

MALAYSIAN SUSTAINABLE PALM OIL
3rd SURVEILLANCE ASSESSMENT
Public Summary Report

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

Report prepared by:

Nor Halis Abu Zar (Lead Auditor)

Report Number: 3293283**Assessment Conducted by:**BSI Services Malaysia,
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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	
	East POM - 533088004000	30/10/2021	
	East Estate - 531308002000	31/07/2021	
	Dusun Durian Estate - 563441011000	31/07/2021	
	Sepang Estate - 533267002000	30/09/2021	
Address	Head Office: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia Operating Unit: SOU 8 - East Palm Oil Mill, 42960 Carey Island, Selangor, Malaysia		
Certification Unit	East Palm Oil Mill (SOU 8)		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM) Tn. Sairani Bin Ariffin (Senior Manager, East Estate (SOU 8 Chairman))		
Website	www.simedarbyplantation.com	E-mail	Kks.east@simedarbyplantation.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Palm Oil Mill: MSPO 682045 Plantations: MSPO 687976		
Issue Date	10/01/2018	Expiry date	09/01/2023
Scope of Certification	Palm Oil Mill: Production of Sustainable Palm Oil and Palm Oil Products Plantations: Production of Sustainable Oil Palm Fruits		
Standard	1) MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organised smallholders 2) MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for palm oil mills		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	08/11/2017 - 10/11/2017		
Continuous Assessment Visit Date (CAV) 1	30/01/2019 - 01/02/2019		
Continuous Assessment Visit Date (CAV) 2	10/02/2020 - 12/02/2020		
Continuous Assessment Visit Date (CAV) 3	09/03/2021 - 11/03/2021		
Continuous Assessment Visit Date (CAV) 4	N/A		

Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 543543	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Identity Preserved Supply Chain Module	BSI Services Malaysia Sdn Bhd	18/05/2020
MSPO 714129	MSPO SCCS	BSI Services Malaysia Sdn Bhd	22/07/2024
EU-ISCC-Cert-DE-129-35283375	ISCC EU (International Sustainability and Carbon Certification)	TUV Nord	25/01/2022

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
East Oil Mill	East Palm Oil Mill 42960 Carey Island, Selangor, Malaysia	2° 53' 1.49" N	101° 26' 10.51" E
East Estate	East Estate, 42960 Carey Island, Selangor, Malaysia	2° 54' 2.45" N	101° 23' 50.97" E
Dusun Durian Estate	Ladang Dusun Durian 42700 Banting, Selangor, Malaysia	2° 48' 02.3" N	101° 27' 43.0" E
Sepang Estate	Ladang Sepang 43900 Sepang, Selangor, Malaysia	2° 42' 12.80" N	101° 44' 36.51" E

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
East Estate	4,994.79	12.15	627.51	5,634.45	88.65
Dusun Durian Estate	1,932.68	0	117.26	2,049.94	94.28
Sepang Estate	2,689.13	2.40	467.27	3,158.80	85.13
TOTAL	9,616.60	14.55	1,212.04	10,843.19	88.69

Remarks: Revised HCV area as per re assessment HCV Addendum Report at Dusun Durian Estate and Land Acquisition for Government road construction 17.41 ha at Sepang Estate.

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1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
East Estate	619.40	1191.95	1866.19	1317.25	0	4375.39	619.40
Dusun Durian Estate	136.39	646.79	1104.46	45.04	0	1796.29	136.39
Sepang Estate	318.81	749.09	1208.59	412.64	0	2370.32	318.81
Total (ha)	1074.60	2587.83	4179.24	1774.93	0	8542.00	1074.60

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Feb 2020 - Jan 2021)	Actual (Feb 2020 - Feb 2021)	Forecast (Feb 2021 - Jan 2022)
East Estate	55,175.71	54,229.78	65,000.00
Dusun Durian Estate	52,103.78	52,762.42	60,077.96
Sepang Estate	65,340.24	44,942.19	61,924.70
West Estate	-	1789.77	-
Total	172,619.73	153,724.16	187,002.66

Note:
The mil has received diversion of MSPO certified crop from West Estate

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Feb 2020 - Jan 2021)	Actual (Feb 2020 - Feb 2021)	Forecast (Feb 2021 - Jan 2022)
N/A			
Total			

Note:
The mill not received uncertified FFB

1.8 Certified Tonnage			
Mill Capacity: 30 MT/hr	Estimated (Feb 2020 - Jan 2021)	Actual (Feb 2020 - Feb 2021)	Forecast (Feb 2021 - Jan 2022)
	FFB	FFB	FFB
	172,619.73	153,724.16	187,002.66
SCC Model: SG	CPO (OER: 22.00%)	CPO (OER: 21.71%)	CPO (OER: 22.57%)
	37,976	33,373.58	42,206.50

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	PK (KER: 5.00%)	PK (KER: 4.92%)	PK (KER: 5.25%)
	8,630.00	7,556.79	9817.64

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
33,373.58	-	206.67	32,547.95	618.96	33,373.58

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
7,556.79	-	-	7,273.13	283.66	7,556.79

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 assessment was conducted remotely due to COVID-19 restriction from 09/03/2021 to 11/03/2021. The audit programme is included as Section 2.3. The approach to the audit was to treat the SOU 8 - East Palm Oil Mill and Supply Base (East Estate, Sepang Estate and Dusun Durian Estate) as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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

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

Tentative Date of Next Visit: February 8, 2022 - February 10, 2022

Total No. of Mandays: 6 mandays

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>
Nor Halis Abu Zar	Team Leader	He holds Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Halis had accumulated more than 6 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. He is a qualified Lead Auditor for MS2530:2013 and has accumulated more than 300 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia. He has completed ISO IMS 9001, 14001 Lead Auditor Course in January 2019, MSPO 2530:2013 Lead Auditor Course in February 2019 and endorsed RSPO Lead Auditor Course in October 2020. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health and workers consultation.
Valence Shem	Team Member	He holds bachelor's degree in industrial technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 14001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been

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

No.	Name	Role
1.	Muhamad Nazib Hj Marwan	Observer

2.3 Assessment Plan

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

Date	Time	Subjects	(NHA)	(VSH)	ICT Planned
Friday, 05/03/2021	11.00 - 12.00	Communication on document preparation - Audit plan - Any additional Information	√	√	Teleconference, Microsoft Team Meeting, Email
Tuesday, 09/03/2021 SOU 8 East Palm Oil Mill	0900 - 0915	Opening meeting - Opening presentation by audit team leader - Confirmation of assessment scope and finalize audit plan	√	√	Teleconference, Microsoft Team Meeting, Email
	0915 - 1030	Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√		
	1040 - 1230	Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break		√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email

Date	Time	Subjects	(NHA)	(VSH)	ICT Planned
	1700 - 1730	Interim closing briefing	√		Teleconference, Microsoft Team Meeting, Email
Wednesday 10/03/2021 East Estate	0900 - 1030	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√		
	1040 - 1230	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare, and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break		√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare, and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
Thursday, 11/03/2021 Sepang Estate	0900 - 1030	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√		
	1040 - 1230	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√		Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare, and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email

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Date	Time	Subjects	(NHA)	(VSH)	ICT Planned
	1450 - 1500	10-minute break		√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare, and stakeholder management		√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Assessment team discussion and preparation of closing meeting and Closing Meeting	√	√	Teleconference, Microsoft Team Meeting, Email

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 0 Major, 0 Minor nonconformities and 2 OFIs raised. The SOU 8 - East Palm Oil Mill and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref: NIL	Area/Process: NIL	Clause:
	Issue Date:	Due Date:
Requirements:		
Statement of Nonconformity:		
Objective Evidence:		
Corrections:		
Root cause analysis:		
Corrective Actions:		
Assessment Conclusion:		

Minor Nonconformities:		
Ref: NIL	Area/Process: NIL	Clause:
	Issue Date:	Due Date:
Requirements:		
Statement of Nonconformity:		
Objective Evidence:		

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Corrections:	
Root cause analysis:	
Corrective Actions:	
Assessment Conclusion:	

Opportunity For Improvement		
Ref: 2031953-202103-I1	Area/Process: MS 2530:2013 Part-4 East POM	Clause: 4.4.4.2 (g) Part 4
Objective Evidence:	Related to frequency of OSH Meeting refer Part IV Section 21 OSHA Regulation 1996, management should consider other method or platform to conduct OSH committee meeting during new norm of COVID-19.	

Opportunity For Improvement		
Ref: 2031953-202103-I2	Area/Process: MS 2530:2013 Part-3 Sepang Estate	Clause: 4.4.5.9 Part 3
Objective Evidence:	The knowledge about the information in the workers' pay slips among the staff at Sepang Estate can be further improved.	

Noteworthy Positive Comments	
1.	Good commitment from the management
2.	Good relationship with all stakeholders

3.3 Status of Nonconformities Previously Identified and OFI

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

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Corrections:	Mill management has immediately cleared the EFB at EFB yard and to pump out the water to effluent treatment pond Mill Management has disposed the Scheduled Waste upon receiving the quotation from Pentas Flora Sdn Bhd on 6/3/2020.
Root cause analysis:	Lack of mechanism and inadequate monitoring of waste management plan.
Corrective Actions:	To refurbish and heighten the wall at EFB yard. To assigned a person in-charge to monitor and keep track of the movement of scheduled waste and waste management action plan.
Assessment Conclusion:	Evidence submitted: <ul style="list-style-type: none"> - Schedule waste disposal records from Pentas Flora Sdn. Bhd. dated 6/3/2020. Refer consignment note no. 31004. - Document for tender process for Refurbished EFB Yard at East POM. The evidence of the corrective actions were found to be adequate to close the NCR. The NCR was closed on 22/4/2020 The effective implementation shall be verified in the next assessment.
Verification Statement	ASA 3 verification The mill has established waste management plan as per waste identification. The plan was reviewed on annually basis. The mill maintains and report the generation of schedule waste to DOE on monthly basis through E-SWISS. Sighted the inventory report for the month of January 2021. Latest disposal record sighted. Schedule waste has been disposed through Kualiti Alam Sdn Bhd. Refer record off disposal as below: <ol style="list-style-type: none"> 1. SW305 dated 14/01/2021 refer 2021011409LVXAT2 2. SW110 dated 14/01/2021 refer 2021011408HA4WCT 3. SW410 dated 14/01/2021 refer 20210114090DKANB 4. SW322 dated 14/01/2021 refer 20210114099MU4NH 5. SW409 dated 14/01/2021 refer 2021011409XKPF4U Thus, the NCR was effectively closed.

Major Nonconformities:		
Ref: 1881964-202002-M2	Area/Process: Palm Oil Mill	Clause: 4.3.1.1 - Part 4
	Issue Date: 12/2/2020	Due Date: 11/5/2020
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The compliance of a legal requirement was not adequately demonstrated	
Objective Evidence:	Based on the punch card record of a female employee (emp. No.: 47347), there were some instances that she had worked after 10 p.m., i.e.: Date Time-out (hr) Aug 1 2331 Aug 2 2335 Aug 13 2331 Aug 22 2340 Dec 19 2330 Dec 21 2328 Jan 11 2339 Jan 28	

	2334 This is not in accordance to Employment Act 1955, Section 34(1) Prohibition of night work.
Corrections:	Mill management has apply permit on "Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita" from JTK on 5th February 2020 and the management has decided to immediately change the 2nd shift hour from 3.30pm - 11.30pm to 2.00pm - 10.00pm to comply with applicable legal requirement.
Root cause analysis:	Lack of mechanism and inadequate monitoring of the system to ensure compliance to legal labour requirement.
Corrective Actions:	SQM with the assistance of regional HR will organise a training on labour legal compliance for mill and estate personnel tentatively in May/June 2020.
Assessment Conclusion:	<p>ASA 3 verification</p> <p>Evidence submitted:</p> <ul style="list-style-type: none"> - A copy of punch card record dated February 2020 that shows the concerned employee had no longer worked later than 10 p.m. - Training record entitled "Payroll system and Employment Act" that shows the training on labour legal compliance for mill and estate personnel had been conducted <p>The evidence of the corrective actions were found to be adequate to close the NCR. The NCR was closed on 22/4/2020</p> <p>The effective implementation shall be verified in the next assessment.</p>
Verification Statement	Occasionally, there were instances of recurrence of non-conformity after this NCR was closed. Nonetheless, this issue was detected by the internal auditor on 21/1/2021 and a non-conformity was raised due to this lapse. The corrective action taken by the mill was to close weighbridge operation at 9 pm. Based on verification of the female weighbridge operators' punch card Jan-Mar 2021, there was no more incidents that showed the operators working later than 10 pm. Thus, the NCR remains closed.

