

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

Sime Darby Plantation Berhad

Client company Address:

Level 3A, Main Block, Plantation Tower
No. 2, Jalan PJU 1A/7, Ara Damansara
47301 Petaling Jaya, Selangor, Malaysia

Certification Unit:

Strategic Operating Unit (SOU 26) - Sandakan Bay Palm Oil Mill &
Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate,
and Tunku Estate

Location of Certification Unit:

KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District
90009 Sandakan, Sabah, Malaysia

Report prepared by:

VIJAY KANNA PAKIRISAMY (Lead Auditor)

Report Number: SMO 3293280

Assessment Conducted by:

BSI Services Malaysia,
(DSM Accreditation Number: MSPO 09112018 CB 12)
Suite 29.01 Level 29 The Gardens North Tower,
Mid Valley City Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia
Tel +60392129638 Fax +60392129639
www.bsigroup.com

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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 | |
| | Sandakan Bay POM: 508777804000 | 30/11/2021 | |
| | Segaliud Estate: 528339002000 | 31/03/2022 | |
| | Sentosa Estate: 530353002000 | 31/05/2022 | |
| | Tigowis Estate: 528342002000 | 31/03/2022 | |
| | Tun Tan Estate: 531250002000 | 31/07/2022 | |
| | Tunku Estate: 528340002000 | 31/03/2022 | |
| Address | <p><u>Head Office</u>: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia</p> <p><u>Certification Unit</u>: KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District, 90009 Sandakan, Sabah, Malaysia</p> | | |
| Certification Unit | Strategic Operating Unit (SOU 26) - Sandakan Bay Palm Oil Mill | | |
| Contact Person Name | Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) | | |
| Website | www.simedarbyplantation.com | E-mail | shylaja.vasudevan@simedarbyplantation.com kks.sandakan.bay@simedarbyplantation.com |
| Telephone | Head Quarters: 03-7848 4379 Sandakan Bay POM: 019-3807255 | Facsimile | 03-78484363 (Head Office) |

| 1.2 Certification Information | | | |
|---|---|-------------|------------|
| Certificate Number | Mill: MSPO 682050 Estate: MSPO 689878 | | |
| Issue Date | 09/02/2018 | Expiry date | 08/02/2023 |
| Scope of Certification | Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits | | |
| Standard | Mill: MS 2530-4:2013 Part 4: General principles for palm oil mills Estate: MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders | | |
| Stage 1 Date | N/A (The certification unit is RSPO certified) | | |
| Stage 2 / Initial Assessment Visit Date (IAV) | 04/12/2017 - 07/12/2017 | | |
| Continuous Assessment Visit Date (CAV) 1 | 08/01/2019 - 11/01/2019 | | |

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|--|----------------------------------|
| Continuous Assessment Visit Date (CAV) 2 | 04/08/2020 - 07/08/2020 |
| Continuous Assessment Visit Date (CAV) 3 | 26/07/2021 - 29/07/2021 (Remote) |
| Continuous Assessment Visit Date (CAV) 4 | - |

| Other Certifications | | | |
|----------------------|---|--------------------------|-------------|
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| MSPO 714122 | MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018 | BSI Services (M) Sdn Bhd | 05/11/2024 |
| RSPO 537872 | RSPO P&C 2018 (MYNI 2019); Palm Oil and Palm Kernel Production | BSI Services (M) Sdn Bhd | 30/09/2023 |

| 1.3 Location of Certification Unit | | | |
|---|--|----------------------------------|----------|
| Name of the Certification Unit (Palm Oil Mill/ Estate) | Site Address | GPS Reference of the Site Office | |
| | | Longitude | Latitude |
| Sandakan Bay POM | KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District, 90009 Sandakan, Sabah, Malaysia | 118.167504 | 5.640627 |
| Segaliud Estate | Jalan Sandakan - Lahad Datu, Batu 36, 90009 Sandakan, Sabah, Malaysia | 117.755655 | 5.726041 |
| Sentosa Estate | KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District, 90009 Sandakan, Sabah, Malaysia | 118.172459 | 5.606024 |
| Tigowis Estate | KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District, 90009 Sandakan, Sabah, Malaysia | 118.217447 | 5.749190 |
| Tun Tan Estate | KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District, 90009 Sandakan, Sabah, Malaysia | 118.179501 | 5.641333 |
| Tunku Estate | KM 34, Off Jalan Sukau Kinabatangan, Suanlamba District, 90009 Sandakan, Sabah, Malaysia | 118.180075 | 5.708586 |

| 1.4 Certified Area | | | | | |
|--------------------|---|-------------|-----------------------------------|--------------------|-----------------|
| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
| Segaliud Estate | 4,252.75 | 261.19 | 306.19 | 4,820.13 | 88.23 |
| Sentosa Estate | 3,208.73 | 74.64 | 262.17 | 3,545.54 | 90.50 |

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|----------------|-----------|--------|----------|-----------|-------|
| Tigowis Estate | 1,879.99 | 9.93 | 184.10 | 2,074.02 | 90.64 |
| Tun Tan Estate | 2,775.05 | 4.74 | 363.44 | 3,143.23 | 88.29 |
| Tunku Estate | 2,891.48 | 30.00 | 281.57 | 3,203.05 | 90.27 |
| Total | 15,008.00 | 380.50 | 1,397.47 | 16,785.97 | |

| 1.5 Plantings & Cycle | | | | | | | |
|----------------------------------|--------------------|---------------|----------------|----------------|----------------|---------------|-----------------|
| Estate | Age (Years) | | | | | Mature | Immature |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| Segaliud Estate | 973.20 | 1,878.39 | 979.51 | 421.65 | - | 3,279.55 | 973.20 |
| Sentosa Estate | 1,289.06 | 1,081.89 | 673.06 | - | 164.72 | 1,919.67 | 1,289.06 |
| Tigowis Estate | 558.23 | 1,166.71 | 155.05 | - | - | 1,321.76 | 558.23 |
| Tun Tan Estate | 469.17 | 1,689.45 | 102.39 | - | 514.04 | 2,305.88 | 469.17 |
| Tunku Estate | 1,028.95 | 1,163.11 | 165.17 | 4.00 | 530.25 | 1,862.53 | 1,028.95 |
| Total (ha) | 4,318.61 | 6,979.55 | 2,075.18 | 425.65 | 1,209.01 | 10,689.39 | 4,318.61 |

| 1.6 Certified Tonnage of FFB | | | |
|-------------------------------------|--|---|---|
| Estate | Tonnage / year | | |
| | Estimated (Nov 2020 - Oct 2021) | Actual (Aug 2020 - Jun 2021) | Forecast (Nov 2021 - Oct 2022) |
| Segaliud Estate | 63,446.38 | 53,960.15 | 64,527.80 |
| Sentosa Estate | 37,941.97 | 30,447.19 | 37,871.84 |
| Tigowis Estate | 24,050.35 | 22,126.40 | 25,111.76 |
| Tun Tan Estate | 39,188.57 | 35,765.23 | 41,493.77 |
| Tunku Estate | 32,512.09 | 32,339.76 | 33,527.80 |
| Maishang Holding Sdn. Bhd. | 7,694.39 | 8,246.79 | 30,000.00 |
| SG Harvest | 6,088.97 | 6,753.44 | |
| Maju Jaya Plantations Sdn. Bhd. | 3,505.13 | 3,726.21 | |
| Nicoraya Sdn. Bhd. | 2,207.52 | 2,540.36 | |
| Felcra Estate Pertama | 5,724.97 | 5,934.58 | |
| Harimaju Plantation Sdn. Bhd. | 1,364.70 | 1,080.64 | |
| Golden Forefront Sdn. Bhd. | 1,162.64 | 1,612.89 | |
| Agriculturists Incorporate | - | 665.68 | |
| Styleland Sdn. Bhd. | 492.61 | 3,424.55 | |
| Koperasi Sukau (Felcra Berhad) | - | 38.94 | |

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|--|-------------------|-------------------|-------------------|
| Novel Borneo Sdn. Bhd. | 1,576.39 | 1,600.20 | |
| Bacho Jansie | 568.66 | 527.04 | |
| Sekona Cocoa Sdn. Bhd. | - | 599.65 | |
| Amity Legion Sdn. Bhd. | - | 588.27 | |
| Liew Syn Nyn | - | 212.24 | |
| Agriculturists Incorporate Development Sdn. Bhd. | - | 11.90 | |
| Total | 227,525.34 | 212,202.11 | 232,532.97 |

1.7 Uncertified Tonnage of FFB

| Estate | Tonnage / year | | |
|---|------------------------------------|---------------------------------|-----------------------------------|
| | Estimated (Nov 2020 - Oct 2021) | Actual (Aug 2020 - Jun 2021) | Forecast (Nov 2021 - Oct 2022) |
| Sandakan Bay POM does not receive uncertified FFB | | | |

1.8 Certified Tonnage

| | Estimated (Nov 2020 - Oct 2021) | Actual (Aug 2020 - Jun 2021) | Forecast (Nov 2021 - Oct 2022) |
|------------------------------------|------------------------------------|---------------------------------|-----------------------------------|
| Mill Capacity: 60 MT/hr | FFB | FFB | FFB |
| | 227,525.34 | 212,202.11 | 232,532.97 |
| SCC Model: MB | CPO (OER: 22.11 %) | CPO (OER: 21.82 %) | CPO (OER: 21.80 %) |
| | 50,300.16 | 46,302.50 | 50,692.19 |
| | PK (KER: 4.92 %) | PK (KER: 4.63 %) | PK (KER: 5.00 %) |
| | 11,198.13 | 9,824.96 | 11,626.65 |

1.9 Actual Sold Volume (CPO) (August 2020 - June 2021)

| CPO (MT) | MSPO Certified | Other Schemes Certified | | Conventional | Total |
|-----------|----------------|-------------------------|------|--------------|------------|
| | | ISCC | RSPO | | |
| 46,302.50 | - | - | - | 45,932.920 | 45,932.920 |

1.10 Actual Sold Volume (PK) (August 2020 - June 2021)

| PK (MT) | MSPO Certified | Other Schemes Certified | | Conventional | Total |
|----------|----------------|-------------------------|----------|--------------|----------|
| | | ISCC | RSPO | | |
| 9,824.96 | - | - | 8,996.28 | - | 8,996.28 |

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 remote assessment was conducted from 26th July 2021 to 29th July 2021. The audit programme is included below. The approach to the audit was to treat the mill and estates as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

This remote audit has been conducted using Information and Communication Technologies including Microsoft Teams, WhatsApp and Google Drive. The planned audit objectives have been achieved, and there were no connectivity issues which adversely effected the audit.

The methodology for collection of objective evidence included remote/virtual 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 or 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 sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders' sample were determined following the MSPO Certification Requirement. The sampling of smallholders was based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

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

Structured worker interviews with male and female workers and staff were held in private via Microsoft Teams in the mill and the estates. Fieldworkers were interviewed informally in small groups via Microsoft Teams as well. Company officials were not present at any of the internal or external stakeholder online 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) |
| Sandakan Bay POM | ✓ | ✓ | ✓ | ✓ | ✓ |
| Segaliud Estate | ✓ | ✓ | | ✓ | ✓ |
| Sentosa Estate | ✓ | | ✓ | ✓ | |
| Tigowis Estate | | ✓ | | ✓ | |
| Tun Tan Estate | | ✓ | ✓ | | ✓ |
| Tunku Estate | ✓ | | ✓ | | ✓ |

Tentative Date of Next Visit: July 25, 2022 - July 28, 2022

Total No. of Mandays: 15 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> |
|-------------------------|--|---|
| Vijay Kanna Pakirisamy | Team Leader | He holds a bachelor’s degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10-year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO and MSP0. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSP0 Lead Auditor Course in November 2019. During this assessment, he assessed on the Environmental, Safety and Health aspects and estate best practises. He is fluent in Bahasa Malaysia and English languages. |
| Hafriazhar Mohd Mokhtar | Team Member | Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained |

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|--|--|---|
| | | <p>in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands and Gabon. During assessment, he covered the legal issues, social issues, worker’s welfare and supply chain requirements. He is fluent in Bahasa Malaysia and English languages.</p> |
|--|--|---|

2.2 Accompanying Persons

| No. | Name | Role |
|-----|-----------------------|-----------------|
| 1 | Mohd Nazib Hj. Marwan | Trainee Auditor |

2.3 Assessment Plan

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

| Date | Time | Subjects | (VKP) | (HMM) | (MNM) | IT Platform |
|---|-------------|--|-------|-------|-------|---|
| Monday, 19/07/2021 | 1000 - 1100 | Proposed preparatory/test call between client and BSI auditor via Microsoft Teams. Communication on document preparation for remote/ICT audit | ✓ | ✓ | ✓ | Microsoft Teams |
| Monday, 26/07/2021 Tigowis Estate | 0900 - 0930 | Opening Meeting <ul style="list-style-type: none"> • Presentation by BSI Lead Auditor - introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope | ✓ | ✓ | ✓ | Microsoft Teams |
| | 0930 - 1230 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1230 - 1330 | Lunch break | ✓ | ✓ | ✓ | - |
| | 1330 - 1630 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1630 - 1700 | Interim closing meeting | ✓ | ✓ | ✓ | Microsoft Teams |

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| Date | Time | Subjects | (VKP) | (HMM) | (MNM) | IT Platform |
|---|-------------|--|-------|-------|-------|---|
| Tuesday, 27/07/2021 Segaliud Estate | 0900 - 1230 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1230 - 1330 | Lunch break | ✓ | ✓ | ✓ | - |
| | 1330 - 1630 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1630 - 1700 | Interim closing meeting | ✓ | ✓ | ✓ | Microsoft Teams |
| Wednesday, 28/07/2021 Sentosa Estate | 0900 - 1230 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1230 - 1330 | Lunch break | ✓ | ✓ | ✓ | - |
| | 1330 - 1630 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1630 - 1700 | Interim closing meeting | ✓ | ✓ | ✓ | Microsoft Teams |

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| Date | Time | Subjects | (VKP) | (HMM) | (MNM) | IT Platform |
|--|-------------|--|-------|-------|-------|---|
| Thursday, 29/07/2021 Sandakan Bay POM | 0900 - 1230 | Document review (MS2530:2011 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1230 - 1330 | Lunch break | ✓ | ✓ | ✓ | - |
| | 1330 - 1600 | Document review (MS2530:2011 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, | ✓ | ✓ | ✓ | Microsoft Teams, WhatsApp, and Shared Drive |
| | 1600 - 1630 | Assessment team discussion and preparation | ✓ | ✓ | ✓ | - |
| | 1630 - 1700 | Closing Meeting | ✓ | ✓ | ✓ | Microsoft Teams |

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 Five (5) Minor Nonconformities and One (1) Opportunity for Improvement raised. The SOU 26 Sandakan Bay 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.

| Major/Minor Nonconformities: | | |
|----------------------------------|---|---|
| Ref: 2084744-202107-N1 | Area/Process: Tigowis Estate | Clause: MS 2530:2013 Part 3 4.1.3.1 (Minor) |
| | Issue Date: 29/07/2021 | Due Date: Next Surveillance Assessment |
| Requirements: | 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. | |
| Statement of Nonconformity: | There was no evidence that management review has been conducted by Tigowis Estate for the year 2021. | |
| Objective Evidence: | Meeting minutes of management review for 2021 was not available. Last management review was conducted in July 2020. | |
| Corrections: | Tigowis Estate management will immediately conduct a Management Review meeting using suitable online and offline platform such as Microsoft Teams, WhatsApp Group and Feedback form. Input from the online platform will be compiled into a minute meeting. | |
| Root cause analysis: | Tigowis Estate management have planned to do a physical management review meeting after Internal Audit was completed in Jun 2021. However, the meeting was postponed due to extension of movement control order which prohibits any physical meeting. Management have also failed to assess the feasibility of conducting the meeting through other online and offline platforms. | |

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| Corrective Actions: | Tigowis Estate will conduct a study and revise FY 2021 and FY 2022 ESH, RSPO and MSPO plan to identify all meetings including Management Review Meeting which can be conducted online and prepare a revised plan. The revised plan will be communicated with staff and workers involved. |
| Assessment Conclusion: | The CAP is accepted, and the implementation of the CAP will be verified during next assessment. |

Major/Minor Nonconformities:

| | | |
|----------------------------------|--|---|
| Ref: 2084744-202107-N2 | Area/Process: Tigowis Estate & Segaliud Estate | Clause: MS 2530:2013 Part 3 4.5.3.3 (Minor) |
| | Issue Date: 29/07/2021 | Due Date: Next Surveillance Assessment |
| Requirements: | 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. | |
| Statement of Nonconformity: | Inconsistencies in the implementation of the Waste Management Plan with regards to disposal of Scheduled Waste. | |
| Objective Evidence: | It was verified that Sentosa Estate has managed to dispose all the scheduled waste to the licensed Scheduled Waste (SW) Contractor on 17/07/2021. Segaliud and Tigowis Estate's SW, generated in January 2021 has not been disposed to the licensed SW manager and thus exceeded the 180 days permitted by DOE as of June 2021. Efforts have been taken by the estate to obtain approval from DOE for extending the period of storage for the SW, but the request has not been approved yet as of the audit date. Nevertheless, as the estate are contracting the same SW contractor as Sentosa Estate for disposal of SW, inconsistencies were evident as Sentosa Estate has ensured the disposal of SW in the estate while the Segaliud and Tigowis Estate have not disposed the SW nor obtained approval from DOE for storage period extension. | |
| Corrections: | Tigowis Estate and Segaliud Estate have contacted the scheduled waste transporter for immediate arrangement to collect scheduled waste at both premises. Estate will immediately notify to DOE once the scheduled waste is disposed. | |
| Root cause analysis: | The issue exists due to negligence of person in charge to monitor disposal of schedule waste at operating units. The person in charge lack of knowledge on procedure to inform DOE once storage exceeded 180 days. | |
| Corrective Actions: | SQM team will issue a reminder to all estates regarding storage and disposal of scheduled waste and conduct refresher training on scheduled waste to person in charge at operating units. | |
| Assessment Conclusion: | The CAP is accepted, and the implementation of the CAP will be verified during next assessment. | |

Major/Minor Nonconformities:

| | | |
|----------------------------------|---|---|
| Ref: 2084744-202107-N3 | Area/Process: Tigowis Estate & Segaliud Estate | Clause: MS 2530:2013 Part 3 4.4.4.2 (Minor) |
| | Issue Date: 29/07/2021 | Due Date: Next Surveillance Assessment |

