

**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 Petaling Jaya, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 27) - Melalap Palm Oil Mill, Melalap Estate & Spong Estate
Date Final Report: 28/10/2021

Report prepared by:
Nor Halis Abu Zar (Lead Auditor)

Report Number: 3293270

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

TABLE of CONTENTS	Page No
Section 1: Executive Summary	3
1.1 Organizational Information and Contact Person	3
1.2 Certification Information.....	3
1.3 Location of Certification Unit.....	4
1.4 Certified Area	4
1.5 Plantings & Cycle	4
1.6 Certified Tonnage of FFB	5
1.7 Uncertified Tonnage of FFB.....	5
1.8 Certified Tonnage	5
1.9 Actual Sold Volume (CPO).....	5
1.10 Actual Sold Volume (PK).....	6
Section 2: Assessment Process	7
2.1 BSI Assessment Team.....	8
2.2 Accompanying Persons.....	9
2.3 Assessment Plan	9
Section 3: Assessment Findings	12
3.1 Details of audit results	12
3.2 Details of Nonconformities and Opportunity for improvement.....	12
3.4 Summary of the Nonconformities and Status.....	14
3.5 Issues Raised by Stakeholders	14
Section 4: Assessment Conclusion and Recommendation	16
Appendix A: Summary of the findings by Principles and Criteria.....	17
Appendix B: List of Stakeholders Contacted	92
Appendix C: Smallholder Member Details.....	93
Appendix D: Location and Field Map	94
Appendix E: List of Abbreviations.....	97

Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Melalap Palm Oil Mill 535146004000	31/12/2022	
	Sapong Estate 532297002000	31/08/2022	
	Melalap Estate 531977002000	31/08/2022	
Address	Level 11, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Petaling Jaya, Selangor, Malaysia		
Certification Unit	SOU 27 Melalap Palm Oil Mill, Melalap Estate & Sapong Estate		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) Tn. Bukhari bin Yusof Azuddin (Manager, Melalap POM)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarby.com kks.melalap@simedarbyplantation.com
Telephone	03-78484379 (Head Office) 019-380 7253 (Melalap POM)	Facsimile	03-78484356 (Head Office) 08-7302243 (Melalap POM)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682053 Plantations: MSPO 685285		
Issue Date	07/03/2018	Expiry date	06/03/2023
Scope of Certification	Plantations: Production of Sustainable Oil Palm Fruits Mill: Production of Sustainable Palm Oil and Palm Oil Products		
Standard	Plantations: MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders Mill: MS 2530-4:2013 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)	20/12/2017 - 22/12/2017		
Continuous Assessment Visit Date (CAV) 1	30/10/2018 - 01/11/2018		
Continuous Assessment Visit Date (CAV) 2	08/10/2019 - 10/10/2019		
Continuous Assessment Visit Date (CAV) 3	22/12/2020 - 24/12/2020		
Continuous Assessment Visit Date (CAV) 4	04/10/2021 - 06/10/2021 (Remote Audit)		
Other Certifications			

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 547124	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; RSPO Supply Chain Certification June 2017 for CPO Mills (Module E: Mass Balance)	BSI Services Malaysia Sdn. Bhd.	*20/01/2021
MSPO 718818	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018.	BSI Services Malaysia Sdn. Bhd.	18/12/2024

Note: *Palm Trace Extension until 20/01/2022. Recertification has been conducted on 4-8/10/2021.

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Melalap Palm Oil Mill	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	5.23305	115.98761
Melalap Estate	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	5.21497	115.97643
Sapong Estate	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	5.06478	115.94913

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Melalap Estate	1,241.48	88.29	890.60	2,220.37	55.91%
Sapong estate	2,155.81	45.72	1,105.40	3,306.93	65.19%
TOTAL	3,397.29	134.01	1,996.00	5,527.30	61.46%

Note: Planted hectare Sapong Estate reduction of 110.34 ha due to reclassify to fallow area.

1.5 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Melalap Estate	258.65	113.23	486.09	383.51	-	982.83	258.65
Sapong Estate	715.20	86.06	1354.55	-	-	1440.61	715.20
Total (ha)	973.85	199.29	1840.64	383.51	-	2423.44	973.85

MSPO Public Summary Report

Revision 1 (Feb 2020)

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 2021 - Feb 2022)	Actual (Dec 2020 - Sept 2021)	Forecast (Mar 2022 - Feb 2023)
Melalap Estate	18786.52	13719.24	21074.20
Sapong Estate	29008.65	18424.03	27743.15
Ladang Cepat Kpd Sdn Bhd	7500.00	1017.5	7500.00
Ladang Paal Sdn Bhd		389.86	
Nge Wa Hwa		47.00	
Ek Hong Agriculture		358.18	
Total	55295.17	33955.81	56317.35

Note: -

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 2021 - Feb 2022)	Actual (Dec 2020 - Sept 2021)	Forecast (Mar 2022 - Feb 2023)
Supplier ABC	22500.00	6692.97	22500.00
Total	22500.00	6692.97	22500.00

Note: -

1.8 Certified Tonnage			
	Estimated (Mar 2021 - Feb 2022)	Actual (Dec 2020 - Sept 2021)	Forecast (Mar 2022 - Feb 2023)
	Mill Capacity: 25 MT/hr	FFB	FFB
	55295.17	33955.81	56317.35
SCC Model: MB	CPO (OER: 21.00 %)	CPO (OER: 20.64 %)	CPO (OER: 21.00 %)
	11,611.99	7009.27	11826.64
	PK (KER: 5.05 %)	PK (KER: 4.66 %)	PK (KER: 5.05 %)
	2,792.41	1581.03	2844.03

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
7,009.27	0.00	0.00	0.00	0.00	0.00

MSP0 Public Summary Report
Revision 1 (Feb 2020)

1.10 Actual Sold Volume (PK)					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
1,581.03	0.00	0.00	1282.33	0.00	1282.33

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 MCO restriction from 4-6/10/2021. 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 27 Melalap 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 from the initial assessment are detailed in Section 4.2.