Major Nonconformities:		
Ref: 1881964-202002-M3	Area/Process: Plantations	Clause: 4.6.4.1 - Part 3
	Issue Date: 12/2/2020	Due Date: 11/5/2020
Requirements:	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	The compliance of legal requirement was not adequately demonstrated by the contractor.	
Objective Evidence:	Some of the lorries used by the FFB transport contractor have exceeded the regulated load limit stipulated in their "Lesen Pengendali" i.e. BDM: 16,000 kg when sending the FFB from Sepang Estate (Sg Gappin Div.) to East POM. Sampled of trips are as follows: Date Ticket No. Lorry No. Weight (BDM) (mt) 16/1/2020 180477 WAW 1024 19.35 23/1/2020 180990 BDD 5344 20.57 24/1/2020 181064 BDD 5344 19.56 29/1/2020 181205 BDD 5344 20.41	
Corrections:	<ul style="list-style-type: none"> - To conduct meeting with the FFB transport contractor regarding the 'weight limit' issue and brief them in order to follow the regulation set by the government. - To issue memo of 'FFB Weight Limit' to the contractor and estate staff. 	
Root cause analysis:	Lack of monitoring on contractor's legal requirement especially on the "Lesen pengendali".	

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Corrective Actions:	<ul style="list-style-type: none"> - Issue a memo to the transporter to educate their lorry driver in monitoring of quantity of the FFB bunches in the bin (Attachment 1). - Briefing to the bin attendant to monitor the quantity of the FFB bunches in the bin to avoid any exceeded weight according to approve weight in "Lesen Pengendali" (Attachment 1).
Assessment Conclusion:	<p>Evidence submitted:</p> <ul style="list-style-type: none"> - A copy of memo dated 11/3/2020 that shows the contractor and has been informed about the FFB transport weight limit legal requirements - A copy of FFB weighbridge ticket (#184166, dated 4/4/2020) that shows the regulated weight limit has been complied. <p>The evidence of the corrective actions were found to be adequate to close the NCR. The NCR was closed on 22/4/2020</p> <p>The effective implementation shall be verified in the next assessment.</p>
Verification Statement	<p>ASA 3 verification</p> <p>Based on verification of sampled three FFB transport lorries at Sepang Estate on their "Lesen Pengendali" and weighbridge records in February 2021 extracted from Sime Darby's SAP system, there was no incident that showed the lorries were overloaded when sending FFB to the mill. Thus, the NCR remains closed.</p>

Minor Nonconformities:		
Ref: 1881964-202002-N1	Area/Process: Palm Oil Mill	Clause: 4.4.4.1 - Part 4
	Issue Date: 12/2/2020	Due Date: 12/03/2021
Requirements:	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.	
Statement of Nonconformity:	Safety and health management plan is not effectively implemented	
Objective Evidence:	East POM Audiometric test was conducted on annually basis. Latest test was done on 7 - 25/5/2019. 37 workers were send for the test. 7 workers were found with STS including 2 with hearing impairment. The workers with STS were required to be send for retest within 3 months period as per date stated in the report. However, until the audit, the workers have yet to be sent for retest. Thus NC were raised.	
Corrections:	Audiometric test for all the workers have been conducted on 2/3/2020.	
Root cause analysis:	Inefficient tracking system to monitoring compliance of CHRA requirement	
Corrective Actions:	To assigned another person to back-up the task of monitoring the requirement in CHRA should the primary person in-charge is not available	
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.	
Verification Statement	<p>ASA 3 verification</p> <p>Audiometric test was conducted on annually basis. Retest has been conducted. Refer 2nd Test Result Audiometric Test Report dated 13/07/2020 conducted by Specialist Mobile Safety Supplies Sdn Bhd</p>	

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	Based on the evidence of implementation of the correction and corrective action, the NCR is satisfactorily closed. The continuous effective implementation shall be verified in the next assessment.
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Minor Nonconformities:		
Ref: 1881964-202002-N2	Area/Process: Plantations	Clause: 4.4.4.1 - Part 3
	Issue Date: 12/2/2020	Due Date: 12/03/2021
Requirements:	An occupational safety and health policy and plan shall be documented, effectively communicated, and implemented.	
Statement of Nonconformity:	Safety and health management plan is not effectively implemented	
Objective Evidence:	Dusun Durian Estate As stated in the CHRA with ref. no 03-04/02/CHRA/2015/3, medical surveillance is highly recommended for workers expose with organic Phosphate Chemical and the surveillance shall be conducted at interval not more than 12 months or such shorter. 2 workers were identified for trunk injection using Achephate. For 2018, the medical surveillance was done 28/11/2018. The next medical surveillance was conducted more than 12 months at 23/1/2020 which is more than 12 months	
Corrections:	To ensure medical surveillance and other requirements in CHRA are well monitored.	
Root cause analysis:	Inefficient tracking system to monitoring compliance of CHRA requirement.	
Corrective Actions:	Prepared monitoring board to monitor the medical surveillance, visually, to avoid and prevent any delays in renewing the medical surveillance to comply with the requirement.	
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.	
Verification Statement	ASA 3 verification CHRA assessment has been conducted on 11/10/2020 refer HQ/09/ASS/00/124-2020/0034. Medical surveillance has been conducted on 20/12/2020 by Klinik Sri Singam. Verified report for Sprayer. Chemical register has been prepared dated 11/01/2021. Based on the evidence of implementation of the correction and corrective action, the NCR is satisfactorily closed. The continuous effective implementation shall be verified in the next assessment.	

Minor Nonconformities:		
Ref: 1881964-202002-N3	Area/Process: Plantations	Clause: 4.5.3.5 - Part 3
	Issue Date: 12/2/2020	Due Date: 12/03/2021
Requirements:	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	
Statement of Nonconformity:	Domestic waste not disposed properly at designated area	
Objective Evidence:	East Estate Noted during site visit at linesite, it was noted that domestic waste was thrown in field P96P which located behind housing block A.	

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Corrections:	Estate management is in progress to clean up the area and cover the area with boiler ash from mill.
Root cause analysis:	Lack of monitoring on the domestic waste disposal.
Corrective Actions:	Estate management together with mill management will erect a signage of "Larangan Pembuangan Sampah di Kawasan ini" and brief the workers on the correct way to dispose their domestic waste.
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment
Verification Statement	<p>ASA 3 verification</p> <p>East Estate</p> <p>Domestic waste was collected once a week by contractors appointed by the Majlis Daerah Kuala Langat and disposed at the municipal landfill.</p> <p>Sepang Estate</p> <p>Domestic waste was collected twice a week by appointed tractor driver and disposed at the designated landfill.</p> <p>Based on the evidence of implementation of the correction and corrective action, the NCR is satisfactorily closed. The continuous effective implementation shall be verified in the next assessment.</p>

Minor Nonconformities:		
Ref: 1881964-202002-N4	Area/Process: Palm Oil Mill	Clause: 4.4.2.2 - Part 4
	Issue Date: 12/2/2020	Due Date: 12/03/2021
Requirements:	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.	
Statement of Nonconformity:	The handling of complaints was not done in timely manner.	
Objective Evidence:	Based on "Buku Kerosakan Rumah" and "External Complaint Book", some issues were not handled in timely manner, e.g.: • Broken pipe at house no A3 from Thiagaratan on 14/1/2020 • Broken toilet door at house no 48 from K. Muthuvarmaini on 11/1/2020 • Door lock and cement broken at house no 24 from V Kumanesan on 7/10/2019 • Low water pressure at house no A8 from Suhairy Nizam on 21/12/2019 This is not in accordance to the SOM Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication: a. Within 2 weeks of the date of receipt for communication requiring direct feedback b. Within one week of the completion of the investigation, for communication requiring investigation.	
Corrections:	To brief workers on current financial situation that will affect the effectiveness and timeline for housing repair. Management will propose any defect will resolve within 6 month.	
Root cause analysis:	A mechanism to monitor grievances is not in place.	
Corrective Actions:	To have a guideline on the complaint procedure to and communicate to all employees.	
Assessment Conclusion:	The CAP has been reviewed and accepted. Since this is a minor NCR, the effective implementation shall be verified in the next assessment.	
Verification Statement	<p>ASA 3 verification</p> <p>Evidence verified:</p>	

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	<p>1) workers briefing records dated 14/2/2020 on timeline for housing repair</p> <p>2) guideline on mechanism to monitor grievance which has been shown to the workers and included in the briefing session</p> <p>3) Housing repair request records that show the requests have been addressed in appropriate timely manner</p> <p>Based on the evidence of implementation of the correction and corrective action, the NCR is satisfactorily closed. The continuous effective implementation shall be verified in the next assessment.</p>
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3.4 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
1732691-201901-M1	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-M2	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-M3	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-M4	Major	1/2/2019	Closed on 8/4/2019
1732691-201901-N1	Minor	1/2/2019	Closed on 12/2/2020
1732691-201901-N2	Minor	1/2/2019	Closed on 12/2/2020
1881964-202002-M1	Major	12/2/2020	Closed on 22/4/2020
1881964-202002-M2	Major	12/2/2020	Closed on 22/4/2020
1881964-202002-M3	Major	12/2/2020	Closed on 22/4/2020
1881964-202002-N1	Minor	12/2/2020	Closed on 12/03/2021
1881964-202002-N2	Minor	12/2/2020	Closed on 12/03/2021
1881964-202002-N3	Minor	12/2/2020	Closed on 12/03/2021
1881964-202002-N4	Minor	12/2/2020	Closed on 12/03/2021

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Feedbacks:</p> <p><u>Contractors:</u></p> <p>Contractors have been maintaining very good business relationship with the CU and no major issues raised. The CU has regularly invited them for meetings where updates about policy, standard operating procedures and legal requirements were given. They were also aware of the complaint handling mechanism.</p> <hr/> <p>Management Responses:</p> <p>No further action.</p>

	<p>Audit Team Findings: NA</p>
2	<p>Feedbacks: <u>Kg Manickavasagam:</u> There was no activity of the plantation which have given negative impacts to the local community. Relationship between the village and the CU was good. The CU has regularly invited them for meetings where updates about policy, standard operating procedures and legal requirements were given. They were also aware of the complaint handling mechanism. Apart from that, the village also appreciate the company for groceries donations.</p> <p>Management Responses: No further action.</p> <p>Audit Team Findings: NA</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 <i>SOU 8 East POM and Estates</i> Certification Unit complies with the <i>MS 2530-3:2013</i> and <i>MS 2530-4:2013</i> . It is recommended that the certification of <i>SOU 8 East POM and Estates</i> Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: SAIRANI BIN ARIFFIN	Name: Nor Halis Bin Abu Zar
Company name: SIME DARBY PLANTATION BERHAD	Company name: BSI Service Malaysia
Title: SR. MANAGER	Title: Client Manager
Signature:  SIME DARBY PLANTATION BHD EAST ESTATE SAIRANI ARIFFIN SR. MANAGER Date: 30/3/2021	Signature:  Date: 15/3/2021

