnant water. 	
Corrections:	The Axillary Police (AP), take action to do monitoring on the head count for the contractor workers. Contractor it's self-need to declare the actual active workers to the estate. The management will do the comprehensive housing inspection and fast respond to the housing defeated complaint. Estate agreed to erect the recycle item bin at the housing area.	
Root cause analysis:	There is no comprehensive monitoring by the estate management on the numbers of the contractor workers and housing condition. The management only do the census and provide the sufficient accommodation for the contractor workers as per agreed in the agreement. Estate management didn't received any complaint or report regarding on the house defeated. Beside, the awareness on the implementation of the segregation recyclable item among the workers is unsatisfactory.	
Corrective Actions:	The Axillary Police (AP), take action to do monitoring on the head count for the contractor workers. Contractor it's self-need to declare the actual active workers to the estate. The management will do the comprehensive housing inspection and fast	

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	respond to the housing defeated complaint. Estate agreed to erect the recycle item bin at the housing area.
Assessment Conclusion:	The minor was closed on 15/7/2020.
Verification Statement	ASA3 verification: Based on the new housing census, there was no more contractor workers reside in the estate's line site. Union meeting dated 7/2/20 has also discussed and explained on the complaint procedure. Recycle campaign was carried out on 28/3/20 as to create awareness and understanding the importance of waste segregation and recycling. No recurrence of issues found, thus the minor NC was closed on 15/7/20. Continuous implementation will be further verified in the next assessment.

Minor Nonconformities:		
Ref: 1801305-201905-N2	Area/Process: Flemington POM and SOU4 group estates	Clause: 4.5.5.1 Part 4
	Issue Date: 24th July 2019	Date of closure: 15th July 2020
Requirements:	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: 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.	
Statement of Nonconformity:	Monitoring of outgoing water was not effectively monitored.	
Objective Evidence:	Based on report dated 25/6/19 (report no. IE647/2019) and 20/3/19 (report no. IE315/2019), O&G was not tested due to insufficient sample as per remark stated in the certificate of analysis with reference to class IIA/IIB of National Water Quality Standard (NWQS).	
Corrections:	Mill Management will send more bottle for sampling. The PIC in the lab will monitor all the result and inform to the management if the result was off specification.	
Root cause analysis:	The Mill management neglected the remarks from the R&D due to only focus for the sampling as stated in the <i>Jadual Pematuhan</i>	
Corrective Actions:	After the sample received at the R&D, person in charge will follow up with call to recheck the sample sufficient to O&G test. The PIC will establish the checklist for the all sample required.	
Assessment Conclusion:	The minor was closed on 15/7/2020.	
Verification Statement	ASA3 verification: Latest water sampling result dated on 19.06.2020 (Test Report No: IE402/2020) was sighted and reviewed. It was confirmed that the R&D Center – Carey Island has tested the oil & grease parameter as per required in " <i>Jadual Pematuhan</i> ". Thus, the previous minor NC was closed on 15/7/20. Continuous implementation will be further verified in the next assessment.	

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1672920-201808-M1-4.3.1.1	Major	17/8/18	Closed out on 9/11/2018
1801305-201905-N1 – 4.4.5.11 Part 3	Minor	24/7/19	Closed out on 15/7/2020
1801305-201905-N2 – 4.5.5.1 Part 4	Minor	24/7/19	Closed out on 15/7/2020
1933875-202007-M1 4.5.1.3 (part 3)	Major	15/7/20	14/10/2020
1933875-202007-N1 4.5.1.2 (part 3)	Minor	15/7/20	“Open”

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Feedbacks:</p> <p>Contractors/vendors/tenants</p> <p>Klinik Rawatan Ahsan – Panel clinic for Sime Darby and mostly cover SOU4 group estates workers.</p> <p>Myteam Engineering Works & Trading Sdn Bhd – Long term business with Flemington POM for engineering and fabricating works. Purchase order @ local work order will be issued prior to work. So far there was no outstanding and late payment issue with Flemington POM.</p> <p>Tenants (sundry shop, canteen) – Reasonable rental given to all business tenants. So far, no issues with the estate management (Sg Samak Estate)</p>
	<p>Management Responses:</p> <p>Will continue to maintain good relationship with contractors/vendors/tenants</p>
	<p>Audit Team Findings:</p> <p>Noted with the comments from the stakeholders. In conclusion, good positive comments given to the management of estate and mill.</p>
2	<p>Feedbacks:</p> <p>SJK (T) Sg Samak – As the school is located just near to the main road, a lot of lorries moving in and out creating dusty environment/nuisance to classroom. School headmaster has suggested netting to be put near to the classroom and minimize the dusty environment.</p> <p>Kuala Perak Estate representative – FFB supplier for Flemington POM. Terms and conditions in the contract agreement has clearly stated the price and calculation.</p>
	<p>Management Responses:</p> <p>The management will maintain good relationship with the local communities and provide any CSR if necessary. Suggestion highlighted by will be further discussed for improvement.</p>

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	<p>Audit Team Findings: No further issue.</p>
3	<p>Feedbacks: Union Representatives (NUPW) – No issue with the management. They are happy to work in the company. Free and new housing are provided to them. Wages are accordingly to the Minimum Wage Order 2020 since February 2020 with the new salary RM1,200</p>
	<p>Management Responses: The management will ensure the workers are treated equally.</p>
	<p>Audit Team Findings: No other issue.</p>
4	<p>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.</p>
	<p>Management Responses: The management will ensure the welfare and safety of female workers are protected.</p>
	<p>Audit Team Findings: No further issue.</p>
5	<p>Feedbacks: Workers representative (Indonesia, Bangladesh): No issue with the management and always open for consultation and assistance. Equal opportunity to all workers regardless of their nationality, gender and race.</p>
	<p>Management Responses: No favouritism and all workers are equally treated.</p>
	<p>Audit Team Findings: No further issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill and group estates Certification Unit complies with the MS 2530-2:2013 or MS 2530-3:2013 or MS 2530-4:2013 . It is recommended that the certification of Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill and group estates Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Abdul Ghafar Bin Sulaiman	Name: Mohamed Hidhir Zainal Abidin
Company name: Flemington Oil Mill	Company name: BSI Service (M) Sdn Bhd
Title: Mill Manager	Title: Lead Auditor
Signature: 	Signature: 
Date: 25/11/2020	Date: 25 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).	Compliance
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	Compliance

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 17th June 2020 for Sabak Bernam Estate. Audit covered both documentation and field operation for estate. At Sg Samak Estate, internal audit was carried out on 17th June 2020.</p>	<p>Compliance</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 documented 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 3 major and 3 minor NCs raised. Corrective action plan has been accepted and closed on 9th July 2020.</p> <table border="1" data-bbox="1048 799 1890 997"> <thead> <tr> <th>Estate</th> <th>Date of audit</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Sg Samak</td> <td>17th June 2020, outcome: 4 major, 3 minor</td> <td>Accepted and closed on 6th July 2020.</td> </tr> </tbody> </table>	Estate	Date of audit	Status	Sg Samak	17 th June 2020, outcome: 4 major, 3 minor	Accepted and closed on 6 th July 2020.	<p>Compliance</p>
Estate	Date of audit	Status							
Sg Samak	17 th June 2020, outcome: 4 major, 3 minor	Accepted and closed on 6 th July 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>Compliance</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 Sabak Bernam 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 1892 671"> <thead> <tr> <th data-bbox="1048 571 1469 619">Estate</th> <th data-bbox="1469 571 1892 619">Date of meeting</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 619 1469 671">Sg Samak Estate</td> <td data-bbox="1469 619 1892 671">10th July 2020</td> </tr> </tbody> </table>	Estate	Date of meeting	Sg Samak Estate	10 th July 2020	<p>Compliance</p>
Estate	Date of meeting						
Sg Samak Estate	10 th July 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>SOU4 estates 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>Compliance</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>Compliance</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>Action plan for the KAIZEN project and other continual improvement plan documented under KAIZEN sheet and being monitored of monthly basis.</p>	<p>Compliance</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.	Compliance
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	Compliance
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.	Compliance

<p>4.2.2.2</p>	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>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 1st January 2020 for Sabak Bernam Estate.</p> <p>For Sg Samak Estate, assistant manager appointed as person in charge for social issues. Letter dated 15th January 2020 is referred to.</p>	<p>Compliance</p>
<p>4.2.2.3</p>	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>The latest stakeholders list for Sabak Bernam Estate updated for year 2020. The external stakeholder consultation is conduct once a year. The last meeting was conducted on 13-14th February 2020. There was an issue related to unknown cattle/cow entering estate area from neighboring stakeholder. An operation has been done collaboration with veterinary department to reduce palm damages.</p>	<p>Compliance</p>
<p>Criterion 4.2.3 – Traceability</p>			
<p>4.2.3.1</p>	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>SOU4 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.</p>	<p>Compliance</p>
<p>4.2.3.2</p>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The management conducted regular inspections on compliance with the established traceability system. For example at Sabak Bernam Estate, FFB despatch detail report summarized on daily basis. Total of 2,501.3 mt of FFB despatched to Flemington POM as at 30/6/20 based on SIME Semua 2.0 (CRS system) for traceability reporting.</p>	<p>Compliance</p>