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

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

MSP0 Public Summary Report
Revision 1 (Feb 2020)

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)
Melalap Palm Oil Mill	√	√	√	√	√
Melalap Estate	√	√	√	√	√
Sapong Estate	√	√	√	√	√

Tentative Date of Next Visit: October 10, 2022 - October 12, 2022

Total No. of Mandays: 11 Mandays

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Nor Halis Abu Zar (NHA)	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, MSP0 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 Policy and commitment, Social requirements, contract agreement, human rights, workers' welfare, smallholder welfare, Stakeholder Consultation, Legal Requirements, land & Legal issue and MSP0 requirements. Fluent in English and Bahasa.
Mohamad Fitri Mustafa (MFM)	Team Member	Graduate in degree of agribusiness with more than 8 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSP0 auditing since September 2017. Qualified as Lead Auditor/Auditor for MSP0, RSPO and ISO 9001. Completed and certified MSP0 Auditor course in 2018 held by SGS (M) Sdn Bhd. During this assessment, he assessed on the aspects of Safety and Health, Environment, Continuous Improvement Training and Best practice at Mill and Estates and MSP0 requirements. Able to speak and understand Bahasa Malaysia and English.

2.2 Accompanying Persons

No.	Name	Role
	N/A	

2.3 Assessment Plan

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

Date	Time	Subjects	(NHA)	(MFM)	ICT Planned
Friday, 24/09/2021	1530 - 1400	Communication on document preparation - Audit plan - Any additional Information	√	√	Teleconference, Microsoft Team Meeting, Email
Monday, 04/10/2021 Melalap 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 Policies, SOP, Internal Audit, 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 Policies, SOP, Internal Audit, 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	√	√	
	1330 - 1450	Assessment and documentation review on Policies, SOP, Internal Audit, 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 Policies, SOP, Internal Audit, 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)	(MFM)	ICT Planned
	1700 - 1730	Interim closing briefing	√	√	Teleconference, Microsoft Team Meeting, Email
Tuesday, 05/10/2021 Sapong Estate	0900 - 1030	Assessment and documentation review on Policies, SOP, Internal Audit, 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 Policies, SOP, Internal Audit, 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	√	√	
	1330 - 1450	Assessment and documentation review on Policies, SOP, Internal Audit, 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 Policies, SOP, Internal Audit, 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
Wednesday 06/10/2021 Melalap POM	0900 - 1030	Assessment and documentation review on Policies, SOP, Internal Audit, 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 Policies, SOP, Internal Audit, social aspects, legal requirements, employees' welfare and stakeholder management, mill best practice, legal requirements, OHS, environment and continual improvement.	√	√	Teleconference, Microsoft Team Meeting, Email

MSPO Public Summary Report
Revision 1 (Feb 2020)

Date	Time	Subjects	(NHA)	(MFM)	ICT Planned
	1230 - 1330	Lunch & Break	√	√	
	1330 - 1450	Assessment and documentation review on Policies, SOP, Internal Audit, 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 Policies, SOP, Internal Audit, 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	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 ASA4, there were no nonconformities raised.

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

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

Noteworthy Positive Comments	
1	Good positive comments from internal and external stakeholders
2	Good commitment by management

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 2005272-202012-M1	Area/Process: Sapong Estate	Clause: 4.4.5.4 – Part 3
	Issue Date: 24/12/2020	Date of Closure: 20/01/2021
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:	Employees of contractor were not paid based on Minimum Wage Order 2020 and employment contract agreed between the contractor and the employees.	
Objective Evidence:	<p>Sapong Estate:</p> <p>Reviewed the payslips (June and September 2020) for contractor’s workers (Jutamas Kekal Sdn Bhd) below found that they were not paid as per the Minimum Wage Order 2020.</p> <ol style="list-style-type: none"> 1. I/C No.: 890130-49-50XX 2. I/C No.: 910407-12-61XX 	
Corrections:	The contractor will inform a written notice to the workers regarding the deduction made due to absenteeism.	
Root cause analysis:	The contractor (Jutamas Kekal Sdn Bhd) has deducted salary of the two workers due to absenteeism. The workers took leave without prior notice or valid reason. The contractor did not mention in the payslip regarding the deduction made.	
Corrective Actions:	The contractor will update details of wage deductions such as, due to absenteeism in the worker’s payslip. Estate management will regularly monitor workers’ payslip to ensure payment of wages are made as per Minimum Wage Order and details of deductions are notified if any.	
Assessment Conclusion:	<p>Major Non-conformity close out</p> <p>Evidence verified:</p> <p>The contractors have issued notification letter to inform the employee regarding the wage deduction due to absenteeism. Reviewed the notification letter for the employee with identification card no. as follows:</p> <p>I/C No.: 890130-49-50XX</p> <p>I/C No.: 910407-12-61XX</p> <p>The contractors ha include all the details of wage deduction in the employee payslips. Reviewed the payslips for the month of June, September, November and December 2020 for the employee with identification card no. as follows:</p> <p>I/C No.: 890130-49-50XX</p> <p>I/C No.: 910407-12-61XX</p> <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 20/01/2021.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>	
Assessment verification	<p>ASA 4 verification</p> <p>It was a replanting contractors and based on record verification and interview, there is no replanting programme for Sapong Estate, and thus Major NC remained closed.</p>	

