

**MALAYSIAN SUSTAINABLE PALM OIL
4th ANNUAL SURVEILLANCE ASSESSMENT (ASA4)
Public Summary Report**

Sime Darby Plantation Berhad
Client company Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 20) - Chaah Palm Oil Mill and supply bases (Chaah Estate, North Labis Estate, and Sg Simpang Kiri Estate) Location of Certification Unit: Pejabat Ladang Chaah, 85400 Chaah, Johor, Malaysia

Report prepared by:
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Report Number: SMO 3293271

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Chaah POM:	518940004000	28/02/2022
	Chaah Estate:	518848002000	28/02/2022
	North Labis Estate:	522496002000	31/07/2022
	(Sg Labis Div.):	520479102000	30/04/2022
	Sg Simpang Kiri Estate:	532593002000	30/09/2021
Address	Pejabat Ladang Chaah, 85400 Chaah, Johor, Malaysia		
Certification Unit	SOU 20 - Chaah Palm Oil Mill		
Contact Person Name	1) Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) 2) Muhammad Saufi Baharudin (Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com kks.chaah@simedarbyplantation.com
Telephone	603-78484379 (Head Office) 019-3807350 (Mill)	Facsimile	03-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682047 Estate: MSPO 685287		
Issue Date	28/12/2017	Expiry date	27/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estates: Production of Sustainable Oil Palm Fruits		
Standard	i. MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Oil Palm Plantations and Organized Smallholders ii. MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mills		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	14/11/2017-16/11/2017		
Continuous Assessment Visit Date (CAV) 1	26-28/09/2018		
Continuous Assessment Visit Date (CAV) 2	19-21/08/2019		
Continuous Assessment Visit Date (CAV) 3	11-13/08/2020		

Continuous Assessment Visit Date (CAV) 4	23-25/08/2021 (Remote Audit)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 548299	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Identity Preserved Supply Chain Module	BSI Services Malaysia Sdn Bhd	17/11/2025
MSPO 714134	MSPO Supply Chain Certification Standard (MSPO SCCS)	BSI Services Malaysia Sdn Bhd	03/09/2024

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Chaah Palm Oil Mill	Pejabat Ladang Chaah, 85400 Chaah, Johor, Malaysia	2.148083	102.973842
Chaah Estate		2.177782	102.996606
North Labis Estate	Ladang North Labis, P.O. Box No. 501, 85300 Labis, Johor, Malaysia	2.374258	103.045799
Sg Simpang Kiri Estate	Ladang Sg. Simpang Kiri, K.B. No. 103, 85400 Chaah, Johor, Malaysia	2.148357	103.002847

1.4 Certified Area					
Estates	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Chaah Estate	2,730.83	¹ 6.95	² 57.58	2,795.36	97.69
North Labis Estate	3,225.23	¹ 1.63	² 306.05	3,533.91	91.29
Sg Simpang Kiri Estate	2,095.25	¹ 62.11	² 214.30	2,371.66	88.35
Total	8,051.31	70.69	577.93	8,699.93	92.54

Notes:
¹Error in previous year reporting (this year Ha as per HCV report).
²Error in previous year reporting.

1.5 Plantings & Cycle							
Estates	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Chaah Estate	397.40	-	1,700.22	633.21	-	2,333.43	397.40

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North Labis Estate	650.13	1,026.71	949.04	599.35	-	2,575.10	650.13
Sg Simpang Kiri Estate	391.54	596.11	1,003.64	103.96	-	1,703.71	391.54
Total (ha)	1,439.07	1,622.82	3,652.9	1,336.52	0	6,612.24	1,439.07

1.6 Certified Tonnage of FFB

Estates	Tonnage / year		
	Estimated (Aug 2020 - Jul 2021)	Actual (Aug 2020 - Jul 2021)	Forecast (Nov 2021 - Dec 2022)
ChaaH Estate	55,572.04	47,476.13	55,341.00
North Labis Estate	48,985.64	19,691.98	57,733.39
Sg Simpang Kiri Estate	41,441.21	29,660.38	34,652.03
Yong Peng Estate (Diversion)	-	21,184.79	-
Total	145,998.89	118,013.28	147,726.42

Note: -

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Aug 2020 - Jul 2021)	Actual (Aug 2020 - Jul 2021)	Forecast (Nov 2021 - Dec 2022)
NA	NA	NA	NA
Total	NA	NA	NA

Note: -

1.8 Certified Tonnage

	Estimated (Aug 2020 - Jul 2021)	Actual (Aug 2020 - Jul 2021)	Forecast (Nov 2021 - Dec 2022)
	FFB	FFB	FFB
Mill Capacity: 30 MT/hr	145,998.89	118,013.28	147,726.42
	CPO (OER: 20.90%)	CPO (OER: 20.10%)	CPO (OER: 21.50%)
SCC Model: SG	30,513.77	23,725.66	31,761.18
	PK (KER: 5.46%)	PK (KER: 4.26%)	PK (KER: 5.50%)
	7,973.04	5,032.09	8,124.95

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1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
23,725.66	0	0	16,596.25	7,088.42	23,684.67

1.10 Actual Sold Volume (PK)					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
5,032.09	0	0	3,624.28	1,407.81	5,032.09

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 full remote assessment was conducted due to Pandemic COVID-19 from 23-25/08/2021. The audit programme is included as Section 2.3. This remote audit has been conducted using Information and Communication Technologies including (Microsoft Teams, WhatsApp and phone call). The planned audit objectives have been achieved, there were no connectivity issues which adversely affected the audit. The approach to the audit was to treat the SOU 20 Chaah POM Certification Unit as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

Structured worker interviews with male and female workers and staff were held in remotely. Field workers were interviewed informally in small groups remotely. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the ASA 4 are detailed in Section 4.2.

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

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

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Chaah POM	✓	✓	✓	✓	✓
Chaah Estate	✓	✓		✓	✓
North Labis Estate	✓		✓	✓	
Sg Simpang Kiri Estate		✓	✓		✓

Tentative Date of Next Visit: August 23, 2022 - August 25, 2022

Total No. of Mandays: 11 Mandays

2.1 BSI Assessment Team

Team Member Names	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Nor Halis Abu Zar	Team Leader	He holds Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, He had accumulated more than 6 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. He is a qualified Lead Auditor for MS2530:2013 and has accumulated more than 300 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia. He has completed ISO IMS 9001, 14001 Lead Auditor Course in January 2019, MSPO 2530:2013 Lead Auditor Course in February 2019 and endorsed RSPO Lead Auditor Course in October 2020. Fluent in Bahasa Malaysia and English Languages. During this assessment, he assessed on the aspects of legal, social and stakeholder engagement.
Vijay Kanna Pakirisamy	Team Member	He holds a bachelor's degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10-year tenure in the oil palm industry, he has been part of the operations team that

		<p>implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. 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 MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Continuous Improvement Safety and Health, Environment and Best Practice. He is fluent in Bahasa Malaysia and English languages.</p>
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2.2 Accompanying Persons

No.	Name	Role
	NA	

2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	(NHA)	(VKP)	ICT Planned
Tuesday, 17/08/2021	1530 - 1400	Communication on document preparation - Audit plan - Any additional Information	√	√	Teleconference, Microsoft Team Meeting, Email
Monday, 23/08/2021 Sg Simpang Kiri Estate	0900 - 0915	Opening meeting - Opening presentation by audit team leader - Confirmation of assessment scope and finalize audit plan	√	√	Teleconference, Microsoft Team Meeting, Email
	0915 - 1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√	√	
	1040 - 1230	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email

Date	Time	Subjects	(NHA)	(VKP)	ICT Planned
	1450 - 1500	10-minute break	√	√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
Tuesday, 24/08/2021 Chaah POM	0900 - 1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1030 - 1040	10-minute break	√	√	
	1040 - 1230	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break	√	√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
	Wednesday 25/08/2021 Chaah Estate	0900 - 1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√
1030 - 1040		10-minute break	√	√	

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Date	Time	Subjects	(NHA)	(VKP)	ICT Planned
	1040 - 1230	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1230 - 1330	Lunch & Break	√	√	Teleconference, Microsoft Team Meeting, Email
	1330 - 1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1450 - 1500	10-minute break	√	√	
	1500 - 1700	Assessment and documentation review on social aspects, legal requirements, employees' welfare, stakeholder management, good agricultural practices, legal requirements, OHS, environment, biodiversity, and continual improvement	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Audit Team discussion and Closing Meeting	√	√	Teleconference, Microsoft Team Meeting, Email

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the ASA 4 there were zero (0) Major, one (3) Minor nonconformities and one (0) OFI raised. The SOU 20 Chaah 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.

Minor Nonconformities:		
Ref: 2096026-202108-N1	Area/Process: SOU 22 – Sg Simpang Kiri Estate	Clause: 4.4.5.4 Part 3
	Issue Date: 25/08/2021	Due Date: Next Surveillance Audit
Requirements:	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.	
Statement of Nonconformity:	Not all contractors were able to demonstrate compliance towards applicable legal requirements.	
Objective Evidence:	During document verification and interview with contractor RSKP Brothers, there is no evidence that EIS contribution has been made as per verification of payslip for the month of January 2021 to May 2021. It was against Section 16(1) and Schedule 2 of the Employment Insurance System Act 2017. The sample employees of contractors as below: 1. Nagarajesh A/L Veluthan 000728-XX-XXXX 2. Parameswaran A/L Shunmukan 880919-XX-XXXX	
Corrections:	Estate will inform the contractor to ensure EIS contribution for the said workers.	
Root cause analysis:	The contractor did not fully understand on the requirement of contribution for EIS as they only contribute on SOCSO Employment Injury Scheme and not included the Employment Insurance System (EIS).	
Corrective Actions:	Estate will conduct briefing to the contractor on related sustainability certification requirements and include on the EIS contribution requirement.	

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Assessment Conclusion:	CAP has been accepted on 08/09/2021 and evidence of CAP effectiveness to be verified in the next assessment.
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Minor Nonconformities:	
Ref: 2096026-202108-N2	Area/Process: SOU 22 – Sg Simpang Kiri Estate and Chaah Estate
	Clause: 4.6.1.1 Part 3
	Issue Date: 25/08/2021
	Due Date: Next Surveillance Audit
Requirements:	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.
Statement of Nonconformity:	The implementation of Standard operating procedures was not satisfactorily demonstrated.
Objective Evidence:	<p>Landfill Management in Estate Based on verification through Google Earth, the wastes landfill at Chaah Estate (GPS: 2° 9' 33.51" N; 102° 59' 10.73" E), and Sg Simpang Kiri Estate (GPS: 2° 6' 30.18" N; 103° 0' 31.56" E) have residential areas and/or river or waterways within their 3 km radius distance. This is not in-line with the Landfill Management in Estate procedure [SD/SDP/PSQM(ESH)/203-EN7, rev. 0, dated 13/03/2017], Clause 6.3.3 a) and b) which reads:</p> <p>a) The landfill shall be located no less than 3 km away from nearest household area, offices or other premises b) The landfill shall be located no less than 3 km away from the nearest river or waterway</p> <p>Water Quality Monitoring Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; Date: 01/06/2016; 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. <p>Sungai Simpang Kiri Estate The Incoming & Outgoing river water sampling report (Test report Number: IE555/2021) dated 11/06/2021 was available for verification. The results indicated that some of the parameters (pH, COD, AN and DO) did not conform with the Class IIA/IIB of NWQS for natural waterways. The resampling was done and sent to the laboratory on 8th July 2021 which is more than the 1 week as stated in the procedure. The results have not been obtained yet.</p>
Corrections:	Estate will relocate the landfill accordingly in line with the landfill management procedure and water sampling result will be monitored accordingly to ensure resampling to be conducted for off-spec result as per stated in procedure.
Root cause analysis:	Person in charge from estates was not properly briefed on both landfill and water quality monitoring procedure has resulted it was not satisfactorily implemented.

Corrective Actions:	Training will be conducted on both landfill and water quality monitoring procedure for the Person In Charge.
Assessment Conclusion:	CAP has been accepted on 08/09/2021 and evidence of CAP effectiveness to be verified in the next assessment.