Appendix A: Summary of the findings by Principles and Criteria

A) 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 -	SDPB has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> - Promoting good governance and transparency - Contributing to a better society - Minimising environmental harm - Delivering sustainability quality - The policy is guided by three main documents i.e.: - Responsible Agriculture Charter - Human Rights Charter - Innovation & Productivity Charter All the above documents and the policy statement are made available on Sime Darby's website.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
<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>The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit. The internal audit schedule for 2021 has been planned and communicated by Regional SQM to all central west region Estates and Mills.</p> <p><u>East Estate</u></p> <p>The last internal audit for sustainable palm oil was conducted on 5/2/2021. The internal audit had covered all the MSPO MS2530-3:2013 elements. It was conducted by 4 auditors from an internal department called GSD Malaysia and Central East RSQM. There were 0 Major, 4 Minor NCR and 1 OFI raised as a result of the internal audit. The estate has closed all of the NCRs.</p> <p><u>Sepang Estate</u></p> <p>The last internal audit for sustainable palm oil was conducted on 2/2/2021. The internal audit had covered all the MSPO MS2530-3:2013 elements. It was conducted by 4 auditors from an internal department called GSD Malaysia and Central East RSQM. There were 1 Major, 2 Minor NCR and 3 OFI raised as a result of the internal audit. The estate has closed all of the NCRs.</p>	<p>Complied</p>
<p>4.1.2.2</p>	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>The internal audit report dated 5/02/2021 (East) and 2/02/2021 (Sepang) had included root cause analysis and corrective action plan. Based on the identified root cause recorded in the internal audit report, generally it has guided the organisation to provide effective corrections and corrective actions in order to prevent recurrence of non-conformity.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The internal audit reports for the sampled estates were available and have also been one of the agenda discussed in the management review.	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 -	<p>There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year.</p> <p><u>East Estate</u></p> <p>The latest MSPO Management Review was conducted on 15/02/2021 which was chaired by the Sr. Estate Manager and attended by 10 key personnel.</p> <p><u>Selangor Estate</u></p> <p>The latest MSPO Management Review was conducted on 8/02/2021 which was chaired by the Sr. Estate Manager and attended by 12 key personnel.</p> <p>Based on the minutes of meeting, among the agendas discussed were:</p> <ul style="list-style-type: none"> - Results of the internal audits covering RSPO and MSPO SCCS - Customer feedback - Status of preventive and corrective actions - Follow up action from management review - Changes that could affect the management system - Recommendations for improvement - Improvement of the effectiveness of the management system - Resources needs 	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 consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	The action plan for continual improvement with regards to social and environment impacts, and opportunities were available in the estates in various forms such as social action plan, environmental management plan, and CER Apex Milestone to name a few. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action.	Complied
4.1.4.2	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. - Major compliance -	The estates continuously ensure there are improvement practices in line with new information and techniques introduced in the workforce. Kaizen Charter is introduced to ensure improvement projects are in place. Lean Six Sigma is used to minimize waste (money, time, manpower, etc) where improved methods are introduced in the management system. There has been no opportunity for the estates to adopt any new technology since the last assessment.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	There has been no opportunity for the estates to adopt any new technology since the last assessment.	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 the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or	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	Complied

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

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	As stated in the procedure, the Estate Manager is responsible to deal with the external communication for the respective estates under their management. <u>East</u> An Assistant Manager of the East Estate has been delegated as Social Responsible Person to handle any issue related to social. Seen the appointment letter dated 1/1/2020 issued by the Sr. Estate Manager. <u>Selangor</u> An Assistant Manager of the Selangor Estate has been delegated as Social Responsible Person to handle any issue related to social. Seen the appointment letter dated 3/8/2020 issued by the Estate Manager.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	<u>East & Selangor</u> List of stakeholders was available and last updated on 1/1/2021. Stakeholder meeting was last conducted on 5/2/2020, combination of SOU 8 & SOU 9 with the participation of stakeholders such as contractors, school representatives, government authorities and local communities. The minutes of meeting was available for verification. Based on the minutes, issues raised were found to be well addressed. No meeting can be organised thereafter due to the MCO.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	requires validation of certificate of supplying estate. The current traceability system is Sime Weigh System	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2018, issue no 5 dated April 2019 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of RSPO/ISCC/MSPO. The current traceability system is Sime Weigh System.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Estate Manager and this is addressed in the established procedure [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability]. Sighted appointment letter for Pn Intan Zarina Ismail dated 01/01/2019 for person In charge Environmental/Quality Management system for East Estate. Sighted appointment letter for Mr Mohd Shahbudin Mohd Fadzil dated 03/08/2020 for person In charge Environmental/Quality Management system for Sepang Estate.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of FFB sales & delivery including FFB Weighbridge Tickets together with FFB Delivery Note (DO Chit) and Daily Record (Daily FFB Despatch Summary Log Book) were maintained based on Standard Operating Procedure; Effective date: 2/5/2012; Chapter 7: Sales of Produce Ex-Estate/Mill Procedures; Section 7.1 FFB Sales and Despatches & Chapter 13: Retention of Documents which specified a minimum retention period of 7 years prior of disposal. Sighted samples record available as following:	Complied

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Criterion / Indicator		Assessment Findings	Compliance																														
		<p>March 2020</p> <table border="1"> <tr> <td>Detail FFB</td> <td>East Estate</td> <td>Selangor Estate</td> </tr> <tr> <td>Date</td> <td>26/03/2020</td> <td>09/03/2020</td> </tr> <tr> <td>DO / Chit No.</td> <td>408706</td> <td>29622</td> </tr> <tr> <td>Lorry No.</td> <td>BFG9517E03</td> <td>JDQ5696G87</td> </tr> <tr> <td>Weight, MT</td> <td>8.16</td> <td>15.11</td> </tr> </table> <p>March 2020</p> <table border="1"> <tr> <td>Detail FFB</td> <td>East Estate</td> <td>Selangor Estate</td> </tr> <tr> <td>Date</td> <td>26/03/2020</td> <td>10/03/2020</td> </tr> <tr> <td>DO / Chit No.</td> <td>408590</td> <td>29636</td> </tr> <tr> <td>Lorry No.</td> <td>ADW7150E01</td> <td>BCC7317</td> </tr> <tr> <td>Weight, MT</td> <td>8.91</td> <td>10.41</td> </tr> </table>	Detail FFB	East Estate	Selangor Estate	Date	26/03/2020	09/03/2020	DO / Chit No.	408706	29622	Lorry No.	BFG9517E03	JDQ5696G87	Weight, MT	8.16	15.11	Detail FFB	East Estate	Selangor Estate	Date	26/03/2020	10/03/2020	DO / Chit No.	408590	29636	Lorry No.	ADW7150E01	BCC7317	Weight, MT	8.91	10.41	
Detail FFB	East Estate	Selangor Estate																															
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Lorry No.	ADW7150E01	BCC7317																															
Weight, MT	8.91	10.41																															
4.3 Principle 3: Compliance to legal requirements																																	
Criterion 4.3.1 – Regulatory requirements																																	
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>SOU 8 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. SOU 18 had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were</p>	Complied																														

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Criterion / Indicator	Assessment Findings	Compliance
	<p>East Estate</p> <ol style="list-style-type: none"> 1. MPOB License no. 531308002000. Valid until 31/07/2021. 2. Air Compressor SL PMT 4385 valid until 11/0 3. Diesel permit no B.PGK.SEL/1023. Valid until 07/02/2022 <p>Sepang Estate</p> <ol style="list-style-type: none"> 1. MPOB License no. (Main) 533267002000. Valid until 30/09/2021 and (Sg Rawang) 533798002000 valid until 31/10/2021 2. Air Compressor permit no. SL PMT 4705. Valid until 22/09/2021 3. Air Compressor permit no. SL PMT 81283. Valid until 22/09/2021 4. Diesel permit no. SL(SPG) 10/20P(D). Valid until 01/12/2022 <p>Both</p> <ol style="list-style-type: none"> 1. Permission to deduct employees' salary for electric bill, ref.: BHG.PU/9/129 JLD 33(53), dated 6/7/2017, granted by JTK Putrajaya 2. Permission to allow overtime work for employees for more than 130 hours per month, ref.: BHG. PU/9/134 JLD 9(11) 3. Permission to deduct employees' salary for surau contribution, ref.: JTKS(E)6/115.Jld 39-15(2), dated 6/8/2018, granted by JTK Selangor 	

Criterion / Indicator		Assessment Findings	Compliance
		4. Permission to deduct employees' salary for electricity bill, ref.: BHG.PU/9/129 JLD 3(53), dated 6/7/2017, granted by JTK Putrajaya	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. Refer document LORR Legal and Other Requirement for East estate and Sepang estate updated on January 2021. Sighted sample of new laws and regulation. 1. Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988 (Amendment 2020) 2. Minimum wages Order (Amendment 2020) 3. Workers Minimum Standard of Housing and Amenities Act 1990 (Amendment 2020)	Complied
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 -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.	Complied

Criterion / Indicator		Assessment Findings	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. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p> <p>Sighted sample of new laws and regulation.</p> <ol style="list-style-type: none"> 1. Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988 (Amendment 2020) 2. Minimum wages Order (Amendment 2020) 3. Workers Minimum Standard of Housing and Amenities Act 1990 (Amendment 2020) 	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>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. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p> <p>Sighted appointment letter for Pn Intan Zarina Ismail dated 01/01/2019 for person In charge Environmental/Quality Management system for East Estate.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Sighted appointment letter for Mr Mohd Shahbudin Mohd Fadzil dated 03/08/2020 for person In charge Environmental/Quality Management system for Sepang Estate.	
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 -	There was no evidence that the management has diminished the land use rights of other users from their oil palm cultivation activities.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	East: There are 20 land titles with a total of 11,435.8991 Ha (combined with West Estate), leased to Sime Darby Plantation Sdn Bhd. Sepang: There are 42 land titles with a total of 3,213.5469 Ha, leased to Sime Darby Plantation Sdn Bhd. Meanwhile the land management department of Sime Darby is in the process of updating the ownership name from a few names of previous owners to SDPB	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The legal boundary for estate visited was clearly demarcated by constructing security trenches along the boundary and it was visibly maintained. The legal boundary was clearly demarcated with signboard and security trenches as sighted at P09G adjacent to smallholder’s estate and Kg. Sg. Judah.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	There was no evidence of land dispute at both visited estates. The company has the legal ownership documents which is under the Sime Darby Plantation Sdn. Bhd.	Complied

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements within the East Estate land area. Interviewed with the local communities confirmed that no land encroachment.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements within the East Estate land area. Interviewed with the local communities confirmed that no land encroachment.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements within the East Estate land area. Interviewed with the local communities confirmed that no land encroachment.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was carried out by PSQM Department on 24-26/3/2014 & 23/5/2014 where it covered for the entire SOU 8 Complex. The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities, etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Both sampled estates have developed action plan for SIA FY2021 to monitor the issues raised during assessment and stakeholder meetings. The plan has incorporated the action plan, person in charge and the status.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Ref.: Sime Darby Plantation Estate Quality Management System, Standard Operating Manual (SOM), Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication, version 2, issue 0, dated 25/5/2015. The complaints and grievances are open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback (Clause 6.3 of the procedure) and within one week of the completion of the investigation, for communication required investigation.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	It was noted that the estates managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through complaint forms confirmed that their issues were addressed accordingly.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Both sampled estates are using complaint forms to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Record review found that previous complaints and requests for the past 24 months were still available.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Some examples of notable contribution by the estates: <u>East Estate</u> – Contribution of groceries to Orang Asli villages on 21/4/2020 <u>Sepang Estate</u> – Application for yellow lines and traffic light to JKR for the benefit of local community's road users in Oct 2020 – Providing grass cutting service to Kg Gunung MAS in June 2020 – Organizing gotong-royong at Kg Batu 2	Complied
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.	Sime Darby Plantation has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020. In the Policy Statement stated as follows: "Upstream Malaysia is committed to	Complied