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| Requirements: | The occupational safety and health plan shall cover the following: 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. |
| Statement of Nonconformity: | Inconsistencies in the implementation of the OSH Plan with regards to OSH Committee Meetings. |
| Objective Evidence: | Inconsistencies in the implementation of the OSH Plan was evident in the sampled estates. Sentosa Estate managed to conduct regular OSH Committee Meetings in accordance with the OSH Plan for 2020 and 2021 at fixed intervals. Tigowis Estate (Last conducted on 22/09/2020) and Segaliud Estate (Last conducted on 12/06/2020) have not conducted any OSH Committee Meeting or communicated with the employees on employees health and safety issues in the estate for the past 9 months and 12 months respectively. |
| Corrections: | SQM Department Sabah Region have issued an internal memo on conducting remote OSH Meeting in case physical meeting need to be postponed to all operating unit’s on 28 July 2021. Tigowis Estate and Segaliud Estate management will immediately conduct OSH Committee meeting to discuss health, safety and welfare matters, using suitable online and offline platform such as Microsoft Teams, WhatsApp Group and feedback forms. |
| Root cause analysis: | Tigowis Estate and Segaliud Estate management have planned to do a physical OSH Committee Meeting for FY 2021. However, the meeting was postponed due to extension of movement control order which prohibits any physical meeting. Management have also failed to assess the feasibility of conducting the meeting through other online and offline platforms. |
| Corrective Actions: | Tigowis Estate and Segaliud Estate will conduct a study and revise FY 2021 and FY 2022 ESH, RSPO and MSPO plan to identify all meetings including OSH Committee Meetings which can be conducted online and prepare a revised plan. The revised plan will be communicated with staff and workers involved. |
| Assessment Conclusion: | The CAP is accepted, and the implementation of the CAP will be verified during next assessment. |

| Major/Minor Nonconformities: | | |
|------------------------------|--|---|
| Ref: 2084744-202107-N4 | Area/Process: Sentosa Estate & Segaliud Estate | Clause: MS 2530:2013 Part 3 4.6.1.1 (Minor) |
| | Issue Date: 29/07/2021 | Due Date: Next Surveillance Assessment |
| Requirements: | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. | |
| Statement of Nonconformity: | SOP: Water Quality Management System was inadequately implemented. | |
| Objective Evidence: | Water Quality Management System Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; 5.5 Evaluation of Laboratory Test Results. | |

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| | <ul style="list-style-type: none"> - Upon receiving the complete results, the Head of Operating Unit shall check whether it exceeds, or no not meet the related requirement. If the results are off limit, an investigation shall be initiated to solve the issue. - Investigation shall be recorded in Corrective/Preventive Action Report for Non-Conforming Water Analysis Results. Refer Appendix H; Form Code WQ-01/CPAR (1) to (3). - Arrangement for a re-sampling and analysis of the parameter of concern shall be done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results. <p><u>Sentosa Estate</u> Based on the Water Analysis Test Report by Sime Darby Research Sdn. Bhd. (R&D Centre) issued 03/05/2021 (Test Report No.: IE463/2021) does not conform with Class IIA/IIB pf NWQS for Natural Waterways. A corrective/preventive action report for non-conforming water analysis results was generated on 06/05/2021 to identify the root course for the non-conforming results. Arrangement for a re-sampling and analysis of the parameter of concern was not done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results.</p> <p><u>Segaliud Estate</u> Based on the Water Analysis Test Report by Sime Darby Research Sdn. Bhd. (R&D Centre) issued 24/06/2021 (Test Report No.: IE591/2021) does not conform with Class IIA/IIB pf NWQS for Natural Waterways. A corrective/preventive action report for non-conforming water analysis results was generated on 30/06/2021 to identify the root course for the non-conforming results. Arrangement for a re-sampling and analysis of the parameter of concern was not done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results.</p> |
| Corrections: | Segaliud Estate and Sentosa Estate have contact Sime Darby Research Sdn. Bhd. (R&D Centre) and made arrangement to send a re-sample immediately. |
| Root cause analysis: | The issue exists due to negligence of person in charge to monitor result of water sampling at operating units. The person in charge lack of knowledge to conduct re-sampling when the result does not confirm to the allowed limit. |
| Corrective Actions: | SQM team will issue a reminder to all estates regarding water sampling Standard Operating Procedure and conduct refresher training on water sampling to person in charge at operating units. |
| Assessment Conclusion: | The CAP is accepted, and the implementation of the CAP will be verified during next assessment. |

| Major/Minor Nonconformities: | | |
|-------------------------------------|---|---|
| Ref: 2084744-202107-N5 | Area/Process: Sandakan Bay POM | Clause: MS 2530:2013 Part 4 4.1.3.1 (Minor) |
| | Issue Date: 29/07/2021 | Due Date: Next Surveillance Assessment |
| Requirements: | 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. | |

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| Statement of Nonconformity: | There was no evidence that management review has been conducted by Sandakan Bay POM for the year 2021 |
| Objective Evidence: | Meeting minutes of management review for 2021 was not available. Last management review was conducted on 15 July 2020. |
| Corrections: | Sandakan Bay POM management will immediately conduct a Management Review meeting using suitable online and offline platform such as Microsoft Teams, WhatsApp Groups and feedback forms. The outcome of meeting will be compiled into a meeting minute. |
| Root cause analysis: | Sandakan Bay POM management have planned to do a physical management review meeting after Internal Audit was completed in Jun 2021. However, the meeting was postponed due to extension of movement control order which prohibits any physical meeting. Management have also failed to assess the feasibility of conducting the meeting through online platforms. |
| Corrective Actions: | Sandakan Bay POM will conduct a study and revise FY 2021 and FY 2022 ESH, RSP and MSPO plan to identify all meetings which can be conducted online and prepare a revised plan. The revised plan will be communicated with staff and workers involved. |
| Assessment Conclusion: | The CAP is accepted, and the implementation of the CAP will be verified during next assessment. |

| Opportunity For Improvement | | |
|------------------------------------|--|--|
| Ref: 2084744-20210711 | Area/Process: Sandakan Bay POM | Clause: MS 2530:2013 Part 4 4.4.5.8 |
| Objective Evidence: | The punch card needs to be improved on its clocking of rest time among the mill workers to ensure working hours and breaks of the individual worker clearly demonstrates the compliance of clause 1.4 from overtime work permit (S/N: 600-1/2/13/79 (08/KBN/2020-0248)). | |

| Noteworthy Positive Comments | |
|-------------------------------------|--|
| 1 | Good commitment and corporation from the management. |
| 2 | Generally, well implementation of Good Agricultural Practices (GAP). |

3.3 Status of Nonconformities Previously Identified and OFI

| Major Nonconformities: | | |
|----------------------------------|---|--|
| Ref: 1938604-202008-M1 | Area/Process: Tunku Estate | Clause: MS 2530:2013 Part-3: 4.5.5.1 |
| | Issue Date: 07/08/2020 | Due Date: 05/11/2020 |
| Requirements: | 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: | |

| | |
|------------------------------|--|
| | 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. |
| Statement of Nonconformity: | Protection of Waterways was not adequately implemented. |
| Objective Evidence: | During the site visit at the Chemical Premix Area at Tunku Estate, it was sighted that the bunded Chemical Premix area has an outlet that leads to a Water Sump that then leads to the Monsoon Drain. Therefore, the excess of water and washing residues from the chemical premix area flow through the drain into the water sump and straight into the Monsoon Drain. Protection of waterways was not adequately maintained. Therefore, a major nonconformance was raised. |
| Corrections: | Estate management will desilt the sump regularly to allow maximum retention of water from residue and to close the outlet that lead to monsoon drain. Estate management will manually collect the residual water from existing sump until new sump is built. |
| Root cause analysis: | Faulty design of the water sump whereby there was no adequate mechanism to collect excess of water and washing residues from the chemical premix area. |
| Corrective Actions: | Estate management will consult relevant department (Engineering and SQM) to design and build a feasible sump that enables collection of residual water for recycling back to chemical pre-mix. |
| Assessment Conclusion: | <p>It was found that the correction and corrective action has been implemented effectively for the Major NC.</p> <ol style="list-style-type: none"> 1. Estate management have desilted the clogged sump and ensured to maintain the sump regularly. 2. Chemical Sump new design was verified, and it will avoid overflow of excess water and washing residues from the chemical premix area to flow through the drain into the water sump and straight into the Monsoon Drain. 3. Sighted the communication between the management and Regional Engineer on the proposed design of the new chemical sump at the premix area. <p>Based on the above evidence, the major NC is closed effectively on 22/10/2020. Continuous implementation will be further verified in the next assessment.</p> |
| Verification ASA3 Statement: | Virtual site tour around the estates premix area and chemical stores indicated that all chemical residues were contained and there was no evidence of channelling to any monsoon drains. Residues are reused for premix purposes. Therefore, the major nonconformity remains closed. |

| Minor Nonconformities: | | |
|-----------------------------|---|---|
| Ref: 1938604-202008-N1 | Area/Process: Sandakan Bay POM | Clause: MS 2530:2013 Part-4: 4.4.4.2 |
| | Issue Date: 07/08/2020 | Due Date: 29/07/2021 |
| Requirements: | The occupational safety and health plan should cover the following: b) The risk of all operations shall be assessed and documented | |
| Statement of Nonconformity: | The risk assessment was not completely implemented on timely manner. | |

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| Objective Evidence: | Audiometric Assessment was conducted by a registered practitioner for the mill workers that are exposed to noise level at or above the action level. For the audiometric test dated 25th November 2019, 89 workers were assessed where 79 workers were resulted to having normal hearing, 9 workers with Mild Hearing Impairment and 2 workers with Standard Threshold Shift. The 2 workers with Standard Threshold Shift were required to go for a retest 3 months from the date of the initial audiometric assessment. The workers were due to be retested on 25th February 2020, but the retest was delayed till 18th June 2020 taking into account the MCO 2020 (18th March 2020 – 9th June 2020). Nonetheless the retest could have been done earlier within the 3 months period or before the MCO, 18th March 2020. (35 days) |
| Corrections: | Mill Management have followed up with the consultant for re-test report and received on 10 August 2020. As per the recommendation in the report, the workers will be provided with hearing protection equipment and will be sent to re-test on 18/6/2021. |
| Root cause analysis: | Mill conducted Audiometric assessment on 25 November 2019 and received the assessment report on 12 February 2020 which is 79 days later from the assessment conducted day. Mill had made an arrangement to send 2 workers with Standard Threshold Shift (STS) to do Audiometric retest on 25 February 2020 after reviewing the assessment report. Unfortunately, the appointed consultant unable to carry out the retest within the remaining of 11 days (against first assessment date) and we're scheduled to attend Audiometric retest on 23 March 2020 which is exceeded 90 days. Government had announced of Movement Control Order (MCO) in conjunction of pandemic COVID-19 on 18 March 2020 until 9 June 2020. Appointed consultant ceased operation during the MCO period and rescheduled our audiometric retest. Mill only able to conduct the retest at appointed consultant on 18 June 2020 when Malaysian Government allowed all businesses to operate as usual with new norm culture. |
| Corrective Actions: | <ol style="list-style-type: none"> 1. Mill to detail up the scope of work in request proposal quotation to ensure mill receive the report within 45 days for our next immediate action. 2. Mill to improve follow up communication with an appointed consultant if there is any delay in producing audiometric assessment report to ensure that we are able to send any workers to retest within stipulated period of 90 days as mentioned in regulation. 3. Establish process checklist for Audiometric assessment for easy reference on following up matters. 4. Mill will identify other DOSH certified Audiometric Assessment consultant as an alternative in any event our appointed consultant unable to conduct retest within the stipulated period. This will ensure mill not exceeding the 90 days allowable limit to send for retest any workers with STS. |
| Verification ASA3 Statement: | Audiometric Test was conducted as per the NRA recommendation for the mill workers on 21/12/2021 by DAB OH Sdn Bhd. A total of 62 workers were examined where 54 workers had were diagnosed with Normal Audiogram and 8 workers were diagnosed with abnormal audiogram. There were no requirements to conduct any retest as per the report. Therefore, the minor non-conformity is closed on 29/07/2021. |

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| Opportunity For Improvement | | |
|------------------------------------|--|--|
| Ref: 1938604-202008-I1 | Area/Process: Estates/Plantation | Clause: MS 2530:2013 Part-3: 4.4.5.11 |
| Objective Evidence: | The quantifying method of water supply to workers housing can be further improved in order to have convincing evidence that the management is meeting the employment contract terms and conditions, Clause 6.3, which reads "You will enjoy free water up to 35 gallons per employee per day....." | |
| Verification ASA3 Statement | All workers are provided with free housing facilities that included basic amenities such as clean water (25 gallons/month) were provided to the workers which is in accordance with the employment contract terms and conditions. Clean water was supplied from estates' own treatment system. Verification were done against the payslips and found to be in compliance with the employment contract terms and conditions. | |

3.4 Summary of the Nonconformities and Status

| CAR Ref. | CLASS | ISSUED | STATUS |
|-------------------|-------|------------|----------------------|
| 1563646-201712-M1 | Major | 07/12/2017 | Closed |
| 1563646-201712-N1 | Minor | 07/12/2017 | Closed |
| 1563646-201712-N2 | Minor | 07/12/2017 | Closed |
| 1728218-201901-M1 | Major | 11/01/2019 | Closed on 10/03/2019 |
| 1728218-201901-N1 | Minor | 11/01/2019 | Closed on 07/08/2020 |
| 1938604-202008-M1 | Major | 07/08/2020 | Closed on 22/10/2020 |
| 1938604-202008-N1 | Minor | 07/08/2020 | Closed on 29/07/2021 |
| 2084744-202107-N1 | Minor | 29/07/2021 | "Open" |
| 2084744-202107-N2 | Minor | 29/07/2021 | "Open" |
| 2084744-202107-N3 | Minor | 29/07/2021 | "Open" |
| 2084744-202107-N4 | Minor | 29/07/2021 | "Open" |
| 2084744-202107-N5 | Minor | 29/07/2021 | "Open" |

3.5 Issues Raised by Stakeholders

| IS # | Description |
|----------|--|
| 1 | <p>Feedbacks: Local workers representatives – no issue among local workers except some been stress for not able to go out due to MCO. However, management took good care to fulfil workers needs especially those been quarantined at home.</p> <p>Management Responses: -</p> <p>Audit Team Findings: Management complied well with MCO requirements to enforce strict compliance.</p> |
| 2 | <p>Feedbacks: Foreign workers representatives – no issue among foreign workers except some been stress for not able to go out due to MCO. However management took good care to fulfil workers needs especially</p> |

| | |
|----------|--|
| | those been quarantined at home. Some FW already due to COM (Check-out memo) not able to go back hometown due to this too. However, management arrange to continue work permit. |
| | Management Responses: - |
| | Audit Team Findings: Management complied well with MCO requirements to enforce strict compliance. |
| 3 | Feedbacks: Gender committee representatives – no issue of sexual harassment and/or violence occurred since working in estate. Women employees understand their rights and provided with proper entitlement of maternity leave as per regulations. |
| | Management Responses: - |
| | Audit Team Findings: No further issue. |
| 4 | Feedbacks: Neighbour – good relationship with estate management. Management allow to use estate access and contributes a lot including clean water during draught season. |
| | Management Responses: - |
| | Audit Team Findings: No further issue. |

Section 4: Assessment Conclusion and Recommendation

| Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings | |
|--|--|
| Based on the findings during the assessment Sime Darby Plantation Berhad, SOU26 – Sandakan Bay Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sime Darby Plantation Berhad, SOU26 – Sandakan Bay Certification Unit is approved and/or continued. | |
| Acknowledgement of Assessment Findings | Report Prepared by |
| Name: SYED AKHMAL BIN SYED ISA | Name: VIJAY KANNA PAKIRISAMY |
| Company name: SIME DARBY PLANTATION (SABAH) SDN. BHD. | Company name: BSI SERVICES (M) SDN BHD |
| Title: SENIOR MANAGER | Title: CLIENT MANAGER |
| Signature: SIME DARBY PLANTATION (SABAH) SDN BHD (Company No. 29959-V) SEGALIID ESTATE  SENIOR MANAGER Date: 21-08-2021 | Signature:  Date: 17 th August 2021 |

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organised 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 established its policy on the implementation of MSPO in the "Group Sustainability & Quality Policy Statement" as addressed in Indicator 4.1.1.2. The policy was available for verification. | Yes |
| 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 approved by the Group Managing Director on 2/12/2019. The policy was including 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. | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| Criterion 4.1.2 – Internal Audit | | | |
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance - | The SQM Sabah region have conducted Internal Audits for the estates audited based on the Internal Audit Procedures stated in the Sime Darby Plantation; Plantation Sustainability and Quality Management (PSQM); Internal Audit Procedure (SD/SDP/PSQM/IAP; Rev 2 dated 01.11.2017). The internal audit is conducted annually and when required as stated in the procedure. | Yes |
| 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 - | For Tigowis Estate, latest Internal Audit was conducted on 17 th June 2021 and 08 th July 2021 by the SQM Sabah Region for MSPO & RSPO. During the audit the SQM team raised 2 Opportunity for Improvements (OFI). For Segaliud Estate, latest Internal Audit was conducted on 18 th June 2021 and 06 th July 2021 by the SQM Sabah Region for MSPO & RSPO. During the audit the SQM team raised 2 major, 1 minor and 1 Opportunity for Improvements (OFI). All OFI were adequately addressed and closed. Sighted the internal audit report and the evidence of OFI closure. The management have identified root cause of the OFI raised and the corrective action plan. For Sentosa Estate, latest Internal Audit was conducted on 14 th June 2021 and 5 th July 2021 by the SQM Sabah Region for MSPO and RSPO. During The audit the SQM team raised 1 minor and 1 Opportunities for Improvement. All the OFI were addressed by the management with the Root Cause, Corrective Action Plan and Correction stated in the report. | Yes |

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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 are made available to the management for their review. Sighted the Internal Audit Report for all the estates for verification. | Yes |
| 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>The procedure for Management Reviews (SOM, Sub-Section 5.6, Version 2:2015 dated 25.05.2015) was established and maintained. The frequency for management review needs to be carried out at least once a year.</p> <p>All the agenda such as review on operational input and output, sustainability management, Objectives/ Management program, Resource evaluation, needs and plan, results from internal audits and customers/ stakeholder’s feedback/complaints were discussed accordingly.</p> <p><u>Tigowis Estate</u> The estate has not conducted Management Review since last assessment. Last management review conducted on 10.07.2020. Therefore, a minor non-conformity was raised.</p> <p><u>Segaliud Estate</u> The estate conducted the Management Review on 14/07/2021 chaired by the Manager and attended by 18 personnel. Meeting minutes is available and retained.</p> <p><u>Sentosa Estate</u> The estate conducted the Management Review on 09/07/2021 chaired by the Manager and attended by 14 personnel. Meeting minutes is available and retained.</p> | Minor Nonconformity |