MSPO Public Summary Report
Revision 1 (Feb 2020)

3.4 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
1563665-201712-M1	Major	22/12/2017	Closed out on 16/2/2018
1563665-201712-M2	Major	22/12/2017	Closed out on 16/2/2018
1563665-201712-M3	Major	22/12/2017	Closed out on 16/2/2018
1563665-201712-N1	Minor	22/12/2017	Closed out on 1/11/2018
1700545-201810-M1	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M2	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M3	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M4	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-M5	Major	1/11/2018	Closed out on 28/1/2019
1700545-201810-N1	Minor	1/11/2018	Closed out on 10/10/2019
1700545-201810-N2	Minor	1/11/2018	Closed out on 10/10/2019
1833308-201906-M1	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-M2	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-M3	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-M4	Major	10/10/2019	Closed out on 7/1/2020
1833308-201906-N1	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N2	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N3	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N4	Minor	10/10/2019	Closed out on 24/12/2020
1833308-201906-N5	Minor	10/10/2019	Closed out on 24/12/2020
2005272-202012-M1	Major	24/12/2020	Closed out on 20/01/2021

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Contractors (Pemborong Ajuta) Agreement between Sime Darby Plantation Berhad 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: Pondok Polis Sapong The Police management would like to extend their appreciation for the contribution and donations that Sime Darby Plantation Berhad management given upon request. There is no illegal workers issue reported. Management maintain their communication with police for related matters.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>3</p>	<p>Issues: Local communities (Head village Kg Makniton, Tenom) Villagers and temple 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: SK Pulong & SK Sapong The school management would like to extend their appreciation for the contribution and donations that Sime Darby Plantation Berhad management given and upkeep of school facilities upon request.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>5</p>	<p>Issues: Foreign Workers (Melalap POM & Estate) 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.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>6</p>	<p>Issues: Gender Committee (Melalap POM & Estate) 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.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment SOU 27 Melalap POM and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 27 Melalap POM and Supply Base Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Bukhari Bin Yusof Azuddin	Name: Nor Halis Abu Zar
Company name: Guthrie Industries Malaysia Sdn Bhd	Company name: BSI Services Malaysia Sdn. Bhd
Title: Mill Manager	Title: Client Manager
Signature: 	Signature: 
Date: 18.10.2021	Date: 18/10/2021

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 Plantation Berhad 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	Internal audit schedule was issued to the operating unit by SQM through email and internal audit plan was sighted. The internal audit	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance															
	further improvement. - Major compliance -	was planned on 16/08/2021 for Melalap Estate and 18/08/2021 for Sapong Estate.																
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 Plantation Berhad has established an Internal Audit Procedure (Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017) to ensure the process of system audit is carried out effectively. The frequency of the internal audit is on annually and as when required.</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>Melalap</td> <td>16/08/2021</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Sapong</td> <td>18/08/2021</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Seen the MSPO & RSPO Internal Audit Report for Melalap Estate & Sapong Estate. There is no nonconformities raised during the internal audit for both estates.</p>	Estate	Date	Major NC	Minor NC	OFI	Melalap	16/08/2021	0	0	0	Sapong	18/08/2021	0	0	0	Complied
Estate	Date	Major NC	Minor NC	OFI														
Melalap	16/08/2021	0	0	0														
Sapong	18/08/2021	0	0	0														
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the estate’s management. The Management Representative has acknowledged on the acceptance of the Internal Audit Report. Management review meeting was conducted to review the findings of the internal audit.	Complied															
Criterion 4.1.3 – Management Review																		
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	<p>The latest management review meeting was carried out on 28/09/2021 in Melalap Estate and 23/08/2021 in Sapong Estate chaired by the Estate Manager. The 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 	Complied															