...making excellence a habit.™

Criterion / Indicator	Assessment Findings	Compliance
	<p>- Major compliance -</p> <p>providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia.” The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate. For Sepang Estate, CHRA assessment has been conducted on 11/10/2020 refer HQ/09/ASS/00/124-2020/0034. Medical surveillance has been conducted on 20/12/2020 by Klinik Sri Singam. Verified report for Sprayer. Chemical register has been prepared dated 11/01/2021.</p>	
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>operation. HIRARC for COVID-19 has been prepared on 01/07/2020. East estate: Latest review on 18/01/2021 for HIRARC Frond Stacking. Previous review has been conducted for HIRARC harvesting on 05/01/2021. Sepang estate: Latest review on 08/02/2021 for HIRARC Circle and selective spraying and FFB harvesting.</p> <p>c. The estate has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Executives, Medical Assistant and representative form the chemical suppliers to the supervisors and operators. This training programme is used as a guideline to ensure continuous awareness and assessment on the understanding of the required modules. Sighted Estate Safety and Health (ESH) Management plan for the year of 2021. East estate: Latest JKPP visit sighted on 08/03/2021. Sepang estate: Latest JKPP visit sighted on 17/06/2020.</p> <p>d. The estates visited provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008. The PPE issuance records were available for review. Latest record sighted on January 2021.</p> <p>e. Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012. East Estate</p>	

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Criterion / Indicator		Assessment Findings	Compliance						
		<p>CHRA assessment has been conducted on 05/11/2020 refer HQ/09/ASS/00/124-2020/0043. Medical surveillance has been verified for Sprayer, Chemical storekeeper, and fertilizer applicator dated 12/12/2020 by Klinik Hartati.</p> <p>Chemical register has been prepared dated 06/01/2021 refer SL/10/04/8254.</p> <p>Sepang Estate</p> <p>CHRA assessment has been conducted on 11/10/2020 refer HQ/09/ASS/00/124-2020/0034. Medical surveillance has been conducted on 20/12/2020 by Klinik Sri Singam. Verified report for Sprayer. Chemical register has been prepared dated 11/01/2021.</p> <p>f. The Estate Manager has been appointed as Person Responsible / Chairman for Safety and Health in the estate as per appointment letter dated 1/1/2021 signed by the Regional CEO. The Estate Manager has appointed the Sr. Assistant Manager as person responsible for Safety and health issue in the estate as per appointment letter. Sighted evidence of OSH Committee 2021.</p> <p>g. The estate management has established Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the matters arising from the previous meetings, accident and incident report, workplace inspection, and training. Sighted the Year 2020 minutes meeting records as follows:</p> <table border="1"> <tr> <td>OSH Meeting</td> <td>East estate</td> <td>Sepang Estate</td> </tr> <tr> <td>1st Quarter</td> <td>20/03/2020</td> <td>09/01/2020</td> </tr> </table>	OSH Meeting	East estate	Sepang Estate	1 st Quarter	20/03/2020	09/01/2020	
OSH Meeting	East estate	Sepang Estate							
1 st Quarter	20/03/2020	09/01/2020							

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Criterion / Indicator		Assessment Findings			Compliance
		2 nd Quarter	19/06/2020	07/04/2020	
		3 rd Quarter	25/09/2020	11/09/2020	
		4 th Quarter	18/12/2020	11/12/2020	
		<p>h. Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Latest ERP training has been conducted on 27/01/2021 for East Estate. For Sepang estate will be conducted on 22/03/2021.</p> <p>i. The assigned first aiders were nominated. Verified through video call showed First Aider understanding on the contents and usage of the items in the First Aid Kits. First aid kits placed at the amin office and given to the First Aider. Sighted latest First Aid Training on 25/01/2021 foe East estate and 19/02/2021 for Sepang Estate.</p> <p>j. Records of all accidents were kept in the estate and reviewed at quarterly intervals during the JKKP Meeting. Lost Time Incident are monitored by the estate and records were sighted in the estate.</p> <p>East Estate Sighted JKKP 6 report submitted on 20/05/2020, 26/09/2020 and 14/04/2020. Sighted JKKP 8 report submitted. Refer JKKP8/62151/2020 submitted on 01/01/2021.</p> <p>Sepang Estate Sighted JKKP 6 report submitted on 07/05/2020 and 05/11/2020. Sighted JKKP 8 report submitted. Refer JKKP8/42879/2020 submitted on 01/01/2021.</p>			

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Awareness on this policy was given to the employees through briefing during RSPO and MSPO trainings.</p>	<p>Complied</p>
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.</p>	<p>Complied</p>
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers ID number whom payslips for May 2020, Dec 2020 and Feb 2021 were verified are as follows:</p> <p>East Estate: 56042, 152648, 111540, 151910, 156851, and 153169</p> <p>Selangor Estate: 106885, 97153, 89013, 157914, 135701, and 151233</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The management of both sampled estates ensured that the employees of the contractors are paid according to these standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on minimum standard and employment contract. The amount of EPF & SOCSO contributions were also included in the pay slips.</p>	<p>Complied</p>
<p>4.4.5.5 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>The estates have registered all their workers into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages and etc. The employment contract, copy of work permit and passport and induction training certificate were kept in the personal file.</p>	<p>Complied</p>
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The employees that recruited by the estates are of local, Indonesians, Bangladeshi, Nepalese and Indians. They are all under direct employment to the estates. All of them have signed on the employment contract prior to work. Duration of contract/ probation period, position offered, wages, annual leave, allowances, etc. was stated in the employment contract. The employment contracts sampled for verification were:</p> <p>East Estate: 56042, 152648, 111540, 151910, 156851, and 153169</p> <p>Selangor Estate: 106885, 97153, 89013, 157914, 135701, and 151233</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Document review on the SAP attendance recording system as well as payslip shown that the overtime payments are in accordance to law and workers have worked for overtime on their own choice. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Based on verification of the sampled workers' pay slips, the wage and overtime were paid according to the regulatory requirements and collective agreement. Nonetheless, it was noted that the understanding about the information in the workers' pay slips among the staff at Sepang Estate can be further improved (OFI). Below were the sampled workers ID number whom payslips for May 2020, Dec 2020 and Feb 2021 were verified: i) East Estate: 56042, 152648, 111540, 151910, 156851, and 153169 ii) Sepang Estate: 106885, 97153, 89013, 157914, 135701, and 151233	OFI
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional	Among the benefits offered by the company: <ul style="list-style-type: none"> • 10 kg rice distribution every 2 months • Productivity incentives 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	development, medical care and health provisions. - Minor compliance -	<ul style="list-style-type: none"> • Telephone allowance • Free medical care 	
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 -	The estate's management has provided free housing facilities to all the workers. Basic amenities such as water, football field, etc. were provided to the workers. Electricity which is obtained from the national grid is subsidised by the employer. The housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interview with the workers confirmed that they did not have any complain or grievance related to housing to be reported.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.	Complied
4.4.5.13	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.	SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they can join any trade union freely.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<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>The estate visited has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.</p> <p>Sighted the sample training records as follows:</p> <p>East Estate</p> <ol style="list-style-type: none"> 1. Training on Trunk Injection on 07/11/2020 2. PPE, Sprayer Training dated 20/05/2020 3. Frond Stacking training dated 03/07/2020 4. Harvester Training dated 19/11/2020 5. Pruners Training dated 20/11/2020 <p>Sepang Estate</p> <ol style="list-style-type: none"> 1. Spraying Technique by Mycorp dated 03/11/2020 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. Harvesting Training dated 10/09/2020 3. Manuring training dated 14/09/2020 4. Safety & MCO Training dated 23/06/2020 5. Policy Training dated 18/02/2021	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The estates visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p> <p>East Estate 33 training was identified for management, employee and contractors and programmed throughout FY 2021.</p> <p>Selangor Estate 37 training was identified for management, employee and contractors and programmed throughout FY 2021.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The estates visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>Group Sustainability and Quality Statement: Minimizing Environmental Harm: i. Protecting and enhancing biodiversity and ecosystem ii. No deforestation and No new development on peat land iii. Enhancing resilience against climate change impact iv. Adopting responsible consumption and production Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement Environment i. Comply to emission and effluent standard ii. efficient use of water and energy iii. Minimize waste iv. Protect the ecosystem and biodiversity</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>Both estates has established environmental management plan base on aspect and impacts analysis conducted.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.</p> <p>The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible.</p> <p>East Estate</p> <p>The EAI/EIE and management plan was reviewed on annually basis during Management Review Meeting. Latest review was conducted on 21/01/2021.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sepang Estate</p> <p>The EAI/EIE and management plan was reviewed on annually basis during Management Review Meeting. Latest review was conducted on 08/1/2020.</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The estate has established Environmental Management Plan FY 2021. The plan was reviewed on annually basis. Sighted the implementation of the management plan as follows:</p> <p>East Estate and Sepang Estate</p> <ol style="list-style-type: none"> 1. Environmental risk management 2. Waste management 3. Water management 4. HCV and biodiversity management 	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Program to promote positive impact was documented in Environmental Management Plan. The management plan also includes a program to promote positive impact as follows:</p> <p>East Estate</p> <ol style="list-style-type: none"> 1. Put signage and centralized all scarp waste ay scrap iron bay 2. To plan LCC at replanting area 3. Provide tray for spraying activity to avoid soil contamination. <p>Sepang Estate</p> <ol style="list-style-type: none"> 1. Implement IPM, Barn Owl and Beneficial plant 2. Provide tray at parking bay to avoid soil contamination 	Complied

Criterion / Indicator		Assessment Findings	Compliance															
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	The estate continues provided training to ensure the awareness regarding the environmental policy among the employee. The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs, and workers. East Estate: Zero Burning Awareness dated 18/08/2020 Sepang estate: Environment Awareness Training dated 08/03/2021	Complied															
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	The estate has discussed on environmental issue during ESH Committee meeting where representative of the management and employee raised their concerns about environmental quality in the estates.	Complied															
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																		
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	The estates visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows: <table border="1" data-bbox="1048 1093 1809 1391"> <thead> <tr> <th>Month</th> <th>East Estate Consumption/FFB</th> <th>Sepang Estate Consumption/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan 20</td> <td>0.41</td> <td>2.17</td> </tr> <tr> <td>Feb 20</td> <td>0.46</td> <td>1.18</td> </tr> <tr> <td>Mar 20</td> <td>0.80</td> <td>1.35</td> </tr> <tr> <td>Apr 20</td> <td>0.83</td> <td>0.81</td> </tr> </tbody> </table>	Month	East Estate Consumption/FFB	Sepang Estate Consumption/FFB	Jan 20	0.41	2.17	Feb 20	0.46	1.18	Mar 20	0.80	1.35	Apr 20	0.83	0.81	Complied
Month	East Estate Consumption/FFB	Sepang Estate Consumption/FFB																
Jan 20	0.41	2.17																
Feb 20	0.46	1.18																
Mar 20	0.80	1.35																
Apr 20	0.83	0.81																