Minor Nonconformities:		
Ref: 2096026-202108-N3	Area/Process: SOU 22 - Chaah POM	Clause: 4.6.1.1 Part 4
	Issue Date: 25/08/2021	Due Date: Next Surveillance Audit
Requirements:	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	
Statement of Nonconformity:	The implementation of Standard operating procedures was not satisfactorily demonstrated.	
Objective Evidence:	<p>Water Quality Management System Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; Date: 01/06/2016; 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. - For samples sent to Sime Darby Research Laboratory, clearly indicate "Re-sampling" in the "Remark/Others" column of Sample Analysis Request form so that the laboratory can expedite the analysis. Results of the re-sampling shall be obtained within 2 weeks. Refer Appendix I; Form Code WQ-02/SARF <p>The incoming and Outgoing water at the river monitored by the Mill Management is sampled on a quarterly basis. Water Analysis Test Report (IE464/2021) sampled on 14/04/2021 was available for verification. The results dated 03/05/2021 indicated that the BOD an COD does not conform with the Class IIA/IIB of NWQS for Natural Waterways. The management have generated the Corrective/Preventive Action Report for Non-Conforming Water Analysis Results on 10/05/2021. Nevertheless, the resampling was not conducted concurrently within 1 week of receiving the samples and samples were not sent to the SD Research Lab, Carey Island or Accredited Laboratory as stated in the SOP. Resampling was conducted only on 27/07/2021 and the results have not been obtained as of the audit date.</p>	
Corrections:	Mill will monitor the water sampling result and ensure off-spec water sampling result to be investigate and resampling to be sent to Sime Darby R&D lab or accredited lab in-line with the procedure.	
Root cause analysis:	Mill has conducted re-sampling with internal mill's laboratory and the result of sample shown within parameter. Thus, Mill not sent for re-sampling to SD Research Lab, Carey Island due to the result within parameter. However, it was not in line with the procedure due to the person in charge was not properly briefed on the water quality monitoring procedure.	

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Corrective Actions:	Training will be conducted on water quality monitoring procedure for the Person In Charge.
Assessment Conclusion:	CAP has been accepted on 08/09/2021 and evidence of CAP effectiveness to be verified in the next assessment.

Opportunity For Improvement		
Ref: N/A	Area/Process: N/A	Clause: N/A
Objective Evidence:	N/A	

Noteworthy Positive Comments	
1	Good cooperation by management team/staff/sustainability team
2	Good documentation upkeep and retrieval

3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:		
Ref: 1938606-202008-N1	Area/Process: Mill	Clause: MS 2530:2013 Part-4: 4.4.5.4
	Issue Date: 13/8/2020	Date of closure: 25/08/2021
Requirements:	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.	
Statement of Nonconformity:	Lack of evidence to demonstrate that the management has ensured that a contractor has paid his employees based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee	
Objective Evidence:	<p>A contractor, Maju Mech Engineering Sdn Bhd for engineering works in the mill. However, the evidence to demonstrate that the management has ensured the followings were adhered by the contractor was not adequate:</p> <ol style="list-style-type: none"> 1) Whether or not the SOCSO paid to the contractor's employees in is line with SOCSO Lampiran B-Jadual Caruman [ref.: pay slips for the months of March, April and May 2020] 2) Whether or not the contractor's employees have been paid for public holidays pay i.e. Hari Keputeraan Sultan Johor, Hari Raya Aidilfitri and Labour Day [ref.: pay slips for the month of March & May 2020] <p>Both of the above subjects were stated in the contract agreement between the contractor and his employees, where the contractor agrees to pay accordingly.</p>	
Corrections:	Mill will request from the contractor (Maju Mech Engineering Sdn Bhd), the proof of payment for both SOCSO contribution and public holiday for the sampled workers and months.	
Root cause analysis:	The issue happened when the contractor is in-consistent in submitting their workers' proof of payment for Mill Management monitoring, resulting mill not being able to monitor the payment accordingly.	

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Corrective Actions:	The contractor will submit the copy of their worker’s proof of wages payment to the mill management on monthly basis for consistent monitoring.
Assessment Conclusion:	The correction and corrective action plan are accepted. The evidence of effective implementation shall be verified in the next assessment.
Verification Statement	<u>ASA 4 Verification</u> Awareness training to Maju Mech Engineering (M) Sdn Bhd has been conducted on 01/10/2020. Refer “Penerangan Tentang Syarat-Syarat Pensijilan Sawit Lestari RSPO dan MSPO dan Ketidakpatuhan”. Sighted evidence of Training Materials. Sighted proof of SOCSO contribution has been made for the respective workers. Refer SOCSO Statement 11/2020 for Maju Mech Engineering (M) Sdn Bhd, B3402056705A. Sighted evidence of Public Holiday payment by Maju Mech Engineering (M) Sdn Bhd, refer Payslip month of November 2020. Thus, Minor NC was closed on 25/08/2021.

Opportunity for Improvement		
Ref: 1938606-202008-I1	Area/Process: Sg Simpang Kiri Estate	Clause: MS 2530:2013 Part-3: 4.4.2.2
Objective Evidence:	During the stakeholder consultation, the Ketua Kampung of Seri Sejangung has voiced out his grievance about the construction of bund at Sg Sg Simpang Kiri Estate along a drain between the estate (field no. 2000B2) and oil palm plantation belonged to Kg Sejangung villagers had caused the flood in the villagers’ plantation area to be worsen. The handling of this grievance can be further improved by having it recorded and documented according to the company’s procedure.	
Verification Statement	<u>ASA 4 Verification</u> Verified through interview with villagers the issue has been taken out by Estate and proper discussion has been made. Refer Flood Mitigation Meeting was conducted on 21/03/2021 that involved management and villagers. Sighted evidence of minutes of meeting and attendance. Resulting from this meeting all issue raise by stakeholders has been stated in the mitigation measure and issue was solved. Thus, OFI was closed on 25/08/2021.	

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1812801-201906-M1	Major	21/08/2019	Closed on 5/10/2019
1812801-201906-N1	Minor	21/08/2019	Closed on 13/8/2020
1938606-202008-N1	Minor	13/08/2020	Closed on 25/08/2021
2096026-202108-N1	Minor	25/08/2021	Open
2096026-202108-N2	Minor	25/08/2021	Open
2096026-202108-N3	Minor	25/08/2021	Open



3.5 Issues Raised by Stakeholders

IS #	Description
<p>1</p>	<p>Issues: Contractors (RSKP Brothers, Lai Brothers, KCG Enterprise, Kejuruteraan Dynameca) Agreement between Sime Darby and contractors were signed and verified during the audit. No complaint for the management. The payment paid within 1 month as agreed. Contractors were being trained and briefed regarding RSPO & MSPO.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>2</p>	<p>Issues: Government Agencies (Balai Polis Chaah, Klinik Kesihatan Chaah) They have good relationship with estate and mill management. All matters related to safety and health has regularly discussed between parties. No issue on illegal workers, crime or serious disease that involve workers from estates or mill. They often joined both parties' community programme.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>3</p>	<p>Issues: Local communities (JKK Kg Hj Kamisan) Villagers have good relationship with estate and mill management. They often joined both parties' community programme. There is no issue of encroachment or dispute case so far.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>4</p>	<p>Issues: Local communities (Kedai Runcit Arokiam) Management has given a training related implementation of MSPO matters. All rules set by management related MSPO need to follow by them. No complaint or grievances recorded.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>5</p>	<p>Issues: NUPW (Mill and Estates representative) The election for NUPW were made through vote. Most of the employee joined NUPW and no restriction from the company. No serious complaint from the workers, mainly for the housing maintenance.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings:</p>

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	No other issue.
6	Issues: Foreign Workers (Mill and Estate samples workers, Local and Foreign workers) Training were provided for all workers. Workers welfare were keep monitored by the management. There is no illegal deduction of their salary has been made.
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.
7	Issues: Gender Committee (Mill and Estates representative) No case of sexual harassment reported in the certification unit. New mothers in the certification units were assessed on their needs and no restriction to have a breastfeeding time, check-up session, etc. the gender committee meeting was conducted regularly with active participation and activities among the female employees.
	Management Responses: Noted on the information.
	Audit Team Findings: No other 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 SOU 20 Chaah POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sime Darby SOU 20 Chaah POM Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Hasnol Hisham bin Hamdan	Name: NOR HALIS ABU ZAR
Company name: Sime Darby Plantation	Company name: BSI MALAYSIA
Title: Manager (Chairman SOU 20)	Title: CLIENT MANAGER
Signature:  SIME DARBY PLANTATION BERHAD (047766-V) CHA'AH ESTATE Hasnol Hisham bin Hamdan Manager Date: 8/9/2021	Signature:  Date: 08/09/2021

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 Organized Smallholders

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy established mention that Sime Darby are committed to making: 1. Promoting Good Governance and Transparency 2. Contributing to a better society 3. Minimizing environmental harm 4. Delivering sustainability quality This policy shall be guided by the commitment spelt out in the company's: 1. Responsible Agriculture Charter (RAC) 2. Human Right Charter (HRC) 3. Innovation & Productivity Charter (IPC)	Complied
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.	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The internal audit was conducted on annually basis and as and when required as per stated in the SOP established. Latest Internal	Complied

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Criterion / Indicator		Assessment Findings	Compliance															
	- Major compliance -	Audit for SOU 20 was conducted on 26/07/2021 for Sg Simpang Kiri Estate and 22/07/2021 for Chaah Estate by SQM Department. The internal audit was conducted together for RSPO and MSPO. Issue raised during the audit has been addressed by the estates and mills.																
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 -	<p>Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date</th> <th>Major NC</th> <th>Minor NC</th> <th>OFI</th> </tr> </thead> <tbody> <tr> <td>Sg. Simpang Kiri</td> <td>26/07/2021</td> <td>2</td> <td>1</td> <td>3</td> </tr> <tr> <td>Chaah</td> <td>22/07/2021</td> <td>4</td> <td>0</td> <td>5</td> </tr> </tbody> </table> <p>All non-conformity raised during the audit has been addressed by the estate. Root cause analysis and Corrective Action Plan was submitted to the Internal Audit Plan for review. The evidenced was verified by the internal audit team before NC closure.</p>	Estate	Date	Major NC	Minor NC	OFI	Sg. Simpang Kiri	26/07/2021	2	1	3	Chaah	22/07/2021	4	0	5	Complied
Estate	Date	Major NC	Minor NC	OFI														
Sg. Simpang Kiri	26/07/2021	2	1	3														
Chaah	22/07/2021	4	0	5														
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.	Complied															
Criterion 4.1.3 – Management Review																		
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for	Sime Darby has established SOP on Management Review documented in SOM, Section 5, Management responsibility version 2, issued in 2015.	Complied															

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Criterion / Indicator		Assessment Findings	Compliance
	<p>effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Management review was conducted on annually basis as per SOP established.</p> <p>Latest Management Review Meeting for SOU 20 was conducted on 31/07/2021 for Sg Simpang Kiri Estate and 09/08/2021 for Chaah Estate. The meeting covers on agenda that discussed as below:</p> <ol style="list-style-type: none"> 1. Opening Remarks by Chairman 2. Previous Meeting Minutes Review 3. Matters Arising from Previous Minutes of Meeting 4. Objective/ Management Program 5. Training Plan 6. Results from Internal Audits: RSPO & MSPO 7. Nonconformity, Corrective and Preventive Actions 8. Customers/ Stakeholders Feedback/ Complaints 9. Resource Needs 10. Changes that could affect the management systems 11. Recommendations for Improvement 12. Other matters 13. Conclusion 	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Sg Simpang Kiri Estate and Chaah Estate had plans for continual improvements as detailed below:</p> <ol style="list-style-type: none"> 1. To identify unsafe act and condition to minimize near misses/accident occurrence 2. To keep tracks on the FFB movement from the field up to the oil mill 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		3. Reporting on accidents, OSH programme, alert on expiring dates for permits and licenses. 4. To reduce raking costs by using circle blower 5. To reduce area of flooding by heightening bund programme	
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 -	This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the weekly briefings. The management team will be informed of such development during the monthly management meetings. Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Where introduction of new machines and new work method, all level of employees will be trained to handle /implement the new techniques and work changes. Monitoring is made by the Estate Managers and Assistants throughout the on-the-job training and familiarization.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through Sime Darby Plantation Bhd website at: http://www.simedarbyplantation.com/Sustainability.aspx</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2).</p> <p>The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management.</p>	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 04/08/2020 for combined operating units i.e. Sg Simpang Kiri Estate and Chaah Estate. Minutes of meeting were available for verification.</p> <p>For 2021 stakeholder meeting were conducted via email requisition. Refer correspondence email dated 04/06/2021 for Sg Simpang Kiri Estate and 23/08/2021 for Chaah Estate. Sighted sample of feedback by Sayongmas Kluang. The objective of the meeting to gain the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety. It was also noted that COVID-19 issue was one of the agendas discussed in the meeting.</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>Both the sampled estates send their FFB to Chaah POM. Weighbridge tickets were available for verification and maintained for traceability of all FFBs sent to the mill. Weighbridge tickets were sampled for both estates. The weighbridge ticket provided the following details among others:</p> <ul style="list-style-type: none"> • Product (FFB or Loose fruit) • Delivery note from estates stating the weight and fruit grade (A or B). • D.O Number • Date of the shipment <p>The Sustainable Plantation Management System (Appendix 15) Dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System. The</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		responsible personal for the traceability is the Estate Manager of each supplying units.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by conducting MSPO internal audit. Verified the Internal Audit records as below. 1. Sg Simpang Kiri Estate – 26/07/2021 2. Chaah Estate – 22/07/2021 Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the estate managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
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.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Sime Darby 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 SOU 26.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>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 & 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>Sg Simpang Kiri Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License (FFB); License Number: 532593002000; License Validity Period: 01/10/2020 – 30/09/2021 2. MPOB License (Nursery); License Number: 543698011000; License Validity Period: 01/11/220 – 31/10/2021. 3. Permit Barang Kawalan Berjadual – Diesel & Petrol; License Number: P (J 000718); License Validity Period: 22/01/2021 – 23/01/2022. 4. Permit Khas Barang Kawalan Berjadual – Petrol; License Number: SKK/10-16/B; License Validity Period: 07/01/2021 – 19/05/2022 <p><u>Chaah Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License (FFB); License Number: 518848002000; License Validity Period: 01/03/2021 – 28/02/2022. 2. MPOB License (Nursery); License Number: 617601011000; License Validity Period: 01/09/2021 – 31/08/2022 3. Permit Barang Kawalan Berjadual – Diesel & Petrol; Registration Number: JH(SGT)0123/05 PSK; License Validity Period: 22/01/2021 – 23/01/2022. 4. Air Compressor License: License Registration Number: MK PMT 1885; License validity Period: 27/05/2021 – 24/08/2022. 	