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<p>4.2.3.3</p>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The management of SOU4 estates had identified and assigned suitable employees to implement and maintain its traceability system.</p> <p>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, harvesting date, number of bunches, weight etc]. Person in charge for the each load/consignment is harvesting mandore and bunch counter.</p>	<p>Compliance</p>
<p>4.2.3.4</p>	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>The were no sale of product (FFB) done by SOU4 estates as all its FFB was sent SDPB own mill. Records of FFB delivery to the mill were maintained and records verified were:</p> <p><u>Sg Samak Estate</u></p> <p>i) Despatch date:14/7/20, FFB from field 2017A (Sepong), WB ticket number: 36961, lorry: PW7701-19 weight: 10,71 Kg.</p>	<p>Compliance</p>
<p>4.3 Principle 3: Compliance to legal requirements</p>			
<p>Criterion 4.3.1 – Regulatory requirements</p>			
<p>4.3.1.1</p>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Sustainability department from headquarters and person in charge in respective operating unit will ensure the operations executed in the operating unit are compliance with the local, state, national and ratified international laws.</p> <p>Some of the licenses and permits sighted during the audit program.</p> <p><u>Sabak Bernam Estate:</u></p> <p>1. MPOB license, reference no: 545859002000, expired on 31.01.2021, estate hectarage approved, 2647.63 ha.</p>	<p>Compliance</p>

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		<p>2. Pengandung tekanan berapi, reference no: PMT-SL/19155866, expired on 08.03.2021.</p> <p>3. Medical Assistant annual renewal certificate, reference no: 25127, expired on 31.12.2020.</p> <p><u>Sungei Samak Estate:</u></p> <p>1. Lesen Pendudukan Sementara, reference no: 2018000816, expired on 31.12.2020.</p> <p>2. Pengandung Tekanan Tak Berapi reference no: PMT-PK/19/34178, expired on 28.07.2020.</p> <p>3. Permit Barang Kawalan Berjadual, reference no: KPDN/BPGK/TIN/PBKB/0055/19, expired on 08.07.2020.</p> <p>4. MPOB license reference no: 5234000200, expired on 31.01.2021.</p> <p>5. Kebenaran Untuk Potongan Gaji Pekerja from JTK, reference letter, (8) JTK.PK. (1) (PMT)(SEK.24)10801 Jld.11.</p>	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	List of applicable laws was made available to the audit team during the audit program. The documents were well kept in the Standard Operating Manual and Legal & Other Requirement Register.	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Group Sustainability Management and Legal Department will update and keep track on any new amendments or new laws coming into force. Later will distribute to each operating unit where one person will take charge for it.	Compliance
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Regional Sustainability Management will update the operating unit if new law or new amendment coming into force. As for Sungei Samak Estate,	Compliance

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	- Minor compliance -	Mr. Sooria Ram Simmadoraiappanna was appointed as person in charge for Environment / Quality Management on 15.01.2020.											
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.	Compliance										
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	<p>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:</p> <table border="1"> <thead> <tr> <th>Name of Estate</th> <th>Grant details</th> <th>Land size (Ha)</th> <th>Legal ownership/ Tenure</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>Sabak Bernam</td> <td>9 land titles. Sample of land title: i)No. HM 29597, lot 1, Mukim Sabak, 2,023.425 ha</td> <td>2,511.37 ha</td> <td>Freehold</td> <td>Not categorized</td> </tr> </tbody> </table>	Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type	Sabak Bernam	9 land titles. Sample of land title: i)No. HM 29597, lot 1, Mukim Sabak, 2,023.425 ha	2,511.37 ha	Freehold	Not categorized	Compliance
Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type									
Sabak Bernam	9 land titles. Sample of land title: i)No. HM 29597, lot 1, Mukim Sabak, 2,023.425 ha	2,511.37 ha	Freehold	Not categorized									

		Sg Samak	Total 11 grants Sample of land title: i)No. HM 47177, lot 4189, Mukim Hutan Melintang 1,137.1067 ha	3,017.93 ha	Freehold	Agriculture	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Although only some of the boundary stones were managed to be found by the company, the demarcation of boundaries at the visited estates using concrete pole painted with red and white was very obvious, especially at the boundaries with third parties.					Compliance
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no disputes or land issues reported within SOU4 group estates.					Compliance
Criterion 4.3.3 – Customary rights							

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<p>4.3.3.1</p>	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.</p>	<p>Compliance</p>
<p>4.3.3.2</p>	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available.</p> <p>- Minor compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.</p>	<p>Compliance</p>
<p>4.3.3.3</p>	<p>Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- Major compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.</p>	<p>Compliance</p>
<p>4.4 Principle 4: Social responsibility, health, safety and employment condition</p>			
<p>Criterion 4.4.1: Social Impact Assessment (SIA)</p>			
<p>4.4.1.1</p>	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Social Impact Assessment has been conducted on 27/6 – 1/7/2016 for the whole SOU 4 Flemington which consisted of Flemington POM, Flemington Estate, Bagan Datoh Estate, Sungai Samak Estate and Sabak Bernam Estate. The assessment was done by Sustainability Strategy Unit, PSQM Department. The methodology of the assessment was through document review, site observation and interview with sampled of stakeholders. The assessment has involved the participation of stakeholders such as government authorities, workers, contractors and local communities. Attendance list of the stakeholders involved was sighted. For example, the latest SIA management plan dated 2/6/20 was sighted at Sabak Bernam Estate. Cattle intrusion issues included the plan with the integrated OPS veterinary department.</p>	<p>Compliance</p>

Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Estate Quality Management System - Procedure for External Communication, Appendix 5.5.3.2, and version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p>	Compliance
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 SOU4 Estates have implemented Complaint Book to record complaints reported by the stakeholders. Action was taken to resolve the issues. The complaints or grievances were resolved within the period and acknowledged by the complainants.</p>	Compliance
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 SOU4 estates management has maintained Complaint Book and Housing Repair Book to receive any complaints or grievances from stakeholders. The complaints lodged related to housing repair were resolved accordingly and it was acknowledged by the complaints after the action has been taken.</p>	Compliance
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>There is evidence that employees are made aware that complaints or suggestions can be made anytime during muster briefings. Formal complaints need to be recorded in the form created for tracking and</p>	Compliance

	- Minor compliance -	updates. For external stakeholders, this was made aware during the stakeholder meeting held on 10 th July 2020.	
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	All complaints and resolutions for the past 24 months (since implementation date August 2018) were available upon request.	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Sungai Samak Estate’s management has provided the estate’s area for the school to carry out cross country event, donated to school sport’s day and contributed funds to temple’s event. Besides, job opportunities were offered to the local communities as verified through the employee master listing and interviewed with the local communities.	Compliance
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Occupational safety and health policy and management plan has been developed and implemented in the operating units. The policy was signed by the Sime Darby Plantation Sdn Bhd’s Managing Director on January 2015 and communicated to the work force. During the site visit, it was confirmed that the workers can demonstrate fair understanding regarding on the safety and health plan and policy	Compliance
4.4.4.2	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented.	Sabak Bernam / Sungai Samak Estate a. The company has established environment policy and management plan in compliance with the relevant laws and regulation. Latest training was conducted on 02.06.2020 during the muster call to all workers.	Compliance

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<p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>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).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare</p>	<p>b. HIRARC for estates was made available for review and covers all operation activities in the operating units.</p> <p>c. Training to the targeted workers are conducted on need basis. Sighted the record of training for workers exposed to the pesticides:</p> <ul style="list-style-type: none"> i. Circle spraying refresher training, conducted on 09.06.2020. ii. Knapsack P&D refresher training, conducted on 05.0.2020. iii. Mistblower refresher training, conducted on 28.05.2020. iv. Chemical handling training, conducted on 21.05.2020. <p>d. PPE issuance form was made available to the audit team. Latest issuance was made on July 2020 to the general workers.</p> <p>e. The management has established standard operation procedure for handling chemical to ensure proper, safe and storage according to the OSH Regulation 1997 and USECHH Regulation 2000. The documents were sighted and reviewed.</p> <p>f. The management has appointed Mr. Mohd Fuad Abu Nawar as RSPO/ISCC/MSPO representative, dated on 2nd June 2020.</p> <p>g. The estate management has conducted 2 meeting regarding on the safety and health issues. First meeting was conducted on 13.03.2020 and second meeting was conducted on 12.06.2020.</p> <p>h. Workers can respond a fair understanding regarding on the emergency and respond procedure.</p> <p>i. Mandore is responsible with the first aid box and always at the work station.</p>	
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	<p>are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>j. The estate management has submitted the JKKP 8 form dated on 20.01.2020. All incidents happened in the estate compound during working hours was been discussed in the OSH Committee meeting.</p>	
Criterion 4.4.5: Employment conditions			
<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>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>	<p>Compliance</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 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. Interview with workers indicates that there is no such discrimination occurs in the workplace</p>	<p>Compliance</p>