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Criterion / Indicator		Assessment Findings			Compliance
		May 20	0.85	0.95	
		Jun 20	0.61	0.74	
		Jul 20	0.55	1.35	
		Aug 20	0.53	0.89	
		Sep 20	0.62	1.31	
		Oct 20	0.52	1.40	
		Nov 20	0.55	1.04	
		Dec 20	0.48	1.80	
		To date 2020	0.59	1.19	
		<p>The estate has established the management plan to optimize the usage of diesel and documented in the Environmental Management Plan under section Energy Management Plan. Sighted the implementation of the management plan follows:</p> <p>Both estates conducted Preventive Maintenance Vehicle monitoring was on daily basis and recorded in Vehicle Service logbook. Sighted the records of daily maintenance records for vehicle.</p>			
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors,			Complied

Criterion / Indicator		Assessment Findings	Compliance
	This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	including all transport and machinery operations was available in the respective estate yearly budgets	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No opportunities of renewable energy usage in the estate visited.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The estates visited has identified the waste products and source pollution and documented in Waste Management Plan FY 2021. The plan was reviewed on annually basis. The waste has been identified as follows: East Estate and Sepang estate <ol style="list-style-type: none"> 1. Schedule waste e.g. Chemical container, Clinical waste 2. Industrial waste e.g. scrap metal 3. Domestic waste e.g. sewage, daily rubbish 4. Recyclable waste – Empty container, EFB 	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting	Estates visited has established waste management plan as per waste identification. The plan was reviewed on annually basis. <ol style="list-style-type: none"> a. The waste has been identified as follows: East Estate and Sepang estate <ol style="list-style-type: none"> 1. Schedule waste e.g. Chemical container, Clinical waste 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>them into value-added by-products</p> <p>- Major compliance -</p>	<ol style="list-style-type: none"> 2. Industrial waste e.g. scrap metal 3. Domestic waste e.g. sewage, daily rubbish 4. Recyclable waste – Empty container, EFB <p>b. Sighted section recyclable waste discusses on Re-use empty container, collection of EFB and monitoring POME BOD in the field.</p>	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures.</p> <p>Both estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>Sighted the latest inventory and disposal records as follows:</p> <p>East Estate</p> <p>Latest inventory sighted on 10/03/2021 refer SPG(B)11/123/000/019</p> <p>Latest disposal sighted on 13/01/2021 for SW305 refer 2021010811M00AN4.</p> <p>Sepang Estate</p> <p>Latest inventory sighted on 08/03/2021 refer 10PX3TOZ</p> <p>Latest disposal sighted on 22/01/2021 for SW410 refer MFRTSB No: 59911.</p>	Complied

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<p>4.5.3.4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Empty pesticides container were identified as recycle waste. All empty pesticides containers were triple rinse, puncture and stored at designated stored before disposed to licensed contractors, SS Setia Technology Enterprise. Refer approval letter from DOE.</p> <p>Latest empty containers disposal as follows:</p> <p>East Estate</p> <ol style="list-style-type: none"> 1. Invoice no 1797 dated 14/12/2020 2. Invoice no 1712 dated 24/08/2020 <p>Sepang Estate</p> <ol style="list-style-type: none"> 1. Invoice no 1836 dated 18/01/2020 	<p>Complied</p>
<p>4.5.3.5 Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>East Estate</p> <p>Domestic waste was collected once a week by contractors appointed by the Majlis Daerah Kuala Langat and disposed at the municipal landfill.</p> <p>Sepang Estate</p> <p>Domestic waste was collected twice a week by appointed tractor driver and disposed at the designated landfill.</p>	<p>Complied</p>
<p>Criterion 4.5.4: Reduction of pollution and emission</p>		
<p>4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p>	<p>The estates has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major 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>The action plan to reduce the identified significant impact has been documented in Environmental Management Plan under section Pollution Prevention Plan and Energy Management Plan. Sighted the implementation of the management plan as follows:</p> <ol style="list-style-type: none"> 1. Replanting – to minimize soil erosion, to prevent destruction of riparian 2. Workshop – to ensure the work activity not pollute the environment, GHG emission reduction 3. Spraying activity - to ensure the work activity not pollute the environment 4. Housing complex – to ensure no open burning 5. Energy – House inspection to ensure no illegal wiring. 	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ol 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>Both estates has established water management plan and documented in Environmental Management Plan under section Water Management for the year 2021. The management plan focuses on monitoring water quality, contingency during water shortage, monitor usage of fresh water and reuse/recycle water. Sighted the implementation of the management plan as follows:</p> <ol style="list-style-type: none"> a. Water source East estate: SYABAS (Syarikat Air Selangor Berhad) 	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>Sepang estate: SYABAS (Syarikat Air Selangor Berhad)</p> <p>b. Sighted evidence in Water Management Plan for both estate that outgoing water which may have negative impacts into the natural waterways were monitored. Sighted evidence of water sample:</p> <p>East Estate: IE4457 dated 05/03/2021</p> <p>Sepang estate: N/A</p> <p>c. Sighted evidence in Water Management Plan for both estate in section to reuse /recycle wastewater for pre-mix, Rainwater harvesting for general cleaning, operation, and gardening.</p> <p>d. Management has put signage at buffer zone area and do training for workers to create awareness for them. Sampling water has been taken and sent to Sime Darby R & D.</p> <p>e. Riparian buffer zone has been monitored by both estates.</p> <p>f. There is no bore well for both estates.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	No main river crossing both East & Sepang estates.	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	The practice water harvesting of water from road-side drains being directed and stored in conservation roadside pits was observed in both estates visited. Verified availability of rainwater harvesting for general cleaning purpose and gardening activities.	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value		
<p>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:</p> <ul style="list-style-type: none"> 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. <p>- Major compliance -</p>	<p>HCV Re-Assessment for Strategic Operating Unit (SOU) 8 East has been conducted by Conservation & Biodiversity Unit, Group Sustainability Department, Sime Darby Plantation Berhad. The report date as below:</p> <p>East Estate and Sepang Estate: 08/10/2020</p> <ul style="list-style-type: none"> 1. HCV 6 – Mah Meri tribe graveyard 2. HCV 4 – Fridge mangrove, Water catchment 3. Potential HCV 4 – Erosion control bunds 	<p>Complied</p>
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p>No RTE species were identified in the assessment conducted as per HCV Re-Assessment for Strategic Operating Unit (SOU) 8 Final Report (Version 2.0) dated 08/10/2020.</p> <p>The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report.</p> <p>Sighted Environmental Management Plan 2021 section High Conservation Value Area / Biodiversity:</p> <ul style="list-style-type: none"> 1. To ensure the signage is maintain at site and retrievable in map 	<p>Complied</p>

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		2. To promote awareness on HCV 3. To identify how task relating to HCV / Biodiversity are to be performed and competencies required 4. To manage human wildlife conflict 5. To maintain / enhance the biodiversity in the estate.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report. Sighted the implementation of the management plan as follows: Monitoring of HCV area was conducted twice a month and recorded in Monitoring of present and potential HCV Areas East Estate logbook. The monitoring focusing on encroachment/sign of trespassing, wildlife issue/conflicts/sighting, pollution/erosion issue and other observation. No issue were recorded in the report.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	No open burning noted based on the records on the land clearing and felling for the replanting at estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No open burning noted based on the records on the land clearing and felling for the replanting at estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	SOP was established for the Estates. Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU8 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation etc. Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.	Complied

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Criterion / Indicator		Assessment Findings	Compliance						
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly. The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.	Complied						
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Both Estates had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.	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 -	SOU 8 has continued its commitment to long term sustainability and improvements through a capital expenditure program. The management has forecasted 5 years business plan from FY 2021 – 2026.	Complied						
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	SOU 8 have long range replanting program until FY 2026. Replanting planned for the palm older than 25 years, non-performance field (yield) and Ganoderma infected palm. Observed the replanting program for the next financial year as follows: <table border="1" data-bbox="1048 1305 1870 1370"> <thead> <tr> <th>Replanting year</th> <th>East Estate, Ha</th> <th>Sepang Estate, Ha</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>148.65</td> <td>-</td> </tr> </tbody> </table>	Replanting year	East Estate, Ha	Sepang Estate, Ha	2022	148.65	-	Complied
Replanting year	East Estate, Ha	Sepang Estate, Ha							
2022	148.65	-							

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Criterion / Indicator		Assessment Findings			Compliance
		2023	189.71	185.75	
		2024	70.38	164.64	
		2025	214.21	243.94	
		2026	149.84	-	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>All relevant information contained in the annual budget plan for as sighted in annual budget FY2021 such as:</p> <ul style="list-style-type: none"> i. Total crop projection and yield potential ii. Activity direct cost <ul style="list-style-type: none"> a. Mature upkeep b. Manuring c. Harvesting and collection d. Transportation e. Nursery iii. Estate administration <ul style="list-style-type: none"> a. Admin Cost iv. Labour overhead v. Road and bridges vi. Cost of production. 			Complied
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p>	<p>The budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2026) and well documented upon request.</p>			Complied

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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 25/02/2021.</p> <p>- All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ.</p> <p>Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and representatives from HQ for major projects</p>	Complied
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>The contract agreements between the management and the contractors were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The understanding about MSPO requirements were given to the contractors through stakeholders' consultation meeting which is conducted from time to time. Apart from that, the requirement to perform their task in-line with the standard's requirements was also stipulated in the contract agreement or LOA. Based on interview with the sampled contractors, they have been made aware of this requirement by the management.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Contract agreements between the estates and their contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between the company and the contractors (Chip Huat, ATT Trading, KRS Global and S. Thayalan) were sampled for verification.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance –	All works performed by the contractors at the estates are checked and verified by the estate's personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Complied
4.7 Principle 7: Development of new planting (Not Applicable)			

B) MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills.