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Criterion / Indicator		Assessment Findings	Compliance
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>Sg Simpang Kiri Estate: 09/07/2021 Chaah Estate: 02/07/2021</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>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 (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		(Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>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.</p> <p><u>Sg Simpang Kiri Estate</u></p> <p>The management has appointed the Asst. Manager, Mr. Mohd Zulfasrol Bin Zulkifli as the official officer responsible for legal compliance in the estate as stated in the appointment letter dated 03/01/2020.</p> <p><u>Chaah Estate</u></p> <p>The management has appointed the Asst. Manager, Mr. Zulkefly Bin Ahmad as the official officer responsible for legal compliance in the estate as stated in the appointment letter dated 03/06/2020 undersigned by the Estate Manager.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The management ensure that their oil palm cultivation activities do not diminish the land use rights of other users by ensuring the legal boundary is correct through land survey during the development. There is no land dispute raised by any stakeholder at the point of this assessment.</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p>	<p>The management Sime Darby Plantation Berhad group estates have provided documents to show legal ownership. Refer listing of land title from Sg Simpang Kiri Estate and Chaah Estate. The documents issued as summarized below:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Sg Simpang Kiri Estate Total grant: 5 Land Size: 2,371.6564 Ha Legal Ownership: Freehold Land Use Type: Agriculture</p> <p>Chaah Estate Total grant: 2 Land Size: 2,795.3616 Ha Legal Ownership: Freehold Land Use Type: Agriculture</p>	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Although only some of the boundary stones were managed to be found by the company, the demarcation of boundaries at the visited estates using concrete pole painted with red and white was obvious, especially at the boundaries with third parties.</p> <p>The Estates have maps showing the locations of boundary stones that have been physically located and marked. Boundaries stones/markers/trenching at the 2 estates, during the audit document inspection confirmed that they were clearly marked and maintained.</p>	Complied
4.3.2.4	<p>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).</p> <p>- Minor compliance -</p>	<p>There was no land dispute at all visited estates. The company has the legal ownership documents as demonstrated by possessing land titles.</p>	Complied
Criterion 4.3.3 – Customary rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social Impact Assessment for SOU 20 Chaah for all operating units (i.e. Chaah POM, Chaah Estate, North Labis Estate and Sg Basha Estate) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team, now known as Group Sustainability Department based at Sime Darby Plantation Bhd HQ. The last SIA was conducted on 6-9/04/2015. The impacts reported in category i.e. working condition, housing condition/living improvement, transportation and gender committee for internal. For external stakeholders, the impacts mainly were obtained from interview inputs. The recommendation from the SIA report was transferred to action plan. The latest Action Plans for Social Impact Assessment 2021 for Sg Simpang Kiri Estate and Chaah Estate were available for verification. The action plan identified the issues & strategies, action plan, responsible person and time	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>frame. Action plan from the regular stakeholder consultation was also available. Among topic discussed in the SIA Action Plan were:</p> <ol style="list-style-type: none"> 1. Road Access and condition 2. Line site/workers housing 3. Health and safety 4. Complaint & grievances 5. Gender committee 	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p> <p>Records of communication sighted available as per following types:</p> <ol style="list-style-type: none"> 1. Estate complaint book 2. Roll call muster notebook 3. Toolbox briefing contractor 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		4. External communication files (official/authority/others)	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Sg Simpang Kiri Estate and Chaah Estate has implemented External Complaint Book and Housing Defect Complaint Form to record complaints and requests reported by the stakeholders. The complaints or grievances were resolved within the time frame. Most of the complaints were related to housing repair. The complaint form has recorded the name of complainant, date of completion and acknowledgement from the complainant after action taken.</p> <p>Sampled of the complaints as below:</p> <ol style="list-style-type: none"> 1. House No.: SQ6A from Anuar dated 22/06/2021 (Sg Simpang Kiri Estate) Issue: To repair 2 unit of Fan. Action: Management has repaired on 03/07/2021 and seen the photo evident of repair. The complainant has acknowledged on 03/07/2021 for the repair done. 2. House No.: SQ 03 from Syah dated 14/07/2021 (Sg Simpang Kiri Estate) Issue: Toilet broken. Action: Management has repaired on 15/07/2021 and seen the photo evident of repair. The complainant has acknowledged on 15/07/2021 for the repair done. 3. House No.: SQ 118 from Iskandar dated 13/01/2021 (Chaah Estate) Issue: Lamp broken. Action: Management has repaired on 14/01/2021 and seen the photo evident of repair. The complainant has acknowledged on 16/01/2021 for the repair done. 	Complied

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		4. House No.: SQ 240 from Mahdi dated 15/02/2021 (Chaah Estate) Issue: Toilet broken. Action: Management has repaired on 16/02/2021 and seen the photo evident of repair. The complainant has acknowledged on 22/02/2021 for the repair done.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint form is made available in the estate’s office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail. This information is available in notice boards in the mill.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue which the involvement of disputed parties, zone heads, third parties and stakeholders. Verified through stakeholder’s interview. Latest awareness training has been conducted on 04/08/2020 for Sg Simpang Kiri Estate.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	The estates management have made contribution to the local communities and stakeholders such as donation to school sports day, temple repair,	Complied

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	- Minor compliance -	<p>safety town hall (safety programs, motivational and religious talk) for the benefit of local communities and also workers.</p> <p>Some examples of notable contribution by the estates:</p> <p><u>Sg Simpang Kiri Estate</u></p> <p>1. Repairing road using Motor Grader at Kampung Haji Kamisan dated 15/05/2021. Refer application letter from "Kelab KHKBC" dated 14/05/2021.</p> <p><u>Chaah Estate</u></p> <p>1. Food Pack to workers dated 19-20/08/2021.</p>	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1st June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH Risk Management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p>	<p>The occupational safety and health plan cover the following:</p> <p>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</p>	Complied

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<p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p>	<p>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:</p> <ul style="list-style-type: none"> - Sg Simpang Kiri Estate: 06/04/2021 - Chaah Estate: 16/07/2021 <p>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> <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"> - Sg Simpang Kiri Estate: 28/06/2021 - Chaah Estate: 21/12/2021 <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"> - Sg Simpang Kiri Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/15/ASS/00/363-2020-152) conducted by NISAFETY CONSULTANCY (DOSHS Registration: JH/07/04/3242) on June 2020. 	

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<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> - Chaah Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/15/ASS/00/363-2020-151) conducted by NISAFETY CONSULTANCY (DOSH Registration: JH/07/04/04/288) on June 2020. <p>Medical Surveillance was conducted for workers exposed to 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"> - Sg Simpang Kiri Estate <p>Medical Surveillance was conducted from 21st to 23rd Dec 2020 by Klinik Segamat for 34 estate workers, namely sprayers, mist blowers, injector unit and fogger & workshop attendants who have been exposed to chemicals and fumes. Results indicated that all workers were fit to work with no major underlying conditions.</p> - Chaah Estate <p>Medical Surveillance was conducted from 21st to 24th June 2021 by Klinik Segamat for 14 estate workers, namely sprayers, store attendants and supervisors who have been exposed to chemicals and fumes. Results indicated that all workers were fit to work with no major underlying conditions.</p> <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> <ul style="list-style-type: none"> • Sg Simpang Kiri Estate – Assessment conducted on 27/08/2020 by Etosh Consult & Engineering Plt. The assessment report (Ref. No: HQ/LPROYKPEB/21/00323) was available for verification. • Chaah Estate – Assessment conducted on 26/08/2020 by Etosh 	

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	<p>Consult & Engineering Plt. The assessment report (Ref. No. HQ/LPROYKPEB/21/00322) was available for verification.</p> <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"> - Sg Simpang Kiri Estate & Chaah Estate <p>Audiometric test proposed to be conducted on 09/08/2021 was postponed due to the operating units facing possibility of COVID-19 cases. Therefore, it was postponed to a date that has yet to be confirmed.</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>Sg Simpang Kiri Estate:</u></p> <ul style="list-style-type: none"> • Interpump Safety & Maintenance Training: 10/01/2021 <p><u>Chaah Estate</u></p> <ul style="list-style-type: none"> • Calibration of Pump and Spraying Chemical Using Alion Training – 22/01/2021 • P&D Spraying Training – 05/07/2021 • Circle Spraying Training – 17/07/2021 <p>d) The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17.03.2008.</p>	

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	<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>Sg Simpang Kiri Estate</u> The Estate Manager, En. Zaini Bin Mohd. Sinat was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 20/04/2019 undersigned by the Regional general Manager, Southern Region. 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><u>Chaah Estate</u> The Estate Manager, Mr. Hasnol Hisham Bin Hamdan was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 01/01/2018 undersigned by the Regional General Manager, Southern Region. 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 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</p>	

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	<p>Minutes dated as follows:</p> <ul style="list-style-type: none"> - Sg Simpang Kiri Estate: 15/01/2021, 12/04/2021 and 09/07/2021 - Chaah Estate: 18/06/2021 and 19/03/2021 <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>Sg Simpang Kiri Estate</u></p> <ul style="list-style-type: none"> • Fire Drill Training – 27/07/2021 <p><u>Chaah Estate</u></p> <ul style="list-style-type: none"> • Fire Drill Training – 10/07/2021 <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 the box. First Aid trainings were conducted regularly at the sampled estates and documents of trainings were verified as below.</p> <p>Sg Simpang Kiri Estate: 23/07/2021 Chaah Estate: 02/08/2021</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</p>	

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		<p>during OSH committee meeting.</p> <p><u>Sg Simpang Kiri Estate</u></p> <p>There were 5 accident (29 Days LTA) case for the year 2020 reported in the estate. The JKPP 8 form has been submitted to DOSH for the year ending 2020 on 09/01/2021 and documents available for verification.</p> <p>For the year 2021 there were 8 accident cases reported. The JKPP 6 forms have been submitted to DOSH accordingly. Accident investigations, HIRARC Review and Retraining records were available for verification.</p> <p><u>Chaah Estate</u></p> <p>There were 8 accident cases reported for the year 2020 in the estate. The JKPP 8 Form has been submitted to DOSH on 23/01/2021 and available for verification. There were 3 accidents reported for the year 2021 as of to date. The accident investigations reports were available for verification.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p>	Complied

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		1. Sg Simpang Kiri Estate: 06/04/2021 2. Chaah Estate: 26/03/2021	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>Refer section 3.2 Respect and Uphold Labour Right where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation union membership, political view, religion and/or age.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Sg Simpang Kiri Estate: 06/04/2021 2. Chaah Estate: 26/03/2021 	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers and signed by the workers (Local, Indonesian and Bangladesh). Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0).</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p>Sighted the sampled employment contracts and pay slips month of February 2021, April 2021 and July 2021 as below:</p>	Complied

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	<p>Sg Simpang Kiri Estate</p> <ol style="list-style-type: none"> 1. Employee ID: 0000102147 2. Employee ID: 0000102153 3. Employee ID: 0000143240 4. Employee ID: 0000143241 5. Employee ID: 0000147940 6. Employee ID: 0000081154 7. Employee ID: 0000019850 8. Employee ID: 00000149739 <p>Chaah Estate</p> <ol style="list-style-type: none"> 1. Employee ID: 0000139746 2. Employee ID: 0000141455 3. Employee ID: 0000137609 4. Employee ID: 0000107050 5. Employee ID: 0000052064 6. Employee ID: 0000055216 7. Employee ID: 0000013597 8. Employee ID: 0000013617 	
<p>4.4.5.4</p>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Minor NC</p>
	<p>The management obtains the payslip from the contractors and check the pay against the minimum standard. All the pay was found to be meeting the minimum standard requirements.</p> <p>Sg Simpang Kiri Estate</p> <p>Contractor: RSKP Brothers – Contract for the Transportation of Fresh Fruit Bunches dated 01/04/2021 validity to 31/08/2021. Sighted contract was</p>	