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| 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 for verification. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action. | Yes |
| 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 - | Where new technology or systems are introduced, awareness briefings are provided to the employees at all levels prior to the implementation. This is evidenced via the Regional & SOU meetings and the training plan for Financial Year. The training identified including operations, understanding of MSPO/RSP0 requirements, human rights, company policies, health and safety, HIRARC, etc. The FY 2021 OPEX budget has included training budget and operations improvement including environmental improvement, worker welfare, OHS etc. Interview with workers confirmed trainings are provided by the management on regular basis. | Yes |
| 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 - | The action plan to provide the necessary resources was available in the Kaizen Project Charter. Kaizen Project Charter are the projects that are approved by the top management by providing special budgets to address the needs for continuous improvement in the estate that have been planned out by the management. | Yes |
| 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, | The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance - | Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders. E.g. Sighted request to extend pass gate to sell groceries at the Tigowis estate linesite (e.g. from Haba Bin Made dated 15/03/2021) and request to repair road condition from Sg Harvest dated 30/02/2021. | |
| 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 group website is accessible for the public for disseminating of 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 | Yes |
| 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 was established including documented 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 | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | | 01/11/2008 and documented process for handling communication regarding social issues was established. External communication logbook is available (e.g. dated 20/01/2021 from Tanah Adat, Ladang Segaliud to take out FFB on 21 & 22 Jan 2021) was sighted. | |
| 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 Managers are responsible to deal with the external communication for the respective estates under their management. (e.g. for Segaliud Estate – Mr. Mohd Shahrul Nazmie B. Sawal (Asst Manager) was appointed as communication officer as per appointment letter dated 03/06/2021 signed by Estate Manager and Sentosa Estate – Mr Rosnizam Rosli (Asst manager) was appointed as social/communication officer as per appointment letter signed by Estate Manager. | Yes |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance - | List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. List of stakeholders were updated as follows: a) Tigowis Estate – reviewed and updated on 05/01/2021. b) Segaliud Estate – reviewed and updated on 10/06/2021. c) Sentosa Estate – reviewed and updated on 01/06/2021. The external stakeholder consultation is conducted from time to time. The last stakeholder meeting for Tigowis Estate was conducted on 05/01/2021, with issues raised such as from Ridzuan B Amil to use estate road without any payment, Sg. Payau Estate (independent outgrower) request to do road maintenance on main road heading to | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---------------------------------------|--|---|------------|
| | | <p>Sg. Payau and etc. Records of action taken was adequately maintained.</p> <p>For Sentosa Estate – stakeholder consultation conducted via form send (e.g. Sabah Pharmacy) and request to access estate road from Amity Legion Sdn. Bhd. dated 14/06/2021). Stakeholder meeting postponement letter dated 22/06/2021 was send due to pandemic Covid-19 outbreak.</p> <p>Minutes of meeting were available for verification. The objective of the meeting to discuss the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety.</p> | |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | <p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p> | <p>Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability (Appendix 15, Version 2, Issue 5, dated April 2019) was established and maintained.</p> <p>All the three estates audited send their FFB to Sandakan Bay POM. The weighbridge ticket was verified and retained at each estates. The responsible personal for the traceability is the Estate Manager.</p> | Yes |
| 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 method of inspection is by conducting MSPO internal audit at each estate audited as per Indicator 4.1.2.2. Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.</p> | Yes |
| 4.2.3.3 | <p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p> | <p>The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the estate managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].</p> <p>For Segaliud Estate – Mr. Mohd Shahrul Nazmie B. Sawal (Asst Manager) was appointed as communication officer as per appointment</p> | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| | | letter dated 03/06/2021 signed by Estate Manager and for Sentosa Estate – Mr Rosnizam Rosli (Asst Manager) was appointed as MSPO/RSP0 representative, Scheduled Waste Coordinator, OSH Coordinator, Social Officer and ERP. | |
| 4.2.3.4 | Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance - | The delivery records of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents. Verification of FFB Consignment Note, Weighbridge Tickets, Crop Book and FFB dispatch in SAP and Check-roll System (CRS) system showed that the recording of FFB delivered to the mill is accurate. (e.g. for Tigowis Estate, FFB Despatch Detail Report (e.g. 02/01/2021 – 31/01/2021) is available. FFB Consignment Note (C/N: 018942, dated 01/11/2020, Ticket No: 226327, Seal No: 018455, Lorry No: ST2864D, Nett Weight: 9090kg, | Yes |
| 4.3 Principle 3: Compliance to legal requirements | | | |
| Criterion 4.3.1 – Regulatory requirements | | | |
| 4.3.1.1 | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance - | Sime Darby have established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU26. 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 Sime Darby Plantation, ESH Management System Manual, ESH Legal | Yes |

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| | <p>& Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision:0. Date: 01.07.2012.</p> <p>Among the license and Permits sampled were:</p> <p><u>Tigowis Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 528342002000; License Activity: Sale and Transfer of FFB; Area of Estate: 2074.06 Ha 2. License to Employ Non-Residential Workers; License Number: JTK.H.KBN.600-4/1/1/01261/0421; License Validity Period: 26/07/2021 -25/07/2022. 3. Permit for Deduction from Workers Salary; Serial Number: 600-1/2/13/11 (11/KBN/2020-0209); License Validity Period: 20/07/2020 – 19/07/2022. 4. Air Receiver Permit; Registration Number: SB PMT 998; License validity till 16/11/2021. 5. Permit Barang Kawalan Berjadual; P Series Number: S002398; Reference Number: PPDNKK.SDK.07/2011 (SK); Description: Diesel Euro 2M (Industry); Storage Capacity: 20,000 Liters. <p><u>Segaliud Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 528339002000; License Activity: Sale and Transfer of FFB; Area of Estate: 4820.22 Ha. License Validity Period: 01/04/2021 – 31/03/2022 2. MPOB License: License Number: 594958011000; License Activity: Production, Sale & Transfer and Storage of Oil Palm Seedlings; License Validity Period: 01/03/2021 – 28/02/2022. 3. Permit Barang Kawalan Berjadual; P Series Number: S 003384; Reference Number: KPDNHEP.SDK02//2007(SK); Description: | |

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| | <p>Diesel; Storage Capacity: 54,000 Liters; Permit Validity Period: 19/12/2020 – 18/12/2023.</p> <p>4. Energy Commission: License for Private Installation; Serial Number: 50066; License Number: 2021/01165; License validity period: 18/06/2021 – 17/06/2022.</p> <p>5. Permit for Deduction from Workers Salary; Serial Number: JTKSBH/PMT/113/2021/0080; License Validity Period: 12/03/2021 – 11/03/2023.</p> <p><u>Sentosa Estate</u></p> <p>1. MPOB License: License Number: 530353002000; License Activity: Sale and Transfer of FFB; Area of Estate: 3545.54 Ha; License Validity Period: 01/06/2021 – 31/05/2022</p> <p>2. Permit for Deduction from Worker’s Salary; Serial Number: 60-1/2/13/125(11/KBN/2020-0215); Permit Validity Period: 20/07/2020 – 19/07/2022.</p> <p>3. License to Employ Non-Residential Workers; License Number: JTK.H.KBN.600-4/1/1/01261/0097; License Validity Period: 20/08/2021 – 19/08/2022.</p> <p>4. Energy Commission: Private Installation License; Serial Number: 49458; License Number: 2021/00979; License validity period: 27/05/2021 – 26/05/2022.</p> <p>5. Permit Barangan Kawalan Berjadual; Reference number: PPDNKK.SDK.14/2007 (SK); Description: Diesel Euro 2M (Industry); Storage Capacity: 18,000 Liters; License Validity Period: 18/12/2021 – 17/12/2023.</p> | |

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| 4.3.1.2 | <p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>Documented Procedures have 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>All legal requirements were documented in Legal and Other Requirement Register available at the estates. The register is reviewed regularly and updated as and when there are new or amended legal requirements that are applicable to the estate operations. The latest review is as below.</p> <p>Tigowis Estate: 03/06/2021 Segaliud Estate: 16/06/2021 Sentosa Estate: 01/06/2021</p> | Yes |
| 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>Documented procedures have 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>All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the estates undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities</p> | Yes |

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| | | (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988. | |
| 4.3.1.4 | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance - | 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 verification indicates that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented. <u>Tigowis Estate</u> The management has appointed the Asst. Manager, Mr. Mohd Fahrul Arif Bin Sa'ari as the official officer responsible for legal compliance in the estate as stated in the appointment letter dated 06/01/2021. <u>Segaliud Estate</u> The management has appointed Mr. Mohd Shahrul Nazmie Bin Sawal as the Official Officer responsible for LORR as stated in the appointment letter dated 03/06/2021 undersigned by the Senior Manager, Segaliud Estate. <u>Sentosa Estate</u> The management has appointed Mr. Rosnizam Rosli, the Asst. Manager as the Official Officer responsible for LORR in the estate as stated in the appointment letter dated 07/01/2021. | Yes |
| 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. | No issues of land dispute issue occur in audited estates within SOU 26 that involved other land user rights. Consultation with relevant | Yes |

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| | - Major compliance - | stakeholders conducted remotely confirmed the situation since the last audit. | |
| 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 - | Management of all estates visited on-site provided the company's legal ownership of the estate land. Copies of land titles available as per sample sighted as following: <u>Segaliud Estate</u> - Total 6 land titles as per sample: – Title # L10947; District: Sandakan; Area: 4,016.9881 ha – Title # CL095310357; District: Sandakan; Area: 199.1906 ha <u>Tigowis Estate</u> - Total 2 land titles as per sighted: – Title # CL075327427; District: Sandakan; Area: 1,364.357 ha – Title # CL075322833; District: Sandakan; Area: 1,986.197 ha <u>Sentosa Estate</u> - Total 8 land titles as per sample: – Title # CL075112702; District: Sandakan; Area: 48.01 ha – Title # CL075109545; District: Sandakan; Area: 2,302.36 ha | Yes |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | Legal markers available both at the boundary within field as estates per boundary maps as per sample sighted as following: – Segaliud Estate: Boundary stone # 141.926; Field # P04C – Tigowis Estate: Boundary stone # 94S.009I Field # 94G2 – Sentosa Estate: Boundary stone # LDS.088; Field # P19A | Yes |
| 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). | No issues of land dispute issue occur in audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |

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| - 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 - | No issues of land dispute issue occur in audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance - | No issues of land dispute issue occur in audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance - | No issues of land dispute issue occur in audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 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 – | The last Social Impact Assessment was conducted on 7 th -11 th May 2013 by the Social & Environment Projects Unit, PSQM Department of Sime Darby Plantation as per SIA Report SOU 26 Sandakan Bay consists of Sandakan Bay POM, Tigowis Estate, Tunku Estate, Sentosa Estate, Tun Tan Estate and Segaliud Estate. Each operating unit established their individual Management Plan on Social Impact Assessment as per sample sighted as following: | Yes |

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|---|---|---|--|----------|------------|
| | | Areas of concerns | Action plan | Status | |
| | | Segaliud Estate: - Complaint by workers on house condition | - Assignment of permanent carpenter for housing repair | On-going | |
| | | Tigowis Estate: - External smallholders request to use estate access | - Provide security personnel to monitor during use | Resolved | |
| | | Sentosa Estate: - Bad road conditions in field | - Regular road maintenance program | On-going | |
| 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 - | All sampled estate within SOU 26 established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal & External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. | | | Yes |
| 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 - | Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. | | | Yes |

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| 4.4.2.3 | <p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p> | <p>All sampled estate within SOU 26 established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal & External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. Sighted sample latest complaints received as following:</p> <ul style="list-style-type: none"> - Segaliud Estate: Housing repair complain by workers dated 12/7/2021; Resolved date: 17/7/2021 - Tigowis Estate: Housing repair complain by workers dated 15/3/2021; Resolved date: 15/3/2021 - Sentosa Estate: Request to use estate access by external smallholder dated 11/6/2021; Resolved date: 11/6/2021 | Yes |
| 4.4.2.4 | <p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p> | <p>All estates management within SOU 26 communicates regularly during morning muster briefing to all employees on awareness of complaints and suggestions can be made through procedures available. Communication too were done with surrounding communities and external stakeholders during consultation meeting as per sample minutes of meeting sighted as following:</p> <ul style="list-style-type: none"> - Sentosa Estate External Stakeholder Meeting dated 18/6/2020 - Tigowis Estate External Stakeholder Meeting dated 13/8/2020 <p>External stakeholder meeting for 2021 was not conducted due to the MCO enforcement.</p> | Yes |

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| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance - | The complaints and resolutions records available for period more than 24 months dated back since 2008. | Yes |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | Growers should contribute to local development in consultation with the local communities. - Minor compliance - | Contributions made by estates based in consultation with stakeholders among local communities as per sample sighted as following: <ul style="list-style-type: none"> - Contribution of food basket to Covid-19 quarantined family dated 14/6/2021 by Segaliud Estate - Repair of road to neighbour access (SG Harvest Sdn Bhd) dated 30/1/2021 by Tigowis Estate - Contribution of treated water to neighbour estate (Sepinong Estate) dated 21/4/2021 by Tigowis Estate - Blood donation to Kinabatangan Hospital program dated December 2020 by Sentosa Estate - Polio vaccination program at Klinik Suan Lamba dated December 2020 by Sentosa Estate | Yes |
| Criterion 4.4.4: Employees safety and health | | | |
| 4.4.4.1 | An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance - | Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates. The GSM team is also committed in establishing various working | Yes |

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| | | standards through procedures or pictorial method to improve safe working condition. The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH Risk Management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring. | |
| 4.4.4.2 | <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). 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>The occupational safety and health plan cover the following:</p> <ul style="list-style-type: none"> a) Sime Darby Plantation have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. The policy has been communicated to the staffs and workers through induction training for new workers, morning briefing and displayed at various notice boards within the estate. The policy has been briefed to all workers on: <ul style="list-style-type: none"> – Tigowis Estate: 12/09/2020 – Segaliud Estate: 16/06/2021 – Sentosa Estate: 15/07/2021 b) Sime Darby have established Standard Operating Procedure for Risk Assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a. Estates sampled have conducted risk assessments for all the operations and documented in the Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. Among the activities verified in the HIRARC included Loading FFB, P&D Circle Application, Harvesting (Carriers), Gardening, etc. | <p>Minor Nonconformity</p> |

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| <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>HIRARC is reviewed on annually and as and when there are any accidents that occur in the estate. Verified the latest review of HIRARC for the estates as below.</p> <ul style="list-style-type: none"> - Tigowis Estate: 06/03/2020 - Segaliud Estate: 03/06/2021 - Sentosa Estate: 15/03/2021 <p>Chemical Health Risk Assessment was conducted in compliance to the OSHA Act 1994 and the Use and Standard of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000 to assess the risks associated to hazardous chemicals used in the estate. The CHRA reports were available in the sampled estates as below:</p> <ul style="list-style-type: none"> - Tigowis Estate: The Chemical Health Risk Assessment Report (Ref. Number: JKPP KIM127/453/6(30) – 2017/004) conducted by Mohd Amin Bin Adrah (DOSH Registration: JKPP KIM127/453/6(30)) on 02/07/2017. - Segaliud Estate: The Chemical health Risk Assessment Report (Ref. Number: JKPP HIE 127/171-2(364)-2017/007) conducted by CHRA Assessor MR Anthony Astral Chan on 21/07/2017 was available for verification. - Sentosa Estate: The Chemical Health Risk Assessment Report (Ref. No: JKPP KIM127/4SJ6 (30) – 2017/004) conducted by CHRA Assessor Mohd Amin Bin Adrah (DOSH Registration: JKPP KIM127/453/6(30)) on 19/06/2017 <p>Medical Surveillance was conducted for workers exposed to</p> | |

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| | <p>chemicals and welding fumes in the estate as recommended in the CHRA. The medical surveillance was conducted to monitor the level of exposure on the workers towards the chemicals and fumes.</p> <ul style="list-style-type: none"> - Tigowis Estate Medical Surveillance was conducted by Mabello Group of Clinics for 28 estate workers who have been exposed to chemicals and fumes. Results indicated that all workers were fit to work with no major underlying conditions. - Segaliud Estate Medical Surveillance was conducted on 31/12/2020 by Mabello Group of Clinics for 67 employees and were certified fit to work based on the results obtained. - Sentosa Estate Medical Surveillance was conducted on 02/01/2021 by Mabello Group of Clinics for 39 employees deemed to be exposed to hazardous chemicals and fumes in the estate. The results indicated that all workers were fit to work. <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019 in the estates. The NRA Reports were available in the sampled estates as below.</p> <p>NRA Assessment was conducted by Mabello Group of Clinics (DOSH Registration: HQ/18/PEB/00/00028) for all sampled estates.</p> <p>Tigowis Estate – Assessment conducted on 06/07/2020. The</p> | |

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| | <p>assessment report (Ref. No: HQ/18/PEB/00/00028-2020/046) was available for verification.</p> <p>Segaliud Estate – Assessment conducted on 07/07/2020. The assessment report (Ref. No. HQ/18/PEB/00/00028 – 2020/050) was available for verification.</p> <ul style="list-style-type: none"> – Sentosa Estate – Assessment conducted on 07/07/2020. The assessment report (Ref. No.: HQ/18/PEB/00/00028 – 2020/049) was available for verification. <p>Audiometric Test was conducted in the estates as per the recommendation in the Noise Risk Assessment as below.</p> <ul style="list-style-type: none"> – Tigowis Estate Audiometric Estate was conducted for 14 workers identified to be exposed to excessive noise in the estate. The workers identified were bin attendant, genset attendant, tractor drivers, water plant operators, workshop attendants and workshop helpers. The audiometric test was conducted on 17/07/2021. The results have yet to be received by the estate. – Segaliud Estate Audiometric Estate was conducted for 31 workers identified to be exposed to excessive noise in the estate. The audiometric test was conducted on 17/07/2021. The results have yet to be received by the estate. – Sentosa Estate Audiometric Test was conducted for 18 workers identified be exposed to excessive noise in the estate. The audiometric test | |

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| | <p>was conducted on 17/07/2021 and the results are pending from the assessor.</p> <p>c) Estates sampled have established a training program for employees exposed to chemicals used at the palm oil estates to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager, and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows</p> <p><u>Tigowis Estate:</u></p> <ul style="list-style-type: none"> • Circle Spraying Training – 21/05/2021, 20/05/2021 • P&D Spraying Training – 19/05/2021 • Immature Spraying Training – 13/03/2021 <p><u>Segaliud Estate</u></p> <ul style="list-style-type: none"> • Spraying and PPE Training – 30/06/2021 • Refresher Training – P&D Sprayer – 13/06/2021 • Chemical Premixer Training – 28/05/2021 <p><u>Sentosa Estate:</u></p> <ul style="list-style-type: none"> • P&D Spraying Training – 20/01/2021 • Circle Spraying Training – 22/01/2021 <p>d) The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per</p> | |

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| | <p>HIRARC and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17.03.2008.</p> <p>Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>e) Standard Operating Procedures for Handling of Chemicals were available in several documents such as:</p> <ul style="list-style-type: none"> - Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26.02.2015. <p>f) <u>Tigowis Estate</u></p> <p>The Senior Manager, Mr. Tahir Bin Ismail was appointed to be the Chairman of OSH Committee at the estate. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Senior Manager.</p> <p><u>Segaliud Estate</u></p> <p>The Estate Manager, Mr. Syed Akhmal Bin Syed Isa was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 03/06/2021 undersigned by the Regional General Manager, Sabah Region. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and</p> | |

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| | | <p>representatives from Employee as per appointment letter by the Estate Manager.</p> <p><u>Sentosa Estate</u></p> <p>The Asst. Manager, Mr. Rosnizam Rosli has been appointed as the OSH Committee Coordinator as stated in the appointment letter dated 07/01/2021 undersigned by the estate manager. The estate management has also appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees' safety, health and welfare such as operational risks and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the OSH Meeting Minutes dated as follows:</p> <ul style="list-style-type: none"> - Tigowis Estate: 22/06/2020 (2nd – 2020), 22/09/2020 (3rd – 2020). - Segaliud Estate: 12/06/2020. (2nd – 2020) - Sentosa Estate: 23/12/2020. (4th – 2020), 16/03/2021 (1st – 2021) <p>Inconsistences in the implementation of the OSH Plan was evident in the sampled estates. Sentosa Estate managed to conduct regular OSH Committee Meetings in accordance with the OSH Plan for 2020 and 2021 at fixed intervals. Tigowis Estate (Last conducted on 22/09/2020) and Segaliud Estate (Last conducted</p> | |