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 -	SDPB has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	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 -	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> - Promoting good governance and transparency - Contributing to a better society - Minimising environmental harm - Delivering sustainability quality - The policy is guided by three main documents i.e.: <ul style="list-style-type: none"> - Responsible Agriculture Charter - Human Rights Charter - Innovation & Productivity Charter All of the above documents and the policy statement are made available on Sime Darby's website.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit. The internal audit schedule for 2021 has been planned and communicated by Regional SQM to all central west region Estates and Mills. The last internal audit for sustainable palm oil was conducted on 21/01/2021. The internal audit had covered all the MSPO MS2530-4:2013 elements. It was conducted by 3 auditors from an internal department called GSD Malaysia and Central East RSQM. There were 3 Major, 1 Minor NCR and 1 OFI raised as a result of the internal audit. The mill has closed all of the NCRs.	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 -	The internal audit report dated 25/01/2021 had included root cause analysis and corrective action plan. Based on the identified root cause recorded in the internal audit report, generally it has guided the organisation to provide effective corrections and corrective actions in order to prevent recurrence of non-conformity.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report was available and have also been one of the agendas discussed in the management review.	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 -	There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year. The latest MSPO Management Review was conducted on 13/02/2021 which was chaired by the Mill	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Manager and attended by 10 key personnel. Based on the minutes of meeting, among the agendas discussed were:</p> <ul style="list-style-type: none"> - Results of the internal audits covering RSPO and MSPO SCCS - Customer feedback - Status of preventive and corrective actions - Follow up action from management review - Changes that could affect the management system - Recommendations for improvement - Improvement of the effectiveness of the management system - Resources needs 	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The action plan for continual improvement with regards to social and environment impacts, and opportunities were available in the mill in various forms such as social action plan, environmental management plan, and master initiative list to name a few. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action.</p>	Complied
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>East POM continuously ensures there are improvement practices in line with new information and techniques introduced in the workforce. Kaizen Charter is introduced to ensure improvement projects are in place. Lean Six Sigma is used to minimize waste (money, time, manpower, etc) where improved methods are introduced in the management system. There has been no opportunity for the mill to adopt any new technology since the last assessment.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 Mill 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 social outcomes. - Major compliance -	Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	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).	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	
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 Manager is responsible to deal with the external communication for the respective estates under their management. An Assistant Manager of the East POM has been delegated as Social Responsible Person to handle any issue related to social. Seen the appointment letter dated 1/1/2020 issued by the Mill Manager.	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. - Major compliance -	List of stakeholders was available and last updated on 8/3/2021. Stakeholder meeting was last conducted on 7/11/2019 with the participation of stakeholders such as contractors, school representatives, government authorities and local communities. The minutes of meeting was available for verification. Based on the minutes, issues raised were found to be well addressed. No meeting can be organised thereafter due to the MCO. Nonetheless, the Mill Manager has sent a memo to all the stakeholders dated 15/12/2020 to the stakeholders to request any feedbacks should there be any. One feedback was received in March 2021 and the mill is in the midst of responding the feedback.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	East POM is receiving FFB mainly from its supply base - East Estate, Sepang Estate and Sepang Estate. Nonetheless, East POM also occasionally received crop from other POM's supply base such as East Estate.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment - Date of the shipment <p>For despatch of CPO & PK, the weighbridge ticket includes the following information to enable the customer to trace the CPO source</p> <ul style="list-style-type: none"> - Customer Name - Destination of the CPO - Product - DO number - PO number - Weight of the product. <p>There has been no FFB from other company received by East POM since the last assessment.</p>	
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 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager.</p>	
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>Based on the company's traceability procedure, the overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description.</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>Records of CPO & PK sales & delivery including Weighbridge Tickets together with sales Delivery Note (DO Chit) and Daily Record (Daily CPO/PK Despatch Summary Logbook) were maintained based on Standard Operating Procedure. For FFB receive, refer FFB Received Detail Report By Product KKS East for the year of 2020.</p> <p>CPO Date: 02/03/2020 Chit Number: J49932 Buyer: SD Jomalina Lorry Number: NCY6232 Weight: 40.17 MT</p> <p>CPO Date: 10/03/2020 Chit Number: 500300270SDOPKR Buyer: SD Jomalina Lorry Number: WD6327F Weight: 32.15 MT</p> <p>Date: 28/07/2020</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Chit Number: 500300270SDOPKR Buyer: SD Jomalina Lorry Number: WD6327F Weight: 32.18 MT	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	SOU 8 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. SOU 18 had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were <ol style="list-style-type: none"> 1. MPOB License no. 533088004000 for processing 96000-ton FFB. Valid until 30/09/2021. 2. DOE License no. 001456. Valid until 30/06/2021 3. DOE Contradiction License no. 005838. Valid until 30/9/2021 4. Majlis Perbandaran Kuala Langat valid until 15/02/2022 5. Air Comptressor PMT 3467 valid until 02/12/2021 6. Permit for OT Limit BHG.PU/9/134 Jld 21(2) valid until 30/05/2021 7. Suruhanjaya tenaga No 46597 valid until 31/12/2021 8. Perakuan Kekompetenan Sebagai Penjaga jentera L/SGR/01203 valid until 10/10/2021 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>9. Weighbridge 1 40 MT B1286324 valid until 13/02/2022</p> <p>10. Engine Driver category A4 cert. no. PJ-T-4-H-0828-2000. Valid till 10/10/2021</p> <p>Sighted evidence of approval on "Permohonan Had Kerja Lebih Masa Di Bawah Seksyen 60A(4)(a) Akta Kerja 1955" from JTK on 31/05/2019. Refer BHG.PU/9/134 Jld 2.1(2).</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated on October 2020:</p> <ol style="list-style-type: none"> 1. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan-Peraturan Pencegahan Pengawalan Penyakit berjangkit (Pindaan 2020) 2. Workers Minimum Standard of Housing and Amenities (Amendment) Act 2019 3. Minimum Wages Order (Amendment 2020) 	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>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. PSQM Department and respective operating units will undertake the responsibility of</p>	Complied

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		<p>identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p> <p>The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated on October 2020:</p> <ol style="list-style-type: none"> 1. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan-Peraturan Pencegahan Pengawalan Penyakit berjangkit (Pindaan 2020) 2. Workers Minimum Standard of Housing and Amenities (Amendment) Act 2019 3. Minimum Wages Order (Amendment 2020) 	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Land use right for mill is under the land title of East Estate.	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 -	Land use right for mill is under the land title of East Estate.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal boundary along the mill were demarcated with fences. Land title was under estate	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 -	Land use right for mill is under the land title of East Estate.	Complied
Criterion 4.3.3 – Customary rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements within the East POM land area. Interviewed with the local communities confirmed that no land encroachment.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The right to use the land is not disputed and there was no customary land within the East POM. Interviewed with the local communities confirmed that no land encroachment.	Complied
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 land dispute or customary rights issues in the mill. Interviewed with the local communities confirmed that no land encroachment.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was carried out by Social & Environment Projects Unit, PSQM Department on 24-26/3/2014 to cover whole SOU 8 (East Palm Oil Mill, East Estate, Dusun Durian Estate and Sepang Estate). The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities and etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc. Since there have been no stakeholder meeting due to MCO, the Social Action Plan dated January 2020 still remains the latest.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Ref.: Sime Darby Plantation Mill Quality Management System, Standard Operating Manual (SOM), Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication, version 2, issue 0, dated 25/5/2015. The complaints and grievances are open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback (Clause 6.3 of the procedure) and within one week of the completion of the investigation, for communication required investigation.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The mill management has maintained Complaint Book and Houses Repair Record to receive any complaints or grievances from stakeholders.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	The mill management has maintained Complaint Book and Houses Repair Record to receive any complaints or grievances from stakeholders.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be	Record review found that previous complaints and requests for the past 24 months were still available.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	documented and be made available to affected stakeholders upon request. - Major compliance -		
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 -	Since the last assessment, there was less activity or request of contribution from local communities due to MCO. Nonetheless, the mill had organised social activities for its employees such as <i>kenduri doa selamat</i> on 9/1/2021.	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 -	Sime Darby has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy statement signed by CEO Upstream Malaysia dated 01/06/2020. An OSH Plan was available in the form of "important areas" and the trainings required for the respective personals for the year 2020/2021. In the Policy stated, "Upstream Malaysia is committed to providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia." The mill has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sighted the implementation of the management plan FY 2020 as follows:</p> <ul style="list-style-type: none"> i. Medical Surveillance for workers expose with chemicals was conducted on annually basis. Latest surveillance was conducted in November 2019 for 23 workers by certified OHD with reg. no HQ/08/DOC/00/709. All workers were found fit to work as chemical handlers. ii. Audiometric test was conducted on annually basis. Retest has been conducted. Refer 2nd Test Result Audiometric Test Report dated 13/07/2020 conducted by Specialist Mobile Safety Supplies Sdn Bhd iii. Latest Chemical Health Risk Assessment (CHRA) was conducted on 23/1/2020 by certified Assessor with reg. no. HQ/09/ASS/00/124. Refer report no. HQ/09/ASS/00/124 – 2020/011. 	
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; 	<p>The OSH plan generated by the Mill for the year 2020/2021 covers the important aspects of OSH such as Safety Trainings, OSH Meetings, Fire Extinguisher Inspections, HIRARC Reviews, Workplace Inspections, ERP Trainings, Fire Drills and Medical Surveillance & Audiometric Test.</p> <ul style="list-style-type: none"> a. Sime Darby has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy statement signed by CEO Upstream Malaysia dated 01/06/2020. The OSH policy and plan are regularly communicated to the staffs and workers during the morning 	OFI

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<ul style="list-style-type: none"> d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 	<p>briefings and OSH Meetings. Latest policy briefing sighted on 08/01/2021.</p> <ul style="list-style-type: none"> b. The mill has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as boiler station, FFB ramp, fruit handling station, Sterilizer station, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year if accident occur or changes on the operation. Latest review on 17/02/2021. Verified that HIRARC for COVID-19 has been prepared on 09/05/2020. Mitigation plans and control procedures such as PPE, Administrative Control and Trainings were documented. Latest JKPP visit on 15/01/2021 refer DOE visit logbook. c. The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. Sighted evidence of training plan and record for the year of 2020 and 2021. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. This training programme is used as a guideline to ensure continuous awareness and assessment on the understanding of the required modules. d. All workers were provided with appropriate PPE as identified in the HIRARC. Latest PPE record sighted on 12/11/2020. PPE 	

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<p>- Major compliance -</p>	<p>issuance was recorded in PPE Issue form. The records were kept by monthly basis for monitoring purpose.</p> <p>e. SOPs for Best Practices of Chemical Handling were available in the POM. Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1 Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012. Chemical register review on 04/09/2020. CHRA assessment has been conducted on 23/01/2020. Latest Medical Surveillance record on 17/09/2020 by GNOSIS Laboratories. Verified sample of Mill Operator, Lab Assistant and Foremen.</p> <p>f. The POM has appointed Mr Azlan Md Kambali as PIC for safety and health dated 06/01/2020 together with Employer and Employee representative based on their work units as members of the safety committee.</p> <p>g. The Occupational Safety & Health Meetings were done on a regular basis (3 months Interval) to address the safety and health issues in the Mill. 1st Meeting: 15/01/2020 2nd Meeting: Cancelled due to COVID-19. 3rd Meeting: 23/06/2020 4th Meeting: 27/11/2020 Related to frequency of Osh Meeting refer Part IV Section 21 OSHA Regulation 1996, management should consider other method or platform to conduct OSH committee meeting during new norm of COVID-19 (OFI).</p> <p>h. Accident & Emergency Response Plans are available for Emergency Contact Number, Emergency Evacuation, First Aid Locations, Fire Extinguisher Locations, Emergency Response</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Plans (Fire, Chemical Spillage, Chemical Contamination, Flood and Accident) and displayed at strategic locations around the mill, estate office and stores. The competent personals are appointed and trained to be part of the Emergency Response Team. Appointment letters were sighted in the POM. Latest ERP training has been conducted on 27/07/2020.</p> <p>i. Management has nominated for First aider. Training has been conducted on 29-30/09/2020. First Aid were check through interview and video call and found in order.</p> <p>j. Records of all accidents were kept in the POM and reviewed at quarterly intervals during the JKPP Meeting. Lost Time Incident are monitored by the POM and records were sighted in the POM. Sighted sample JKPP 6 report SL/SKEM/21/04990 dated 06/1/2021 and SL/SKEM/20/04783 dated 05/12/2020. Sighted evidence of JKPP 8 report submitted on 07/01/2021 with reference number JKPP8/69054/2020.</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>SDPB has incorporated its policy on human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Communication to employees was done through briefing during morning muster call on 10/7/2020. Records of muster call attendance with regards to new policy briefing were maintained.</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>SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality,</p>	Complied

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	- Major compliance -	gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.	
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers ID number whom payslips for May 2020, Dec 2020 and Feb 2021 were verified are as follows: 127105, 158776, 6906, 149760, 149761, and 123154.	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	The management is ensuring the employees of their contractors are paid based on legal requirements by obtaining the pay slips of the contractor's workers and review them. Based on verification of the sampled contractor e.g. Munusamy & Sons Enterprise (hiring backhoe), the payment was made in accordance to the legal requirements. The amount of EPF & SOCSO contributions were also included in the pay slips.	Complied
4.4.5.5	The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	The mill management has registered all their workers into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages, etc. The employment contract, copy of work permit and passport and induction training certificate were kept in the personal file.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment	The employees that recruited by the mill are of local, Indonesians, Nepalese and Indians. They are all under direct employment to the mill and all of them have signed on the employment contract prior to commencement of work. The information about the duration of	Complied