<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 April 2020 (peak crop) May 2020 (normal) and December 2019 (low). 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> <p><u>Sabak Bernam Estate</u></p> <table border="1" data-bbox="1050 668 1865 1313"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>20050</td> <td>891228086739</td> </tr> <tr> <td>20003</td> <td>760119145146</td> </tr> <tr> <td>100055</td> <td>950128106074</td> </tr> <tr> <td>20199</td> <td>711127086181</td> </tr> <tr> <td>138632</td> <td>06945468</td> </tr> <tr> <td>143804</td> <td>P4042556</td> </tr> <tr> <td>135576</td> <td>P7794019</td> </tr> <tr> <td>124793</td> <td>AT659170</td> </tr> <tr> <td>107935</td> <td>AE6640686</td> </tr> </tbody> </table> <p><u>Sabak Bernam Estate</u></p>	Employee ID	NRIC/Passport No	20050	891228086739	20003	760119145146	100055	950128106074	20199	711127086181	138632	06945468	143804	P4042556	135576	P7794019	124793	AT659170	107935	AE6640686	<p>Compliance</p>
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		<p><u>Minimum wages order 2020, RM46.15 starting February 2020.</u></p> <table border="1" data-bbox="1055 411 1872 991"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>22187</td> <td>660926106495</td> </tr> <tr> <td>22181</td> <td>710104106771</td> </tr> <tr> <td>22279</td> <td>790106086375</td> </tr> <tr> <td>54514</td> <td>730315106075</td> </tr> <tr> <td>155173</td> <td>AT746625</td> </tr> <tr> <td>102229</td> <td>AE9814446</td> </tr> <tr> <td>76924</td> <td>J7604647</td> </tr> <tr> <td>108053</td> <td>AE9719585</td> </tr> </tbody> </table> <p>Salary deductions were made for electricity and water usage in the line site. Written approval from the Labour Office, ref. no. JTKS(E) 6/115. Jld 29-14(2) dated 31st October 2017.</p>	Employee ID	NRIC/Passport No	22187	660926106495	22181	710104106771	22279	790106086375	54514	730315106075	155173	AT746625	102229	AE9814446	76924	J7604647	108053	AE9719585	
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<p>4.4.5.4</p>	<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 Sabak Bernam Estate, replanting contractor (Keyrul Jaya Enterprise) submits the workers' monthly wage payment slip. Sighted during the audit were monthly wage payment slip June 2020. It was evident that the workers are paid more than the statutory minimum wages.</p>	<p>Compliance</p>																		

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<p>4.4.5.5</p>	<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>SOU4 estates 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 <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>Compliance</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 for SOU4 Estates were 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>	<p>Compliance</p>

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Sabak Bernam Estate	
Employee ID	NRIC/Passport No
20050	891228086739
20003	760119145146
100055	950128106074
20199	711127086181
138632	06945468
143804	P4042556
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124793	AT659170
107935	AE6640686
Sg Samak Estate	
Employee ID	NRIC/Passport No
22187	660926106495
22181	710104106771

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		22279	790106086375	
		54514	730315106075	
		155173	AT746625	
		102229	AE9814446	
		76924	J7604647	
		108053	AE9719585	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	<p>Sabak Bernam 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>		Compliance
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	<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>		Compliance
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective	<p>Wages and overtime payment documented on the pay slips at Sabak Bernam Estate was in line with legal regulations and</p>		Compliance

	<p>agreements. - Major compliance -</p>	<p>collective 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 735 1865 1377"> <thead> <tr> <th>Employee ID</th> <th>NRIC/Passport No</th> </tr> </thead> <tbody> <tr> <td>20050</td> <td>891228086739</td> </tr> <tr> <td>20003</td> <td>760119145146</td> </tr> <tr> <td>100055</td> <td>950128106074</td> </tr> <tr> <td>20199</td> <td>711127086181</td> </tr> <tr> <td>138632</td> <td>06945468</td> </tr> <tr> <td>143804</td> <td>P4042556</td> </tr> <tr> <td>135576</td> <td>P7794019</td> </tr> <tr> <td>124793</td> <td>AT659170</td> </tr> <tr> <td>107935</td> <td>AE6640686</td> </tr> </tbody> </table>	Employee ID	NRIC/Passport No	20050	891228086739	20003	760119145146	100055	950128106074	20199	711127086181	138632	06945468	143804	P4042556	135576	P7794019	124793	AT659170	107935	AE6640686	<p>Compliance</p>
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<p>4.4.5.10</p>	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional</p>	<p>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.</p>	<p>Compliance</p>																				

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	development, medical care and health provisions. - Minor compliance -	iv) Renewal for driving license for local workers working as driver v) Sending worker’s children to schools										
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 -	SOU4 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. Linesite 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: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>Date of inspection</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Sabak Bernam</td> <td>6/7/20, 29/6/20, 22/6/20, 15/6/20 and 9/6/20</td> <td>Weekly inspection</td> </tr> <tr> <td>Sg Samak</td> <td>6/7/20, 29/6/20 & 22/6/20</td> <td>Weekly inspection</td> </tr> </tbody> </table>	Estate	Date of inspection	Remarks	Sabak Bernam	6/7/20, 29/6/20, 22/6/20, 15/6/20 and 9/6/20	Weekly inspection	Sg Samak	6/7/20, 29/6/20 & 22/6/20	Weekly inspection	Compliance
Estate	Date of inspection	Remarks										
Sabak Bernam	6/7/20, 29/6/20, 22/6/20, 15/6/20 and 9/6/20	Weekly inspection										
Sg Samak	6/7/20, 29/6/20 & 22/6/20	Weekly inspection										
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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. Sabak Bernam 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 11/6/20. At time of visit, there was one (1) reported case of potential sexual harassment. The case being handle by gender committee and management team for proper investigation. Resolution	Compliance									

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		process has yet to be properly recorded and communicated to the complainant for improvement.							
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>The management of SOU4 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. Estates there were a NUPW chairman and secretary and records on meeting held with management were sighted.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date of meeting</th> </tr> </thead> <tbody> <tr> <td>Sabak Bernam</td> <td>12th June 2020</td> </tr> <tr> <td>Sg Samak</td> <td>8th July 2020</td> </tr> </tbody> </table>	Estate	Date of meeting	Sabak Bernam	12 th June 2020	Sg Samak	8 th July 2020	Compliance
Estate	Date of meeting								
Sabak Bernam	12 th June 2020								
Sg Samak	8 th July 2020								
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance –</p>	<p>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 Sg Samak 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>	Compliance						
Criterion 4.4.6: Training and competency									

<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Training program was made available to the audit team during the audit program. Sighted the training was programmed as below:</p> <ul style="list-style-type: none"> a. Foreign workers induction program b. First aid training c. Triple rinse training and demonstration d. Policy training e. Chemical and spraying safe operating procedure. <p>Training records are well kept in the training files.</p>	<p>Compliance</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>The estate management has identified the training needs analysis for each worker in the estate compound before establishing the training program and its implementation. The training provides the specific skills and competency required based on job scope or work station.</p>	<p>Compliance</p>
<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>Training program has been made available to the audit team. The management team has planned continuous training program for the workers based on the job functions and responsibility.</p>	<p>Compliance</p>