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		<p>signed by both Parties. Pricing Mechanism stated in Appendix 2, Term & Condition at Appendix 3. Sighted employee of contractor's workers agreement and pay slips:</p> <ol style="list-style-type: none"> 1. Nagarajesh A/L Veluthan 000728-XX-XXXX 2. Parameswaran A/L Shunmukan 880919-XX-XXXX <p>Not all contractors able to demonstrate meeting applicable legal requirements. During document checking and interview of RSKP Brothers, there is no evidence that EIS contribution has been made as per checking of payslip month of January 2021 to May 2021. It was against Section 16(1) and Schedule 2 of the Employment Insurance System Act 2017. Thus, Minor NC was raised.</p>	
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>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Every employee had been provided with employment contract which referred to the collective agreement between MAPA & NUPW. The collective agreement document was available for verification.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The pay slip has included basic pay, overtime, allowances, working days, deduction of salary such as Union, electricity, and temple and mosque fund.</p>	Complied

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	<p>For field workers, they record the working hours in the Daily Time Record. The overtime working hours always mutually agreed and approved by the assistant manager. The documented working hours available in the daily check roll records</p> <p>Sighted the sampled employment contracts and pay slips month of February 2021, April 2021 and July 2021 as below:</p> <p>Sg Simpang Kiri Estate</p> <ol style="list-style-type: none"> 1. Employee ID: 0000102147 2. Employee ID: 0000102153 3. Employee ID: 0000143240 4. Employee ID: 0000143241 5. Employee ID: 0000147940 6. Employee ID: 0000081154 7. Employee ID: 0000019850 8. Employee ID: 00000149739 <p>Chaa Estate</p> <ol style="list-style-type: none"> 1. Employee ID: 0000139746 2. Employee ID: 0000141455 3. Employee ID: 0000137609 4. Employee ID: 0000107050 5. Employee ID: 0000052064 6. Employee ID: 0000055216 7. Employee ID: 0000013597 	

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		8. Employee ID: 0000013617	
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	The working hours and breaks of the individual worker indicated in the time records were comply with legal regulations and collective agreements. Based on check roll records, overtime and breaks were recorded and consistent with the pay slip for sample months shown no evidence of overtime exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Pay slips of all employees (check roll) are available as evidence of salary payment. The pay slip contains the following information: 1. Earnings - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday), Overtime (Weekdays, Rest days and Holiday). 2. Deduction - Union fee (NUPW & AMESU), SOCSO, EPF, electricity deduction and others. Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract. Sighted the sampled employment contracts and pay slips month of February 2021, April 2021 and July 2021 as below: Sg Simpang Kiri Estate 1. Employee ID: 0000102147 2. Employee ID: 0000102153 3. Employee ID: 0000143240 4. Employee ID: 0000143241 5. Employee ID: 0000147940 6. Employee ID: 0000081154	Complied

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		7. Employee ID: 0000019850 8. Employee ID: 00000149739 Chaah Estate 1. Employee ID: 0000139746 2. Employee ID: 0000141455 3. Employee ID: 0000137609 4. Employee ID: 0000107050 5. Employee ID: 0000052064 6. Employee ID: 0000055216 7. Employee ID: 0000013597 8. Employee ID: 0000013617	
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 -	Among the benefits offered by the company: 1. Productivity incentive 2. Turn-out incentive 3. Transport allowance 4. Telephone allowance 5. Motorcycle allowance	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	The estates' management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. Sg Simpang Kiri Estate The last inspection conducted on 17/08/2021, 10/08/2021, and 03/08/2021.	Complied

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		<p>Chaah Estate</p> <p>The last inspection conducted on 18/08/2021, 09/08/2021, 03/08/2021 and 27/07/2021.</p>	
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented Sexual Harassment Policy dated 01/11/2019 signed by Mr Mohamad Helmy Othman Basha, Group Managing Director Sime Darby Plantation Berhad.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Gender committee has been established at both Sg Simpang Kiri Estate and Chaah Estate. Sighted Organization Chart of Gender Committee and Appointment Letters. Gender committee meeting has been conducted on 08/08/2021 at Sg Simpang Kiri Estate and 16/07/2021 at Chaah Estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Sg Simpang Kiri Estate: 06/04/2021 2. Chaah Estate: 26/03/2021 	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is respecting Freedom of Association.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>Refer section 3.2 stated respect the rights of employees to join and form organizations of their own choice and to bargain collectively.</p>	Complied

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		<p>The NUPW minute meeting for Sg Simpang Kiri Estate was sighted conducted on 19/02/2021 while at Chaah Estate conducted on 14/05/2021. Sighted evidence of Minutes of meeting and attendance.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Sg Simpang Kiri Estate: 06/04/2021 2. Chaah Estate: 26/03/2021 	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management will Eradicate any form of Exploitation.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>Refer section 3.3 Respect and Uphold Children Rights.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Sg Simpang Kiri Estate: 06/04/2021 2. Chaah Estate: 26/03/2021 	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p>	<p>Chaah Certification unit estates 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 for the estates. Interview with the sampled workers and staff indicated that they were aware on the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																										
	- Major compliance -	<p>SOP during the MCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below: -</p> <p>Sg Simpang Kiri Estate</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>STR Townhall – Series 1/4</td> <td>06/04/2021</td> </tr> <tr> <td>Human Rights Training</td> <td>07/08/2020</td> </tr> <tr> <td>Rat Baiting Training</td> <td>15/06/2021</td> </tr> <tr> <td>PPE Training</td> <td>09/08/2021</td> </tr> <tr> <td>First Aid Training</td> <td>23/07/2021</td> </tr> <tr> <td>Recycling (3R) Awareness Training</td> <td>23/03/2021</td> </tr> </tbody> </table> <p>Chaah Estate</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Briefing of ILO Indicators</td> <td>26/07/2021</td> </tr> <tr> <td>Manuring Training</td> <td>20/07/2021</td> </tr> <tr> <td>Rat Baiting Training</td> <td>17/07/2021</td> </tr> <tr> <td>Circle Spraying Training</td> <td>17/07/2021</td> </tr> <tr> <td>P&D Spraying Training</td> <td>05/07/2021</td> </tr> </tbody> </table>	Training	Date	STR Townhall – Series 1/4	06/04/2021	Human Rights Training	07/08/2020	Rat Baiting Training	15/06/2021	PPE Training	09/08/2021	First Aid Training	23/07/2021	Recycling (3R) Awareness Training	23/03/2021	Training	Date	Briefing of ILO Indicators	26/07/2021	Manuring Training	20/07/2021	Rat Baiting Training	17/07/2021	Circle Spraying Training	17/07/2021	P&D Spraying Training	05/07/2021	
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4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>SOU20 Chaah Certification Unit estates have 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 Estate: Recommended Training Needs for the year 2021 for all estates.</p>	Complied																										

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Criterion / Indicator		Assessment Findings	Compliance
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	A training programme has been developed and available in the Annual Sustainability Programme 2021. The trainings were sighted to have been sub categorised to trainings on Environmental, GAP, SOP, Social and OSH.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Sime Darby 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. Sg Simpang Kiri Estate: 06/04/2021 Chaah Estate: 16/07/2021	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	The 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 2. To monitor on fuel usage in the estates	Complied

Criterion / Indicator		Assessment Findings	Compliance
		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: Among other improvement plans were:</p> <ul style="list-style-type: none"> • To reduce run-off pesticides to land/ waterways during chemical mixing or washing of chemical container • To reduce traces of oil spillage at the workshop/tractors parking bay • To reduce released exhaust emission to air • To manage scheduled waste as per requirements • To avoid any blocked drainage system at workers housing areas • To reduce massive land contamination at the landfill area • Monitoring on the land preparation i.e during replanting (slope stability, to avoid soil erosion, buffer zone, subsidence and compaction) • To reduce GHG emission from replanting or oil palm 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	All the estates sampled has established the environmental management plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. 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.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	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. Sg Simpang Kiri Estate <ul style="list-style-type: none"> • High Conservation Value (HCV)/Biodiversity Awareness Training – 22/06/2021 • Recycling (3R) Awareness Training – 23/03/2021 Chaah Estate <ul style="list-style-type: none"> • HCV & Biodiversity Training – 22/06/2021 • SW Training and Inspection – 12/05/2021 	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Both sampled estates discuss environmental related issues in the JKKP Meetings that are conducted on a quarterly basis. The Environmental Issues were included in the meeting agenda and sighted in the meeting minutes.	Complied

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Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																																		
<p>4.5.2.1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</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 2021 as follows:</p> <p>Sg Simpang Kiri Estate</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Month</th> <th>Diesel (Liters)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr><td>Jan 2021</td><td>12012</td><td>21548</td><td>7557</td></tr> <tr><td>Feb 2021</td><td>16220</td><td>22347</td><td>4834</td></tr> <tr><td>Mar 2021</td><td>8493</td><td>21102</td><td>6024</td></tr> <tr><td>Apr 2021</td><td>17400</td><td>22938</td><td>5828</td></tr> <tr><td>May 2021</td><td>11857</td><td>21408</td><td>6344</td></tr> <tr><td>Jun 2021</td><td>11839</td><td>23563</td><td>6006</td></tr> <tr><td>Jul 2021</td><td>8727</td><td>24197</td><td>6051</td></tr> </tbody> </table> <p>Chaah Estate</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Month</th> <th>Diesel (Liters)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr><td>Jan 2021</td><td>5365</td><td>7300</td><td>7031</td></tr> <tr><td>Feb 2021</td><td>5329</td><td>5900</td><td>8249</td></tr> <tr><td>Mar 2021</td><td>7149</td><td>7400</td><td>7311</td></tr> <tr><td>Apr 2021</td><td>7970</td><td>7400</td><td>6925</td></tr> <tr><td>May 2021</td><td>8381</td><td>6100</td><td>6956</td></tr> <tr><td>Jun 2021</td><td>4330</td><td>6800</td><td>6734</td></tr> <tr><td>Jul 2021</td><td>5242</td><td>6500</td><td>7122</td></tr> </tbody> </table>	Month	Diesel (Liters)	Electricity (kWh)	Water (m ³)	Jan 2021	12012	21548	7557	Feb 2021	16220	22347	4834	Mar 2021	8493	21102	6024	Apr 2021	17400	22938	5828	May 2021	11857	21408	6344	Jun 2021	11839	23563	6006	Jul 2021	8727	24197	6051	Month	Diesel (Liters)	Electricity (kWh)	Water (m ³)	Jan 2021	5365	7300	7031	Feb 2021	5329	5900	8249	Mar 2021	7149	7400	7311	Apr 2021	7970	7400	6925	May 2021	8381	6100	6956	Jun 2021	4330	6800	6734	Jul 2021	5242	6500	7122	<p>Complied</p>
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<p>4.5.2.2 The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.</p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including</p>	<p>Complied</p>																																																																

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Criterion / Indicator		Assessment Findings	Compliance
	This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	all transport and machinery operations was available in the respective estate yearly budgets.	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All the estates sampled has identified the waste products and source pollution and documented in the Waste Management Plan 2021. 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).	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	All the estates have established the waste management plan and the plan was reviewed on annually basis. 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: - 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 In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</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 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><u>Sg Simpang Kiri Estate</u></p> <ul style="list-style-type: none"> • SW404 – Clinical Waste; Date: 09/03/2021; Quantity: 4.80Kgs; Serial Number: 0404784; Disposal Operator: Kualiti Alam Sdn Nhd. • SW410 – Oil Filter; Date: 18/05/2021; Quantity: 20kgs; Serial Number: 23892; Facility Operator: Renkas Maju (M) Sdn Bhd. • SW305 – Spent Mineral Oil; Date: 18/05/2021; Quantity: 400 litres; Serila Number: 23893; Facility Operator: Renkas Maju (M) Sdn Bhd. <p><u>Chaah Estate</u></p> <ul style="list-style-type: none"> • SW305 – Mineral Oil; Date: 18/05/2021; Quantity: 200 Litres; Serial Number: 23895; Facility Operator: Renkas Maju (M) Sdn Bhd. • SW410 – Oil Filter; Date: 18/05/2021; Quantity: 10 Kgs; Serial Number: 23894; Facility Operator: Renkas Maju (M) Sdn Bhd. • SW404 – Clinical Waste; Date: 05/07/2021; Quantity: 0.0022 Mt; Consignment Number: 202107061PV67I0; Facility Operator: Kualiti Alam Sdn Bhd. 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>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 as below:</p> <p>Sg Simpang Kiri Estate Date: 22/04/2021; Contractor: SS Setia Teknologi Enterprise; Quantity: 20L Chemical Containers – 63 pcs and 4L Kenlon Containers – 15 pcs.</p> <p>Chaah Estate Date: 15/06/2021; Contractor: SS Setia Teknologi Enterprise; Quantity: 20L Chemical Container – 140 pcs and Ally Bottles - 158kgs</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>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.</p> <p>In the plan stated the objectives on the environmental issue, mitigating measures and person responsible. The plan was monitored on monthly basis.</p>	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Sighted the implementation of Pollution Prevention Plan at all the sampled estates as follows:</p> <ul style="list-style-type: none"> - To service all vehicles as per schedule - To maintain all vehicles in good running condition 	Complied