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	contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	contract/ probation period, position offered, wages, annual leave, allowances, other benefits, etc. was stated in the employment contracts. The employment contracts for the following employees were verified: 127105, 158776, 6906, 149760, 149761, and 123154.	
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 -	All the daily attendance was recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month can be generated and maintained by the SAP system.	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 -	Document review on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers have worked for overtime on their own choice. The mill has obtained a permit from <i>Jabatan Tenaga Kerja Putrajaya</i> on 31/5/2019 with Ref. No. BHG. PU/9/134 JLD 21(2) to allow their workers to work not more than 130 hours of overtime per month. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in the individual card. Below were the sampled workers ID number whom payslips for May 2020, Dec 2020 and Feb 2021 were verified: i. 127105 ii. 158776 iii. 6906 iv. 149760 v. 149761	Complied

Criterion / Indicator		Assessment Findings	Compliance
		vi. 123154 All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2018 i.e. RM1100/month or RM42.31/day. Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.	
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. - Minor compliance -	Among the benefits offered by the company: <ul style="list-style-type: none"> • 10 kg rice distribution every 2 months • Telephone allowance • Free medical care 	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The mill management has provided free housing facilities to all their workers. Basic amenities such as water, electricity, football field and etc. were provided to the workers. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). The mill has also conducted housing inspection at least fortnightly focusing on cleanliness and safety.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.	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	SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect	Complied

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	<p>facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>the rights of all personnel to join or form any organizations of their choice and to bargain collectively. The mill management allowed their workers to form or join any association such as NUPW. UNION meeting was last conducted on 23/11/2020 with the members and management representatives to discuss issues related to workers. The minutes of meeting were available for verification and found properly documented. There was no evidence of joining any association is restricted.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.</p> <p>Sighted the sample training records as follows:</p> <ol style="list-style-type: none"> 1. Hearing Conversation Training dated 10.01.2020 2. Handling of Schedule waste dated 18/09/2020 3. Training of Factory and Machinery Act dated 24/07/2020 4. 5s training dated 25/09/2020 5. First Aid Training dated 29-30/09/2020 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	The mill has conducted training need analysis for all employee, management, and contractors. The need analysis was conducted base on the job designation and training required by the job type.	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	The mill has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy statement signed by CEO Upstream Malaysia dated 01/06/2020.</p> <p>Sighted Environmental Management Plan 2021 for SOU 8 East POM.</p> <p>Sighted Jadual Pematuhan East POM valid until 30/06/2021. Refer License No: 001456, AS(B)31/152/000/308. Verified document and interview found East POM comply with all Jadual Pematuhan.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following: a) An environmental policy and objectives;</p>	On top of the above biodiversity management plan and objectives, the environmental management plan covered in the established	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>action plan of significant environmental aspects identified and impacts evaluated as per documents sighted as following:</p> <ul style="list-style-type: none"> a. Sime Darby has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy statement signed by CEO Upstream Malaysia dated 01/06/2020. b. Sighted the Environmental Aspect and Impact Identification for the year 2021. Refer EAI/2018/15-1A. Stated the discussion for the activity Steam Generation. Sighted evidence of Environmental Impact Evaluation Form. Refer EIE/2021/008/4 and EIE/2021/008/5 	
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>As specified in indicator 4.5.1.1 & 4.5.1.2 above, confirmed that the developed environmental improvement plan to mitigate the negative impacts and to promote the positive ones were effectively implemented and monitored. Sighted the Schedule Waste Inventory Records as one of the environmental improvement plans.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Few environmental plans have been established including Pollution Prevention Plan.</p> <ul style="list-style-type: none"> 1. Workshop – to ensure all waste must be attended accordance as per legal requirement 2. Steriliser – To reduce emission 3. Workers housing – Weekly housing inspection 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The above programs were regularly communicated by estate management to all employees on regular basis during the morning briefings. Refer 5S Training dated 25/09/2020.	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 -	Environmental Quality within the Mill were regularly discussed amongst the management and workers during the Health & Safety Meeting as one of the Agendas. Sighted evidence of Environmental Performance Monitoring Committee Meeting dated 12/01/2021.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

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Criterion / Indicator		Assessment Findings	Compliance																								
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>A plan for improving efficiency of the use of fossil fuels was established as per Environmental Management Plan 2021 section Energy Management. The plan as per below:</p> <ol style="list-style-type: none"> Workers housing inspection to ensure no illegal wiring. To used boiler fuel to generated electricity Biogas plan <p>The Consumption of Diesel for the year 2020 are as follows.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Diesel</th> <th>FFB</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>11,680</td> <td>149,419.755</td> <td>0.08</td> </tr> </tbody> </table> <p>The Consumption of Electricity for the year 2020 are as follows.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>KwH</th> <th>FFB</th> <th>KwH/FFB</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>1401.032</td> <td>149,419.755</td> <td>0.01</td> </tr> </tbody> </table> <p>The Consumption of Water for the year 2020 are as follows.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Litter</th> <th>FFB</th> <th>Litter/FFB</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>140,711.99</td> <td>149,419.755</td> <td>0.94</td> </tr> </tbody> </table>	Year	Diesel	FFB	Diesel/FFB	2020	11,680	149,419.755	0.08	Year	KwH	FFB	KwH/FFB	2020	1401.032	149,419.755	0.01	Year	Litter	FFB	Litter/FFB	2020	140,711.99	149,419.755	0.94	Complied
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The mill has estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring. Estimation base on Budget.</p>	Complied																								
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Renewable energy used is from biofuel (shell and fibre) for boiler start-up. Sighted the records for usage of renewable energy FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Fibre + Shell</th> <th>FFB</th> <th>MT/FFB</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	Fibre + Shell	FFB	MT/FFB					Complied																
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Criterion / Indicator		Assessment Findings				Compliance
		2020	3676.548	149,419.755	0.02	
		Sighted record of EFB management- EFB evacuation to field. December 2020 EFB uptake recorded with 110%.				
Criterion 4.5.3: Waste management and disposal						
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The mil has identified the waste products and source pollution and documented in Waste Management Plan. The plan was reviewed on annually basis. The waste has been identified as follows: 1. Domestic waste 2. Industrial waste 3. Schedule waste 4. Recyclable waste				Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance -	The mill has established waste management plan as per waste identification. The plan was reviewed on annually basis. The mill maintains and report the generation of schedule waste to DOE on monthly basis through E-SWISS. Sighted the inventory report for the month of January 2021. Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Latest report sighted on 14/01/2021. Refer inventory number 1002B454130112021 for SW110, SW305, SW322, SW409 and SW410. Latest disposal record sighted. Schedule waste has been disposed through Kualiti Alam Sdn Bhd. Refer record off disposal as below:				Complied

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		6. SW305 dated 14/01/2021 refer 2021011409LVXAT2 7. SW110 dated 14/01/2021 refer 2021011408HA4WCT 8. SW410 dated 14/01/2021 refer 20210114090DKANB 9. SW322 dated 14/01/2021 refer 20210114099MU4NH 10. SW409 dated 14/01/2021 refer 2021011409XKPF4U	
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>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>The mill also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Latest report sighted on 14/01/2021. Refer inventory number 1002B454130112021 for SW110, SW305, SW322, SW409 and SW410.</p> <p>Latest disposal record sighted. Schedule waste has been disposed through Kualiti Alam Sdn Bhd. Refer record off disposal as below:</p> <p style="margin-left: 40px;">1. SW305 dated 14/01/2021 refer 2021011409LVXAT2</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. SW110 dated 14/01/2021 refer 2021011408HA4WCT 3. SW410 dated 14/01/2021 refer 20210114090DKANB 4. SW322 dated 14/01/2021 refer 20210114099MU4NH 5. SW409 dated 14/01/2021 refer 2021011409XKPF4U	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste was handled by East Estate.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. The plan was reviewed on annual basis. Sighted the sampled if stack sampling conducted as follows: Report dated:	Complied

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Criterion / Indicator		Assessment Findings	Compliance																								
		1. 21/01/2021 – 8.15% 2. 22/01/2021 – 0.00% 3. 23/01/2021 – 0.04%																									
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 001456. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>4th quarter (report date: 26/01/2021)</p> <table border="1"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.40</td> <td>7.10</td> <td>7.30</td> </tr> <tr> <td>BOD</td> <td>1603</td> <td>1345</td> <td>592</td> </tr> </tbody> </table> <p>3rd quarter (report date: 09/10/2020)</p> <table border="1"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.30</td> <td>7.40</td> <td>7.50</td> </tr> <tr> <td>BOD</td> <td>1935</td> <td>560</td> <td>3330</td> </tr> </tbody> </table> <p>The effluent analysis confirms with condition prescribed under Compliance Schedule License no. 001456.</p>		Oct	Nov	Dec	pH	7.40	7.10	7.30	BOD	1603	1345	592		Oct	Nov	Dec	pH	7.30	7.40	7.50	BOD	1935	560	3330	Complied
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Criterion / Indicator		Assessment Findings	Compliance
		Sighted record of Effluent Plant Performance that resulted EFF Ration from FFB Process and Raw EFF. To date December 2020 recorder 84.11 EFF ratio.	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The mill has established water management Plan and documented in Identification and Management of wastewaters and Action Plan to reduce freshwater usage. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame. Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> a. The mill continues to monitor the water consumption. Sighted the records of water consumption refer Record Monitoring of Water Consumption for FY 2020. Todate December recorded 140,711.00 L usage of water and 0.94 litter water per FFB b. Monitoring of outgoing water has been monitored. Refer Effluent analysis EP497/2020 dated 29/12/2020 and parameter watercourse discharge record. Sighted Water Analysis Report dated 26/10/2020. Refer Test Report IE836/2020 for 8 sample point which is Drain sample and River sample. c. Sighted evidence on monitoring of water usage as per Water Management Plan 2021. Sample activity using Harvesting water for general cleaning purpose. 	Complied

Criterion / Indicator	Assessment Findings	Compliance																								
<p>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.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 001456. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Sighted POME application record for December 2020.</p> <p>Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>4th quarter (report date: 26/01/2021)</p> <table border="1" data-bbox="1088 751 1868 951"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.40</td> <td>7.10</td> <td>7.30</td> </tr> <tr> <td>BOD</td> <td>1603</td> <td>1345</td> <td>592</td> </tr> </tbody> </table> <p>3rd quarter (report date: 09/10/2020)</p> <table border="1" data-bbox="1088 1015 1868 1214"> <thead> <tr> <th></th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.30</td> <td>7.40</td> <td>7.50</td> </tr> <tr> <td>BOD</td> <td>1935</td> <td>560</td> <td>3330</td> </tr> </tbody> </table> <p>The effluent analysis confirms with condition prescribed under Compliance Schedule License no. 001456.</p>		Oct	Nov	Dec	pH	7.40	7.10	7.30	BOD	1603	1345	592		Oct	Nov	Dec	pH	7.30	7.40	7.50	BOD	1935	560	3330	<p>Complied</p>
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<p>4.6 Principle 6: Best Practices</p>																										