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| | <p>on 12/06/2020) have not conducted any OSH Committee Meeting or communicated with the employees on employees health and safety issues in the estate for the past 9 months and 12 months respectively. Therefore, a minor non-conformity was raised.</p> <p>h) Accident and Emergency procedures were available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01.07.2012.</p> <p>The estates have established Emergency Response Team lead by the Estate Managers. The ERT chart and Fire Extinguisher Map was also available and verified.</p> <p>Emergency Response Training was conducted as below:</p> <p><u>Tigowis Estate</u></p> <ul style="list-style-type: none"> • Fire Drill Training – 08/11/2019 • Emergency Response Plan Training – 21/06/2021 <p><u>Segaliud Estate</u></p> <ul style="list-style-type: none"> • Fire Drill Training – 08/11/2019 • Fire Fighting Training – 05/07/2021 <p><u>Sentosa Estate</u></p> <ul style="list-style-type: none"> • Emergency Response Plan Training – 15/07/2021 <p>i) First aiders were assigned to various workstation at the estates. The mandores and staffs were responsible for first aid boxes at each workstation assigned to them by the management. The first aid box was recently replenished with all stated items available in</p> | |

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| | <p>the box. First Aid trainings were conducted regularly at the sampled estates and documents of trainings were verified as below.</p> <p>Tigowis Estate: 14/04/2021 (16 Attendees) Segaliud Estate: 22/02/2021 (10 Attendees) Sentosa Estate: 22/07/2020 (9 Attendees)</p> <p>j) The estates sampled recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update form via online through GSQM ESH Portal. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p><u>Tigowis Estate:</u> There were 1 accident case for the year 2020 reported in the estate. The JKKP 8 form has been submitted to DOSH for the year ending 2020 and documents available for verification. There were no accidents reported for the year 2021 as of to date.</p> <p><u>Segaliud Estate</u> There were no accident cases reported for the year 2020 in the estate. The JKKP 8 Form has been submitted to DOSH on 20/01/2021 and available for verification. There were no accidents reported for the year 2021 as of to date.</p> <p><u>Sentosa Estate</u> There were 3 accident cases reported for the year 2020 with a total of 22 lost mandays. The JKKP 8 form has been submitted to DOSH on 08/01/2021 and available for verification. For the year 2021, the was 1 accident reported in the estate. The accident</p> | |

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| | | investigation report and HIRARC review was available for verification. | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | 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. - Major compliance - | The good social practices regarding human rights in respect of industrial harmony has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Latest policy re-briefing was conducted on 15/7/2021 at Sentosa Estate to all employees by the estate management. Segaliud Estate management latest conducted all policies re-briefing to its employees on 10/4/2021 during the "Suara Kami" programs. Tigowis Estate management latest conducted the briefing to its employees on 19/6/2021. | Yes |
| 4.4.5.2 | 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. - Major compliance - | Records of employments and interview conducted remotely with sampled internal and external stakeholders confirmed that the workers and groups including local communities, women, and migrant workers have not been discriminated against. | Yes |
| 4.4.5.3 | 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. - Major compliance - | Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 below, management has ensured that employees' pay and conditions meet Sabah Labour Ordinance 1950 and Minimum Wages Order 2020 requirements. | Yes |

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| 4.4.5.4 | <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p> | <p>All contractors are required to comply with Sime Darby Plantations requirements including relevant legal and standard requirements through signing of Vendor Integrity Pledge (VIP). Contractors employees pay were monitored by estates management through copy of pay documents kept as per sample sighted as following:</p> <ul style="list-style-type: none"> - LKC Transport contract workers by Segaliud Estate - Kian Da Enterprise contract workers by Tigowis Estate - Ooi Trading contract workers by Sentosa Estate | Yes |
| 4.4.5.5 | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The established records of Employee Masterlist which available as a database in computerized Checkroll System able to provide accurate account of all employees including their particulars of full names, gender, date of birth, date joined company, wages grade and position etc.</p> | Yes |
| 4.4.5.6 | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> | <p>Copies of fair contracts that have been signed by both employee and employer were provided to each employee as per records in Tigowis Estate as per sample as following:</p> <ul style="list-style-type: none"> - Abdulhan Mae Injang; Employee ID # 0000150281; Oil Palm Harvesters - Azriman Osman Darus; Employee ID # 0000123414; Piece Rated Workers (Field Agrmnt) - Basir; Employee ID # 0000153947; Oil Palm Harvesters - Fredy Bin Joseph; Employee ID # 0000098956; Piece Rated Workers (Field Agrmnt) - Isma Binti Ismail; Employee ID # 0000148047; Daily Rated or General Workers | Yes |

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| | <ul style="list-style-type: none"> - Saleha Binti Mude; Employee ID # 0000 148048; Creche Ayah - Angelina Musa Buca; Employee ID # 0000086286; Piece Rated Workers (Field Agrmnt) - Kartina Elly; Employee ID # 0000086291; Bunch Counter <p>Segaliud Estate as per sample as following:</p> <ul style="list-style-type: none"> - Kanna Cottang; Employee ID # 0000133094; Oil Palm Harvesters - Faisal Ab Rasad Abdul; Employee ID # 0000122568; Oil Palm Harvesters - Arjuna Bin Pare; Employee ID # 0000140558; Piece Rated Workers (Field Agrmnt) - Erwan Arifin; Employee ID # 0000060302; Daily Rated or General Workers - Astuti Sangkala; Employee ID # 0000155326; Piece Rated Workers (Field Agrmnt) - Suriati Alimin; Employee ID # 0000155415; Piece Rated Workers (Field Agrmnt) - Hanisa Binti Lahumma; Employee ID # 0000132268; Piece Rated Workers (Field Agrmnt) - Ati Binti Kari; Employee ID # 0000030970; Piece Rated Workers (Field Agrmnt) <p>Sentosa Estate as per sample as following:</p> <ul style="list-style-type: none"> - Burhan Bin Genda; Employee ID # 0000148272; Daily Rated or General Workers | |

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| | | <ul style="list-style-type: none"> - Emanuel Fao Nikolaus; Employee ID # 0000148269; Piece Rated Workers (OP Agrmnt) - Mawardi; Employee ID # 0000145604; Oil Palm Harvesters - Riswan Bin Marawing; Employee ID # 0000143663; Piece Rated Workers (OP Agrmnt) - Marni Binti Landu; Employee ID # 0000149676; Piece Rated Workers (OP Agrmnt) - Nani Binti Arham; Employee ID # 0000083428; Piece Rated Workers (OP Agrmnt) - Salasiah Binti Samak; Employee ID # 0000152126; Daily Rated or General Workers <p>The work agreements also attached with each workers' renewal of agreement to use new agreement (Foreign Workers) and Changes of terms & conditions due to Minimum Wage Order (MWO) revision use new agreement (Local Workers).</p> | |
| 4.4.5.7 | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p> | <p>Attendance (out-turn) and work hours (normal time and overtime) recording system established in both manual and computerized checkroll system which makes working hours and overtime transparent for both employees and employer.</p> | Yes |
| 4.4.5.8 | <p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p> | <p>Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 above, management has ensured that employees' working hours and breaks meet Sabah Labour Ordinance 1950. Overtime works are mutually agreed and compensated accordingly.</p> | Yes |

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| 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 agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 above, all wages and overtime payment documented on the pay slips are in line with legal regulations and collective agreements as per Sabah Labour Ordinance 1950 and Minimum Wages Order 2020. | Yes |
| 4.4.5.10 | Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance - | All local employees are provided with the mandatory Employee Provident Fund (EPF) contributions while both local and foreign employees contributed with Social Security Organization (SOCSO). Additionally, other benefits offered by the company including the following: <ul style="list-style-type: none"> - Productivity incentive - Out-turn incentive - Transport allowance - Telephone allowance - Motorcycle allowance | Yes |
| 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 - | All workers are provided with free housing facilities that included basic amenities such as clean water (25 gallons/month), community hall, sport facilities, etc. were provided to the workers. Electricity supplied through genset while clean water from estates' own treatment system. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Monthly visit by VMO and weekly inspections by medical assistant were done to ensure good conditions of the housing. Records were well maintained as per sample sighted in Sentosa Estate VMO reports dated 13/1/2021; VMO: Dr. Chia Sia Cheng, Mabello Group of Clinics. | Yes |

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|---|---|------------|
| <p>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.</p> <p>- Major compliance -</p> | <p>Policy to prevent all forms of sexual harassment and violence in workplace has been embedded in Sime Darby Plantation’s established policy of “Group Sustainability & Quality Policy Statement” which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Communications made mainly during gender committee meeting as per sighted latest minutes of meeting for SOU 26 gender committee representatives from each operating unit conducted on 21/5/2021.</p> | <p>Yes</p> |
| <p>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.</p> <p>- Major compliance -</p> | <p>Policy to respect the rights of all employees has been embedded in Sime Darby Plantation’s established policy of “Group Sustainability & Quality Policy Statement” which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019.</p> <p>Employees were given freedom to associate and bargain collectively with company and to organize among themselves through association meetings as per sample sighted minutes of meeting of “Satubay” <i>Jawatankuasa SPIEU Cawangan Sandakan Bersama Majikan</i>; Venue: Sandakan Bay POM Meeting Room; Date: 14/3/2020. Meeting were attended by all SPIEU representatives from each operating unit within SOU 26.</p> <p>- Meeting for 2021 not yet conducted due to the MCO enforcement however communications made through WhatsApp group established for the “Satubay”.</p> | <p>Yes</p> |
| <p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. 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>Policy to protect children and young person has been embedded in Sime Darby Plantation’s established policy of “Group Sustainability & Quality Policy Statement” which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019.</p> | <p>Yes</p> |

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| | - Major compliance - | Based on the interview and sighted records of employees' master lists data, no young person below 18 years old employed within all operating units within SOU 26. | |
| Criterion 4.4.6: Training and competency | | | |
| 4.4.6.1 | 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. - Major compliance - | Estates visited have established a training program for all workers based on the training need analysis conducted on a yearly basis. Covid-19 training and briefings were sighted at the estates. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask). Records of trainings were maintained by the estates such as for Tigowis Estate is as follows 1. Briefing Locker Passport – 28/01/2021 2. Spraying Training – Immature – 13/03/2021 3. Manuring Training – 31/03/2021 4. First Aid Training – 14/04/2021 5. Circle Spray Training – 20/05/2021 | Yes |
| 4.4.6.2 | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance - | The estates visited has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for all estates. (e.g. ESH Training Matrix for CY2021). | Yes |
| 4.4.6.3 | A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. | A training programme has been developed and available in the Training Requirement for Operating Units (Estate). The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors. | Yes |

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| | - Minor compliance - | Training Matrix for Segaliud Estate - Understanding Group Policy & Authority, Harvesting Induction, Chemical & Spraying Safe Operating Procedure, Manuring Application Training, Scheduled Waste Management Training and etc was planned for Y2021. | |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance - | Sime Darby Plantation have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate. Documents associated with the trainings and briefing were available for verification dated as below. Tigowis Estate: 12/09/2020 Segaliud Estate: 16/06/2021 Sentosa Estate: 15/07/2021 | Yes |
| 4.5.1.2 | The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance - | The estates have established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment and documented in Pollution Prevention Plan. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Among the objectives stated in the Environmental Management Plan for the year 2021 are as below. 1. To ensure compliance to the EQA (Scheduled Waste) 2005 | Yes |

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| | | 2. To monitor on fuel usage in the estates 3. To reduce chemical usage 4. No open burning in the estates | |
| 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 estates sampled has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment. The EAI and EIE were reviewed annually basis.</p> <p>The management plan stated the objectives of the environmental issue, mitigating measures, person responsible and monitoring period. The progress of the plan was monitored on quarterly basis. The plan was reviewed on annually basis. The management plan stated the Environmental management Plan, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency.</p> <p>Sighted the implementation of the management plan as follows: Environmental Impact Assessment for Proposed Replanting of Oil Palm Plantation on 4, 628.40 Ha at Sandakan Zone Estates, Sandakan and Kinabatangan Districts, Sabah was conducted by Chemsain Konsultant Sdn. Bhd. With the EIA Report (CK/EV403-4321/17) available dated May 2018 as a requirement for Sabah Estates that undergo replanting.</p> <p>Among other improvement plans were:</p> <ul style="list-style-type: none"> • To allow vegetation to grow at all-natural areas as per company policy • To continue to inform and communicate to all employees & stakeholders that encroachment and hunting are not allowed/permitted at conservation areas. • To plant LCC at slope and at land slide prone areas | Yes |

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| | | <ul style="list-style-type: none"> To ensure all domestic wastes are dumped and buried. To ensure no water leakage from the rubbish disposal area. Radius between workers housing area is > 5km. | |
| 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>All the estates sampled has established the environmental management plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation.</p> <p>All the estates continue to promote activities that gives positive impact to the environment by continuously provided awareness to the employees which was communicated through training, briefing and signages.</p> | Yes |
| 4.5.1.5 | <p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p> | <p>Training program is available in the estates Training Program updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. Guidance was provided by the SQM prior to the approval and implementation by the estates. Trainings conducted in relation to environmental and its improvement plan are shown as follows.</p> <p>Tigowis Estate</p> <ul style="list-style-type: none"> Recycling Waste Initiative – 21/06/2021 Endangered Species (RTE) Training – 21/06/2021 High Conservation Area (HCV) Training – 21/06/2021 <p>Segaliud Estate</p> <ul style="list-style-type: none"> Barn Owl Training – 11/05/2021 Buffer Zone and HCV Training – 06/01/2021 | Yes |

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|--|--|---|-------------------------|-----------------|-------------------|-------------------------|----------|-------|-----|------|----------|-------|-----|------|----------|-------|-----|------|----------|-------|-----|------|----------|-------|-----|------|----------|-------|-----|------|-----|
| | | <p>Sentosa Estate</p> <ul style="list-style-type: none"> • Recycling Waste Initiative – 15/07/2021 • Endangered Species (RTE) Training – 15/07/2021 • High Conservation Area (HCV) Training – 15/07/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.1.6 | <p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p> | <p>All three sampled estates discuss environmental related issues in the JKPP Meetings that are conducted on a quarterly basis. The Environmental Issues were included in the meeting agenda and sighted in the meeting minutes.</p> <p>Environmental Regulatory Compliance Monitoring Committee (ERCMC) was conducted online for Sabah Region on 08/04/2021 to address environmental compliances and issues in the region.</p> | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.1 | <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p> | <p>The monitoring of non-renewable energy usage is done on a monthly basis. Sighted the sampled monitoring records for diesel usage per FFB production for 2020 and 2021 as follows:</p> <p>Tigowis Estate</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel (Liters)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr> <td>Jul 2020</td> <td>17515</td> <td>488</td> <td>6390</td> </tr> <tr> <td>Aug 2020</td> <td>19851</td> <td>513</td> <td>7114</td> </tr> <tr> <td>Sep 2020</td> <td>18393</td> <td>492</td> <td>6099</td> </tr> <tr> <td>Oct 2020</td> <td>18737</td> <td>539</td> <td>8189</td> </tr> <tr> <td>Nov 2020</td> <td>16596</td> <td>753</td> <td>9534</td> </tr> <tr> <td>Dec 2020</td> <td>25640</td> <td>654</td> <td>8186</td> </tr> </tbody> </table> | Month | Diesel (Liters) | Electricity (kWh) | Water (m ³) | Jul 2020 | 17515 | 488 | 6390 | Aug 2020 | 19851 | 513 | 7114 | Sep 2020 | 18393 | 492 | 6099 | Oct 2020 | 18737 | 539 | 8189 | Nov 2020 | 16596 | 753 | 9534 | Dec 2020 | 25640 | 654 | 8186 | Yes |
| Month | Diesel (Liters) | Electricity (kWh) | Water (m ³) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul 2020 | 17515 | 488 | 6390 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 2020 | 19851 | 513 | 7114 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep 2020 | 18393 | 492 | 6099 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 2020 | 18737 | 539 | 8189 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 2020 | 16596 | 753 | 9534 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 2020 | 25640 | 654 | 8186 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | Jan 2021 | 19651 | 746 | 7350 | | | |
| | | Feb 2021 | 16728 | 672 | 5974 | | | |
| | | Mar 2021 | 32563 | 744 | 8051 | | | |
| | | Apr 2021 | 21161 | 721 | 10100 | | | |
| | | May 2021 | 19644 | 739 | 12651 | | | |
| | | Jun 2021 | 21274 | 696 | 11711 | | | |
| | | Segaliud Estate | | | | | | |
| | | Month | Diesel | Electricity | Water | | | |
| | | Jul 2020 | 41800 | 1832 | 2480 | | | |
| | | Aug 2020 | 42502 | 1248 | 2112 | | | |
| | | Sep 2020 | 53661 | 1582 | 2708 | | | |
| | | Oct 2020 | 44808 | 1127 | 2801 | | | |
| | | Nov 2020 | 43281 | 1616 | 2155 | | | |
| | | Dec 2020 | 48606 | 1464 | 1790 | | | |
| | | Jan 2021 | 40388 | 1185 | 1354 | | | |
| | | Feb 2021 | 51129 | 1568 | 1255 | | | |
| | | Mar 2021 | 47528 | 1204 | 1865 | | | |
| | | Apr 2021 | 45088 | 1510 | 1895 | | | |
| | | May 2021 | 22383 | 1632 | 1806 | | | |
| Jun 2021 | 51643 | 1692 | 1807 | | | | | |

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|---|---|---|-------|--|--|------------|--------|-------------|-------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|----------|-------|------|------|--|
| | | Sentosa Estate <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel</th> <th>Electricity</th> <th>Water</th> </tr> </thead> <tbody> <tr><td>Jul 2020</td><td>41491</td><td>1860</td><td>1071</td></tr> <tr><td>Aug 2020</td><td>38152</td><td>1860</td><td>1090</td></tr> <tr><td>Sep 2020</td><td>39536</td><td>1800</td><td>1049</td></tr> <tr><td>Oct 2020</td><td>42320</td><td>1860</td><td>1032</td></tr> <tr><td>Nov 2020</td><td>50200</td><td>1800</td><td>1040</td></tr> <tr><td>Dec 2020</td><td>44157</td><td>1860</td><td>1055</td></tr> <tr><td>Jan 2021</td><td>39400</td><td>1860</td><td>1088</td></tr> <tr><td>Feb 2021</td><td>37500</td><td>1680</td><td>1029</td></tr> <tr><td>Mar 2021</td><td>52100</td><td>1860</td><td>1097</td></tr> <tr><td>Apr 2021</td><td>54174</td><td>1800</td><td>1059</td></tr> <tr><td>May 2021</td><td>34900</td><td>1860</td><td>1171</td></tr> <tr><td>Jun 2021</td><td>30672</td><td>1080</td><td>1070</td></tr> </tbody> </table> | | | | Month | Diesel | Electricity | Water | Jul 2020 | 41491 | 1860 | 1071 | Aug 2020 | 38152 | 1860 | 1090 | Sep 2020 | 39536 | 1800 | 1049 | Oct 2020 | 42320 | 1860 | 1032 | Nov 2020 | 50200 | 1800 | 1040 | Dec 2020 | 44157 | 1860 | 1055 | Jan 2021 | 39400 | 1860 | 1088 | Feb 2021 | 37500 | 1680 | 1029 | Mar 2021 | 52100 | 1860 | 1097 | Apr 2021 | 54174 | 1800 | 1059 | May 2021 | 34900 | 1860 | 1171 | Jun 2021 | 30672 | 1080 | 1070 | |
| Month | Diesel | Electricity | Water | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul 2020 | 41491 | 1860 | 1071 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 2020 | 38152 | 1860 | 1090 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep 2020 | 39536 | 1800 | 1049 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 2020 | 42320 | 1860 | 1032 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 2020 | 50200 | 1800 | 1040 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 2020 | 44157 | 1860 | 1055 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 2021 | 39400 | 1860 | 1088 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 2021 | 37500 | 1680 | 1029 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar 2021 | 52100 | 1860 | 1097 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2021 | 54174 | 1800 | 1059 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 2021 | 34900 | 1860 | 1171 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun 2021 | 30672 | 1080 | 1070 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.2 | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance - | The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. | | | | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | No renewable energy used in the estate. | | | | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.5.3: Waste management and disposal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 4.5.3.1 | <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p> | <p>All the estates sampled has identified the waste products and source pollution and documented in the Waste Management Plan 2021.</p> <p>The type of wastes been identified are Scheduled waste (SW306, SW305, SW102, SW410, SW409, SW404, Scrap Iron), Domestic waste (rubbish, garden waste and sewage), Recycle waste (tires), Clinical waste (syringe) and Industrial waste (scrap iron).</p> | Yes |
| 4.5.3.2 | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p> | <p>All the estates have established the waste management plan and the plan was reviewed on annually basis.</p> <p>All the sampled estates have identified all waste products and source of pollution and documented in the Waste Management Plan. The waste identified has been categorized as follows:</p> <ul style="list-style-type: none"> - Schedule Waste: SW306, SW305, SW102, SW410, SW404 & SW 409. - Domestic waste: Rubbish, Garden Waste and Sewage - Recycle waste: Tyres - Clinical waste: Syringe - Industrial waste: Scrap iron <p>In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.</p> | Yes |
| 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 26.02.2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>All the sampled estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste</p> | Minor Nonconformity |