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Criterion / Indicator		Assessment Findings	Compliance														
		<ul style="list-style-type: none"> - 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. 															
Criterion 4.5.5: Natural water resources																	
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. 	<p>The Water Management Plan for the estates has been established. This is compiled on Group basis and amended to meet demands of specific issue in Operating Units. It was reviewed annually for the 2021 plan.</p> <p>Water for domestic use is obtained from Syarikat Air Johor (SAJ) and provided to all houses for daily usage. Monitoring of water usage is done monthly and data is provided in indicator 4.5.2.1.</p> <p>Documented in Sime Darby Slope and River Protection Policy dated 15/01/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the riverbanks.</p> <table border="1"> <thead> <tr> <th>River Width</th> <th>Buffer Zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> <tr> <td>* > 3 meters</td> <td>20 meters</td> </tr> </tbody> </table> <p>* for Sabah Plantations Only</p> <p>The estates have established water management plans and the plans are reviewed annually. The management plan focuses on activities with impact</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	Complied
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<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>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>Sg Simpang Kiri Estate</u></p> <p>The Incoming & Outgoing river water sampling report (Test report Number: IE555/2021) dated 11/06/2021 was available for verification. The results indicated that some of the readings did not conform with the Class IIA/IIB of NWQS for natural waterways. The management have done a resampling and are awaiting the results.</p> <p><u>Chaah Estate</u></p> <p>The water sampling for natural Waterways results (Test Report No: IE444/2021) dated 27/04/2021 was available for verification. The results indicated that all parameters conform with the Class IIA/IIB of NWQS for natural waterways.</p> <p>The latest water sampling for Natural Waterways was conducted on 15 July 2021. Samples were collected from the 3 samplings points (Upstream, Midstream and downstream) and submitted to Lab Services Laboratories, Sime Darby Research. The results have not been received yet.</p>	
<p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>No bunds were sighted across main rivers and waterways in both estates. There was a total of 8 sampling points as verified with the Sampling Points map.</p>	<p>Complied</p>

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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.	Complied																		
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																					
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	A Biodiversity Reassessment & HCV for Strategic Operating Unit (SOU) 20 was conducted by PSQM Department, Sime Darby Plantation Sdn. Bhd. and available in a report dated August 2016. The report has identified the Biodiversity Values, Ecosystem Services and Social & Cultural Values available within the SOU 20 landscape. Among the HCV areas that have been identified are as below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Estate</th> <th>Biodiversity Area</th> <th>Ha</th> <th>Potential HCV</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Simpang Kiri Estate</td> <td>Water catchment</td> <td>0.85</td> <td rowspan="2">HCV 4</td> </tr> <tr> <td>River Reserve (Sungai Gatom)</td> <td>0.78</td> </tr> <tr> <td rowspan="3">Chaah Estate</td> <td>Water catchment</td> <td>0.47</td> <td rowspan="3">HCV 4</td> </tr> <tr> <td>Water catchment</td> <td>1.61</td> </tr> <tr> <td>Bund</td> <td>4.87</td> </tr> </tbody> </table>	Estate	Biodiversity Area	Ha	Potential HCV	Simpang Kiri Estate	Water catchment	0.85	HCV 4	River Reserve (Sungai Gatom)	0.78	Chaah Estate	Water catchment	0.47	HCV 4	Water catchment	1.61	Bund	4.87	Complied
Estate	Biodiversity Area	Ha	Potential HCV																		
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4.5.6.2	If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:	In SOU20, identified HCV 4 - river buffer zone, water catchment area, swamps and HCV 6 Their biodiversity conservation action plan includes: <ul style="list-style-type: none"> Signage showing this area is value for conservation to be placed at the 	Complied																		

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Criterion / Indicator	Assessment Findings	Compliance
<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>strategic point of the area.</p> <ul style="list-style-type: none"> • 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 • 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. • To add more mark for buffer zone area. 	
<p>4.5.6.3 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>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	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. 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.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	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.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning 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.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at sampled estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.1.1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -</p>	<p>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.</p> <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>Interview with workers and stakeholders 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><u>Landfill Management in Estate</u></p> <p>Based on verification through Google Earth, the wastes landfill at Chaah Estate (GPS: 2° 9'33.51"N 102°59'10.73"E) and Sg Sg Simpang Kiri Estate (GPS: 2° 6'30.18"N 103° 0'31.56"E) have residential areas and/or river or waterways within their 3 km radius distance. This is not in-line with the Landfill Management in Estate procedure [SD/SDP/PSQM(ESH)/203-EN7, rev. 0, dated 13/03/2017], Clause 6.3 Landfill Selection Site Criteria; 6.3.3 which reads:</p> <ol style="list-style-type: none"> a. The landfill shall be located no less than 3 km away from nearest household area, offices, or other premises b. The landfill shall be located no less than 3 km away from the nearest river or waterway 	<p>Minor NC</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Water Quality Monitoring</u></p> <p>Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; Date: 01/06/2016; 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 <i>1 week</i> of receiving the results. <p><u>Sungai Sg Simpang Kiri Estate</u></p> <p>The Incoming & Outgoing river water sampling report (Test report Number: IE555/2021) dated 11/06/2021 was available for verification. The results indicated that some of the parameters (pH, COD, AN and DO) did not conform with the Class IIA/IIB of NWQS for natural waterways. The resampling was done and sent to the laboratory on 8th July 2021 which is more than the 1 week as stated in the procedure. The results have not been obtained yet. Thus, Minor NC 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	<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 existing crop</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
	either soil, nutrients or chemicals. - Major compliance -	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.	Complied																		
Criterion 4.6.2: Economic and financial viability plan																					
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 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.	Complied																		
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	All estates established a replanting program spanned over a 5-year period till 2025. All programs were available for verification <table border="1" data-bbox="1048 1114 1906 1316"> <thead> <tr> <th>Year</th> <th>Sg Simpang Kiri Estate</th> <th>Chaah Estate</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>162.08</td> <td>-</td> </tr> <tr> <td>2022</td> <td>0</td> <td>230.36</td> </tr> <tr> <td>2023</td> <td>47.98</td> <td>186.07</td> </tr> <tr> <td>2024</td> <td>103.96</td> <td>190.10</td> </tr> <tr> <td>2025</td> <td>0</td> <td>229.08</td> </tr> </tbody> </table>	Year	Sg Simpang Kiri Estate	Chaah Estate	2021	162.08	-	2022	0	230.36	2023	47.98	186.07	2024	103.96	190.10	2025	0	229.08	Complied
Year	Sg Simpang Kiri Estate	Chaah Estate																			
2021	162.08	-																			
2022	0	230.36																			
2023	47.98	186.07																			
2024	103.96	190.10																			
2025	0	229.08																			
4.6.2.3	The business or management plan may contain:	The business and management plans were available in the annual budget. The annual budget provisions covered activities for upkeep, cultivation,	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance
	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) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	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.	
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	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.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The contract documents template was included with the provision for contractors to comply with all Sime Darby Plantation requirements including vendor integrity pledge where the contractor to adhere with integrity, transparency, responsibility, anti-bribery, etc. Pricing mechanism is stated in the appendix and agreed by both parties. Awarding of contract and pricing mechanism is guided by a procedure GPA No. E4 Procurement, version 29/8/2019. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>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> <p><u>Sg Simpang Kiri Estate</u></p> <p>Contractor: RSKP Brothers – Contract for the Transportation of Fresh Fruit Bunches dated 01/04/2021 validity until 31/08/2021. Sighted contract was signed by both Parties. Pricing Mechanism stated in Appendix 2, Term & Condition at Appendix 3.</p> <p>Contractor: Lai Brothers – Contract of Machinery Services dated 01/06/2021 validity until 31/12/2023. Sighted contract was signed by both Parties. Pricing Mechanism stated in Appendix 1, Term & Condition at Agreement.</p> <p><u>Chaah Estate</u></p> <p>Contractor: Perniagaan Khidmat Setia – Adhoc Contract for the Transportation of Fresh Fruit Bunches (Contract) dated 01/04/2021 validity until 31/04/2021. Sighted contract was signed by both Parties. Pricing Mechanism stated in Appendix 1 and Appendix 2, Term & Condition at Agreement.</p>	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Contractors submitted invoice to Simpang Kiri and Chaah Estate. In the invoice stated the payment term of 30 days. The document has been uploaded to the MEX system. The finance department has made payment to contractors within the payment term of 30 days agreed by both mill and contractors.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required</p>	<p>The contractors engaged by the estates' management has signed on a letter regarding the compliance of RSPO/ MSPO/ SCCS. All the contractors</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	documentation and information. - Major compliance -	need to follow the RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system. Briefing of RSPO & MSPO was given to the contractor’s memorandum of agreement signing. Interviewed with the contractors confirmed that they were provided with training and have signed on the letter.	
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. <u>Sg Simpang Kiri Estate</u> Contractor: RSKP Brothers – Contract for the Transportation of Fresh Fruit Bunches dated 01/04/2021 validity until 31/08/2021. Sighted contract was signed by both Parties. Pricing Mechanism stated in Appendix 2, Term & Condition at Appendix 3. Contractor: Lai Brothers – Contract of Machinery Services dated 01/06/2021 validity until 31/12/2023. Sighted contract was signed by both Parties. Pricing Mechanism stated in Appendix 1, Term & Condition at Agreement. <u>Chaah Estate</u> Contractor: Perniagaan Khidmat Setia – Adhoc Contract for the Transportation of Fresh Fruit Bunches (Contract) dated 01/04/2021 validity until 31/04/2021. Sighted contract was signed by both Parties. Pricing Mechanism stated in Appendix 1 and Appendix 2, Term & Condition at Agreement.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Verified that all contractors have signed Vendor Integrity Pledge (VIP) and acceptance of RSPO/MSPO/SCCS letters for auditing purpose.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Contractors have signed on the letter on RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system which mentioned all contractors shall ensure to reserve the right of the certification bodies (CBs) to audit the activities when it is announce in advance.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	All works performed by the contractors at the estates are checked and verified by the estate’s personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Complied
4.7 Principle 7: Development of new planting			
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 -	NA as no new planting at the 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.	NA as no new planting at the sampled estates.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
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 -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the 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	NA as no new planting at the sampled estates.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
	documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - 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 -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the sampled estates.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	NA as no new planting at the sampled estates.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the sampled estates.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	NA as no new planting at the sampled estates.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	NA as no new planting at the 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 -	NA as no new planting at the 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 -	NA as no new planting at the sampled estates.	N/A