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		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	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Both estates management have respectively established continual improvement plans which covers social, environmental, safety & health and operations. Sighted sampled continuous improvement plans documented as follows: <ul style="list-style-type: none"> a. To improve security storage of scheduled waste store. b. To reduce and monitor domestic waste. c. To ensure compliance on Environmental Quality Regulations 2005. d. To monitor and ensure no open burning conducted inside the estate compound. e. To ensure the spraying gang are well trained to avoid spraying activities at near riverbank. f. To create awareness among employees regarding on the importance of saving electricity. 	Complied
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry	System to improve practice in line with new information and techniques were carried out by the estate management through various programs as documented in the annual training program. The	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	management on receiving this information is responsible to disseminate to the employees.	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	The estate managements respectively established annual training program based on the training needs analysis for the purpose of improving the competency of their employees and to disseminating information. Any new update or information, if related and endorsed by the top management, shall be disseminated to the employees thru the training program.	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 -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. 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. Manager is responsible for address the communication and requests.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	the company's website to obtain information such as policies, annual report and complaint procedures.	
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 -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 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. Besides, 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.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Senior Manager of the Melalap Estate and Sapong Estate have appointed Assistant Managers as Social Officer to handle any issue related to social in the estate. Seen the appointment letter dated Mr Ramesh Rajagopal dated 28/03/2021 for Melalap Estate and Mr Muhamad Adam Mokhtar dated 18/12/2020 for Sapong Estate. Role and responsibility were outlined in the appointment letter.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	List of stakeholders was available at the sampled estates. In general, they are the surrounding communities, neighbouring estates, refinery,	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	suppliers, contractors, government agencies, etc. Updated list has been established for the year of 2021 both Melalap and Sapong Estate. For 2021 stakeholder meeting were conducted via email and letter requisition due to MCO. Refer correspondence email dated 26/08/2021 for Melalap Estate and 17/08/2021 for Sapong Estate. Sighted sample of feedback by for Melalap Estate, Takong Girong (Head Village Pagansangon) dated 29/08/2021 and Pn Norsiah Bansunin (SK Pulong Tenom) dated 29/08/2021 while for Sapong Estate, Mr Gerald Ramsay Baxter (Smallholders) dated 29/08/2021 and Mr Mohd Zainal (BOMBA) dated 18/09/2021. The objective of the letter / email to gain the current issues pertaining to social aspects such as legal compliance, CSR, workers issue etc. verified that there is no issue raised by stakeholders.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	The group has established SOP for Traceability version 02, year 2018, issue no 0. The objective of this SOP is to provide guidelines for estates and palm oil mills to established and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Records showed that estate management conducted regular inspection on compliance as per guided by the Traceability SOP. Besides the regular inspection conducted by the estate personnel, the estate also receives visits from the Performance Monitoring Units who will inspect the SOP implementation at estate level. Reports were made available and reviewed.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system.	The estate management has appointed respective estate senior assistants as the person in charge for the traceability. The appointment	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	was made on 23/03/2021 and 01/01/2021 for Melalap and Sapong Estate.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records for FFB delivery to Melalap Palm Oil Mill were well kept and maintained. The FFB consignment was provided by the estate contains information as follow: a. Estate name, field and block no. b. Harvested date. c. Estimated tonnage d. Vehicle and trailer/bin no.	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 -	Compliance to each applicable law and regulation is monitored by the operating unit and SQM unit team. Both estates obtained and renewed license and permits as required by the law. Among others, the licenses and permits reviewed were: <u>Melalap Estate</u> a. "Permit Kawalan Berjadual" – Diesel, ref no: B.PGK.SB(KGU)05/04(PBKB), valid until 09/08/2024. b. "Lesen Untuk Menggaji Pekerja Bukan Pemastautin", license no: JTK.H.TNM:00-4/1/92112/577, valid until 11/06/2022. c. MPOB license no: 531977002000, valid until 31/08/2022. d. "Permit Khas Barang Kawalan Berjadual", ref no: B.PGK.SB(KGU)104/18(PK), valid until 02/06/2022. e. "Permit Potongan Daripada Gaji Pekerja", serial no: 600-1/2/12/1 Jld.2(11/TNM/2020-0103), valid until 12/03/2022.	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance			
		<p>f. "Pengandung Tekanan Tak Berapi". Reg no SB PMT 598, valid until 12/10/2021.</p> <p><u>Sapong Estate</u></p> <p>a. MPOB license no 532297002000, valid until 31/08/2022. b. MPOB license no 616164011000 valid until 31/01/2022. c. "Permit Potongan Daripada Gaji Pekerja", serial no: 600-1/2/12/2(11/TNM/2020-0119) valid until 15/03/2022. d. "Pengandung Tekanan Tak Berapi", reg no SB PMT 599, valid until 19/10/2021. e. "Permit Barang Kawalan Berjadual", ref no: B.PGK.SB(KGU)127(07). PBKB, valid until 26/10/2021.</p>				
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>The group has established the Standard Operation Manual (SOM), Appendix 5.2.4 – Procedure for Legal & Other Requirements, prepared by the Standard & Compliance Section, Total Quality & Environmental Management Plantation dated on 01/11/2008, to track any changes in the applicable laws and regulations. The LORR covers the following laws; Occupational Safety & Health, Environment, Water, Human Resources Related and Other Requirements.</p> <p>Reviewed on the LORR was reviewed by the mill management on 13/08/2021 by the mill assistant manager and verified by the mill manager.</p> <p>Sighted the following laws and regulations updated as follow:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%;">a.</td> <td style="width: 20%;">12/04/2021</td> <td>Road Transport Act 1987 Fire Services (Fire Certificate) (Amendment) Regulations 2020 Fire Services (Designated Premise) Order 2020</td> </tr> </table>	a.	12/04/2021	Road Transport Act 1987 Fire Services (Fire Certificate) (Amendment) Regulations 2020 Fire Services (Designated Premise) Order 2020	Complied
a.	12/04/2021	Road Transport Act 1987 Fire Services (Fire Certificate) (Amendment) Regulations 2020 Fire Services (Designated Premise) Order 2020				