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| | <p>disposal contractor. 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>Sighted the sampled scheduled waste disposal as below.</p> <p>Sentosa Estate</p> <ol style="list-style-type: none"> 1. Consignment Note: 221071711H50YKZ; Date: 17/07/2021; Waste Origin: Used Oil Filter; Waste Origin Code: SW410; Quantity: 0.0014 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd 2. Consignment Note: 22107171134F698; Date: 17/07/2021; Waste Origin: Used Battery; Waste Origin Code: SW102; Quantity: 0.1320 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd 3. Consignment Note: 221071711PE5JV3; Date: 17/07/2021; Waste Origin: Used Lubricant Oil; Waste Origin Code: SW305; Quantity: 0.0500 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd 4. Consignment Note: 2210717112ZYKVH0; Date: 17/07/2021; Waste Origin: Used Chemical Container and Empty Drum; Waste Origin Code: SW409; Quantity: 0.6320 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd 5. Date: 30/04/2021; Waste Origin: Clinical Waste; Waste Origin Code: SW404; Quantity: 6.5 kg; Name of Contractor: Sedafiat Sdn Bhd <p>It was verified that Sentosa Estate has managed to dispose all the scheduled waste to the licensed Scheduled Waste (SW) Contractor on 17/07/2021. Segaliud and Tigowis Estate's SW, generated in January 2021 has not been disposed to the licensed SW manager and thus</p> | |

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| | | exceeded the 180 days permitted by DOE as of June 2021. Efforts have been taken by the estate to obtain approval from DOE for extending the period of storage for the SW, but the request has not been approved yet as of the audit date. Nevertheless, as the estate are contracting the same SW contractor as Sentosa Estate for disposal of SW, inconsistencies were evident as Sentosa Estate has ensured the disposal of SW in the estate while the Segaliud and Tigowis Estate have not disposed the SW nor obtained approval from DOE for storage period extension. Therefore, a minor non-conformity was raised. | |
| 4.5.3.4 | Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance - | Excess chemical containers that were not used for premixing have been triple rinsed and punctured was categorized under scheduled waste and disposed through scheduled waste contractor Legenda Bumimas Sdn Bhd. | Yes |
| 4.5.3.5 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance - | Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers. Domestic waste was disposed at designated landfill within the estate area far from any watercourse or housing areas. | Yes |
| Criterion 4.5.4: Reduction of pollution and emission | | | |
| 4.5.4.1 | An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance - | All the sampled estates have established Environmental Management Plan/ Pollution Prevention Plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was reviewed on annual basis. In the plan stated the objectives on the environmental issue, | Yes |

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| | | mitigating measures and person responsible. The plan was monitored on monthly basis. | |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance - | Sighted the implementation of Pollution Prevention Plan at all the sampled estates as follows: <ul style="list-style-type: none"> - To service all vehicles as per schedule - To maintain all vehicles in good running condition - To recycle all plastic bags and cotton boxes - To use tray if any leak on vehicles - To ensure oil sumps always in good condition. - To recycle water at mixing area. - To maintain good records of schedule waste and dispose schedule on time by using license contractor. | Yes |
| Criterion 4.5.5: Natural water resources | | | |
| 4.5.5.1 | The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). | Water Usage for domestic and operational purposes is done from the source of supply itself and the data is provided in 4.5.2.1. Water quality monitoring for domestic use is done frequently to ensure that the water supplied to for domestic use is in compliance with the stipulated standards. The recent Water Analysis and Quality for the sampled estates were verified and documented as below. <u>Tigowis Estate</u> Microbiology Analysis Test Report (Test Report No: ML452/2021) dated 25/06/2021 indicated that the 3 samples sent which are drinking water before treatment, drinking water after treatment and drinking water at linesite conforms with NSDWQ for domestic use. | Yes |

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|--|---|-------------|-------------|-------------|-----------|-----------------|-----------|-----------------|-----------|----------------|-----------|------------|----------|--------------|-----------|--|
| <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>Segaliud Estate Water Analysis Test Report (Test Report No: IE640/2021) dated 04/06/2021 indicated that the PH does not conform with the NSDWQ for domestic use. The estate has generated a corrective/preventive action report for non-conforming water analysis results on 10/07/2021. The estate was unable to conduct a resampling due to the lab Services Laboratories – Carey Island being instructed to close operations effective 10/07/2021 until the EMCO is over.</p> <p>Sentosa Estate Water Analysis Test Report (Test Report No: IE648/2021) dated 08/07/2021 indicated that the 2 samples sent which are Water After Treatment – WTP and Domestic Water – Workers Quarters, conforms with NSDWQ for Domestic use.</p> <p>Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the riverbanks.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">River Width</th> <th style="text-align: center;">Buffer Zone</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">> 40 meters</td> <td style="text-align: center;">50 meters</td> </tr> <tr> <td style="text-align: center;">20 to 40 meters</td> <td style="text-align: center;">40 meters</td> </tr> <tr> <td style="text-align: center;">10 to 20 meters</td> <td style="text-align: center;">20 meters</td> </tr> <tr> <td style="text-align: center;">5 to 10 meters</td> <td style="text-align: center;">10 meters</td> </tr> <tr> <td style="text-align: center;">< 5 meters</td> <td style="text-align: center;">5 meters</td> </tr> <tr> <td style="text-align: center;">* > 3 meters</td> <td style="text-align: center;">20 meters</td> </tr> </tbody> </table> <p>* for Sabah Plantations Only</p> | River Width | Buffer Zone | > 40 meters | 50 meters | 20 to 40 meters | 40 meters | 10 to 20 meters | 20 meters | 5 to 10 meters | 10 meters | < 5 meters | 5 meters | * > 3 meters | 20 meters | |
| River Width | Buffer Zone | | | | | | | | | | | | | | | |
| > 40 meters | 50 meters | | | | | | | | | | | | | | | |
| 20 to 40 meters | 40 meters | | | | | | | | | | | | | | | |
| 10 to 20 meters | 20 meters | | | | | | | | | | | | | | | |
| 5 to 10 meters | 10 meters | | | | | | | | | | | | | | | |
| < 5 meters | 5 meters | | | | | | | | | | | | | | | |
| * > 3 meters | 20 meters | | | | | | | | | | | | | | | |

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| | <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 01/11/2008.</p> <p>The estates have established water management plans and the plans are reviewed annually. The management plan focuses on activities with impact to natural water sources, such as water contamination and action plans during water shortage. The action plan states no chemical interventions and manuring shall be carried out in the riparian reserved. Only manual weeding/slashing is allowed. It also states to maintain terrace bund along the waterways.</p> <p>The quality of out-going water into rivers was monitored quarterly by carrying out water analysis. River water sampling for analysis was done for upstream, midstream and downstream.</p> <p><u>Segaliud Estate:</u> Water Analysis Test Report was available for the Sungai Segaliud and Sungai Lampuas rivers passing through the estate. There were 8 sampling points identified by the estate. Samples were sent to the lab to monitor the water quality on a quarterly basis. The latest water analysis test report (Test Report No.: IE591/2021) issued on 24/06/2021 was available for verification. The results indicated that it did not conform with Class IIA/IIB of NWOS for Natural Waterways. A corrective/preventive action report for non-conforming water analysis results was generated on 30/06/2021 to identify the root course for the non-conforming results.</p> <p><u>Sentosa Estate:</u> Water Analysis Test Report was available for the Sungai Suan Lamba</p> | |

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| | | Besar passing through the estate. There were 3 sampling points identified by the estate. Samples were sent to the lab to monitor the water quality on a quarterly basis. The latest water analysis test report (Test Report No.: IE463/2021) issued on 03/05/2021 was available for verification. The results indicated that it did not conform with Class IIA/IIB of NWOS for Natural Waterways. A corrective/preventive action report for non-conforming water analysis results was generated on 30/06/2021 to identify the root course for the non-conforming results. | |
| 4.5.5.2 | No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance - | No bunds were sighted across main rivers and waterways in both estates. | Yes |
| 4.5.5.3 | Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance - | The practice of water harvesting was evident in the Action plan to Reduce Fresh Water Usage for Financial Year 2021. The action plan was stated as below. Rainwater Collection 1. Large containers are to be placed at strategic locations to collect rainwater through rain gutter. 2. The rainwater shall be recycled for washing heavy machinery 3. Usage for chemical mixing and daily operation. | Yes |
| Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value | | | |
| 4.5.6.1 | Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: | A Biodiversity Assessment & HCV Identification for Strategic Operating Unit (SOU) 26 was conducted by PSQM Department, Sime Darby Plantation Sdn. Bhd. and available in a report dated May 2013. The report has identified the Biodiversity Values, Ecosystem Services and Social & Cultural Values available within the SOU 26 landscape. | Yes |

| Criterion / Indicator | | Assessment Findings | | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|---|---------------|--|--|------------|-------------------|----|---------------|----------------|----------------------|------|-------|----------------------------|------|-------|-----------------|----------------------|-------|-------|--------------|------|-------|----------|------|-------|----------------|----------------------------|-------|-------|--------------|-------|-------|----------|------|-------|--|
| | <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p> | <p>Among the HCV areas that have been identified are as below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Biodiversity Area</th> <th>Ha</th> <th>Potential HCV</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Tigowis Estate</td> <td>Water Catchment Area</td> <td>2.87</td> <td>HCV 4</td> </tr> <tr> <td>Isolated patches of Forest</td> <td>7.06</td> <td>HCV 4</td> </tr> <tr> <td rowspan="3">Segaliud Estate</td> <td>Water Catchment Area</td> <td>18.00</td> <td>HCV 4</td> </tr> <tr> <td>≥ 25° Slopes</td> <td>7.33</td> <td>HCV 4</td> </tr> <tr> <td>Cemetery</td> <td>2.00</td> <td>HCV 6</td> </tr> <tr> <td rowspan="3">Sentosa Estate</td> <td>Isolated patches of Forest</td> <td>22.36</td> <td>HCV 4</td> </tr> <tr> <td>≥ 25° Slopes</td> <td>52.28</td> <td>HCV 4</td> </tr> <tr> <td>Cemetery</td> <td>0.62</td> <td>HCV 6</td> </tr> </tbody> </table> | | | | Estate | Biodiversity Area | Ha | Potential HCV | Tigowis Estate | Water Catchment Area | 2.87 | HCV 4 | Isolated patches of Forest | 7.06 | HCV 4 | Segaliud Estate | Water Catchment Area | 18.00 | HCV 4 | ≥ 25° Slopes | 7.33 | HCV 4 | Cemetery | 2.00 | HCV 6 | Sentosa Estate | Isolated patches of Forest | 22.36 | HCV 4 | ≥ 25° Slopes | 52.28 | HCV 4 | Cemetery | 0.62 | HCV 6 | |
| Estate | Biodiversity Area | Ha | Potential HCV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tigowis Estate | Water Catchment Area | 2.87 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Isolated patches of Forest | 7.06 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Segaliud Estate | Water Catchment Area | 18.00 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ≥ 25° Slopes | 7.33 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Cemetery | 2.00 | HCV 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sentosa Estate | Isolated patches of Forest | 22.36 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ≥ 25° Slopes | 52.28 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Cemetery | 0.62 | HCV 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.6.2 | <p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p> | <p>In SOU26, identified HCV 4 - river buffer zone, water catchment area, swamps and >25-degree slopes (all estates) and HCV 6 Their biodiversity conservation action plan includes:</p> <ul style="list-style-type: none"> • Signage showing this area is value for conservation to be placed at the strategic point of the area. • Briefing and training to the estate workers/stakeholders is being carried out from time to time on the awareness of high conservation value area in the estate. • Educating and raising awareness • Communicating with staff, workers, stakeholders and neighbors regarding objective of conservation area. • To protect the water bodies which is source of drinking water for domestic use of estates community | | | | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <ul style="list-style-type: none"> To protect animals that is in the wet habitats, no hunting, poaching or fishing allowed at the pond. No spraying and chemical activities allowed at the areas. Additional signboard "Di Larang Menebang Pokok Bakau and Kawasan Pemuliharaan Hutan Bakau" to be placed at strategic points adjacent to mangrove forest. To add more mark for buffer zone area. | |
| 4.5.6.3 | <p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p> | <p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires.</p> <p>Interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.</p> <p>Sime Darby Plantation in addition established their own disciplinary measures if found any staff or workers found to capture, harm, collect or kill the RTE species in the estate. On-going monitoring for HCV areas for all three Estates has been verified. The monitoring was conducted on monthly basis.</p> | Yes |
| Criterion 4.5.7: Zero burning practices | | | |
| 4.5.7.1 | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> | <p>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.</p> | Yes |

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| | - Major compliance - | No open burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. | |
| 4.5.7.2 | A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance - | No open burning noted based on the records on the land clearing and felling for the replanting at the estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. | Yes |
| 4.5.7.3 | Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance - | No controlled burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. | Yes |
| 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 sampled estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. | Yes |
| 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. & Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units as a guidance document to conduct estate operation. | Minor Nonconformity |

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| | <p>The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and 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. Also sighted the latest addition of SOP Communicable Disease (Covid – 19) Prevention & Control Procedure available.</p> <p>Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.</p> <p>Water Quality Management System Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; 5.5 Evaluation of Laboratory Test Results.</p> <ul style="list-style-type: none"> - Upon receiving the complete results, the Head of Operating Unit shall check whether it exceeds, or no not meet the related requirement. If the results are off limit, an investigation shall be initiated to solve the issue. - Investigation shall be recorded in Corrective/Preventive Action Report for Non-Conforming Water Analysis Results. Refer Appendix H; Form Code WQ-01/CPAR (1) to (3). - Arrangement for a re-sampling and analysis of the parameter of concern shall be done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results. | |

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|-----------------------|---|---|------------|
| | | <p><u>Sentosa Estate</u> Based on the Water Analysis Test Report by Sime Darby Research Sdn. Bhd. (R&D Centre) issued 03/05/2021 (Test Report No.: IE463/2021) does not conform with Class IIA/IIB pf NWQS for Natural Waterways. A corrective/preventive action report for non-conforming water analysis results was generated on 06/05/2021 to identify the root course for the non-conforming results. Arrangement for a re-sampling and analysis of the parameter of concern was not done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results.</p> <p><u>Segaliud Estate</u> Based on the Water Analysis Test Report by Sime Darby Research Sdn. Bhd. (R&D Centre) issued 24/06/2021 (Test Report No.: IE591/2021) does not conform with Class IIA/IIB pf NWQS for Natural Waterways. A corrective/preventive action report for non-conforming water analysis results was generated on 30/06/2021 to identify the root course for the non-conforming results. Arrangement for a re-sampling and analysis of the parameter of concern was not done concurrently with the investigation and sent to the laboratory within 1 week of receiving the results.</p> <p>Due to the inconsistent implementation of the SOP, a minor non-conformity was raised.</p> | |
| 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 | <p>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the</p> | Yes |

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|---|---|--|----------------|----------------|-----------------|----------------|------|---|-------|--------|------|---|-------|--------|------|---|-------|---|------|---|---|---|-----|
| | soil, nutrients or chemicals. - Major compliance - | existing crop and vegetation shall be maintained accordingly. All estates had complied with this policy to not plant on slopes above 25° and Buffer Zone. The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate. | | | | | | | | | | | | | | | | | | | | | |
| 4.6.1.3 | A visual identification or reference system shall be established for each field. - Major compliance - | Estates audited 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 signboards as sighted in the fields. | Yes | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.6.2: Economic and financial viability plan | | | | | | | | | | | | | | | | | | | | | | | |
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2021 to 2026 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO/MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha. CAPEX - capital expenditure mainly for buildings, furniture and others asset related expenses. | Yes | | | | | | | | | | | | | | | | | | | | |
| 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 - | All estates established a replanting program spanned over a 5-year period till 2025. All programs were sighted. For Tigowis estate, replanting activities was completed in 2020 and next re-planting program will be in 2028. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>Tigowis Estate</th> <th>Segaliud Estate</th> <th>Sentosa Estate</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td style="text-align: center;">0</td> <td style="text-align: center;">13.29</td> <td style="text-align: center;">297.47</td> </tr> <tr> <td>2022</td> <td style="text-align: center;">0</td> <td style="text-align: center;">57.96</td> <td style="text-align: center;">164.93</td> </tr> <tr> <td>2023</td> <td style="text-align: center;">0</td> <td style="text-align: center;">50.41</td> <td style="text-align: center;">0</td> </tr> <tr> <td>2024</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> | Year | Tigowis Estate | Segaliud Estate | Sentosa Estate | 2021 | 0 | 13.29 | 297.47 | 2022 | 0 | 57.96 | 164.93 | 2023 | 0 | 50.41 | 0 | 2024 | 0 | 0 | 0 | Yes |
| Year | Tigowis Estate | Segaliud Estate | Sentosa Estate | | | | | | | | | | | | | | | | | | | | |
| 2021 | 0 | 13.29 | 297.47 | | | | | | | | | | | | | | | | | | | | |
| 2022 | 0 | 57.96 | 164.93 | | | | | | | | | | | | | | | | | | | | |
| 2023 | 0 | 50.41 | 0 | | | | | | | | | | | | | | | | | | | | |
| 2024 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | |

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| | | 2025 | 0 | 188.79 | 0 | |
| 4.6.2.3 | <p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p> | <p>The business and management plans were available in the annual budget. The annual budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO & MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.</p> | | | | Yes |
| 4.6.2.4 | <p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p> | <p>The management plan was effectively implemented, and the achievement of the goals and objectives were regularly monitored, documented and reviewed through Monthly Progress Reports, Monthly Accounts Reports, Annual Financial Reports, Plantation Advisor Visit Reports and Performance Unit Report.</p> | | | | Yes |
| 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 11/7/2017. - All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects.</p> | | | | Yes |
| 4.6.3.2 | <p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> | <p>The contract agreements between the management and the contractors (e.g. Ooi Trading, Yih Construction and Kian Da Ent.) were</p> | | | | Yes |