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The policy established mention that Sime Darby are committed to making: <ol style="list-style-type: none"> 1. Promoting Good Governance and Transparency 2. Contributing to a better society 3. Minimizing environmental harm 4. Delivering sustainability quality This policy shall be guided by the commitment spelt out in the company's: <ol style="list-style-type: none"> 1. Responsible Agriculture Charter (RAC) 2. Human Right Charter (HRC) 3. Innovation & Productivity Charter (IPC) Policy training has been conducted on 09/03/2021.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was carried by Sustainable & Quality Management Unit (SQM) team on 27/07/2021 for Chaah Palm Oil Mill. Audit covered both documentation and field operation for the mill.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed. Total 2 Major NC and 6 OFI's was raised during internal audit, All non-conformity raised during the audit has been addressed by the mill. Root cause analysis and Corrective Action Plan was submitted to the Internal Audit Plan for review. The evidenced was verified by the internal audit team before NC closure.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Sime Darby has established standard operating procedure to conduct internal audit and documented in SD/SDP/PSQM/IAP Rev 2 dated 01/11/2017. The audit results were documented in Internal Consultative Assessment Report. In the report stated the NCR status, details of NCR raised, root cause, corrective action plan, evidence acceptance and NCR closed.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	The latest management review was carried out on 16/08/2021. The combined MSPO meeting was chaired by mill manager and attended by assistant manager and head of department. All pertinent elements	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>in the standard has been discussed for effective implementation of MSPO towards continual improvement. Sighted meeting tentative:</p> <ol style="list-style-type: none"> 1. Opening Remarks by Chairman 2. Previous meeting minutes review 3. Matters arising from previous meeting 4. Objective / management program 5. Process performance and product conformity 6. Results from audit MSPO & RSPO 7. Nonconformity, corrective and preventive action 8. Customers / stakeholders feedback / complaint 9. Resource needs 10. Changes that could affect the management system 11. Recommendation for improvement 12. Other matters 13. Conclusion 	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The mill had plan for continual improvement as detailed below.</p> <ol style="list-style-type: none"> 1. Mill Operation <ul style="list-style-type: none"> - To minimize using clean water for dilution and ex-centrifuge discharge - To monitor the sterilizer time at sterilizer and flow of condensate though daily checking and cleaning of strainer inside each unit - To re-steaming back sterilizer condensate water system. 	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - To avoid any other source of water to flow into sludge pit in order to reduce effluent ratio. - The auto drainage to be re-set to optimize oil drainage from the digester as over-drainer will cause high BN%. - To optimize the press cone pressure to optimize the oil extraction process for pressing. <p>2. Waste Reduction</p> <ul style="list-style-type: none"> - To send the broken gloves before requesting new unit to check the condition if it's still good or not. - Rectify all leaking of hydraulic and lubrication oil at station. - To properly record and track the usage of hydraulic and lubrication oil for each machinery. - To keep open back bolt and nut during maintenance job rather than cutting the unit for the purpose of reusing it back. <p>3. People</p> <ul style="list-style-type: none"> - Mill to support for workers in need during festival celebration. E.g. provide transport, fund, canopy, etc. - Implementing total productive maintenance and 5S activity at all station. <p>4. Plant</p> <ul style="list-style-type: none"> - Supervise and store schedule waste at specific area that mill have prepared. - Locate proper oil trap to avoid chemical flow into monsoon drain. <p>5. Profit</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		- To fully utilize turbine power thus reduce on TNB consumption.	
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the weekly briefings. The management team will be informed of such development during the monthly management meetings. Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Sime Darby Plantation Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at: http://www.simedarbyplantation.com/Sustainability.aspx	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	As stated in the procedure, the Mill Managers are responsible to deal with the external communication for the respective estates under their management.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	List of stakeholders was available and updated for the year of 2021. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. The external stakeholder consultation is conducted from time to time. The latest meeting was conducted on 14/08/2021 via letter. Refer letter by Manager to their stakeholders "Penerangan Pnesijilan RSPO/MSPO Dan Maklum Balas Pihak Berkepentingan (Stakeholder). The feedback was documented. Refer "Lampoiran B Borang Maklum Balas". Sighted sample feedback from Kewaja Industries Sdn Bhd, Klinik Kesihatan Chaah, and SK Desa Temu Jodoh.	Complied
Criterion 4.2.3 – Traceability			

Criterion / Indicator	Assessment Findings	Compliance
<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>Ref.: Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, 2018; issue no. 5, April 2019.</p> <p>Chaah POM is receiving FFB mainly from its certified supply base - Chaah Estate, Sg Sg Simpang Kiri Estate and North Labis. Non-certified third party FFB is not received by the mill. Among the relevant documents to ensure traceability are as follows:</p> <p>For own supply base:</p> <p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment - Date of the shipment <p>For despatch of CPO, the weighbridge ticket includes the following information to ensure traceability:</p> <ul style="list-style-type: none"> - Customer Name - Destination of the CPO - Product - DO number - PO number - Weight of the product. 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by conducting MSPO internal audit. The last audits were conducted on 27/07/2021. Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the mill managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Stock movement of CSPO & CSPK is recorded Mass Balancing Records for Oil Mill and available for verification. Details of the production and sales of crude palm oil and palm kernel is detailed out in the summary report above.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	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 SOU20. 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 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. As to date, SOU20 Chaah POM comply with all the applicable local, state, national and ratified international laws and regulations.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Among the Permits and License sampled were:</p> <ol style="list-style-type: none"> 1. DOE Compliance Schedule; License Number: 004721; Reference Number: AS(B)J31/152/000/051; License Validity Period: 01/07/2021 – 30/06/2022. 2. MPOB License; License Number: 518940004000; License validity Period: 01/03/2021 - 28/02/2022 3. Permit Barang Kawalan Berjadual; Serial Number: P(J 000748); Reference Number: JH(SGT) 0130/06 PSK; Description: Diesel; Storage Quantity: 10,800 Litres; License Validity Period: 07/03/2021 – 06/03/2024. 4. License to Divert of Extract River Water (BAKAJ); License Number: 08/A/BP/035; File Number: BAKAJ:334/300/05/05/08/1; Extraction Limit: 500m³; License Validt till 31/12/2021. 	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Documented 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 22/07/2021.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>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>	Complied

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		<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 & Pengawasan Penyakit Berjangkit 1988.</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>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 Assistant Manager, Mr. Azharol Amir on 01/04/2021 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 RSPO/MSPO/SCCS Representative undersigned by the Mill Manager.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Land use right for mill is under the land title of Chaah Estate.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Land title for Chaah Estate was available. Land title No.: H.S.(D) 7746, where the mill acquired around 7 Ha of the land Leasee: Sime Darby Plantation Sdn Bhd	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Fencing parameters established around the mill building complex to separate the management boundary of estate and the mill. The housing and other recreational facilities are located within the same vicinity for ease of employees' management.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	NA. Land issue is under the management of Chaah Estate.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<p>The Social Impact Assessment for SOU 20 Chaah for all operating units (i.e. Chaah POM, Chaah Estate, North Labis Estate and Sg Basha Estate) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team, now known as Group Sustainability Department based at Sime Darby Plantation Bhd HQ. The last SIA was conducted on 6-9/4/2015. The impacts reported in category i.e. working condition, housing condition/living improvement, transportation and gender committee for internal. For external stakeholders, the impacts mainly were obtained from interview inputs.</p> <p>The recommendation from the SIA report was transferred to action plan. The latest Action Plans for Social Impact Assessment 2021 was available for verification. The action plan identified the Management Plan, Objectives, Category, Types/Location, Actions, Frequency, Monitoring record, PIC and Remarks. Among topic discussed in the action plan were:</p> <ol style="list-style-type: none"> 1. To review social impact and to implement plans to mitigate the negative impacts and promote the positive ones 2. To ensure compliance to SOP and legal requirement regarding social 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		3. To contribute to local communities' development 4. Hand foot and mouth disease monitoring 5. Working conditions	
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 -	System for dealing with complaints and grievances has been established and documented through: 1. Under the Mill Quality Management System Appendix 5.5, Procedure for External Communication (Version 2; year 2015) 2. Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating, and remedying any wrongdoing.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The mill using a form to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders.	Complied
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 -	Awareness Training has been conducted on 18/08/2021. Refer Training on Procedure of External communication. Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions to the management. There	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		was no grievance recorded since the last assessment. Nonetheless, records of request for housing maintenance by workers were available.	
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 previous complaints and requests records for the past 24 months were still available.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Some examples of notable contribution by the mill: 1. Baby set Gift for female workers (New Born Baby) dated 16/06/2021 2. "Kenduri Doa Selamat" dated 22/01/2021	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Sime Darby 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	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Response Procedure, Chemical Safety Management, Noise Boundary Monitoring and Health monitoring.	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> ii. All employees involved are adequately trained on safe working practices; iii. 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 	<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 23/07/2021 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 02/07/2021. <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 12th July 2018 by DOSH Registered Assessor, Azlina Binti Shafawi (HQ/06/ASS/223) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/06/ASS/223-2018/005) was 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 as n-Hexane, Manganese, Chlorine, Mineral Dust and Mineral Oil. The Mill has conducted the medical surveillance on 25th to 26th November 2020 for 34 of the workers at Klinik Segamat where all the workers were certified fit to work with no workers needed for Medical Removal Protection.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept 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>Noise Risk Assessment (Review) was conducted by ETOSH Consult & Engineering Plt on 18/03/2021 for Chaah POM by a Noise Risk Assessor, Nur Izzati Salleh (NRA Reg: HQ/16/PEB/00/158). The NRA Report (Ref. No: HQ/LPROYKPEB/21/00406) was available for verification.</p> <p>Audiometric test proposed to be conducted on 09/08/2021 was postponed due to the operating units facing possibility of COVID-19 cases. Therefore, it was postponed to a date that has yet to be confirmed.</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> <ul style="list-style-type: none"> - Chemical Safety management Training – 19/07/2021 <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 Manager, Mr. Muhammad Saufi Bin Baharudin was appointed to be the Chairman of OSH Committee at the Mill as</p>

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	<p>stated in the appointment letter dated 08.07.2021 undersigned by the Regional General Manager (Johor Central). 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 13/1/2021, 10/05/2021 and 06/08/2021 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. The mill has established Emergency Response Team lead by the Mill Engineer. Fire Drill was conducted on 12/06/2021 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 12/06/2021</p> <p>j) Accident records are recorded and maintained in the mill and discussed during the quarterly held JKKP Meetings. There were 1</p>	

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		reported accident for the year 2020 in the workplace. The accident investigation report was available for verification. Sighted the JKKP 8 form submission to JKKP for the year 2020 as well, submitted on 15/01/2021. No accident cases were reported for the year 2021 as of to date. There was 1 Poisoning/Disease case reported for the year which was related from hearing loss.	
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 -	Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019. Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting. Policy training has been conducted on 23/07/2021.	Complied
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 -	Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019. Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting. Refer section 3.2 Respect and Uphold Labour Right where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation union membership, political view, religion and/or age. Policy training has been conducted on 23/07/2021.	Complied

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<p>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.</p> <p>- Major compliance -</p>	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wage’s requirements.</p> <p>Sample of agreement and pay slips for local and foreign workers for February 2021, April 2021, and July 2021:</p> <ol style="list-style-type: none"> 1. Employee ID: 74793 2. Employee ID: 77025 3. Employee ID: 155413 4. Employee ID: 157444 5. Employee ID: 14640 6. Employee ID: 82280 7. Employee ID: 14584 8. Employee ID: 14588 <p>Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.</p>	<p>Complied</p>
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The contractors have signed the contract agreement prior commencement of work in the mill area. In the agreement, it was clearly stated that the contractors shall be responsible to comply any applicable legal requirements including the labour law.</p> <p>Sighted sample of contract between Sime Darby Plantation Berhad with Syarikat Wijaya (Masai) Sdn Bhd dated 12/12/2020. Refer T/SDPB/PEN/CPO/0720/003: Transportation of Crude Palm Oil (CPO) (Services) Fro Sime Darby Plantation Berhad’s Peninsular Malaysia’s Oil Mills. The contract was valid until 31/10/2023. Sighted pricing</p>	<p>Complied</p>

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		<p>mechanism was clearly state as per Appendix I and Appendix II for Schedule of Transportation Rates and Transport Rates Adjustment Mechanism respectively.</p> <p>Sample of employee contract agreement and payslips found in line with Law and Regulation. Sample of workers checked were:</p> <ol style="list-style-type: none"> 1. Rashidi Abd Rahim NRIC 880905-XX-XXXX 2. Sabree Jaafar NRIC 890618-XX-XXXX <p>For daily work, there is no permanent contractors hired by the mill management.</p>	
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment Contract for local and foreign workers are available. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation, and other benefits.</p> <p>Copies of Employment Contract for each local and foreign worker indicated in the employment records are available. Foreign worker contract is valid for 2 year plus yearly contract extension for those who intent to continue working with the company.</p> <p>Sample of agreement and pay slips for local and foreign workers for February 2021, April 2021, and July 2021:</p> <ol style="list-style-type: none"> 1. Employee ID: 74793 	Complied

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		2. Employee ID: 77025 3. Employee ID: 155413 4. Employee ID: 157444 5. Employee ID: 14640 6. Employee ID: 82280 7. Employee ID: 14584 8. Employee ID: 14588 Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Time recording at the mill was implemented through recording of punch card system, which records the time-in and time-out of an employee. The records were updated on daily basis and attendance of workers was monitored regularly through site supervision.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Working time found to be in accordance with legal requirement: Working hours i.e.: Daily rated workers (2 shifts): <u>Shift A</u> Working hours = 0800 to 1600 Break time = 1100 to 1200 <u>Shift B</u> Working hours = 1600 to 0000 Break time = 2000 to 2100	Complied