4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services

Criterion 4.5.1: Environmental Management Plan

<p>4.5.1.1</p>	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The company has established environment policy and management plan in compliance with the relevant laws and regulation. Latest training was conducted on 02.06.2020 during the muster call to all workers.</p>	<p>Compliance</p>															
<p>4.5.1.2</p>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>The estate has developed environmental aspect impact identification where it covers the operations in the estate. Among the activity cover in the environment aspect impact is operation water pump, cleaning and maintenance. Aspects captured under this activity are discharge to air, noise and power consumption. Even though, the form identified the aspect of diesel spillage during the operation of the water pump, minor diesel spillage spot was observed during the site visit at the water pump. Thus, a minor NC was raised.</p>	<p>Non – Compliance</p>															
<p>4.5.1.3</p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The estate has established the Action Plan Biodiversity of Sime Darby Plantation Sdn Bhd. 5 issues were highlight in this plan and action plan was arrange to reduce the usage of agriculture chemical.</p> <table border="1" data-bbox="1048 962 1872 1377"> <thead> <tr> <th>No</th> <th>Issues</th> <th>Action to reduce usage</th> <th>Action By</th> <th>Time Frame</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Maintenance of HCB</td> <td>To identified potential areas for conservation as per company's new policies. To mark all these in map To allow vegetation to grow at HCV area</td> <td>PQSM All stakeholder NUPW committee</td> <td>On going</td> </tr> <tr> <td>2</td> <td>Educating & raising</td> <td>To inform & train all the sprayer to maintain soft grasses at the interrow.</td> <td>AM</td> <td>Ongoing</td> </tr> </tbody> </table>	No	Issues	Action to reduce usage	Action By	Time Frame	1	Maintenance of HCB	To identified potential areas for conservation as per company's new policies. To mark all these in map To allow vegetation to grow at HCV area	PQSM All stakeholder NUPW committee	On going	2	Educating & raising	To inform & train all the sprayer to maintain soft grasses at the interrow.	AM	Ongoing	<p>Non – Compliance</p>
No	Issues	Action to reduce usage	Action By	Time Frame														
1	Maintenance of HCB	To identified potential areas for conservation as per company's new policies. To mark all these in map To allow vegetation to grow at HCV area	PQSM All stakeholder NUPW committee	On going														
2	Educating & raising	To inform & train all the sprayer to maintain soft grasses at the interrow.	AM	Ongoing														

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			awareness campaign	No spraying allowed in the CSA areas, riparian, reserved area, drain edges and along the road. To get attendance and picture while training conducted.				
		3	Establishment of beneficial plant	To plant beneficial plant along the main road, estate boundary and at line site.	AM	On going		
		4	Plant fruit trees & plant	To plant fruit trees those, encourage local diversity at workers housing complex and vacant area. To maintain Buku Hijau at workers housing area.	AM	On going		
		5	Greenhouse gas	To optimize tractor productivity and running hour. To carried out tractor's maintenance according to schedule.	AM	On going		
		<p>During the site visit, the audit team has observed the effect of spraying (dry plant) which is close to the drain edge, though it was indicated in this plan, no spraying allowed in the CSA areas, riparian, reserved areas, drain edges and along the road. Thus, a major Nc was raised.</p>						
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	A program to promote positive impact has been sighted in the Energy Management Plan FY 2020. The plan covers 3 different area which are:						Compliance

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	- Minor compliance -	<ul style="list-style-type: none"> a. Energy management (domestic use) b. Diesel reduction plan (for estate operation) c. GHG reduction plan (emission produce from the vehicle during estate operation). 	
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>Training program was established and implemented. Sighted the training records for 2020 provided to the audit team.</p> <ul style="list-style-type: none"> a. Policy training was conducted on 13.06.2020. b. First aid training was conducted on 02.03.2020. c. Whistle blowing & COBC training was conducted on 29.02.2020. d. Harvesting Competency Program was conducted on 08.01.2020. e. Schedule waste training was conducted on 08.07.2020. 	Compliance
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The meeting conducted together with OSH meeting. Sighted the minute meeting dated on 13.03.2020 and 12.06.2020.</p> <p>Among the agenda discussed during the meeting were:</p> <ul style="list-style-type: none"> a. Schedule waste management b. Environment issues. 	Compliance
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the</p>	<p>The estate management has kept the record of non-renewal energy and closely monitored the trend line. Sighted the record of diesel, electric and water.</p>	Compliance

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	<p>operations over the base period.</p> <p>- Major compliance -</p>	<table border="1"> <thead> <tr> <th rowspan="2">Item / Month</th> <th colspan="5">2020</th> </tr> <tr> <th>Jan</th> <th>Feb</th> <th>March</th> <th>April</th> <th>May</th> </tr> </thead> <tbody> <tr> <td>Electric</td> <td>58039</td> <td>59030</td> <td>54961</td> <td>61614</td> <td>63109</td> </tr> <tr> <td>Water</td> <td>10144</td> <td>9164</td> <td>9273</td> <td>9206</td> <td>9527</td> </tr> <tr> <td>Diesel</td> <td>7560</td> <td>12155</td> <td>7650</td> <td>11555</td> <td>5410</td> </tr> </tbody> </table>	Item / Month	2020					Jan	Feb	March	April	May	Electric	58039	59030	54961	61614	63109	Water	10144	9164	9273	9206	9527	Diesel	7560	12155	7650	11555	5410	
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	Jan	Feb	March	April	May																											
Electric	58039	59030	54961	61614	63109																											
Water	10144	9164	9273	9206	9527																											
Diesel	7560	12155	7650	11555	5410																											
<p>4.5.2.2</p>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The estimation of direct usage of non-renewable energy for the daily operation is reflected inside their annual budget. This also includes the budget estimation from the contractors including the transportation and the machinery operations.</p>	<p>Compliance</p>																													
<p>4.5.2.3</p>	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>No renewable energy has been recorded in the estate compound.</p>	<p>Compliance</p>																													
<p>Criterion 4.5.3: Waste management and disposal</p>																																
<p>4.5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The estate has identified the waste and sources of pollution that might give impact to the estate environment. the waste identified as below:</p> <ul style="list-style-type: none"> a. Domestic waste b. Industrial waste c. Schedule waste d. Clinical waste 	<p>Compliance</p>																													

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		<p>e. Recyclable waste f. Sewage</p> <p>According to the waste management plan, under column Item Description, only "used lubricant" has been group in Schedule Waste. Other schedule waste such as fertilizer beg inlet, fluorescent lamp tube was not identified as the schedule waste.</p>																			
<p>4.5.3.2</p>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>Waste management plan was made available to the audit team. The estate has identified the source of pollution and action plan taken to reduce the impact to the environment. Sighted EFB application was practices to at the replanting area.</p> <table border="1" data-bbox="1050 815 1906 1331"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Item desc</th> <th>Location</th> <th>Action</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Schedule waste</td> <td>Used lubricant</td> <td>Workshop</td> <td>To ensure contractor to carry out service maintenance of estate vehicle to collect and bring out used lubricant</td> <td>Foreman</td> </tr> <tr> <td>2</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Line site</td> <td>Replace broken rubbish bin</td> <td>AM</td> </tr> </tbody> </table>	No	Type of waste	Item desc	Location	Action	PIC	1	Schedule waste	Used lubricant	Workshop	To ensure contractor to carry out service maintenance of estate vehicle to collect and bring out used lubricant	Foreman	2	Domestic waste	Rubbish	Line site	Replace broken rubbish bin	AM	<p>Compliance</p>
No	Type of waste	Item desc	Location	Action	PIC																
1	Schedule waste	Used lubricant	Workshop	To ensure contractor to carry out service maintenance of estate vehicle to collect and bring out used lubricant	Foreman																
2	Domestic waste	Rubbish	Line site	Replace broken rubbish bin	AM																

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						Monitor collection Create awareness	
				Empty pesticides container	Field	Collect record and the waste generated Store items under lock and key Dispose the item thru licensed contractor	AM
		3	Recycle waste	EFB	Field	Monitoring application	AM
		4	Clinical waste	Syringe	Clinic	Disposed to licensed contractor	AM
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.	The company has established the standard operation for handling used chemical in accordance with the Malaysian laws. The procedure was prepared by the headquarters and distribute among the complex or certification unit. During the audit time, the collection of schedule waste has been postponed since the Movement Control Order has been practiced. The estate planned to dispose the waste on August 2020.				Compliance	

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	- Major compliance -		
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantations Sdn Bhd has developed Safe Working Procedures: Empty Chemical Storage and Disposal, SBE/SOP/059. According to the SOP, empty chemical container shall be punctured after triple rinsed, stored and disposed to the licensed contractor.</p> <p>Sighted and verified the containers were punctured and properly stored in the schedule waste store.</p>	Compliance
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Sabak Bernam Estate Domestic waste disposed to the dumpsite located at the block 19 C. Recycle waste found in the dumpsite (plastic, paper and glass).</p> <p>Sungei Samak Estate Domestic waste dump in the dumpsite in the estate compound.</p>	Compliance
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The estates have assessed their daily activities which may contribute to the pollution including the greenhouse gas emission, schedule waste, solid waste and effluent. The assessment was included in the environmental management plan.</p>	Compliance
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Action plan has been established and implemented as per guided in their environmental action plan.</p>	Compliance
Criterion 4.5.5: Natural water resources			