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| | - Major compliance - | 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. | |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System. e.g. at Segaliud Estate – Memorandum on RSPO/ISCC/MSPO information dated 03/06/2021 was acknowledged by supplier (Global Link Parts & Services on 27/07/2021. | Yes |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Awarded contractors are provided with Letter of Offer (LOA) (contract agreement) which spelt out the conditions such as commencement, service contract, bank guarantee, insurance policies, failure to provide service, responsibility and indemnity, termination, governing laws, transportation rate and rate adjustment mechanism. e.g. for Tigowis Estate – Letter of appointment for Kian Da Enterprise Sdn. Bhd. to Supply Machineries for Ripping Block Stone, Transport, Levelling and Compacting for both Mature and Immature Field Road (1 year contract) (Ref No: SOU26/2021/01 dated 2 nd June 2021) and for Segaliud Estate – Agreement on land preparation and related works for oil palm replanting between Sime Darby Plantation (Sabah) Sdn. Bhd. and Menang Tinggi Sdn. Bhd. from 01/07/2018 – 31/12/2021. Contract acknowledged by contractor on 22/10/2018 | Yes |

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| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance - | Acceptance is confirmed by the Management prior to the audit via acceptance of Audit contract and Audit Plan and the 5-year MSPO certification programme. | Yes |
| 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. | Yes |
| 4.7 Principle 7: Development of new planting | | | |
| Criterion 4.7.1: High biodiversity value | | | |
| 4.7.1.1 | Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.1.2 | No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance - | There is no development of new planting at sampled estates. | N/A |

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| Criterion 4.7.2: Peat Land | | | |
| 4.7.2.1 | New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA) | | | |
| 4.7.3.1 | A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.3.2 | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.3.3 | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.3.4 | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. | There is no development of new planting at sampled estates. | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| - Minor compliance - | | | |
| Criterion 4.7.4: Soil and topographic information | | | |
| 4.7.4.1 | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.4.2 | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils | | | |
| 4.7.5.1 | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.5.2 | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.5.3 | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| Criterion 4.7.6: Customary land | | | |

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| 4.7.6.1 | No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.6.2 | Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.6.3 | Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.6.4 | The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.6.5 | Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance - | There is no development of new planting at sampled estates. | N/A |

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| 4.7.6.6 | A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.6.7 | The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance - | There is no development of new planting at sampled estates. | N/A |
| 4.7.6.8 | Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance - | There is no development of new planting at sampled estates. | N/A |

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

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|---|--|--|------------|
| 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 established policy on implementation of MSPO in “Group Sustainability & Quality Policy Statement” mentioned in Indicator 4.1.1.2. | Yes |
| 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 - | <p>Sime Darby Plantation has established a policy called “Group Sustainability & Quality Policy Statement” which was approved by the Group Managing Director on 2/12/2019.</p> <p>The policy covers commitment to:</p> <ul style="list-style-type: none"> – Promoting good governance and transparency – Contributing to a better society – Minimising environmental harm – Delivering sustainability quality <p>The policy was guided by three main documents i.e.:</p> <ul style="list-style-type: none"> – Responsible Agriculture Charter – Human Rights Charter – Innovation & Productivity Charter <p>All of the above documents and the policy statement are made available on Sime Darby’s website.</p> | Yes |
| Criterion 4.1.2 – Internal Audit | | | |

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| <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. - Major compliance -</p> | <p>The SQM Sabah Region have conducted Internal Audit based on the Internal Audit Procedures stated in the Sime Darby Plantation; Plantation Sustainability and Quality Management (PSQM). Internal Audit Procedure (SD/SDP/PSQM/IAP; Rev 2 dated 01.11.2017) was established and maintained. The internal audit is conducted annually and when required as stated in the procedure.</p> | <p>Yes</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. - Major compliance -</p> | <p>Internal audit for Sandakan Bay POM has been conducted on 23 June 2021 and 02 July 2021 for MSPO & RSPO by SQM Sabah Region. During the audit, there were 1 Major Non-Conformance and 1 OFI raised. The findings were effectively closed on 23 July 2021 with the root cause, correction and corrective action plan available in the report.</p> | <p>Yes</p> |
| <p>4.1.2.3</p> | <p>Reports shall be made available to the management for their review. - Major compliance -</p> | <p>The internal audit report is available during the audit and available to the management for their review.</p> | <p>Yes</p> |
| <p>Criterion 4.1.3 – Management Review</p> | | | |
| <p>4.1.3.1</p> | <p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -</p> | <p>Management Review Procedure (SQM, Sub-Section 5.6, Version 2:2015 dated 25.05.2015) was established and maintained. The frequency for management review was identified to be carried out at least once a year. All the agenda such as OSH Objective, Mill Performance, Resource Evaluation, Need and Plan, Internal Audit MSPO & RSPO Integrated Internal Consultative Assessment, discipline and recommendation for improvement were discussed accordingly. Management review was not conducted at Sandakan Bay POM since last assessment. Last management review was conducted on 15 July 2020 Therefore, a minor nonconformity was raised.</p> | <p>Minor Nonconformity</p> |
| <p>Criterion 4.1.4 – Continual Improvement</p> | | | |

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| <p>4.1.4.1</p> | <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. - Major compliance -</p> | <p>Energy Management Plan and Water Management Plan (Reduction of Water Usage) are available and reviewed in Jan 2021 for the Sandakan Bay POM. The action plan for continual improvement in regard to social and environment impacts, and opportunities were available in the mill for verification. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action.</p> | <p>Yes</p> |
| <p>4.1.4.2</p> | <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. - Major compliance -</p> | <p>Sandakan Bay POM continuously ensure the improvement practices in line with new information and techniques introduced in the workforce. Kaizen Charter was on-going 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. Sime Darby Plantation has implemented a Safety Monitoring System known as Rapid 4 where the Operating Units is required to report or submit any accidents or incidents related to safety performance on a monthly basis to the Head Quarters.</p> | <p>Yes</p> |
| <p>4.2 Principle 2: Transparency</p> | | | |
| <p>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</p> | | | |
| <p>4.2.1.1</p> | <p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -</p> | <p>The Standard Operation Manual dated 01/11/2008 was established and maintained including documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders</p> | <p>Yes</p> |

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| <p>4.2.1.2</p> | <p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -</p> | <p>Sime Darby Plantations Bhd group website is accessible for the public for disseminating of 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</p> | <p>Yes</p> |
| <p>Criterion 4.2.2 – Transparent method of communication and consultation</p> | | | |
| <p>4.2.2.1</p> | <p>Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -</p> | <p>The Standard Operation Manual dated 01/11/2008 was established including documented 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 was established including documented process for handling communication regarding social issues.</p> | <p>Yes</p> |
| <p>4.2.2.2</p> | <p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>. - Minor compliance -</p> | <p>The Mill Manager is responsible for issues raised by local communities and other interested parties. Complaint and Grievance Officers / Internal and External Communication Officer was nominated to coordinate activities of the stakeholders. Muhamad Hafiz Aiman Ab. Rahman was appointed as social/communication officer for the Sandakan Bay POM as per appointment letter dated 02/01/2021 approved by Mill Manager.</p> | <p>Yes</p> |

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| <p>4.2.2.3</p> | <p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p> | <p>List of stakeholders updated on 01/07/2021 has included group estate, outgrower, government/authority, CPO & PK buyer, transporter, vendor/supplier, embassy, workers organization, NGO's, and etc.</p> <p>Records of consultation and communication with stakeholders are available in form of letters, memorandum and logbook. Sandakan Bay POM was unable to conduct stakeholder consultation meeting due to Restricted Movement Control Order and SOP established by the MKN.</p> | <p>Yes</p> |
| <p>Criterion 4.2.3 – Traceability</p> | | | |
| <p>4.2.3.1</p> | <p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p> | <p>Sustainable Plantation Management System (SPMS) (Appendix 15), SOP for Sustainable Supply Chain and Traceability (Ver. 2, 2018; issue no. 5, April 2019) is available and maintained.</p> <p>Sandakan Bay POM is receiving FFB mainly from its supply base - Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate and Tunku Estate. FFB from third party suppliers comprise around 10% of the total FFB received. Among the relevant documents to ensure traceability.</p> <p>For FFB from owned supply base and external FFB suppliers: The weighbridge ticket is available and retained. All the external suppliers have signed contract agreement and registered in the system before they are able to send their crop to mill.</p> <p>For despatch of CPO and PK, the weighbridge ticket has included all relevant information such as nett weight, transporter, contract number and etc to ensure traceability.</p> | <p>Yes</p> |
| <p>4.2.3.2</p> | <p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p> | <p>Compliance with the traceability system determined via regular inspections, checking of records and internal audits.</p> <p>Internal audit was conducted on 23 June 2021 and 02 July 2021. Based on the inspection, there was no finding raised on the implementation of traceability procedure.</p> | <p>Yes</p> |

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| <p>4.2.3.3</p> | <p>The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -</p> | <p>POM Organization Charts and job responsibilities of employees have been suitably defined for the implementation and maintenance of the traceability procedure. Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations. The management already identified and assign the employee to implement and maintained the traceability system. Wong Kon Soon (QA) and Muhamad Hafiz Aiman Ab. Rahman (Asst II) was appointed as MSPO/RSPO/ISCC traceability</p> | <p>Yes</p> |
| <p>4.2.3.4</p> | <p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -</p> | <p>Records of sales, delivery/transportation maintained as per following weighbridge ticket samples :</p> <p>a. Ref 006660, Destination: Kunak Bulking Station, Transporter: Pengangkutan Kekal, Product: CPO-MB, Nett Weight: 1,449,976kg, Contract No: s/1-SB/2012/CPO0003 & S/1-SB/2101/CPO0004</p> <p>b. Ref No: 006729, Transporter: Yee Ping Trading, DO No: 3390, Vehicle No: SA7965J, Product: Palm Kernel, Nett Weight: 30,080kg, Contract No: S/BSB/2103/RMPK0010</p> | <p>Yes</p> |
| <p>4.3 Principle 3: Compliance to legal requirements</p> | | | |
| <p>Criterion 4.3.1 – Regulatory requirements</p> | | | |
| <p>4.3.1.1</p> | <p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -</p> | <p>Sime Darby have established a mechanism to ensure compliance to legal and other requirement and documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU26. SQM 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</p> | <p>Yes</p> |

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| | | <p>to Sime Darby Plantation, ESH Management System Manual, ESH Legal & Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision: 0. Date: 01.07.2012.</p> <p>As to date, Sandakan Bay POM comply with all the applicable local, state, national and ratified international laws and regulations.</p> <p>Among the Permits and License sampled were:</p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 508777804000; Processing Capacity: 288,000mt FFB a year; License Validity Period: 01/12/2020 – 30/11/2021. 2. DOE Compliance Schedule; License Number: 00534; License Validity Period: 01/06/2021 – 30/06/2022. Application for license renewal has been submitted on 10/06/2021 to DOE. Application Reference: JAS.SHq.600-300/1/57 (12). 3. License to Employ Non-Residential Workers; License Number: JTK.H.KBN.600-4/1/10401/0416; License Validity Period: 07/07/2021 – 06/07/2022. 4. Permit Barang Kawalan Berjadual; Reference Number: KPDNHEP.SDK.02/2000 (SK); P-Series Number: S003020; Description: Diesel (Euro 2M); Storage Capacity: 18,160 Liters; License Validity Period: 26/10/2020 – 25/10/2021. | |
| <p>4.3.1.2</p> | <p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>Documented Procedures have 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>All legal requirements were documented in Legal and Other Requirement Register available at the estates. The register is reviewed regularly and updated as and when there are new or amended legal requirements that are applicable to the estate operations. The latest review was conducted on 25/05/2021.</p> | <p>Yes</p> |

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| <p>4.3.1.3</p> | <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>Documented procedures have 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>All legal requirements were documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the mill. The legal register at the mill were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the mill undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.</p> | <p>Yes</p> |
| <p>4.3.1.4</p> | <p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p> | <p>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.</p> <p>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 is well implemented.</p> <p>The mill management has appointed the Quality Assurance Personal, Mr. Wong Kon Soon on 02.01.2020 as the PIC to monitor any changes on the LORR and update the register as and when necessary as stated in the job functions as the PIC for Environment/Quality Management Systems.</p> | <p>Yes</p> |

| Criterion 4.3.2 – Lands use rights | | | |
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| 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 - | No issues of land dispute issue occur in Sandakan Bay POM that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 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 - | Sandakan Bay POM located within Tun Tan Estate with sample land title sighted for Land Title # L075109401; District: Sandakan; Area: 2,012.906 ha. | Yes |
| 4.3.2.3 | Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | The mill building surrounding area are fenced except for its POME treatment ponds area that located within Tun Tan Estate. | Yes |
| 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 - | No issues of land dispute issue occur in Sandakan Bay POM and audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 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 - | No issues of land dispute issue occur in Sandakan Bay POM and audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights shall be made available. | No issues of land dispute issue occur in Sandakan Bay POM and audited estates within SOU 26 that involved other land user rights. | Yes |

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| | - Minor compliance - | Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance - | No issues of land dispute issue occur in Sandakan Bay POM and audited estates within SOU 26 that involved other land user rights. Consultation with relevant stakeholders conducted remotely confirmed the situation since the last audit. | Yes |
| 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 - | The last Social Impact Assessment was conducted on 7 th -11 th May 2013 by the Social & Environment Projects Unit, PSQM Department of Sime Darby Plantation as per SIA Report SOU 26 Sandakan Bay consists of Sandakan Bay POM, Tigowis Estate, Tunku Estate, Sentosa Estate, Tun Tan Estate and Segaliud Estate. The mill established its individual Management Plan on Social Impact Assessment with area of concerns as following: - Workers housing condition/living condition - Working conditions - Communication and relationship amongst workers, management and people in the mill - Health facilities availability | Yes |
| 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 - | Sandakan Bay POM established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal & External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken | Yes |

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| | | action and resolved immediately by the mill management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. | |
| 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 - | Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the mill management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. | Yes |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance - | Sandakan Bay POM established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal & External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the mill management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. | Yes |
| 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 - | Sandakan Bay POM communicates regularly during morning muster briefing to all employees on awareness of complaints and suggestions can be made through procedures available. Communication too were done with surrounding communities and external stakeholders during consultation meeting as per sample minutes of meeting sighted for latest conducted as following: <ul style="list-style-type: none"> - External stakeholders (OCP suppliers) meeting; Date: 24/2/2020 - Internal stakeholders (Housing committee members) meeting; Date: 29/3/2021 | Yes |

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| | | - External stakeholder meeting for 2021 was not conducted due to the MCO enforcement. | |
| 4.4.2.5 | Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance - | The complaints and resolutions records available for period more than 24 months dated back since 2008. | Yes |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance - | Contributions made by the mill based in consultation with stakeholders among local communities as per sample sighted as following: - Contribution of food basket to Covid-19 mill workers' family dated 03/07/2020 and 08/05/2021 - Bi-monthly 10kg rice contributions to all workers | Yes |
| 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 have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill. The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. The mill has established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2021. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring and Health monitoring. | Yes |

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| | | The policy has been briefed to all workers on 01/07/2021 | |
| <p>4.4.4.2</p> | <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. | <p>The occupational safety and health plan cover the following:</p> <ul style="list-style-type: none"> a) Sime Darby Plantation have established the Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The policy has been briefed to all workers on 01/07/2021 b) HIRARC was available for all operations within the Mill to identify the hazards, assess and recommended control measures to minimize the risks. Among the HIRARC sampled were Covid-19, Reception Station, Kernel Recovery Station, Workshop, EFB Yard Construction, Boiler Station, Turbine and Schedule Waste. All HIRARC were recently reviewed on 01/05/2021. <p>Chemical Health Risk Assessment (CHRA) was conducted on 18th December 2019 by DAB OH Sdn. Bhd, DOSH Registered Assessor (HQ/11/ASS/00/298) with the CHRA Report available for verification.</p> <p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to particular hazards such a n-Hexane, Manganese, Chlorine, Mineral Dust and Mineral Oil. The Mill has conducted the medical surveillance on 02.12.2020 for 25 of the workers where all the workers were certified fit to work with no workers needed for Medical Removal Protection. The Medical Surveillance was conducted by DAB OH Sdn Bhd.</p> <p>Noise Risk Assessment was conducted by Mabello Group of Cinics on 06/07/2020 for Sandakan Bay POM by the Noise Competent Person, Mr. Balamurali A/L Raman (DOSH Reg:</p> | <p>Yes</p> |

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| | <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <p>HQ/18/PEB/00/00028). The NRA Report (Ref. No: HQ/18/PEB/00/00028 – 2020/045) was available for verification. Audiometric Test was conducted as per the NRA recommendation for the mill workers on 21/12/2021 by DAB OH Sdn Bhd. A total of 62 workers were examined where 54 workers had were diagnosed with Normal Audiogram and 8 workers were diagnosed with abnormal audiogram.</p> <p>c) The mill has established a training and awareness program for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows:</p> <table border="1" data-bbox="1099 807 1787 927"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Chemical Handling Training</td> <td>18.01.2021</td> </tr> <tr> <td>Chemical Handling (Lab) Training</td> <td>18.01.2021</td> </tr> </tbody> </table> <p>d) The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17.03.2008. Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26.02.2015.</p> <p>f) The Mill Engineer, Cik Nor Azian Binti Anuar was appointed to be the Chairman of OSH Committee at the Mill as stated in the</p> | Training | Date | Chemical Handling Training | 18.01.2021 | Chemical Handling (Lab) Training | 18.01.2021 | |
|----------------------------------|--|---|-----------------|-------------|----------------------------|------------|----------------------------------|------------|--|
| Training | Date | | | | | | | | |
| Chemical Handling Training | 18.01.2021 | | | | | | | | |
| Chemical Handling (Lab) Training | 18.01.2021 | | | | | | | | |

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| | | <p>appointment letter dated 31.12.2019 undersigned by the SOU 26 Chairman. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The Mill Management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated 04/04/2021 available for verification.</p> <p>h) Accident and emergency procedures are available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01.07.2012.</p> <p>The mill has established Emergency Response Team lead by the Mill Engineer. Fire Drill was conducted on 18/01/2021 at the mill.</p> <p>i) First aiders were present at various workstations at the mill. The first aiders were responsible for first aid box at each workstation assigned to them by the management. The first aid box was recently replenished with records of monthly monitoring available for verification. The latest First Aid Training was conducted on 18/01/2021</p> <p>j) Accident records are recorded and maintained in the mill and discussed during the quarterly held JKKP Meetings. There were 1 reported accident for the year 2020 in the workplace. The JKKP 6 Form has been submitted to DOSH accordingly and available for verification. Sighted the JKKP 8 form submission to JKKP for the year 2020 as well, submitted on 18/01/2021. No accident cases</p> | |
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| | | were reported for the year 2021 as of to date. | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | 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. - Major compliance - | The good social practices regarding human rights in respect of industrial harmony has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Latest policy re-briefing by the mill management to all mill employees was conducted on 1/7/2021. | Yes |
| 4.4.5.2 | 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. - Major compliance - | Records of employments and interview conducted remotely with sampled internal and external stakeholders confirmed that the workers and groups including local communities, women, and migrant workers have not been discriminated against. | Yes |
| 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 - | Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 below, management has ensured that employees' pay, and conditions meet Sabah Labour Ordinance 1950 and Minimum Wages Order 2020 requirements. | Yes |
| 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 - | All contractors are required to comply with Sime Darby Plantations requirements including relevant legal and standard requirements through signing of Vendor Integrity Pledge (VIP). Contractors employees pay were monitored by mill management through copy of pay documents kept on monthly basis for sample contractor Yee Ping Trading Sdn. Bhd. | Yes |