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		<p>Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Break time = 1200 to 1230</p> <p>Shift 2 working hours = 1500 to 2300 Break time = 1800 to 1830</p> <p>Shift 3 working hours = 2300 to 0700 Break time = 0400 to 0430</p>	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Pay slips of all employees (check roll) are available as evidence of salary payment.</p> <p>The pay slip contains the following information:</p> <ol style="list-style-type: none"> 1. Earnings <ul style="list-style-type: none"> - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Weekdays, Rest days and Holiday) 2. Deduction <ul style="list-style-type: none"> - Union fee (NUPW & AMESU), SOCSO, EPF, electricity deduction and others <p>Sample of agreement and pay slips for local and foreign workers for February 2021, April 2021, and July 2021:</p> <ol style="list-style-type: none"> 1. Employee ID: 74793 2. Employee ID: 77025 3. Employee ID: 155413 4. Employee ID: 157444 5. Employee ID: 14640 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		6. Employee ID: 82280 7. Employee ID: 14584 8. Employee ID: 14588 Review the pay slip and mill attendance report (including OT hours) confirmed that their basic salary wages complied with minimum wages (RM 42.31/day) for daily rated and RM 1100/month for monthly rated workers.	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Among the benefits offered by the company: 1. Productivity incentive 2. Turn-out incentive 3. Transport allowance 4. Telephone allowance	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The estates workers are provided with free housing facilities which includes water. Electricity is supplied by TNB and workers are required to pay the bill based on meter reading. Apart from that, housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focussing on cleanliness and safety. Sighted latest inspection were conducted on 21/08/2021, 14/08/2021, 02/08/2021 and 28/07/2021.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby has implemented Sexual Harassment Policy dated 01/11/2019 signed by Mr Mohamad Helmy Othman Basha, Group Managing Director Sime Darby Plantation Berhad. Policy training has been conducted on 23/07/2021.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Gender committee has been established at Chaah POM. Sighted Organization Chart of Gender Committee and Appointment Letters. Gender committee meeting has been conducted on 23/07/2021.	
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management is respecting Freedom of Association.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>Refer section 3.2 stated respect the rights of employees to join and form organizations of their own choice and to bargain collectively.</p> <p>The NUPW minute meeting for Chaah POM was sighted conducted on 21/01/2021. Sighted evidence of minutes of meeting and attendance.</p> <p>Policy training has been conducted on 23/07/2021.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Sime Darby has implemented The Group Sustainability & Quality Policy Statement which signed on 02/12/2019 where the management will Eradicate any form of Exploitation.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>Refer section 3.3 Respect and Uphold Children Rights.</p> <p>Policy training has been conducted on 23/07/2021.</p>	Complied
Criterion 4.4.6: Training and competency			

Criterion / Indicator		Assessment Findings	Compliance																
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Chaah POM have established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>COVID-19 training and briefings were sighted for the mill. Interview with the sampled workers and staff indicated that they were aware on the SOP during the MCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Policy Training</td> <td>23/07/2021</td> </tr> <tr> <td>Complaints & Grievances Training</td> <td>18/08/2021</td> </tr> <tr> <td>MSPO Training</td> <td>16/07/2021</td> </tr> <tr> <td>LOTO Training</td> <td>21/04/2021</td> </tr> <tr> <td>Schedule Waste Management Training</td> <td>19/07/2021</td> </tr> <tr> <td>COBC Training</td> <td>15/05/2021</td> </tr> <tr> <td>PPE Management Training</td> <td>19/07/2021</td> </tr> </tbody> </table>	Training	Date	Policy Training	23/07/2021	Complaints & Grievances Training	18/08/2021	MSPO Training	16/07/2021	LOTO Training	21/04/2021	Schedule Waste Management Training	19/07/2021	COBC Training	15/05/2021	PPE Management Training	19/07/2021	Complied
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4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>SOU20 Chaah 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 Requirement for Operating Units (Mill – SOU 20) for the year 2021 for verification.</p>	Complied																
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A training programme has been developed and available in the Training Requirement for Chaah POM ESH Activities for 2021. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.</p>	Complied																
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>																			

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Sime Darby 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 policy has been briefed to all workers on 23/07/2021	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	The 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 21/07/2021	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The Environmental 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.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The Continual Improvement Plan has incorporated various programmes to promote the positive impacts towards the environment such as: 1. To monitor the activity of mill processing accordance to legal compliance from Department of Environmental (DOE) and Department of Safety and Health (DOSH) 2. Proper Disposal of Waste in accordance to SOP and Legal requirements. 3. Waste management- towards waste utilisation (where possible) Water Management – to monitor the quality of main water inlet/outlet for pollutants from mill’s operations. Contingency during water shortage and to monitor the usage of treated water on monthly basis.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The 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.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Chaah 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 08/06/2021.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should	The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for	Complied

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Criterion / Indicator		Assessment Findings	Compliance																																
	<p>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>electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel.</p> <p>Chaah 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 Chaah POM for 2021 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel (L)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr> <td>Jan 2021</td> <td>750.16</td> <td>66632</td> <td>7381.31</td> </tr> <tr> <td>Feb 2021</td> <td>621.16</td> <td>50939</td> <td>8518.75</td> </tr> <tr> <td>Mar 2021</td> <td>977.72</td> <td>65427</td> <td>12269.22</td> </tr> <tr> <td>Apr 2021</td> <td>1049.21</td> <td>64713</td> <td>13041.72</td> </tr> <tr> <td>May 2021</td> <td>584.97</td> <td>62998</td> <td>8562.68</td> </tr> <tr> <td>Jun 2021</td> <td>1185.59</td> <td>70105</td> <td>12848.39</td> </tr> <tr> <td>Jul 2021</td> <td>764.78</td> <td>59613</td> <td>13796.31</td> </tr> </tbody> </table>	Month	Diesel (L)	Electricity (kWh)	Water (m ³)	Jan 2021	750.16	66632	7381.31	Feb 2021	621.16	50939	8518.75	Mar 2021	977.72	65427	12269.22	Apr 2021	1049.21	64713	13041.72	May 2021	584.97	62998	8562.68	Jun 2021	1185.59	70105	12848.39	Jul 2021	764.78	59613	13796.31	
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4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Chaah 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 Chaah POM.</p>	Complied																																
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<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</p>	Complied																																

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Criterion / Indicator		Assessment Findings	Compliance																								
		<p>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>Month</th> <th>Fibre</th> <th>Shell</th> </tr> </thead> <tbody> <tr> <td>Jan 2021</td> <td>1114.77</td> <td>301.92</td> </tr> <tr> <td>Feb 2021</td> <td>1419.03</td> <td>384.32</td> </tr> <tr> <td>Mar 2021</td> <td>1946.35</td> <td>527.15</td> </tr> <tr> <td>Apr 2021</td> <td>2072.06</td> <td>561.18</td> </tr> <tr> <td>May 2021</td> <td>1756.61</td> <td>475.75</td> </tr> <tr> <td>Jun 2021</td> <td>1845.86</td> <td>364.06</td> </tr> <tr> <td>Jul 2021</td> <td>2301.05</td> <td>690.31</td> </tr> </tbody> </table>	Month	Fibre	Shell	Jan 2021	1114.77	301.92	Feb 2021	1419.03	384.32	Mar 2021	1946.35	527.15	Apr 2021	2072.06	561.18	May 2021	1756.61	475.75	Jun 2021	1845.86	364.06	Jul 2021	2301.05	690.31	
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Criterion 4.5.3: Waste management and disposal																											
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The mill 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 Domestic waste – Rubbish Industrial waste – POME, EFB, scrap metal & compost 	Complied																								

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Criterion / Indicator		Assessment Findings	Compliance
		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.	
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>Chaah 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>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>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>Chaah 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 interview with storekeeper shows the understanding of the proper disposal of waste as all used lubricant and contaminated</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>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: 2021051112ZWES31; Date Submitted: 11/05/2021; Waste Code: SW410; Waste Name: Used Hand Gloves and Oil; Quantity: 0.0855 Mt; Name of Contractor: Pentas Flora (Melaka) Sdn Bhd. • Consignment Number: 2021051112NIGJKD; Date Submitted: 11/05/2021; Waste Code: SW305; Waste Name: Spent Lubricant Oil; Quantity: 0.4000 Mt; Name of Contractor: Pentas Flora (Melaka) Sdn Bhd. • Consignment Number: 2021051112R6DTJP; Date Submitted: 11/05/2021; Waste Code: SW409; Waste Name: Empty Spent Reagent Container; Quantity: 0.0115 Mt; Name of Contractor: Pentas Flora (Melaka) Sdn Bhd. • Consignment Number: 2021042716WEV2JM; Date Submitted: 27/04/2021; Waste Code: SW3322; Waste Name: Empty Spent Reagent and IPA; Quantity: 0.0980 Mt; Name of Contractor: Pentas Flora (Melaka) Sdn Bhd. 	
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>The mill used own facility located in Chaah Estate. All domestic wastes are collected 2 to 3 x /week to estate landfill. Collection are made from a centralized point accumulated internally by the mill management from the living quarters and office complex.</p>	Complied
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			

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Criterion / Indicator		Assessment Findings	Compliance												
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 Spectrum Laboratories (Johore) Sdn Bhd. as follows:</p> <p>2nd Quarter 2020</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Descriptions</th> <th style="width: 20%;">Boiler No.4</th> <th style="width: 20%;">Boiler No.4</th> </tr> </thead> <tbody> <tr> <td>Date of Measurement</td> <td>12/04/2021</td> <td>09/12/2020</td> </tr> <tr> <td>Reference Number</td> <td>DEPT/SE/KKSC/2 021/04/21626</td> <td>PAC-AE-201206</td> </tr> <tr> <td>Dust Emission Load (mg/Nm³, dry, @ 12% CO₂)</td> <td>6.21</td> <td>60</td> </tr> </tbody> </table> <p>The emission level of Total Particulate matter @ 12% CO₂ for the boilers monitored were within the Malaysian Environmental Quality (Clean Air) Regulations 2014.</p>	Descriptions	Boiler No.4	Boiler No.4	Date of Measurement	12/04/2021	09/12/2020	Reference Number	DEPT/SE/KKSC/2 021/04/21626	PAC-AE-201206	Dust Emission Load (mg/Nm ³ , dry, @ 12% CO ₂)	6.21	60	Complied
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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>Chaah POM have established a GHG Reduction 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> <ol style="list-style-type: none"> 1. Diesel - Optimization of diesel usage for the tractors available. 2. Diesel - Monitoring on the usage of diesel use. 	Complied												

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Criterion / Indicator		Assessment Findings	Compliance																				
		3. Electricity - To optimize the usage of electricity and reduce wastage 4. Reduction of GHG emission - To monitor and control the potential source gaseous.																					
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The POME is treated with open anaerobic, aerobic and stabilization lagoon. Monthly monitoring on the final discharge is conducted. The additional facility used in Chaah POM is the installation of:</p> <p>a) Belt press operation b) Evaporator mixer system</p> <p>Both machineries are to reduce the suspended solid and BOD to the targeted level of 200 and 2500 ppm respectively. The effluent at the final discharge is tested to ensure it compliance to the DOE license approved limits. All results sighted in the records are in compliance to the DOE standards. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Analysis Test Report Results as follows:</p> <table border="1"> <thead> <tr> <th>Paramater</th> <th>1st Week of 1st month</th> <th>5th Week of 2nd Month</th> <th>9th Week of 3rd month</th> </tr> </thead> <tbody> <tr> <td>Sample Date</td> <td>14/04/2021</td> <td>18/05/2021</td> <td>09/06/2021</td> </tr> <tr> <td>Total Discharge over 24 hrs (m³)</td> <td>376.11</td> <td>473.10</td> <td>415.33</td> </tr> <tr> <td>Maximum Discharge 1 Hrs (m³)</td> <td>43.82</td> <td>48.57</td> <td>48.72</td> </tr> <tr> <td>BOD₃ at 30°</td> <td>64.00</td> <td>68.00</td> <td>28.0028</td> </tr> </tbody> </table>	Paramater	1 st Week of 1 st month	5 th Week of 2 nd Month	9 th Week of 3 rd month	Sample Date	14/04/2021	18/05/2021	09/06/2021	Total Discharge over 24 hrs (m ³)	376.11	473.10	415.33	Maximum Discharge 1 Hrs (m ³)	43.82	48.57	48.72	BOD ₃ at 30°	64.00	68.00	28.0028	Complied
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Criterion 4.5.5: Natural water resources																							