<p>4.5.5.1</p>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. <p>Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <ul style="list-style-type: none"> c. 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. d. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. e. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. 	<p>Water management plan was made available to the audit team. The estate management has program as follow:</p> <table border="1" data-bbox="1048 459 1872 624"> <thead> <tr> <th>No</th> <th>Plan</th> <th>Time Frame</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bund heightening / widening</td> <td>July 2020</td> </tr> <tr> <td>2</td> <td>Bund grass cut</td> <td>Every 2 month</td> </tr> <tr> <td>3</td> <td>Desilting work</td> <td>June/July/August/September</td> </tr> <tr> <td>4</td> <td>Improve drainage basin area</td> <td>March/April/May</td> </tr> </tbody> </table> <ul style="list-style-type: none"> a. There are two sources of water used in the estate which are from Lembaga Air Perak and from water treatment plan (from Sungai Dua). b. Water sampling activity is conducted every 3 months and the samples were sent to R&D Center in Carey Island and Nalco Water Laboratories. Water sampling results were made available to the audit team. Result shows no pesticides or microbiology detected in the water samples. c. Continuous education and awareness campaign have been conducted by the management team to ensure the workers to appreciate and save water at possible level. Water rinsed while cleaning the spraying pump or chemical container were kept and reuse for spraying purposes. d. Riparian zone is well protected and kept. The guidelines are detailed in the River Reserve Management in Sime Darby’s standard operation procedures. e. River Reserve Management standard operation procedure was made available to the audit team and the SOP detailed out the guidelines to restore the riparian zones should the zone has been removed. 	No	Plan	Time Frame	1	Bund heightening / widening	July 2020	2	Bund grass cut	Every 2 month	3	Desilting work	June/July/August/September	4	Improve drainage basin area	March/April/May	<p>Compliance</p>
No	Plan	Time Frame																
1	Bund heightening / widening	July 2020																
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	- Major compliance -	Not applicable. The estate management used the treated water extract from Sungai Bernam.	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	No bund or dam were constructed across the main river.	Compliance
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Water harvest practice has been sighted during the site visit. The estate practiced collection drain to retain water for moisture conserve and as water management plan.	Compliance
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (<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. - Major compliance -	High Conservation Value report has been made available to the audit team. The estate management has identified and listed out the wildlife found within the estate compound. Based on the report, no RTE species were found in the vicinity.	Compliance

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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>Based on the site visit and interview with the workers, the workers can demonstrate fair understanding regarding on the wildlife hunting and preservation. They were made aware by the estate management not to exercise any illegal hunting within the estate compound. Sign board discouraging illegal hunting and briefing record on the wildlife awareness were sighted and reviewed.</p>	<p>Compliance</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>Management and action plan are in place to manage the biodiversity present in the estate compound. Periodic monitoring plan records are conducted accordingly.</p>	<p>Compliance</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>The company has established Zero Burning Policy in their standard operation procedure, which prohibited the use of fire for waste disposal or for preparing land purposes.</p>	<p>Compliance</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 there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p>	<p>Not applicable since they has enforced the Zero Burning Policy to their certification units.</p>	<p>N/A</p>

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<p>4.5.7.3</p>	<p>Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.</p> <p>- Major compliance -</p>	<p>Not applicable since they has enforced the Zero Burning Policy to their certification units.</p>	<p>N/A</p>
<p>4.5.7.4</p>	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>Previous crop was felled, chipped and stacked in a row in the field.</p>	<p>Compliance</p>
<p>4.6 Principle 6: Best Practices</p>			
<p>Criterion 4.6.1: Site Management</p>			
<p>4.6.1.1</p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>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:</p> <ol 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 9. Canopy Management 10. Water Management in coastal/ peat plantings 11. Ablation 12. Ripeness standard 13. Harvesting interval 14. Loose fruit collection 	<p>Compliance</p>

		<ul style="list-style-type: none"> 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>	Compliance
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>	Compliance
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> <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, 	Compliance

		<p>e) labour overhead, f) EVIT (running accounts for engines, vehicles, implements & tractors.</p> <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 730 1883 938"> <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>Sabak Bernam</td> <td>163.53 ha</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sg Samak</td> <td>-</td> <td>-</td> <td>195.13 ha</td> <td>337.36 ha</td> <td>-</td> </tr> </tbody> </table> <p>Reason for replanting: > 20 years (27-37% Ganoderma incidents), tall palm.</p>	Estate	2021	2022	2023	2024	2025	Sabak Bernam	163.53 ha	-	-	-	-	Sg Samak	-	-	195.13 ha	337.36 ha	-	<p>Compliance</p>
Estate	2021	2022	2023	2024	2025																
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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>Compliance</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>Compliance</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 15th January 2020 between Sime Darby Plantation Berhad and Keyrul Jaya Sdn Bhd for Land Preparation and Related Works for Oil Palm Replanting. Details rates are clearly indicated in the contract under Appendix 1 (Work at Designated Areas) and 2 (Rate of Payment) of the contract.</p>	<p>Compliance</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 Keyrul Jaya Sdn Bhd dated 31st May 2020 and was paid on 9th June 2020. There is evidence that payments are made in a timely manner.</p> <p><u>Sg Samak Estate</u></p> <p>Contractor Perumal Samy A/L Ellumali, invoice date: 1/7/20 ref: 2020-25. Evidence of payment verified via SAP system; date of payment: 8/7/20.</p>	<p>Compliance</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. The latest briefing with the contractors was done on 15/1/20.</p>	<p>Compliance</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 Sabak Bernam Estate, contract dated 15th January 2020 between Sime Darby Plantation Berhad and Keyrul Jaya Sdn Bhd for Land Preparation and Related Works for Oil Palm Replanting. The contracts contain provisions related to statutory obligations, EPF, SOCSO, min wages, insurance, safety tools, etc. Other details are spelled out under Appendix 1 (Work at Designated Areas) and 2 (Rate of Payment) of the contract.</p>	<p>Compliance</p>

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		At Sg Samak Estate, agreement sighted between Sime Darby Plantation Berhad and Perumalsamy A/L Ellumali for supply workers to carry general work and maintenance work at main division and internal transporting of loose fruit excavator to carry out general work. Refer to agreement dated 1st January 2020 is referred to.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Statement on compliance with MSPO requirements is included in the agreement and signed and acknowledged by the contractor (Keyrul Jaya Sdn Bhd) on 15 th January 2020. The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.	Compliance
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 -	For replanting works, replanting personnel assigned (estate assistant & staff) will further verified the progress of work done on daily basis and summarized on monthly basis. Related reports checked including vehicle daily allocation, work completion certificate and payment summary were approved by estate manager. 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.	Compliance
4.7 Principle 7: Development of new planting – Sime Darby Plantation Berhad 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 18 th June 2020 for Flemington 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 3 major and 1 minor NCs raised. Corrective action plan has been accepted and closed on 6 th July 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 6 th July 2020. 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.	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 -	For new information and technique, from time to time updates will be presented during SOU meeting. 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. Information relating to land titles, safety and health plans,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	social outcomes. - Major compliance -	pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Berhad website at http://www.simedarbyplantation.com/Sustainability.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 (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	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 20 th July 2020 for Flemington 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 shall be properly maintained.	The latest stakeholders list for Flemington POM for year 2020 was sighted. The external stakeholder consultation is conduct once a	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	year. The last meeting was conducted for Flemington POM on 16/6/20.	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>All the two visited estates send their FFB to Flemington POM. The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> 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 <p>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.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>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.</p> <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p>	Complied

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		<p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager. The method of inspection is by SCCS internal audit on 18/6/20 for Flemington POM.</p> <p>Daily summary of FFB received reported under FFB Receive Summary Report By Supplier/Product dated 13th July 2020. Total FFB received for the day was 499.98 mt.</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 20th May 2020.</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>Sustainability department from headquarters and person in charge in region will ensure each operating unit comply with relevant laws and regulations.</p> <p>Some of the license and permits sighted during the audit program.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> a. MPOB license reference no: 529874004000, expired on 31.05.2021. permitted to process 288,000 metric tonnes of FFB per year. b. DOE license reference no: 004234, expired on 30.0.2020. The mill management has communicated with the relevant authorities regarding on the renewal of the license. Sighted the emails and official letters. c. Lessen bagi pemasangan persendirian (Energy Commission) reference no: 39633, expired on 29.10.2020. d. Pengandung tekanan tak berapi, reference no: PMT-PK/19 33102, expired on 06.10.2020. 	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	List of applicable laws was made available to the audit team during the audit program. The documents were well kept in the Standard Operating Manual and Legal & Other Requirement Register.	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. This correspondence was sighted via an email issued from Head Office for the operating units to update and comply where applicable	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	The mill management has appointed Mr. Fahzol Shawal Ahmad Shapial (Assistant Engineer 1) and Ms. Mohana Raperti Naidu (Quality Assurance) as Person In Charge for Environment/Quality Management Systems which cover on the legal other requirement & register.	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	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
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

Criterion / Indicator		Assessment Findings	Compliance
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)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) for SIA 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. Seen the attendance list of the stakeholders that involved in the assessment. Plan to mitigate negative and promotes the positive has yet to be included in the plan dated 6/1/20 for improvement.	Complied
Criterion 4.4.2: Complaints and grievances			