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| <p>4.4.5.5</p> | <p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The established records of Employee Masterlist which available as a database in computerized Checkroll System able to provide accurate account of all employees including their particulars of full names, gender, date of birth, date joined company, wages grade and position etc.</p> | <p>Yes</p> |
| <p>4.4.5.6</p> | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> | <p>Copies of fair contracts that have been signed by both employee and employer were provided to each employee as per records of sample mill employees as following:</p> <ul style="list-style-type: none"> - Zesar Abdullah Insuala; Employee ID # 0000066072; Daily Rated (Mill) - Aripe Bin Lahabe; Employee ID # 0000140889; Daily Rated (Mill) - Alyas Bin Muhammad Amin; Employee ID # 0000141015; Daily Rated (Mill) - Cesar Sappayani Muhammad; Employee ID # 0000153212; Daily Rated (Mill) - Nurul Syafiqah Binti Andu; Employee ID # 0000082335; Monthly Paid (Field & Mill agrmnt) - Norbayah Binti Sakka; Employee ID # 0000034335; S1 - Staff (Clerical) - Erna Binti Mamma; Employee ID # 0000148879; 34-General - Linah Binti Tudde; Employee ID # 0000140893; 34-General <p>The work agreements also attached with each workers' renewal of agreement to use new agreement (Foreign Workers) and Changes of terms & conditions due to Minimum Wage Order (MWO) revision use new agreement (Local Workers).</p> | <p>Yes</p> |

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| <p>4.4.5.7</p> | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -</p> | <p>Attendance (out-turn) and work hours (normal time and overtime) recording system established in both manual and computerized checkroll system which makes working hours and overtime transparent for both employees and employer.</p> | <p>Yes</p> |
| <p>4.4.5.8</p> | <p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -</p> | <p>Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 above, management has ensured that employees' working hours and breaks meet Sabah Labour Ordinance 1950. Overtime works are mutually agreed and compensated accordingly.</p> | <p>OFI</p> |
| <p>4.4.5.9</p> | <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -</p> | <p>Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 above, all wages and overtime payment documented on the pay slips are in line with legal regulations and collective agreements as per Sabah Labour Ordinance 1950 and Minimum Wages Order 2020.</p> | <p>Yes</p> |
| <p>4.4.5.10</p> | <p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -</p> | <p>All local employees are provided with the mandatory Employee Provident Fund (EPF) contributions while both local and foreign employees contributed with Social Security Organization (SOCSO). Additionally, other benefits offered by the company including the following:</p> <ul style="list-style-type: none"> - Productivity incentive - Out-turn incentive - Shift allowance - Telephone allowance | <p>Yes</p> |
| <p>4.4.5.11</p> | <p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -</p> | <p>All workers are provided with free housing facilities that included basic amenities such as clean water (25 gallons/month), community hall, sport facilities, etc. were provided to the workers. Electricity supplied through genset while clean water from mill's own treatment system. The housing condition was in accordance to the</p> | <p>Yes</p> |

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| | | Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Monthly visit by VMO and weekly inspections by medical assistant were done to ensure good conditions of the housing. | |
| 4.4.5.12 | The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance - | Policy to prevent all forms of sexual harassment and violence in workplace has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Communications made mainly during gender committee meeting as per sighted latest minutes of meeting for SOU 26 gender committee representatives from each operating unit conducted on 21/5/2021. | Yes |
| 4.4.5.13 | The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance - | Policy to respect the rights of all employees has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Employees were given freedom to associate and bargain collectively with company and to organize among themselves through association meetings as per sample sighted minutes of meeting of "Satubay" <i>Jawatankuasa SPIEU Cawangan Sandakan Bersama Majikan</i> ; Venue: Sandakan Bay POM Meeting Room; Date: 14/3/2020. Meeting were attended by all SPIEU representatives from each operating unit within SOU 26. Meeting for 2021 not yet conducted due to the MCO enforcement however communications made though WhatsApp group established for the "Satubay". | Yes |
| 4.4.5.14 | Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. | Policy to protect children and young person has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & | Yes |

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| | - Major compliance - | Quality Policy Statement” which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Based on the interview and sighted records of employees’ master lists data, no young person below 18 years old employed within all operating units within SOU 26. | |
| Criterion 4.4.6: Training and competency | | | |
| 4.4.6.1 | All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance - | Sandakan Bay POM has established a training program for all workers based on the training need analysis conducted on a yearly basis. Records of trainings were maintained such as RSPO & MSPO SCCS Training conducted on 23/07/2021. | Yes |
| 4.4.6.2 | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance - | Sandakan Bay POM has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for the year 2021 for verification. | Yes |
| 4.4.6.3 | A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance - | A training programme has been developed and available in the Training Requirement for Sandakan Bay POM ESH Activities for 2021. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors. | Yes |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. | Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 st June 2020. The policy has been communicated to the workers through | Yes |

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| | - Major compliance - | <p>induction training for new workers, morning briefing and displayed at various notice boards within the mill.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The policy has been briefed to all workers on 01/07/2021</p> | |
| 4.5.1.2 | <p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p> | <p>The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Last reviewed was done on Jan 2021</p> | Yes |
| 4.5.1.3 | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p> | <p>The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> | Yes |
| 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>The Continual Improvement Plan has incorporated various programmes to promote the positive impacts towards the environment such as:</p> <ol style="list-style-type: none"> Traced oil in monsoon drain which is suspected from EFB leachate and cleaning work. <ul style="list-style-type: none"> Trapped oil must be removed daily To liaise with CMU or Group Estate for EFB disposal. | Yes |

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|--|--|--|-----|
| | | <p>2. Black Smoke Emission</p> <ul style="list-style-type: none"> To carry out weekly inspection on ID Fan, Ash Airlock and cyclone cone. To ensure fireman carry out proper raking. To align smoke density meter transmitter and receiver if the reading is offset. To service/recalibrate at least once a year. <p>3. Effluent Holding Pond Bund Collapse.</p> <ul style="list-style-type: none"> Rebuild/repair holding pond bund when necessary in dry season. <p>4. Methane Gas Emission</p> <ul style="list-style-type: none"> To build Biogas Plant which will reduce methane gas emission. | |
| 4.5.1.5 | <p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p> | <p>The mill management has established annual ESH Training Plan from FY 2020 which covers the environmental awareness and compliance related trainings to the executives, staffs and workers. Among the trainings verified were:</p> <ol style="list-style-type: none"> Recycling & 3R Training – 07/04/2021 Zero Open Burning Training – 07/04/2021 | Yes |
| 4.5.1.6 | <p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p> | <p>Sandakan Bay Palm Oil Mill conducts quarterly Environment Performance Monitoring Committee (EPMC) Meetings to address the environment quality, issues and opportunity for improvements. The EPMC Meeting Minutes were available for verification dated 03/04/2021.</p> <p>Environmental Regulatory Compliance Monitoring Committee (ERCMC) was conducted online for Sabah Region on 08/04/2021 to address environmental compliances and issues in the region.</p> | Yes |
| <p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p> | | | |

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| <p>4.5.2.1</p> | <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p> | <p>The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel.</p> <p>Sandakan Bay POM has established baseline for non-renewable energy base on average of last 3 years usage/FFB produce. The monitoring of non-renewable energy usage was conducted annually.</p> <p>Sighted the sampled monitoring records for diesel, electricity and water usage at Sandakan Bay POM for 2020 and 2021 as follows:</p> <table border="1" data-bbox="1048 683 1832 1225"> <thead> <tr> <th>Month</th> <th>Diesel (L)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr><td>Jul 2020</td><td>42945</td><td>660620</td><td>42180</td></tr> <tr><td>Aug 2020</td><td>44765</td><td>651420</td><td>47510</td></tr> <tr><td>Sept 2020</td><td>50113</td><td>743800</td><td>50130</td></tr> <tr><td>Oct 2020</td><td>58076</td><td>923690</td><td>50860</td></tr> <tr><td>Nov 2020</td><td>62684</td><td>697030</td><td>47340</td></tr> <tr><td>Dec 2020</td><td>54086</td><td>500180</td><td>42380</td></tr> <tr><td>Jan 2021</td><td>70829</td><td>492290</td><td>45640</td></tr> <tr><td>Feb 2021</td><td>63218</td><td>407450</td><td>28450</td></tr> <tr><td>Mar 2021</td><td>69834</td><td>757290</td><td>31990</td></tr> <tr><td>Apr 2021</td><td>45722</td><td>455340</td><td>32220</td></tr> <tr><td>May 2021</td><td>40191</td><td>494860</td><td>34280</td></tr> <tr><td>June 2021</td><td>37320</td><td>493350</td><td>37900</td></tr> </tbody> </table> | Month | Diesel (L) | Electricity (kWh) | Water (m ³) | Jul 2020 | 42945 | 660620 | 42180 | Aug 2020 | 44765 | 651420 | 47510 | Sept 2020 | 50113 | 743800 | 50130 | Oct 2020 | 58076 | 923690 | 50860 | Nov 2020 | 62684 | 697030 | 47340 | Dec 2020 | 54086 | 500180 | 42380 | Jan 2021 | 70829 | 492290 | 45640 | Feb 2021 | 63218 | 407450 | 28450 | Mar 2021 | 69834 | 757290 | 31990 | Apr 2021 | 45722 | 455340 | 32220 | May 2021 | 40191 | 494860 | 34280 | June 2021 | 37320 | 493350 | 37900 | <p>Yes</p> |
|-----------------------|--|--|-------------------------|------------|-------------------|-------------------------|----------|-------|--------|-------|----------|-------|--------|-------|-----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|----------|-------|--------|-------|-----------|-------|--------|-------|------------|
| Month | Diesel (L) | Electricity (kWh) | Water (m ³) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul 2020 | 42945 | 660620 | 42180 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 2020 | 44765 | 651420 | 47510 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept 2020 | 50113 | 743800 | 50130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 2020 | 58076 | 923690 | 50860 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 2020 | 62684 | 697030 | 47340 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 2020 | 54086 | 500180 | 42380 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 2021 | 70829 | 492290 | 45640 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 2021 | 63218 | 407450 | 28450 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar 2021 | 69834 | 757290 | 31990 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2021 | 45722 | 455340 | 32220 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 2021 | 40191 | 494860 | 34280 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 2021 | 37320 | 493350 | 37900 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.2.2</p> | <p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> | <p>Sandakan Bay POM has estimation of total energy required. This estimation was compared to the actual usage on a monthly basis and reported to the head office for monitoring purposes. The estimation of total energy required is available in the annual budget prepared by the management of Sandakan Bay POM.</p> | <p>Yes</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | - Major compliance - | | | | | | | | | | | | | | | | | |
|---|---|--|-------------|------|----------------------|-------------------|------------|-----------|-------------------|-----------|-----------|--------------------------------------|------|------|--------------------------------------|------|------|-----|
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | <p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fiber and shells were also used to generate electricity through steam turbine and boiler.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel. Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available.</p> <p><u>Renewable Energy Summary</u></p> <table border="1"> <thead> <tr> <th>Description</th> <th>2020</th> <th>2021 (As of June)</th> </tr> </thead> <tbody> <tr> <td>Total Fiber Usage</td> <td>196,054.50</td> <td>83,112.08</td> </tr> <tr> <td>Total Shell Usage</td> <td>49,013.63</td> <td>20,778.02</td> </tr> <tr> <td>Renewable Energy Usage (Mt)/FFB (mt)</td> <td>1.00</td> <td>1.00</td> </tr> <tr> <td>Renewable Energy Usage (mt)/CPO (mt)</td> <td>4.59</td> <td>4.65</td> </tr> </tbody> </table> | Description | 2020 | 2021 (As of June) | Total Fiber Usage | 196,054.50 | 83,112.08 | Total Shell Usage | 49,013.63 | 20,778.02 | Renewable Energy Usage (Mt)/FFB (mt) | 1.00 | 1.00 | Renewable Energy Usage (mt)/CPO (mt) | 4.59 | 4.65 | Yes |
| Description | 2020 | 2021 (As of June) | | | | | | | | | | | | | | | | |
| Total Fiber Usage | 196,054.50 | 83,112.08 | | | | | | | | | | | | | | | | |
| Total Shell Usage | 49,013.63 | 20,778.02 | | | | | | | | | | | | | | | | |
| Renewable Energy Usage (Mt)/FFB (mt) | 1.00 | 1.00 | | | | | | | | | | | | | | | | |
| Renewable Energy Usage (mt)/CPO (mt) | 4.59 | 4.65 | | | | | | | | | | | | | | | | |
| 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 - | <p>The mill has identified the waste products and source pollution and documented in the Waste Management Plan 2020. The waste has been identified as follows:</p> <ul style="list-style-type: none"> Scheduled waste, SW 305, SW 306, SW 410, SW 102, SW 322 & SW 409 | Yes | | | | | | | | | | | | | | | |

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| | | <ul style="list-style-type: none"> • Domestic waste – Rubbish • Industrial waste – POME, EFB, scrap metal & compost <p>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> | |
| 4.5.3.2 | <p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p> | <p>Sandakan Bay POM has established the waste management plan and the plan was reviewed on an annual basis.</p> <p>The mill has identified the waste products and source pollution and documented in Waste Management Plan 2020. The waste has been identified as follows:</p> <ul style="list-style-type: none"> • Scheduled waste, SW 305, SW 306, SW 410, SW 102, SW 322 & SW 409 • Domestic waste – Rubbish • Industrial waste – POME, EFB, scrap metal & compost <p>In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.</p> | Yes |
| 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 26/02/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers staffs and executives.</p> <p>Sandakan Bay POM also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding of the proper disposal of waste as all used lubricant and</p> | Yes |

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| | | <p>contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area prior to disposal.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> • Consignment Number: 202107161628JPK6; Date Submitted: 16/07/2021; Waste Code: SW410; Waste Name: Used Oil Filter; Quantity: 0.07 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd. • Consignment Number: 20210716162IBPL9; Date Submitted: 16/07/2021; Waste Code: SW410; Waste Name: Used Rags and Gloves; Quantity: 0.120 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd. • Consignment Number: 2021071616N4AC8WD; Date Submitted: 16/07/2021; Waste Code: SW305; Waste Name: Spent Lubricant Oil; Quantity: 0.96 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd. • Consignment Number: 2021071616NRFWT5; Date Submitted: 16/07/2021; Waste Code: SW322; Waste Name: Waste of Non-Halogenated Organic Solvents; Quantity: 0.110 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd. • Consignment Number: 2021071616OGS1T2; Date Submitted: 16/07/2021; Waste Code: SW306; Waste Name: Spent Hydraulic Oil; Quantity: 0.05 Mt; Name of Contractor: Lagenda Bumimas Sdn Bhd. | |
| <p>4.5.3.4</p> | <p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p> | <p>The disposal of domestic waste was managed by Tun Tan Siew Sin Estate. The domestic waste is collected 2 to 3 times a week and disposed at the Tun Tan Siew Sin Estate's land fill which was verified to be more than 3km away from the workers quarters and watercourse</p> | <p>Yes</p> |

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| | | during the visit to the estate. The landfill was free from scheduled and recyclable waste. | | | | | | | | | | | | | |
|---|--|---|--------------|--------------|--------------|---------------------|------------|------------|-------------------|----------------------|----------------------|---|---------|---------|-----|
| Criterion 4.5.4: Reduction of pollution and emission | | | | | | | | | | | | | | | |
| 4.5.4.1 | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p> | <p>An assessment plan for all identified polluting activities was established based on the Environment Aspect and Impact assessment. Polluting activities were monitored based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. Besides that, the mill also monitors the Green House Gas emission and recyclable waste.</p> <p>Observed the dust emission monitoring report conducted by Sahen Engineering Sdn. Bhd. as follows:</p> <p>2nd Quarter 2020</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Descriptions</th> <th style="width: 30%;">Chimney No.2</th> <th style="width: 30%;">Chimney No.2</th> </tr> </thead> <tbody> <tr> <td>Date of Measurement</td> <td>16/11/2020</td> <td>16/11/2020</td> </tr> <tr> <td>Stationery Source</td> <td>Palm Oil Mill Boiler</td> <td>Palm Oil Mill Boiler</td> </tr> <tr> <td>Dust Emission Load (mg/Nm³, dry, @ 12% CO₂)</td> <td>391.52*</td> <td>203.60*</td> </tr> </tbody> </table> <p>* Sandakan Bay POM has DOE License, (Udara Bersih) 2014, License Number: 005181; Valid from 30.08.2020 till 30.08.2021. The license allows the dust emission should not exceed 400 mg/m³.</p> | Descriptions | Chimney No.2 | Chimney No.2 | Date of Measurement | 16/11/2020 | 16/11/2020 | Stationery Source | Palm Oil Mill Boiler | Palm Oil Mill Boiler | Dust Emission Load (mg/Nm ³ , dry, @ 12% CO ₂) | 391.52* | 203.60* | Yes |
| Descriptions | Chimney No.2 | Chimney No.2 | | | | | | | | | | | | | |
| Date of Measurement | 16/11/2020 | 16/11/2020 | | | | | | | | | | | | | |
| Stationery Source | Palm Oil Mill Boiler | Palm Oil Mill Boiler | | | | | | | | | | | | | |
| Dust Emission Load (mg/Nm ³ , dry, @ 12% CO ₂) | 391.52* | 203.60* | | | | | | | | | | | | | |
| 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>Sandakan Bay POM have established a Pollution Prevention Plan for the year 2021 reviewed on Jan 2021. The plan has identified the possible issues within the mill that may lead towards pollution. The plan consists of the issues, action plan to be taken, person in charge to monitor the action plan, time frame and status of compliance.</p> <p>Among the pollution issues identified are as follows:</p> | Yes | | | | | | | | | | | | |

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|-----------------------|---|---|---|---|---|---|------------|
| | | <ol style="list-style-type: none"> 1. Traced oil in monsoon drain which is suspected from EFB leachate and cleaning work. <ul style="list-style-type: none"> • Trapped oil must be removed daily • To liaise with CMU or Group Estate for EFB disposal. 2. Black Smoke Emission <ul style="list-style-type: none"> • To carry out weekly inspection on ID Fan, Ash Airlock and cyclone cone. • To ensure fireman carry out proper raking. • To align smoke density meter transmitter and receiver if the reading is offset. • To service/recalibrate at least once a year. 3. Effluent Holding Pond Bund Collapse. <ul style="list-style-type: none"> • Rebuild/repair holding pond bund when necessary in dry season. 4. Methane Gas Emission <ul style="list-style-type: none"> • To build Biogas Plant which will reduce methane gas emission. | | | | | |
| <p>4.5.4.3</p> | <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>The method for effluent discharge at Sandakan Bay POM through land application at Tun Tan Siew Sin Estate (112 Ha) area. The BOD limit for final discharge need to be not higher than 20 mg/l.</p> <p>The latest effluent Quarterly report for test analysis report (April 2021 – June 2021) was verified. The result shows Sandakan Bay POM is in compliance with the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977.</p> <p>For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Analysis Test Report Results as follows:</p> <table border="1" data-bbox="1048 1334 1872 1394"> <tr> <td>Paramater</td> <td>1st Week of 1st month</td> <td>5th Week of 2nd Month</td> <td>9th Week of 3rd month</td> </tr> </table> | Paramater | 1 st Week of 1 st month | 5 th Week of 2 nd Month | 9 th Week of 3 rd month | <p>Yes</p> |
| Paramater | 1 st Week of 1 st month | 5 th Week of 2 nd Month | 9 th Week of 3 rd month | | | | |