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.	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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2021 and business plan FY 2022 – FY 2026 In the 5 years business plan include items as follows: <ol style="list-style-type: none"> 1. Mill intake – FFB input 2. Production of CPO 3. Production of PK 4. Total Palm Oil Extraction 5. Total Palm Kernel Extraction 6. Mill cost The business plan for FY2021 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		and etc. It also includes environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure.	
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 -	Awarding of contract and pricing mechanism is guided by a procedure GPA No. E4 Procurement, version 26/8/2020 - 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 operating units' personnel and also representatives from HQ for major projects	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The understanding about MSPO requirements were given to the contractors through stakeholders' consultation meeting which is conducted from time to time. Apart from that, the requirement to perform their task in-line with the standard's requirements was also stipulated in the contract agreement or LOA. Based on interview with the sampled contractors, they have been made aware of this requirement by the management.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between the company and the contractors (Munusamy and Chin Tat), were sampled for verification.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required.	Complied

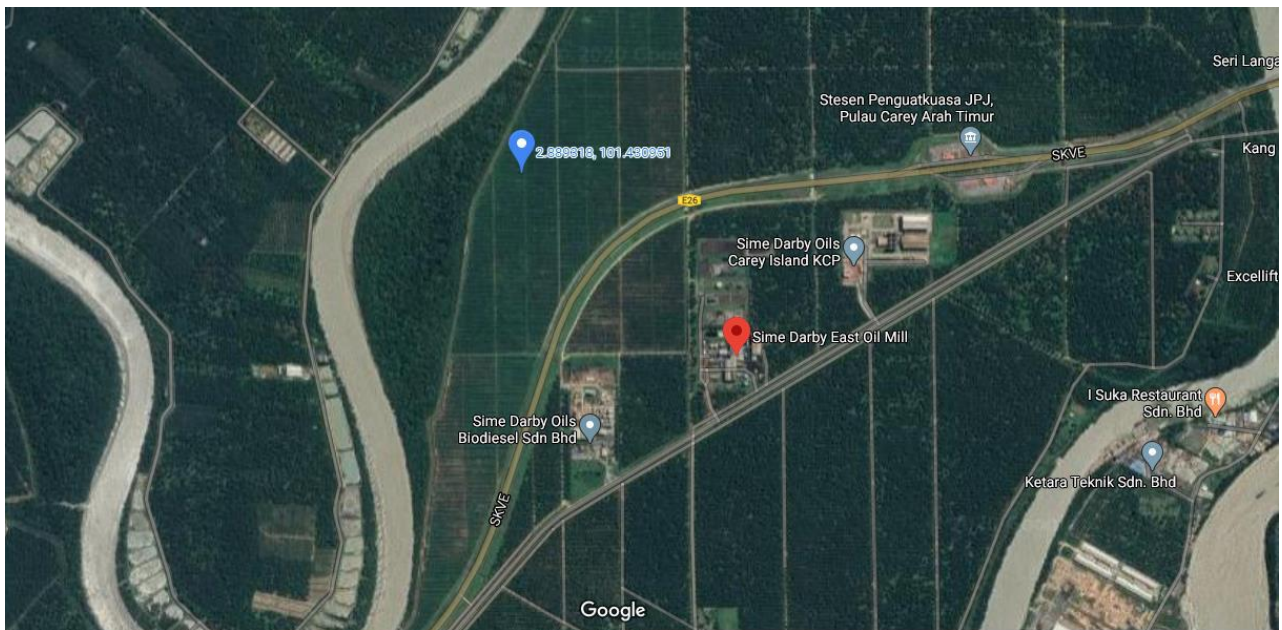
Appendix B: List of Stakeholders Contacted

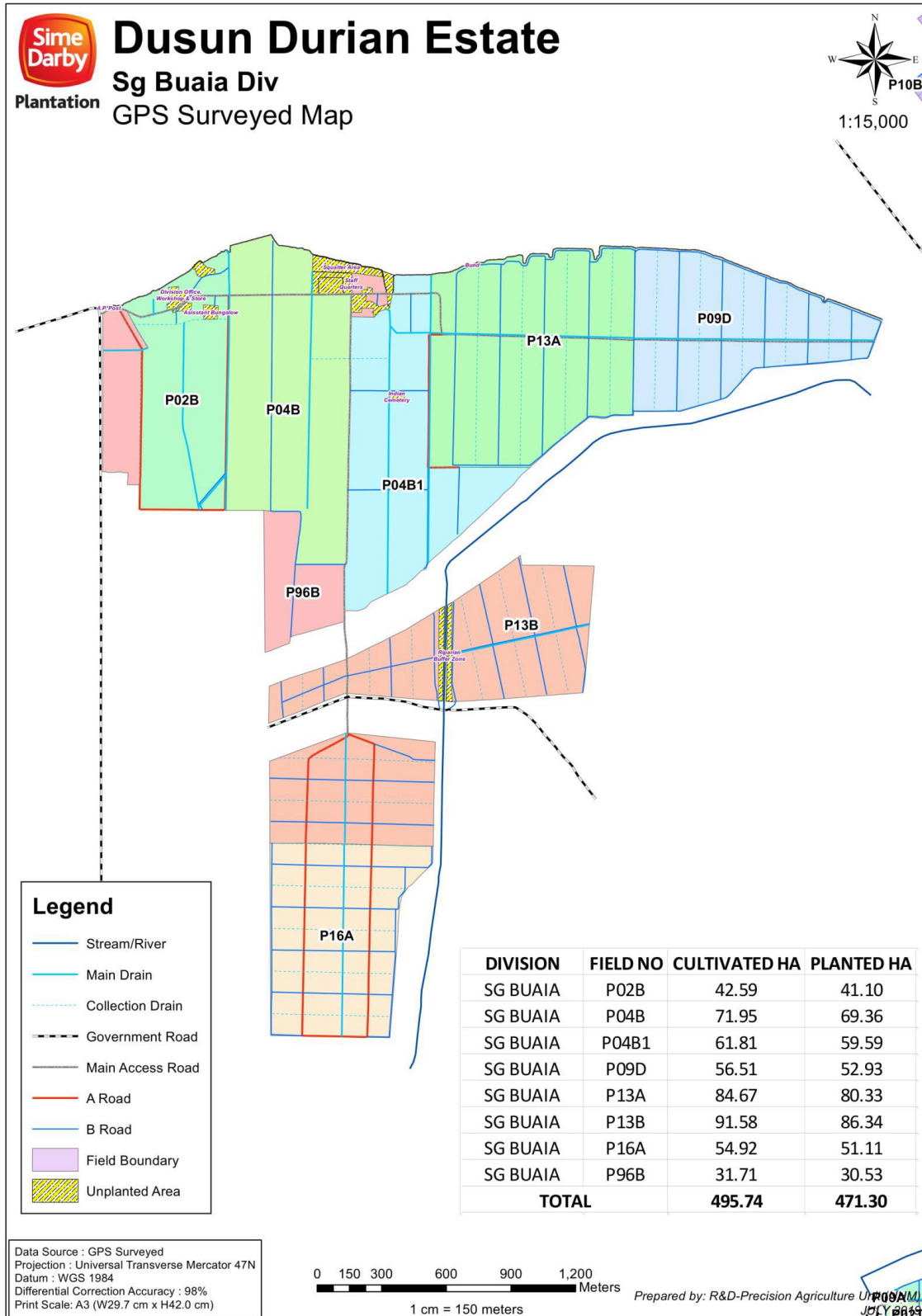
<p>Government Officer: NIL</p>	<p>Community/neighbouring village: 1) Mr Muthu (Kg Manickavasagam)</p>
<p>Suppliers/Contractors/Vendors: 1) Mr Tan – Chin Tat Metal Engineering 2) Mr Manimaran – Munusamy & Sons Enterprise 3) Mr Lu – Chip Huat 4) Mr Thangadurai – STT Trading 5) Mr Saravanan – KRS Global Enterprise 6) Mr. Thayalan – S. Thayalan Enterprise</p>	<p>Worker’s Representative/Gender Committee: Estate managers Mill engineer Supervisors, Staff & Clerks</p>

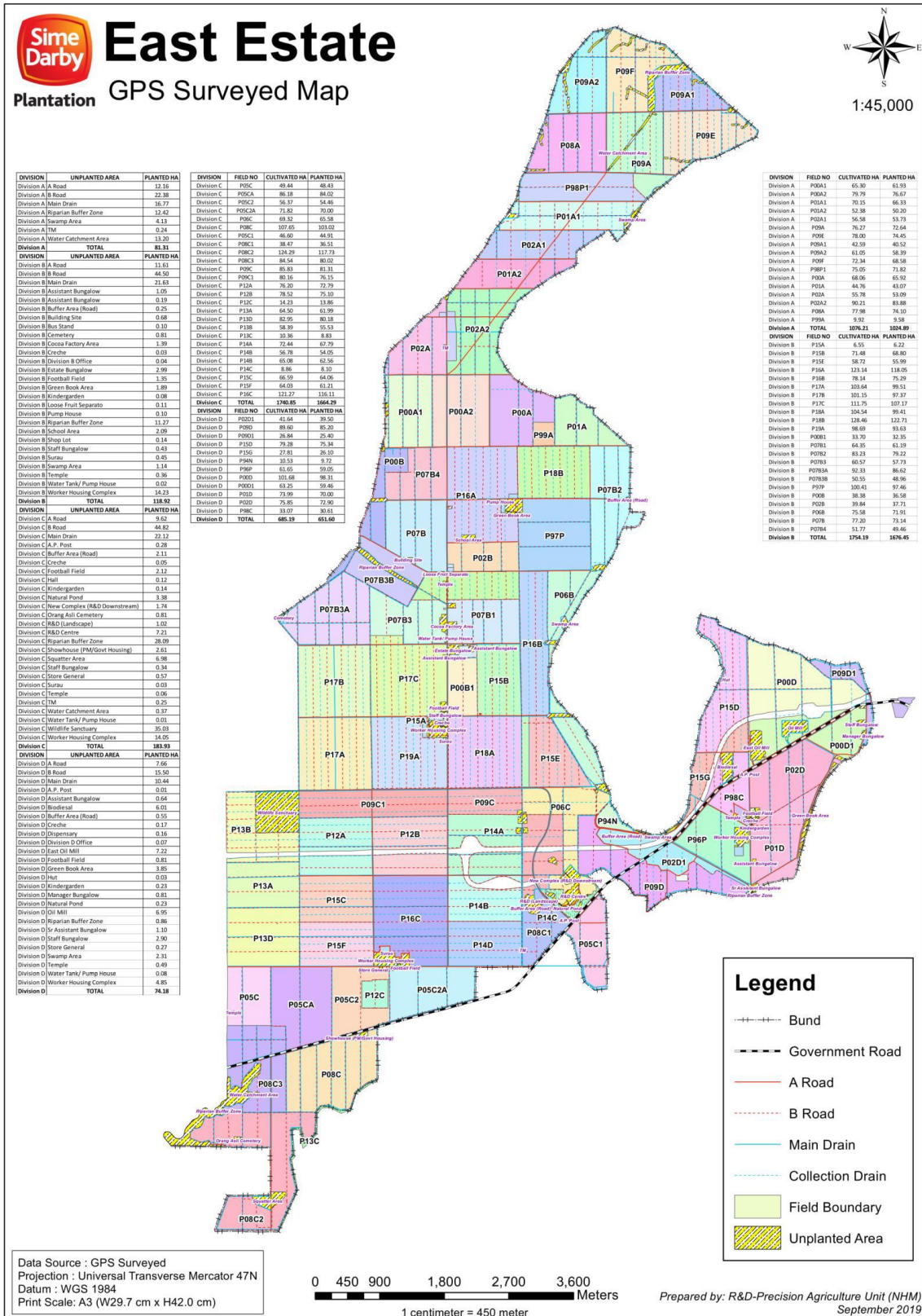
Appendix C: Smallholder Member Details

N/A

Appendix D: Location and Field Map







Appendix E: List of Abbreviations

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