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Criterion / Indicator		Assessment Findings	Compliance
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
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>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</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at 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 assessment. Only request for maintenance housing are made by workers.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 Flemington POM; i) Sport day ii) Hari Raya Programme iii) 10 kg rice bag every 2 months iv) Employment opportunities for local – new recruitment v) Bagan Pasir Estate (OCP), contribution of EFB for estate used.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	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. - Major compliance -	The management has established the occupational safety and health policy which was approved by Mr. Roslin Azmy Hassan on 01.06.2020. stated in the policy that all operating units to comply to SDPBSQM/SE polic, Code of Business Conduct (COBC) and all relevant international, national and state HSE legal requirements. OSH plan for year 2020 was made available to the audit team. The plan was prepared by Ms. Mohana Raperti Naidu, reviewed by Mr. Mohamad Hosni (Assistant Engineer 2) and approved by	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Mr. Abdul Ghafar Sulaiman (Mill Manager), on 12.02.2020.	
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). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. 	<p>The OSH plan has covered the following:</p> <ol style="list-style-type: none"> 1. Sighted the training provided to the workers (including the management team). The training was conducted on 24.02.2020, attended by 106 workers and staffs. 2. HIRARC document was made available to the audit team. The document has been updated from time to time. 3. Training on chemical handling & labelling was conducted on 13.07.2020. PPE training various work station conducted on 25.11.2019. 4. PPE issuance record was made available to the audit team. 5. Sime Darby Plantation Berhad has developed SOP for Handling of Environmental Aspect. The SOP stated the guidelines on handling, storage, cleaning up of spills and first aid information. 6. The mill management has appointed Mr. Abdul Ghafar Sulaiman as the person in charge with the safety and health committee for the Flemington Palm Oil Mill. 7. The mill management has conducted regular 2 ways meeting with their employees. Sighted the minutes as per below: <ul style="list-style-type: none"> i. 11.06.2020 (second meeting 2020) ii. 12.03.2020 (first meeting 2020) iii. 12.12.2019 (fourth meeting 2019) iv. 12.09.2019 (third meeting 2019) 8. Accident and emergency procedures are understood by the workers. Confirmed during the site visit and interview with the workers where they can demonstrate a fair understanding regarding on the procedures. 	Complied

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	<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 and 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>9. First aid kit is available at the work station and the person responsible to use the kit is present during the site visit.</p> <p>10. Accident and near miss records are well maintain periodically review. All accidents were reviewed by the management team during the OSH Committee meeting. Sighted the JKPP 8 submitted to the DOSH on 22.01.2020.</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>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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>race, national origin, religion, gender, union and political affiliation and is covered in the policy as well.</p> <p>Interview with workers indicates that there is no such discrimination occurs in the workplace</p>	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>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 October 2019, January 2020 and March 2020:</p> <ul style="list-style-type: none"> i) Employee no. 82002, passport no. B2933195 ii) Employee no. 82041, passport no. AT651761 iii) Employee no. 82042, passport no. AT759445 iv) Employee no. 84705, passport no. AT765604 v) Employee no. 123501, passport no. B3672136 <p>Sample of pay slips for local workers for October 2019, January 2020 and March 2020:</p> <ul style="list-style-type: none"> i) Employee no. 147299, ID: 900803086121 ii) Employee no. 61578, ID: 870624085903 iii) Employee no. 47786, ID: 671017086419 iv) Employee no. 24817, ID: 730428086007 v) Employee no. 24855, ID: 820505085155 	Complied

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		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.	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The contractors have signed on the contract agreement prior commencement of work in the mill area. In the agreement, it was clearly stated that the contractors should ensure compliance according to legal requirements.</p> <p>Sampled of the payslips of contractor’s workers under Lotus Two Enterprise for January 2020 to June 2020 as below:</p> <ul style="list-style-type: none"> i. Passport No.: BL0061393 ii. Passport No.: BK0851510 iii. Passport No.: BT0067917 	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Flemington POM maintain an accurate record of all employees (local and foreign) under Employee Master Listing report, ZCKRLM04. Total of 105 employees as at June 2020 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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		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.	
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: i) Employee no. 147299, ID: 900803086121 ii) Employee no. 61578, ID: 870624085903</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		iii) Employee no. 47786, ID: 671017086419 iv) Employee no. 24817, ID: 730428086007 v) Employee no. 24855, ID: 820505085155 Sample of employment contract available for the foreign workers: i) Employee no. 82002, passport no. B2933195 ii) Employee no. 82041, passport no. AT651761 iii) Employee no. 82042, passport no. AT759445 iv) Employee no. 84705, passport no. AT765604 v) Employee no. 123501, passport no. B3672136	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Flemington 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. 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	Complied
4.4.5.8	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. - Major compliance -	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	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		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.	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contain the following information : a) Earnings - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) b) Deduction - Union fee (NUPW & AMESU),SOCSCO, EPF , electricity deduction and others Deduction approval obtained for: i) Electricity deduction – BHG.PU/9/129 JLD 38 (53) dated 6 th July 2017 (blanket approval under Sime Darby Plantations) ii) NUPW blanket – refer note	
4.4.5.10	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.	The company provides: 5kg rice and 5kg cooking oil to all workers once every 2 months RM5 mobile subsidy to all workers. Free medical benefit to workers dependent at the estates clinics.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<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>	
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The 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 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>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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 2 nd December 2019	Complied
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	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. 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 to. No concern highlighted by the union representative based on the meeting minute.	Complied
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			

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Criterion / Indicator		Assessment Findings	Compliance
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 -	Training program has been developed by the management team and being made available to the audit team. Sighted the training program such as chemical handling, Emergency respond, RSPO & MSPO training and etc. has been program for all workers.	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 -	The management has established the training needs for every personnel in the mill from general workers to the executive level. This has been demonstrated in the training program for the year 2020 which involves all workers	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	Continuous training is reflected in their training program for year 2020 and the records for the training has been reviewed by the audit team.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Sime Darby Plantation Berhad (Upstream Malaysia) has established an environmental policy, approved by Mr. Roslin Azmy Hassan (CEO Upstream Malaysia) on 01.06.2020. The policy covers the following: a. Comply to emission & effluent standards.	Complied

Criterion / Indicator		Assessment Findings				Compliance																
		<p>b. Efficient use of water and energy. c. Reduce GHG footprint. d. Minimize water. e. Protect ecosystem and biodiversity.</p> <p>Environmental management plan for 2020 was made available to the audit team. Sighted the issues programmed in the plan:</p> <table border="1"> <thead> <tr> <th>Env. Issues</th> <th>Mitigation measures</th> <th>Action by</th> <th>Time frame</th> </tr> </thead> <tbody> <tr> <td>Erosion of effluent pond bund</td> <td>Place mangrove wood to contain the bund parameter. Place gunny containing ash around the eroded bund.</td> <td>ETP chargehand & engineer in charged for ETP.</td> <td>Continuous.</td> </tr> <tr> <td>Overflow POME</td> <td>To monitor and check panel level on daily basis. To check all pump, drainage and piping in good condition.</td> <td>ETP chargehand & engineer in charged for ETP.</td> <td>Continuous.</td> </tr> <tr> <td>Piping for mixing/anaer</td> <td>Daily checking</td> <td>ETP chargehand</td> <td>Continuous.</td> </tr> </tbody> </table>				Env. Issues	Mitigation measures	Action by	Time frame	Erosion of effluent pond bund	Place mangrove wood to contain the bund parameter. Place gunny containing ash around the eroded bund.	ETP chargehand & engineer in charged for ETP.	Continuous.	Overflow POME	To monitor and check panel level on daily basis. To check all pump, drainage and piping in good condition.	ETP chargehand & engineer in charged for ETP.	Continuous.	Piping for mixing/anaer	Daily checking	ETP chargehand	Continuous.	
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Piping for mixing/anaer	Daily checking	ETP chargehand	Continuous.																			