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings		Compliance
			Prevention & Control of Infectious Diseases Act 1988 (Act 342).	
		b.	18/05/2021 Anti-Money Laundering Anti-Terrorism Financing & Proceeds of Unlawful Act 2001. Malaysian Anti-Corruption Commission 2009. Whistleblower Protection Act 2010.	
		c.	15/06/2021 "Perintah Pencegahan & Pengawasan Penyakit Berjangkit Peraturan-Peraturan Pencegahan & Pengawasan Penyakit Berjangkit (Langkah-Langkah di Dalam Kawasan Tempatan Jangkitan) (No.3) 2021.	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Group Sustainability & Quality Management (GSQM) will review and updated should there be any changes in regulatory requirement and the unit will notify the PIC at each operation unit. Both estates have appointed respective estate personnel to receive new update from the HQ.		Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Melalap Estate management has appointed Senior Assistant as the person in charge for traceability. The appointment was made on 23/03/2021. Sapong Estate management has appointed Medical Assistant as the person in charge for traceability. The appointment was made on 01/01/2021.		Complied
Criterion 4.3.2 – Lands use rights				
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The was no evidence to show that oil palm cultivation activities Melalap Estate and Sapong Estate had diminished the land use rights of others. Verified documents to show legal ownership of its land.		Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.2.2 The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Verified the land titles shown that the legal ownership of the company. Sample of land title as below:</p> <p><u>Melalap Estate:</u></p> <p>There are total 6 land titles found for total 2257.26 ha. All the land titles have been issued under the name of owner to Sime Darby Plantation Berhad.</p> <ol style="list-style-type: none"> 1. Country Lease No.: 165289341; Lot No.: 460; Area Lot: 3.47 ha 2. Country Lease No.: 165314643; Lot No.: 165314643; Area: 1076.68 ha 3. Country Lease No.: 165297594; Lot No.: 1991; Area: 1.17 ha 4. Country Lease No.: 165175539; Lot No.: 1756; Area Lot: 14.58 ha 5. Country Lease No.: 165008355; Lot No.: -; Area Lot: 1122.80 ha 6. Country Lease No.: 165175548; Lot No.: 1757; Area Lot: 6.01 ha <p><u>Sapong Estate:</u></p> <p>There are total 8 land titles found in Sapong Estate for total 3422.88 ha. All the land titles have been issued under the name of owner to Guthrie Industries Malaysia Sdn Bhd which belongs to Sime Darby Plantation Berhad.</p> <ol style="list-style-type: none"> 1. Provisional Lease Land Title No.: 165309866; Area: 318.73 ha 2. Provisional Lease Land Title No.: 166283012; Area: 141.00 ha 3. Provisional Lease Land Title No.: 166283058; Area: 5.56 ha 4. Provisional Lease Land Title No.: 166290044; Area: 2265.35 ha 5. Provisional Lease Land Title No.: 166290080; Area: 467.41 ha 6. Provisional Lease Land Title No.: 166283085; Area: 163.45 ha 7. Provisional Lease Land Title No.: 166283021; Area: 18.44 ha 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		8. Provisional Lease Land Title No.: 166292119; Area: 42.94 ha	
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>Legal boundary was clearly demarcated with concrete pole and security trenches.</p> <p><u>Melalap Estate</u> Legal boundary was clearly demarcated with concrete pole and security trenches. Reviewed the picture taken at the boundary stone P01 MA.</p> <p><u>Sapong Estate</u> Legal boundary was clearly demarcated with security trenches. Reviewed the picture taken at the boundary stone no. 791/444 dated in P00P1 adjacent with Sri Tanjung Plantations.</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 is no land dispute in Melalap Estate and Sapong Estate at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.</p>	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>There is no customary land in or surrounding all the estates under Melalap Estate and Sapong Estate. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.</p>	N/A
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>There is no customary land in or surrounding all the estates under Melalap Estate and Sapong Estate. There are also no land disputes or claims involving these estates. The estate has proper legal land titles</p>	N/A

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		for the land ownership.	
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 in or surrounding all the estates under Melalap Estate and Sapong Estate. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance –	Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 19 – 21/05/2015 for SOU 27 Melalap. There is no new SIA was conducted since last assessment. The methodology of the assessment was through field interview, site observation and documentation review. A Management Plan on Social Impact Assessment 2021 was developed on 22/09/2021 in Melalap Estate and 16/08/2021 in Sapong Estate which has included the issues raised during stakeholder meeting and SPIEU meeting. Details consists of: <ol style="list-style-type: none"> 1. Issue raised / Areas of concern 2. Action plan 3. PIC 4. Completion date 5. Remarks. Verified that all issue raised by stakeholders has been acknowledge and action taken were recorded. There is no outstanding issue found.	Complied
Criterion 4.4.2: Complaints and grievances			