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Criterion / Indicator		Assessment Findings	Compliance
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>Water Management was established and verified to state the following:</p> <ol style="list-style-type: none"> 1. To monitor the quality of main water inlet/outlet for pollutants from mill's operations. 2. Contingency during water shortage. 3. To monitor the usage of treated water on monthly basis. <p>Water Quality for Domestic use is monitored on a monthly basis, The Water Analysis Test report (Test Report Number: IE615/2021) sampled on 02/06/2021 was available for verification. The results stated the Domestic – Workers Residential Area water conforms with NSDWQ for domestic use.</p> <p>The incoming and Outgoing water at the river under the care of the Mill Management is monitored on a quarterly basis. Water Analysis Test Report (IE464/2021) sampled on 14/04/2021 was available for verification. The results dated 03/05/2021 indicated that the BOD and COD does not conform with the Class IIA/IIB of NWQS for natural Waterways. The management have generated the Corrective/Preventive Action Report for Non-Conforming Water Analysis Results on 10/05/2021.</p>	Complied
4.5.5.2	<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>Details of effluent treatment and report as per item 4.5.4.3 above. The effluent is retained for treatment in a flow through 7 ponds before being discharged to land application Chaah Estate field no 98A, 99A and 2000 total 130.76 ha. In addition, there is belt press facility to further reduce to the suspended solid in the effluent.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.1.1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -</p>	<p>The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p> <p><u>Water Quality Management System</u></p> <p>Sime Darby Plantation; Plantation Quality Management System; Sustainable Plantation Management System; SOP for Water Quality Monitoring; Date: 01/06/2016; 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 <i>1 week</i> of receiving the results. - For samples sent to Sime Darby Research Laboratory, clearly indicate "Re-sampling" in the "Remark/Others" column of Sample Analysis Request form so that the laboratory can expedite the 	<p>Minor NC</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>analysis. Results of the re-sampling shall be obtained within 2 weeks. Refer Appendix I; Form Code WQ-02/SARF</p> <p>The incoming and Outgoing water at the river monitored by the Mill Management is sampled on a quarterly basis. Water Analysis Test Report (IE464/2021) sampled on 14/04/2021 was available for verification. The results dated 03/05/2021 indicated that the BOD and COD does not conform with the Class IIA/IIB of NWQS for Natural Waterways. The management have generated the Corrective/Preventive Action Report for Non-Conforming Water Analysis Results on 10/05/2021. Nevertheless, the resampling was not conducted concurrently within 1 week of receiving the samples and samples were not sent to the SD Research Lab, Carey Island or Accredited Laboratory as stated in the SOP. Resampling was conducted only on 27/07/2021 and the results have not been obtained as of the audit date. Thus, Minor NC was raised.</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 the Mill Advisor scheduled on a 6-monthly basis. In addition, there are audits by Regional Head, PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others. Report relating to the monitoring i.e. daily production report, monthly report, SOU meetings minutes and RSQM internal audit report were sighted, and system adopted is effective.	Complied
Criterion 4.6.2: Economic and financial viability plan			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year 2020 / PY2 / PY3 / PY4 / PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK. Component of operating expenditure includes process labour, maintenance external, maintenance parts, consumable, EVIT, admin cost, labour overhead. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Awarding of contract and pricing mechanism is guided by a procedure GPA No. E4 Procurement, version 29/08/2019. 1. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. 2. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far. Sighted sample of contract between Sime Darby Plantation Berhad with Syarikat Wijaya (Masai) Sdn Bhd dated 12/12/2020. Refer T/SDPB/PEN/CPO/0720/003: Transportation of Crude Palm Oil (CPO) (Services) for Sime Darby Plantation Berhad's Peninsular Malaysia's Oil Mills. The contract was valid until 31/10/2023. Sighted pricing mechanism was clearly state as per Appendix I and Appendix II for	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Schedule of Transportation Rates and Transport Rates Adjustment Mechanism respectively.	
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 -	Awareness training related MSPO to contractors has been conducted on 16/07/2021. Refer RSPO, MSPO and SCCS Training 2021 attended by contractors at Chaah POM. This requirement has been specified in a letter dated 02/07/2019 on RSPO/ISCC/MSPO awareness on to contractors Syarikat Wijaya (Masai) Sdn Bhd. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System.	Complied
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. Sighted sample of contract between Sime Darby Plantation Berhad with Syarikat Wijaya (Masai) Sdn Bhd dated 12/12/2020. Refer T/SDPB/PEN/CPO/0720/003: Transportation of Crude Palm Oil (CPO) (Services) From Sime Darby Plantation Berhad's Peninsular Malaysia's Oil Mills. The contract was valid until 31/10/2023. Sighted pricing mechanism was clearly state as per Appendix I and Appendix II for Schedule of Transportation Rates and Transport Rates Adjustment Mechanism respectively. Agreement were signed by both parties.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through a training and memo dated 16/07/2021. The engaged contractors have given their acknowledgement by signing the memo.	Complied

Appendix B: List of Stakeholders Contacted

<p>Government Officer:</p> <ol style="list-style-type: none"> 1. Balai Polis Chaah 2. Klinik Kesihatan Chaah 	<p>Community/neighbouring village:</p> <ol style="list-style-type: none"> 1. JKK Kampung Hj Kamisan 2. Kedai Runcit Arokiam
<p>Suppliers/Contractors/Vendors:</p> <ol style="list-style-type: none"> 1. RSKP Brothers 2. Lai Brothers 3. Kejuruteraan Dynameca 4. KCG Enterprise 	<p>Worker’s Representative/Gender Committee:</p> <ol style="list-style-type: none"> 1. Gender Committee Representatives 2. Foreign & Local Workers Representatives 3. NUPW representatives

Appendix C: Smallholder Member Details

Not applicable

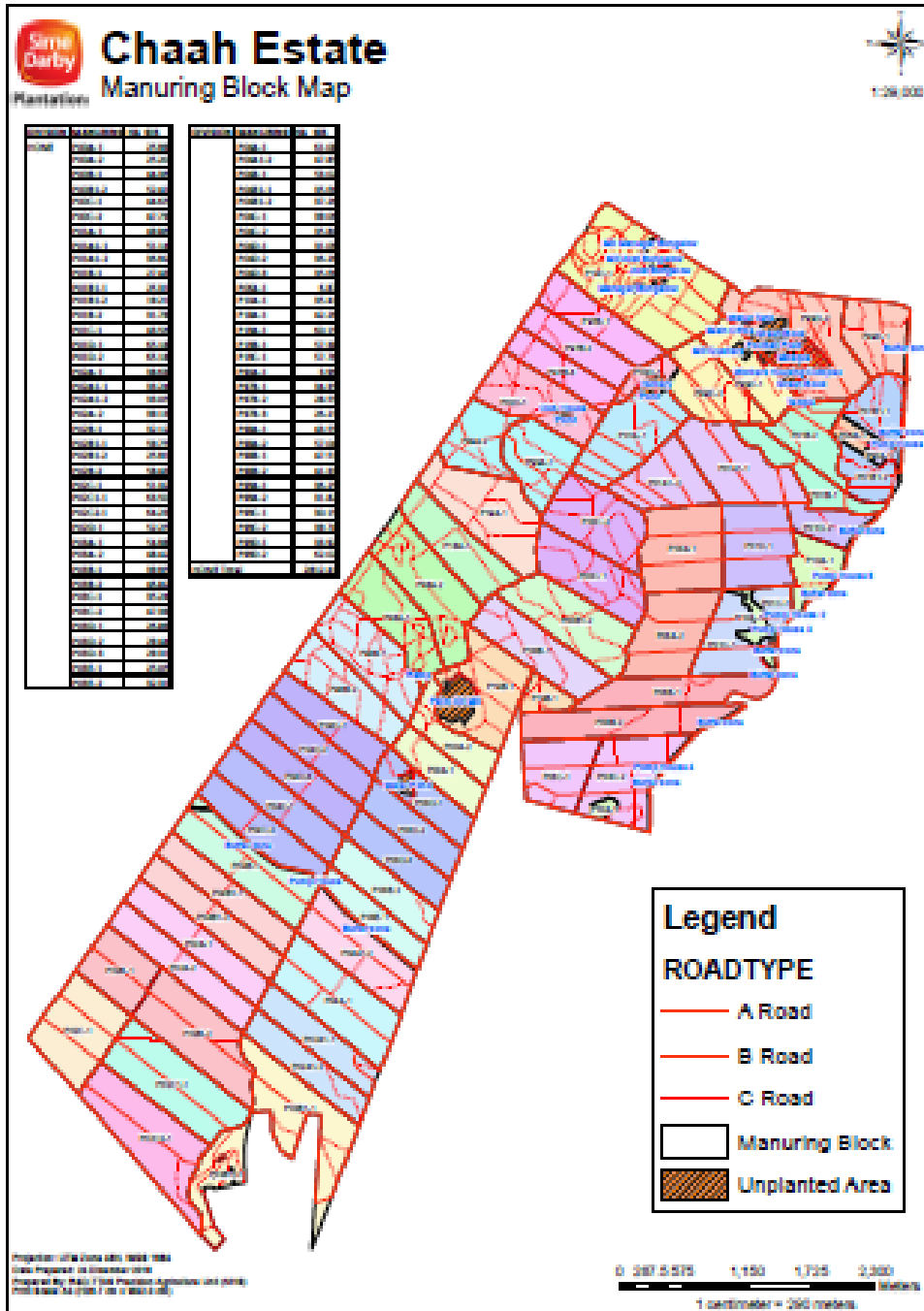
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

Appendix D: Location and Field Maps

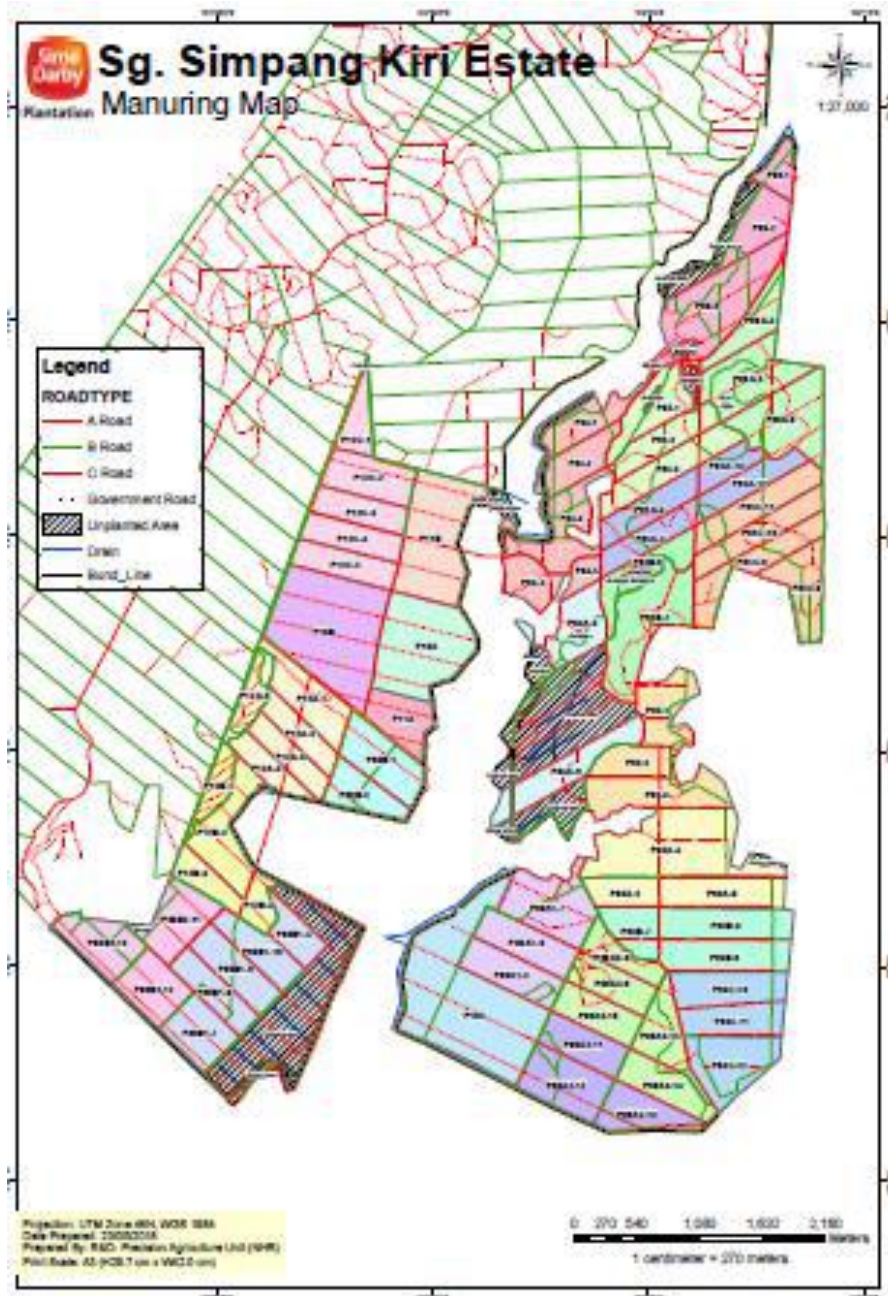
Chaah Palm Oil Mill



Chaah Estate



Sg Sg Simpang Kiri Estate



Appendix E: List of Abbreviations

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