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| Sample Date | 07/04/2021 | 07/05/2021 | 08/06/2021 |
|---|------------|------------|------------|
| Total Discharge over 24 hrs (m ³) | 235.18 | 283.81 | 299.49 |
| Maximum Discharge 1 Hrs (m ³) | 11.76 | 14.19 | 14.98 |
| Temperature °C | 30.00 | 30.00 | 30.00 |
| pH Value | 8.07 | 7.88 | 7.64 |
| BOD ₃ at 30° | 14.00 | 15.00 | 17.00 |
| COD | 30.00 | 148.00 | 70.00 |
| Total Solids | 1428.00 | 1576.00 | 1154.00 |
| Suspended Solids | 51.00 | 16.00 | 35.00 |
| Oil and Grease | 3.00 | 6.00 | 5.00 |
| Ammoniacal Nitrogen | 3.00 | 4.00 | 8.00 |
| Total Nitrogen | 15.00 | 19.00 | 20.00 |

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. | <p>The mill has established Water Management Plan (Reduction of Water Usage/Contingency/Water Discharge) FY 2021. The plan focuses on shortage of water supply due to dry spell, severe water pollution and contamination of surface and ground water. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame.</p> <p>Water for consumption is monitored and tested on a monthly basis to ensure it conforms to the Natural Standards for Drinking Water Quality (NSDWQ).</p> | Yes |
|----------------|---|--|-----|

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| | <p>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> <p>- Major compliance -</p> | <p>The latest Water Analysis Test Report results are as follows: Report Number: IE663/2021 Date Sampled: 08.06.2021 Date Issued: 09/07/2021</p> <table border="1" data-bbox="1048 523 1865 790"> <thead> <tr> <th>Sample Reference</th> <th>pH</th> <th>TDS</th> <th>Turbid</th> <th>Chloride</th> <th>Al</th> </tr> </thead> <tbody> <tr> <td>Raw Water – Water Catchment</td> <td>6.4</td> <td>868</td> <td>2.0</td> <td>49.2</td> <td>0.043</td> </tr> <tr> <td>Water After Treatment – WTP</td> <td>6.9</td> <td>132</td> <td>0.4</td> <td>47.8</td> <td>0.057</td> </tr> <tr> <td>Domestic Water – Laboratory</td> <td>6.8</td> <td>164</td> <td>0.3</td> <td>37.5</td> <td>0.056</td> </tr> </tbody> </table> <p>The results stated that the water sample does not conform with NSDWQ for domestic waste use for Raw Water. A Corrective / Prevention Action report for Non-Conforming Water Analysis Results was established for the non-conforming results. Resampling was done on 07/07/2021. Nevertheless, the domestic water showed conforming results.</p> | Sample Reference | pH | TDS | Turbid | Chloride | Al | Raw Water – Water Catchment | 6.4 | 868 | 2.0 | 49.2 | 0.043 | Water After Treatment – WTP | 6.9 | 132 | 0.4 | 47.8 | 0.057 | Domestic Water – Laboratory | 6.8 | 164 | 0.3 | 37.5 | 0.056 | |
|--|---|--|------------------|----------|-------|--------|----------|----|-----------------------------|-----|-----|-----|------|-------|-----------------------------|-----|-----|-----|------|-------|-----------------------------|-----|-----|-----|------|-------|--|
| Sample Reference | pH | TDS | Turbid | Chloride | Al | | | | | | | | | | | | | | | | | | | | | | |
| Raw Water – Water Catchment | 6.4 | 868 | 2.0 | 49.2 | 0.043 | | | | | | | | | | | | | | | | | | | | | | |
| Water After Treatment – WTP | 6.9 | 132 | 0.4 | 47.8 | 0.057 | | | | | | | | | | | | | | | | | | | | | | |
| Domestic Water – Laboratory | 6.8 | 164 | 0.3 | 37.5 | 0.056 | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.5.5.2</p> | <p>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>As per Scheduled of compliance for Sandakan Bay POM from DOE, the method for effluent discharge at Sandakan Bay POM through land application at Tun Tan Siew Sin Estate (112 Ha) area.</p> | <p>Yes</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.6 Principle 6: Best Practices</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 4.6.1: Mill Management</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.6.1.1</p> | <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> | <p>The mill processing system was documented in the Sustainability Plantation Management System (MQMS/SQM/08, version 1 dated</p> | <p>Yes</p> | | | | | | | | | | | | | | | | | | | | | | | | |

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| | - Major compliance - | <p>01/11/2008) which includes Standard Operation Manual version 1, dated 01/11/2008</p> <p>The Mill Quality Management Manual (2008/MQMS/QMM/08, version 1) is available and maintained. These documents provide guidelines and standards in the mill operations.</p> <p>The Standard Operating procedure (SOP) described details from the reception, sterilization, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, dispatches etc.</p> <p>Manuals within the industry and MPOB is available and maintained that are used as guidelines. Sime Darby has established a system to monitor the mill operation.</p> <p>The Mill advisor, Structured Oil Recovery Assessment (SORA) and Performance Monitoring Unit (PMU) visits the operating units on timely basis. Their reports cover on all aspect of operation where they rate the performance of the mill and estates.</p> | |
| 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 external monitoring is made through visits by Regional General Manager, Mill Advisor, SQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others. | Yes |
| 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 - | <p>The annual business plan is available. The document is in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains;</p> <p>a) FFB processed production of CPO & CPK.</p> <p>b) Component of operating expenditure.</p> <p>Business / Management plan for 2021 was include Capital Expenditure</p> | Yes |

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| | | (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill. A calculation of seeking the profitability quantum was also sighted. | |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | The pricing method for services such as desilting of ETP ponds, CPO/PK transportation, has been clearly stated in the Letter of Offer (LOA) and contract agreement. Whereas, the pricing mechanism for purchasing FFB from third parties is guided by the MPOB pricing guideline. | Yes |
| 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. Agreement between Sime Darby Plantation (Sabah) Sdn. Bhd. and Amity Legion Sdn. Bhd. (Agreement No: P/B/1220/FFB02710L dated 01/01/2021 was verified. | Yes |
| 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 - | This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the mill. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System. MSPO requirements briefing to contractors were conducted on 23 July 2021 and attended by representatives from Pengangkutan Kekal and Yee Ping Trading. | Yes |
| 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. | Yes |

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| | | <p>Contracts between Pengangkutan Kekal Sdn Bhd (CPO barge transport) and Yee Ping Trading Sdn Bhd (CPO & PK road transport), were verified.</p> <p>Contract extension with Yee Ping Trading Sdn. Bhd. for the CPO and PK transportation services was agreed on 26/11/2020.</p> | |
| 4.6.4.3 | <p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p> | <p>Acceptance is confirmed by the Management prior to the audit via acceptance of Audit contract and Audit Plan and the 5-year MSPO certification programme.</p> <p>There is no objection by the management to accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> | Yes |

Appendix B: List of Stakeholders Contacted

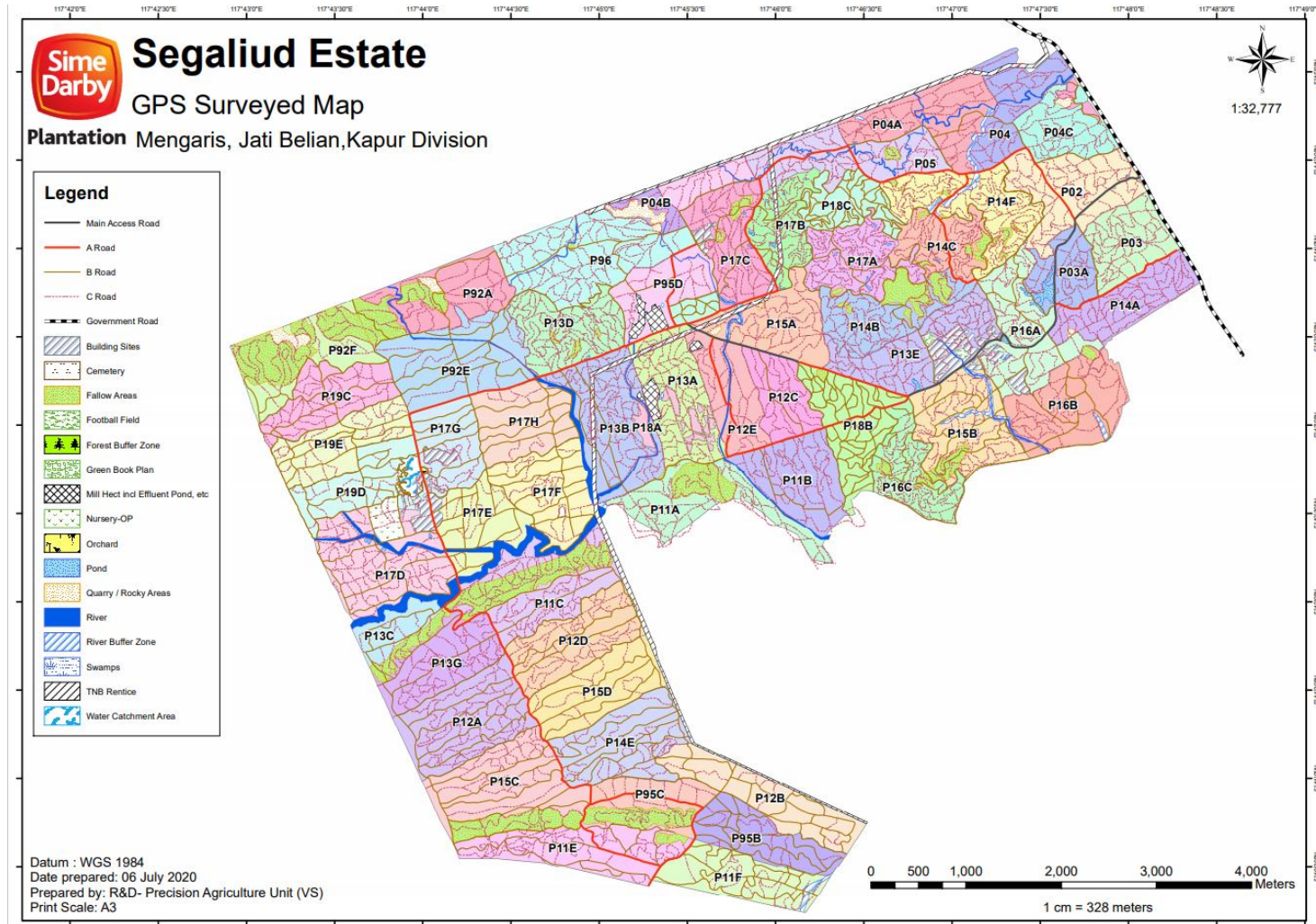
| | |
|--|---|
| <p>Government Officer: -</p> | <p>Community/neighbouring village: a. External smallholder (SG Harvest)</p> |
| <p>Suppliers/Contractors/Vendors: -</p> | <p>Worker’s Representative/Gender Committee: a. Estates local workers’ representatives b. Mill local workers’ representatives c. Estate’s foreign workers’ representatives d. Mill foreign workers’ representatives e. Estates gender committee representatives f. Mill gender committee representatives</p> |

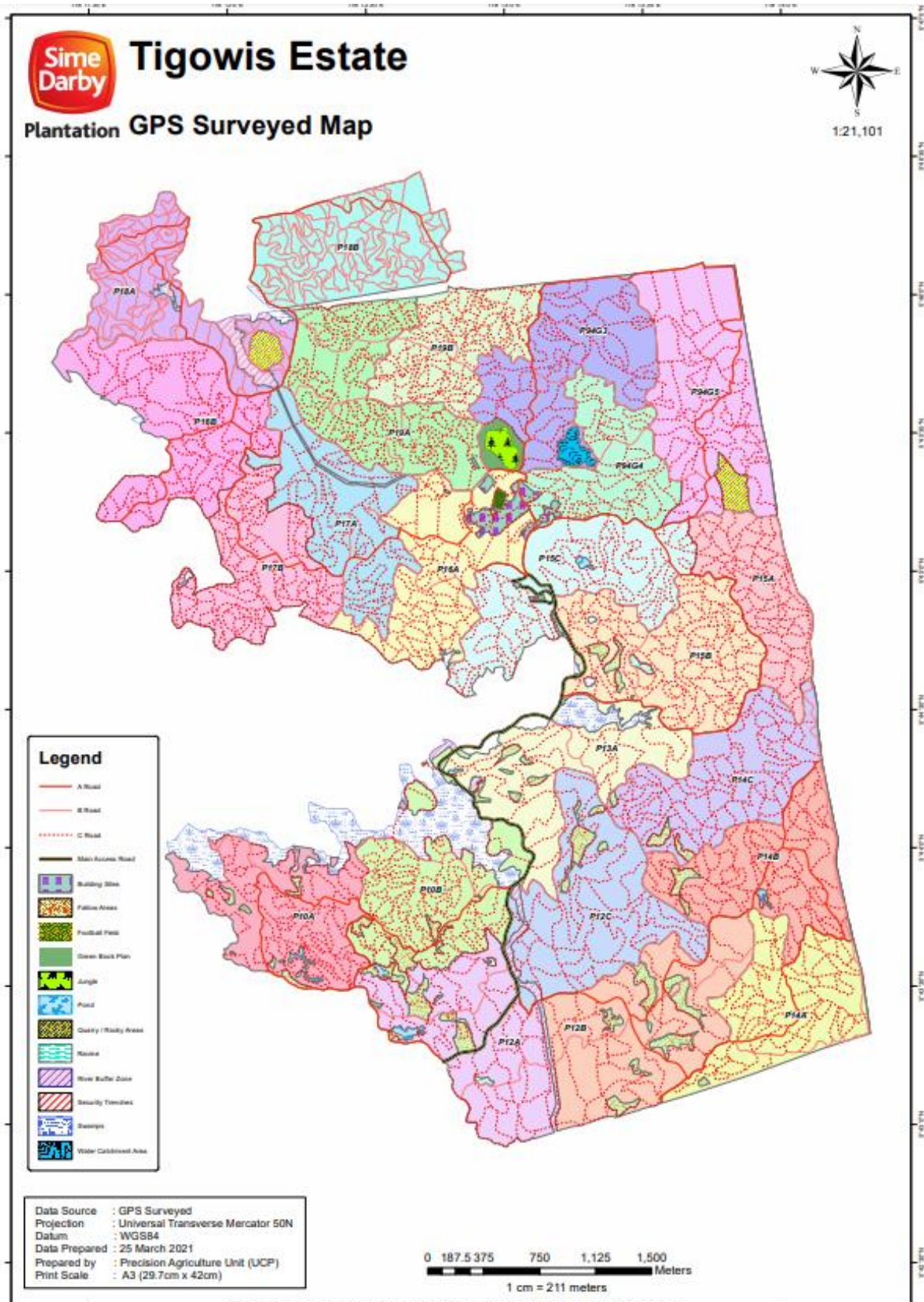
Appendix C: Smallholder Member Details

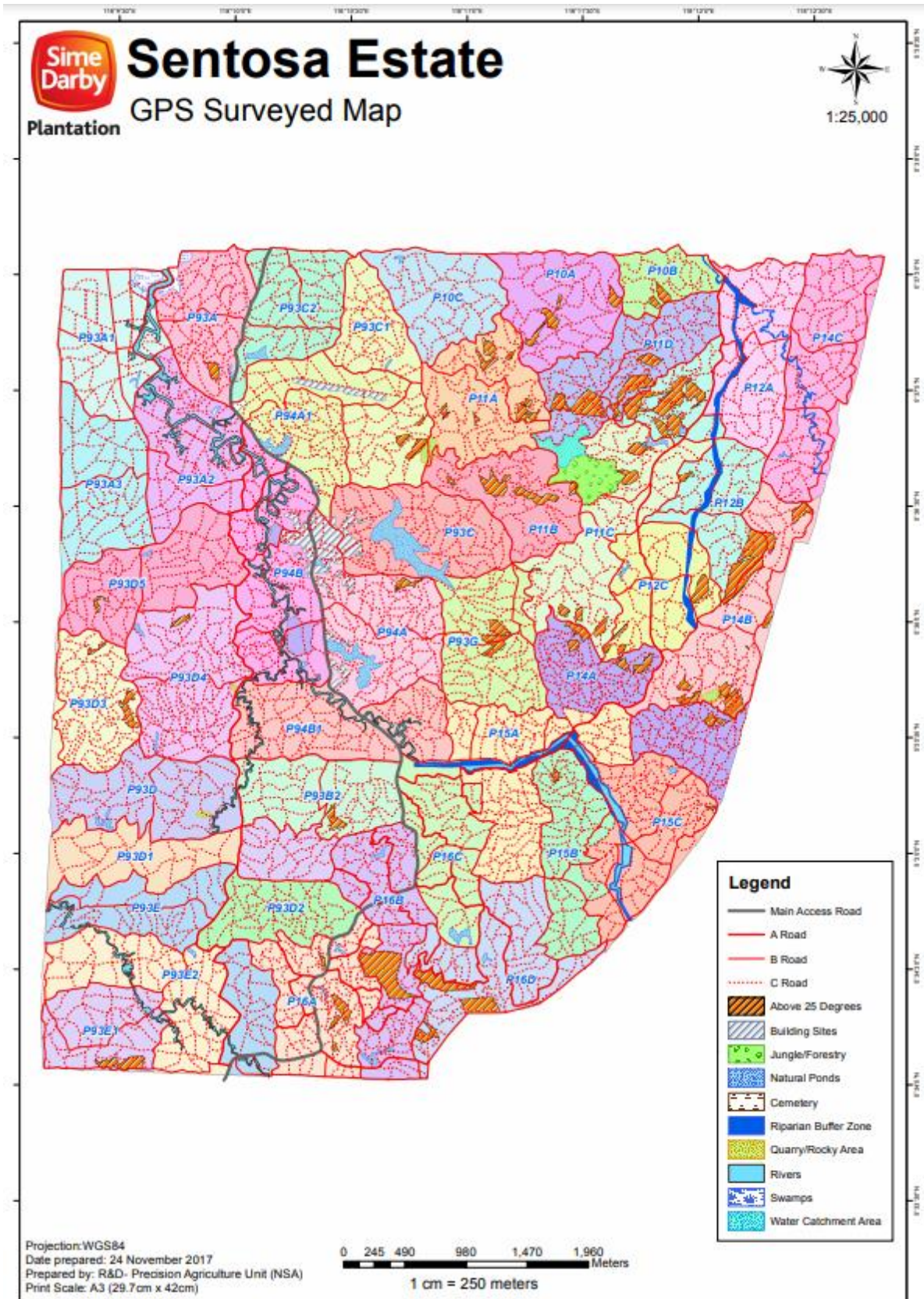
Not Applicable

Appendix D: Location of Sandakan Bay POM and Supply Base









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 |