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	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. 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.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Melalap Estate has implemented Internal & External Complaint Book and Complaint Form to record any grievances from stakeholders. Reviewed the Internal & External Complaint Book found that common grievances were related to the housing repair. The complainants have acknowledged on the complaint form after actions have been taken to rectify the issue.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Melalap Estate has implemented Internal & External Complaint Book and Form to record complaints and requests reported by the stakeholders. Sampled of the complaints as below: <ul style="list-style-type: none"> i. Issue: Monsoon drain damage dated 04/05/2021 by Mr Mukaram Mukamalih House No. 108 Action: The management has instructed carpenter to repair the said-complaint. Seen the photo evident of the monsoon drain has	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>been repaired. The complainants have acknowledged on 04/05/2021 after work done.</p> <p>ii. Issue: Naco Frame damage dated 19/04/2021 Ms Maria Indop House No. 62</p> <p>Action: The management has instructed carpenter to repair the said-complaint. Seen the photo evident of the Naco Frame has been repaired. The complainants have acknowledged on 27/04/2021 after work done.</p> <p>Sapong Estate has implemented Complaint Book and recorded complaints from the stakeholders. Sampled of the complaint as below:</p> <p>i. Issue: Naco Frame damage dated 06/11/2020 by Mr Ainuman House No. B 50</p> <p>Action: The management has instructed carpenter to repair the said-complaint. Seen the photo evident of the Naco Frame has been repaired. The complainants have acknowledged on 10/11/2020 after work done.</p>	
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>The stakeholders have been briefed on the flowchart for handling social issues and whistleblowing policy on 09/04/2021 at Melalap Estate while at Sapong Estate on 08/04/2021. Seen the attendance list and the training material.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Record review found that previous complaints and requests for Year 2019 were still available.</p>	Complied
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>Sighted evidence of CSR activities has been conducted by Melalap Estate and Sapong Estate. Among evidence as below:</p> <ol style="list-style-type: none"> 1. "Bantuan Penyemburan / Pembersihan Salut Lumpur selepas banjir di Seolah Kebangsaan Ladang Sapong Tenom" dated 24/05/2021. 2. Donation to Pejabat Daerah Tenom for "Perayaan Pesta Keamatan Daerah Tenom 2021" dated 16/04/2021. Refer Doc. No: SPE/2021/01 	Complied
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>OSH policy was made available to the audit team. The group was committed to provide safe & healthy workplace and operating in an environmentally responsible manner at all of their operation in Malaysia. The policy was endorsed by Mr. Roslin Azmy Hassan, Chief Executive Officer Upstream Malaysia on 01/06/2020.</p> <p>The briefing for the group policy were conducted on 29/07/2021 delivered by the Senior Assistant Manager of Sapong Estate and for Melalap Estate, briefing was conducted on 09/08/2021 delivered by Medical Assistant and Melalap Senior Assistant Estate. The implementation of the OSH plan was explained under the indicator 4.4.4.2 below.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <ol style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: 	<ol style="list-style-type: none"> a. Communication on the policy for Melalap Estate was made on 09/08/2021, delivered by the Medical Assistant Ms. Shaferiyani Salam and Senior Assistant Mr. Ramesh Rajagopal while for Sapong Estate was conducted on 29/07/2021, delivered by the Senior Assistant. b. The estates have conducted assessment for risk for all the operations and documented in Hazard Identification, Risk 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance																
<ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 	<p>Assessment and Risk Control. The assessment covers all main operations and support operations such as harvesting, spraying, manuring, grass cutting and office works among others. The HIRARC was reviewed on annual basis. Latest changes or updated was done on 15/07/2021 (change indicator for harvesting team) for Melalap Estate and 18/06/2021 (changes for transporting workers using lorry/trailer and SOP COVID-19 Preparedness) for Sapong Estate.</p> <p>c. Workers exposed with the chemical were appropriately trained by the estate management. Sighted the training conducted as follow:</p> <table border="1" data-bbox="1093 767 1861 1031"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td colspan="2"><u>Sapong Estate</u></td> </tr> <tr> <td>Manuring Refresher training</td> <td>30/04/2021</td> </tr> <tr> <td>Sprayer refresher training</td> <td>26/04/2021</td> </tr> <tr> <td colspan="2"><u>Melalap Estate</u></td> </tr> <tr> <td>Refresher sprayer training</td> <td>23/04/2021</td> </tr> <tr> <td>Refresher manuring training</td> <td>30/04/2021</td> </tr> <tr> <td>First aid training</td> <td>23/04/2021</td> </tr> </tbody> </table> <p>Estates management retain copies of Safety Data Sheet (SDS) that relevant to their operations at chemical store.</p> <p>d. Both estates management provide free PPE to their employees as per guided by the HIRARC and pictorial safety standard dated on 17/03/2008. PPE issuance records were made available to the audit team and reviewed.</p> <p>e. Procedures of chemical handling is presented in several documents, such document no SD/SDP/SQM (ESH)/001-1, Sime Darby Plantation Environment, Safety & Health Management System (ESHMS) Manual dated on 01/07/2012.</p>	Training	Date	<u>Sapong Estate</u>		Manuring Refresher training	30/04/2021	Sprayer refresher training	26/04/2021	<u>Melalap Estate</u>		Refresher sprayer training	23/04/2021	Refresher manuring training	30/04/2021	First aid training	23/04/2021	
Training	Date																	
<u>Sapong Estate</u>																		
Manuring Refresher training	30/04/2021																	
Sprayer refresher training	26/04/2021																	
<u>Melalap Estate</u>																		
Refresher sprayer training	23/04/2021																	
Refresher manuring training	30/04/2021																	
First aid training	23/04/2021																	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance										
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>f. The group has appointed Mr Johamdan Joni (Senior Manager for both Melalap & Sapong Estate) as the chairman for the OSH committee on 26/08/2021. Respective estate managements have form and appointed safety committee members which consists of OSH coordinator, secretary and representative from both employer & employees.</p> <p>g. The management plan to conduct regular OSH committee meeting on quarterly basis however, due to the Movement Control Order, some meeting has to be delayed and postponed. Besides OSH regular meeting, the management also conducted meeting when necessary due to the event of accident.</p> <table border="1" data-bbox="1093 799 1464 1031"> <thead> <tr> <th>Estate</th> <th>Meeting Date</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Sapong</td> <td>01/03/2021</td> </tr> <tr> <td>25/06/2021</td> </tr> <tr> <td>09/09/2021</td> </tr> <tr> <td rowspan="3">Melalap</td> <td>15/03/2021</td> </tr> <tr> <td>07/06/2021</td> </tr> <tr> <td>22/09/2021</td> </tr> </tbody> </table> <p>h. Accident & emergency response procedure is available in the Estate Quality Management System Standard Operation Manual dated 01/11/2008. The flow chart was presented in Appendix 5.5.3.3. During the interview, the employees demonstrate a good understanding regarding on the procedure and they know where and who to contact during emergency.</p> <p>i. The estate management has appointed several employees and them have been trained to be the first aider team. The appointed</p>	Estate	Meeting Date	Sapong	01/03/2021	25/06/2021	09/09/2021	Melalap	15/03/2021	07/06/2021	22/09/2021	
Estate	Meeting Date											
Sapong	01/03/2021											
	25/06/2021											
	09/09/2021											
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	07/06/2021											
	22/09/2021											