Criterion / Indicator		Assessment Findings				Compliance									
		obic pond to compost plant leaking.		& engineer in charged for ETP.											
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <p>- Major compliance -</p>	<p>The management team has established the environmental management plan which covers all operation the certification site. the management plan also covers the environmental policy and objectives.</p>				Complied									
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The plan to mitigate the negative impacts has been developed and implemented.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Issues</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Maintenance of High Conservation Values</td> <td> <ul style="list-style-type: none"> a) To identified potential areas for conservation as per company's new policies. b) To mark all these in the map. </td> </tr> <tr> <td>2</td> <td>Educating & Raising awareness</td> <td> <ul style="list-style-type: none"> a. To get attendance and pictures while training conducted. b. To keep on spreading the awareness regarding on the environment to the workforce. </td> </tr> </tbody> </table>				No	Issues	Action Plan	1	Maintenance of High Conservation Values	<ul style="list-style-type: none"> a) To identified potential areas for conservation as per company's new policies. b) To mark all these in the map. 	2	Educating & Raising awareness	<ul style="list-style-type: none"> a. To get attendance and pictures while training conducted. b. To keep on spreading the awareness regarding on the environment to the workforce. 	Complied
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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The program is available in the Environmental Management Plan. Refer indicator 4.5.1.1.	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 -	Awareness and training program have been established for year 2020. Sighted some training programmed for year 2020. a. Environmental quality act and regulations 1974, scheduled on August, 2020. Environmental, safety and health policy July 2020.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The mill management conducted with the workers to discuss the concert about environmental issues. 2 meetings were conducted as follows: a. 13.06.2020 (second meeting 2020) b. 13.03.2020 (first meeting 2020). Among the issues discuss in the meeting were: a. Schedule waste management report. b. EFB disposal report. c. Clean air management update. d. CEMS report. Effluent analysis test report.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

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Criterion / Indicator		Assessment Findings				Compliance																																											
<p>4.5.2.1</p> <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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 management has closely monitored the energy consumption. Sighted the baseline values and trends observed for diesel, petrol and water consumption.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Diesel Usage</th> <th>Actual (2020)</th> <th>Target (2020)</th> </tr> </thead> <tbody> <tr> <td>Total FFB</td> <td>115624.48</td> <td>221445.25</td> </tr> <tr> <td>Total CPO</td> <td>23314.60</td> <td>48896.51</td> </tr> <tr> <td>Total own diesel</td> <td>1224</td> <td>40368.53</td> </tr> <tr> <td>Total contractor diesel</td> <td>5867</td> <td>5703.19</td> </tr> </tbody> </table> <table border="1" style="width: 100%;"> <thead> <tr> <th>Renewable Energy Usage</th> <th>Actual (2020)</th> <th>Target (2020)</th> </tr> </thead> <tbody> <tr> <td>Total FFB</td> <td>115624.50</td> <td>221445.25</td> </tr> <tr> <td>Total CPO</td> <td>23314.60</td> <td>48896.51</td> </tr> <tr> <td>Total fiber</td> <td>13874.94</td> <td>40368.53</td> </tr> <tr> <td>Total shell</td> <td>5781.22</td> <td>5703.19</td> </tr> </tbody> </table> <table border="1" style="width: 100%;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Projected</th> <th colspan="2">Actual (as at May 2020)</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Total FFB processed</td> <td>22144.525</td> <td>22144.525</td> <td>22496.088</td> <td>93571.87</td> </tr> </tbody> </table>				Diesel Usage	Actual (2020)	Target (2020)	Total FFB	115624.48	221445.25	Total CPO	23314.60	48896.51	Total own diesel	1224	40368.53	Total contractor diesel	5867	5703.19	Renewable Energy Usage	Actual (2020)	Target (2020)	Total FFB	115624.50	221445.25	Total CPO	23314.60	48896.51	Total fiber	13874.94	40368.53	Total shell	5781.22	5703.19		Projected		Actual (as at May 2020)		2019	2020	2019	2020	Total FFB processed	22144.525	22144.525	22496.088	93571.87	<p>Complied</p>
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		Total processes water	48496.51	48896.51	30614.15	89464																
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 mill management has estimated the direct usage of non-renewable as per below:</p> <table border="1"> <thead> <tr> <th>Diesel Usage</th> <th>Actual (2020)</th> <th>Target (2020)</th> </tr> </thead> <tbody> <tr> <td>Total own diesel</td> <td>1224</td> <td>40368.53</td> </tr> <tr> <td>Total contractor diesel</td> <td>5867</td> <td>5703.19</td> </tr> </tbody> </table>					Diesel Usage	Actual (2020)	Target (2020)	Total own diesel	1224	40368.53	Total contractor diesel	5867	5703.19	Complied						
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4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The use of renewable energy (fibre and shell) for electrical generation summarized as per below table:</p> <table border="1"> <thead> <tr> <th>Renewable Energy Usage</th> <th>Actual (2020)</th> <th>Target (2020)</th> </tr> </thead> <tbody> <tr> <td>Total FFB</td> <td>115624.50</td> <td>221445.25</td> </tr> <tr> <td>Total CPO</td> <td>23314.60</td> <td>48896.51</td> </tr> <tr> <td>Total fiber</td> <td>13874.94</td> <td>40368.53</td> </tr> <tr> <td>Total shell</td> <td>5781.22</td> <td>5703.19</td> </tr> </tbody> </table>					Renewable Energy Usage	Actual (2020)	Target (2020)	Total FFB	115624.50	221445.25	Total CPO	23314.60	48896.51	Total fiber	13874.94	40368.53	Total shell	5781.22	5703.19	Complied
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Criterion 4.5.3: Waste management and disposal																						
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The mill management has identified the waste produced or generated in the mill compound.</p>					Complied															

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Criterion / Indicator		Assessment Findings				Compliance
		Type of waste	Waste Description	Action taken	PIC	
		Scheduled waste	Used lubricant Empty container Used rags Used battery Used IPA & hexane Fluorescent lamp	Collect & record. Store items under lock & key. Dispose of the item through registered purchaser. Collect & record empty container.	Ibrahim & Mohana	
		Domestic waste	Rubbish (used paper, plastic bottle, glass bottle, food waste)	Collection SOP Established collection schedule Monitoring of line site	Ibrahim & Mohana	
		Production waste	EFB Shell & fibre Boiler ash POME Decanter cake	Monitoring of collection & application, usage stock & sales,	Ibrahim & Mohana	

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>Water management plan and pollution prevention plan has been developed and implemented. The plans were prepared by Ms. Mohana Raperti Naidu (Quality Assurance Clerk) and approved by Mr. Abdul Ghafar Sulaiman (Mill Manager).</p> <p>By products from mill were recycle back to the estate operation or to be sell out to the third parties.</p>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The management has established a standard procedure to handle used chemical. This procedure provides the guidelines to ensure proper & safe handling, storage and disposal. The documents were sighted and interview with the persons in charge to handle chemical confirmed they can demonstrate a fair understanding regarding on this procedure.</p>	Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Domestic waste disposed thru city council bin.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p>	<p>The assessment of all polluting activities has been conducted and included in the environmental management plan, which include the greenhouse gas emission, particulate & soot, schedule waste,</p>	Complied

Criterion / Indicator		Assessment Findings				Compliance
	- Major compliance -	solid waste etc. among the activities captured from the EMP are as follows:				
		Env. Issues	Mitigation measures	Action by	Time frame	
		Erosion of effluent pond bund	Place mangrove wood to contain the bund parameter. Place gunny containing ash around the eroded bund.	ETP chargehand & engineer in charged for ETP.	Continuous.	
		Overflow POME	To monitor and check panel level on daily basis. To check all pump, drainage and piping in good condition.	ETP chargehand & engineer in charged for ETP.	Continuous.	
		Piping for mixing/anaerobic pond to compost plant leaking.	Daily checking	ETP chargehand & engineer in charged for ETP.	Continuous.	

Criterion / Indicator		Assessment Findings	Compliance															
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Action plan to reduce identified significant pollutants and emission (among the issues highlighted in the Environmental Management Plan) is as per table in 4.5.4.1.	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 respective state and national policies and regulations. - Major compliance -	As per guided by the standards and the relevant acts, palm oil mill effluent (POME) were treated before releasing it to the river, where the reading for BOD met with the permissible limit as per compliance schedule, (100 mg/l). Result for the POME analysis has been reviewed by the audit team and it is confirmed that all parameter were in accordance with the permissible limit by DOE.	Complied															
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: 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 -	Water management plan was made available to the audit team. The plan was prepared by Ms. Mohana Raperti Naidu (Quality Clerk) and approved by Mr. Abdul Ghafar Sulaiman (Mill Manager). a. There are 2 sources of water supply to the mill which are river and Lembaga Air Perak. <table border="1"> <thead> <tr> <th></th> <th colspan="2">Projected</th> <th colspan="2">Actual (as at May 2020)</th> </tr> <tr> <th></th> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Projected		Actual (as at May 2020)			2019	2020	2019	2020						Complied
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Criterion / Indicator		Assessment Findings						Compliance	
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 -	From the water sampling result, it is confirmed that the mill has comply with the requirement guided in compliance schedule. Reviewed the water sampling test report, issued on 19.06.2020.						Complied	
		Lab Code	Samp le ref	pH	BOD	SS	TN		AN
		C-W-IE-20200-001269	Monsoon drain	6.1	34	24	7	4	13
4.6 Principle 6: Best Practices									
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	