Criterion / Indicator		Assessment Findings	Compliance
		<p>employees are responsible for the first aid box and to attend any injury incident, if happen, within his supervision.</p> <p>j. Both estates management consistently submitted JKPP 8 form on annual basis to the DOSH and maintain the records of accident cases and reported to the head office. Records of accident is available upon request by the auditor.</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 Plantation Berhad has established Group Sustainability & Quality Policy Statement dated 2/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation Berhad respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, and business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 09/08/2021 2. Sapong Estate: 29/07/2021 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
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 Plantation Berhad 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>	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>There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p> <p>Sampled of agreement and payslip for February 2021, April 2021 and August 2021 as below:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000033533 2. Employee ID: 0000033534 3. Employee ID: 0000066688 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance
	4. Employee ID: 000066694 5. Employee ID: 0000116800 6. Employee ID: 0000116825 7. Employee ID: 0000152132 8. Employee ID: 0000154407 <u>Sapong Estate</u> 1. Employee ID: 000033715 2. Employee ID: 000033712 3. Employee ID: 000054400 4. Employee ID: 000054444 5. Employee ID: 000099331 6. Employee ID: 000099356 7. Employee ID: 0000132542 8. Employee ID: 0000133959	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -</p>	<p>Based on the payment voucher checked, daily rate for contract workers is RM 42.31/day for outside town and RM 46.15/day for town area. Pay slip/cash voucher of the workers were sighted that it is according to the employment contract. The records are documented and available for review. Refer employee of contractor’s agreement: <u>Melalap Estate</u> Pemborong Ajuta – FFB Transportation 1. Firmansyah Bin Muslimin AS340XXXX 2. Yafui @ Juanis Bukang NRIC 660410-XX-XXXX <u>Sapong Estate</u> Entabuan Quarry – Backhoe services 1. Syadri Hassan NRIC 771114-XX-XXXX Verified that sample of contractor’s workers agreement and payslip were in line with law and regulation.</p>	<p>Complied</p>
<p>4.4.5.5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -</p>	<p>The estates’ management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded. Besides, contractor (Syarikat Sin Kim Huat) in Melalap Estate have provided the Personal Particulars to the management to maintain.</p>	<p>Complied</p>
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -</p>	<p>The estates’ management has employed local and foreign workers from Indonesia, India, Myanmar, Bangladesh and Nepal. They are all under direct employment to the estates. All of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.</p>	<p>Complied</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Sampled of agreement and payslip for February 2021, April 2021 and August 2021 as below:</p> <p><u>Melalap Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000033533 2. Employee ID: 0000033534 3. Employee ID: 0000066688 4. Employee ID: 0000066694 5. Employee ID: 0000116800 6. Employee ID: 0000116825 7. Employee ID: 0000152132 8. Employee ID: 0000154407 <p><u>Sapong Estate</u></p> <ol style="list-style-type: none"> 1. Employee ID: 0000033715 2. Employee ID: 0000033712 3. Employee ID: 0000054400 4. Employee ID: 0000054444 5. Employee ID: 0000099331 6. Employee ID: 0000099356 7. Employee ID: 0000132542 8. Employee ID: 0000133959 <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety</p>	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain in office.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	Mill and estates has 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. Seen the Estate Daily Attendance Report for monthly basis where it recorded the number of days work and hours of overtime work. The data was transferred from the checkroll record book for the workers to the SAP system.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	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 -	Wages and overtime were paid according to the Daily Attendance Report and productivity reports. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips. Refer to indicator 4.4.5.3.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families with free water supply. Incentives were provided to workers for special capabilities on certain jobs.	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>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.</p> <p><u>Melalap Estate</u> The last inspection conducted on 25/09/2021, 18/09/2021, 11/09/2021 and 04/09/2021</p> <p><u>Sapong Estate</u> The last inspection conducted on 2/10/2021, 25/09/2021, 18/09/2021 and 11/09/2021.</p>	Complied
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 Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.</p> <p>Gender Committee was established in Melalap Estate and Sapong Estate to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 05/05/2021 at Melalap Estate and Sapong Estate. Issues reported were recorded in the minutes. Interviewed with the female workers found that no sexual harassment or violence case reported so far.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 09/08/2021 2. Sapong Estate: 29/07/2021 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad 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 SPIEU (Sabah Plantation Industry Employee Union) minute meeting for Melalap Estate was conducted on 22/09/2021.</p> <p>The SPIEU (Sabah Plantation Industry Employee Union) minute meeting for Sapong Estate was conducted on 22/09/2021.</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. Melalap Estate: 09/08/2021 2. Sapong Estate: 29/07/2021 	<p>Complied</p>
<p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornograph. They are eradicating child</p>	<p>Complied</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>labour in all their supply chain and not employ anyone under age of 18 years.</p> <p>No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 09/08/2021 2. Sapong Estate: 29/07/2021 	
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Awareness and training program had been carried out to all employee to ensure their competency in carry out their duties. Interview with the employees confirmed that they do receive training from their employer and they were aware of the company's SOP.</p>	Complied
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>Annual training program is created based on the training needs analysis for employees who involved in the operation. The objective of training need analysis is to identify training which is suitable with employees and to ensure they are competent to carry out the duties.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Employees involved in the operations and office have been adequately trained according to their work station. Both estates management have a comprehensive training needs analysis for all employee. Training records were made available to the audit team and verified.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The group has established sustainability policy which was endorsed by the Group Managing Director on 02/12/2019. The policy indicates the group commitment to provide safe & healthy workplace and operating in an environmentally responsible manner at all operation premises. The group shall; Environment:</p> <ul style="list-style-type: none"> a. Comply with emission & effluent standards. b. Efficient use of water & energy. c. Reduce GHG footprint. d. Minimize waste. e. Protect the ecosystem & biodiversity. <p>Communication of the policy to the employees was conducted thru training, briefing, morning muster call and displayed on the notice board.</p> <p>The estate managements also have developed environmental management plan which covers environmental issues, continuous improvement, identification & management of waste water, and waste management plan.</p>	<p>Complied</p>
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>The estate managements have assessed the aspects and impacts for all operations and documented it under Environmental Aspect Impact Plan.</p> <p>The environmental management plan has identified 18 area for aspects and impacts assessment, which are; compound, dispensary, creche, field-FFB transportation, main entrance, field-FFB chute, nursery, pest disease control, skid tank, power station, replanting,</p>	<p>Complied</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		road, scheduled waste, store, water treatment plant, harvesting & collection, workshop and weighbridge, The area being monitored as per stipulated frequency. The environmental compliance checklist was made available to the audit team and verified.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	The estate managements have established environmental management plan and documented it. The plan stated the environmental issues, mitigation measures and person responsible. The mitigation is continuously implemented and monitored as per plan stated in the EMP.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Based on the Standard Operating Manual; Subsection 5.4: Planning and Appendix 5.4.1b: Environment Aspect/Impact Evaluation Procedure, all operating unit shall carry out the annual review of the EAI documents in the Registration of EAI. The continual improvement plans had programs to promote the positive impacts.	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 -	Both estates continued to have continuous awareness and training programs planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. Training records were made available to the audit team and reviewed.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	The estate managements continued to have regular meetings with workers where concerns of workers and management about the environmental quality are discussed. This was discussed at the quarterly held ESH committee meetings.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance																												
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	Both estates have maintained records for diesel consumption for the period of 2020 – 2021. Sighted the monitoring diesel use per ton FFB from 2020 – present. <table border="1"> <thead> <tr> <th>Estate</th> <th>Diesel Consumed</th> <th>FFB Produced</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td colspan="4">Melalap</td> </tr> <tr> <td>2020</td> <td>43331</td> <td>15334.59</td> <td>2.64</td> </tr> <tr> <td>2021</td> <td>35234.9</td> <td>9452.68</td> <td>2.20</td> </tr> <tr> <td colspan="4">Sapong</td> </tr> <tr> <td>2020</td> <td>4970</td> <td>1680.64</td> <td>2.95</td> </tr> <tr> <td>2021</td> <td>4000</td> <td>1999.99</td> <td>2.00</td> </tr> </tbody> </table>	Estate	Diesel Consumed	FFB Produced	Baseline	Melalap				2020	43331	15334.59	2.64	2021	35234.9	9452.68	2.20	Sapong				2020	4970	1680.64	2.95	2021	4000	1999.99	2.00	Complied
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4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimation of diesel consumption and electricity usage has been documented in the annual budget program on the financial year with the latest available is for year 2021. Sighted the estimation and actual of energy used continuously being recorded.	Complied																												
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy being used in the estates compound.	N/A																												
Criterion 4.5.3: Waste management and disposal																															
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The group has established Waste Management Plan for year 2021 which categorized 3 types of waste; schedule waste, domestic waste and mill waste. The identified waste products and source of waste has been listed in the plan together with the action to be taken. Among the identified waste products are spent lubricants, clinical waste, contaminated rags, used batteries, used filters, rubbish, sewage and EFB.	Complied																												