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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			
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	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Mayang Bayumas and mill dated 1st May 2020, pricing mechanism detailed out under Appendix 1 (Schedule of Transport Rates) and Appendix 2 (Transport Rate Adjustment Mechanism)</p> <p>FFB supplier, Kuala Perak Estate (National Land Finance Co-operative Society Limited) ref: P/P/0120/FFB01556L dated 31/12/19 valid for one (1) year.</p>	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>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 first week of May 2020.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>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 1st 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;</p> <ul style="list-style-type: none"> 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	<p>The management shall provide evidence of agreed contracts with the contractor.</p>	<p>The contracts transacted between Flemington POM and Mayang Bayumas dated 1st May 2020 for duration of 3 months (ad-hoc) 1st May 2020 to 31st July 2020</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>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</p>	Complied

Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Kuala Perak Estate representative Principle, SJK(T) Sg Samak</p>
<p>Suppliers/Contractors/Vendors: Klinik Rawatan Ahsan Myteam Engineering Works & Trading Sdn Bhd Tenants (sundry shop, canteen)</p>	<p>Worker’s Representative/Gender Committee: Mill workers/operators Estate/field workers Gender committee NUPW representative Workers representative</p>

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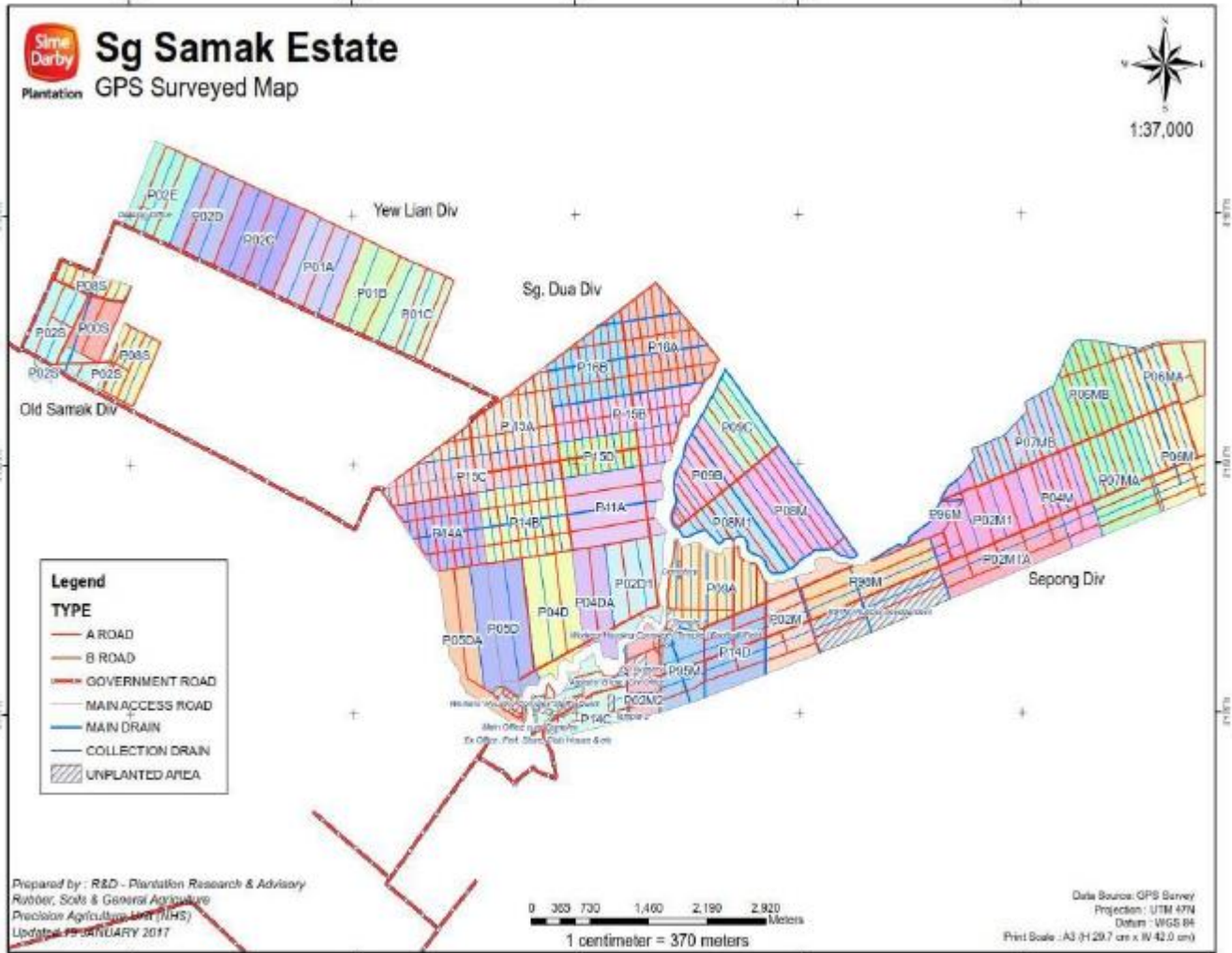
Appendix C: Smallholder Member Details (Not applicable)

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

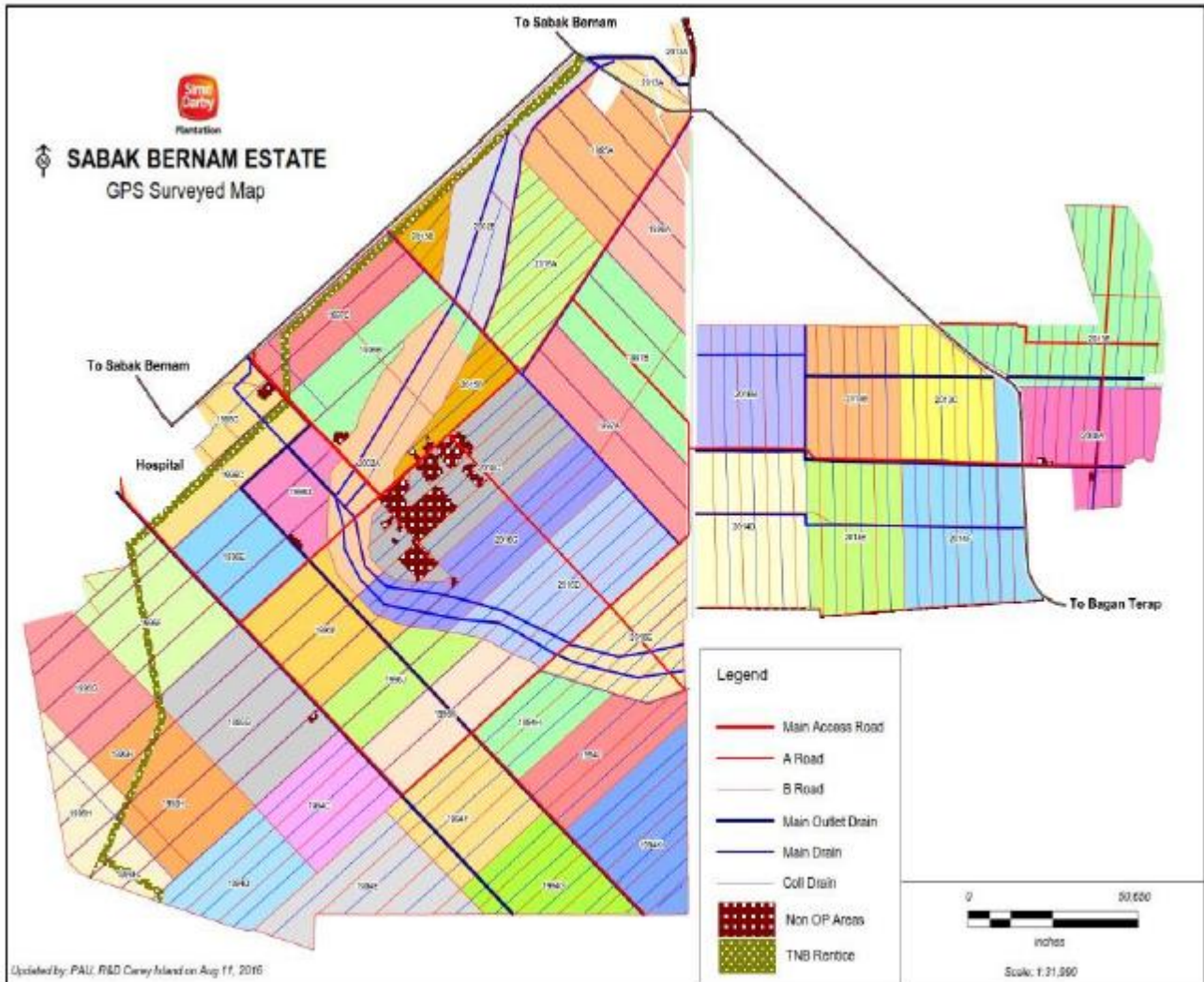
Appendix D: Location and Field Map



Sg Samak Estate



Sabak Bernam 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