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance												
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>Plan to avoid or reduce pollution is documented in the Pollution Prevention Plan and Waste Management Plan. Sighted the plan as follow:</p> <table border="1"> <thead> <tr> <th>Environmental Issues</th> <th>Mitigation Measures</th> </tr> </thead> <tbody> <tr> <td>Leaking of pesticides during chemical mixing and washing into outside land.</td> <td>To recollect water used and recycled during next pre-mixing. To ensure water pump in a good condition.</td> </tr> <tr> <td>Leaking of lubricant oil from servicing or parking tractor at tractor parking area.</td> <td>To used oil tray to prevent leakage of used oil.</td> </tr> <tr> <td>Smoke from vehicle exhaust i.e. tractor.</td> <td>Regular engine maintenance.</td> </tr> <tr> <td>Erosion during replanting work.</td> <td>Riparian reserve to be established. No felling for area more than 25 degree. LCC sowing at terrace.</td> </tr> <tr> <td>EFB</td> <td>Monitoring the collection and application of EFB at field.</td> </tr> </tbody> </table>	Environmental Issues	Mitigation Measures	Leaking of pesticides during chemical mixing and washing into outside land.	To recollect water used and recycled during next pre-mixing. To ensure water pump in a good condition.	Leaking of lubricant oil from servicing or parking tractor at tractor parking area.	To used oil tray to prevent leakage of used oil.	Smoke from vehicle exhaust i.e. tractor.	Regular engine maintenance.	Erosion during replanting work.	Riparian reserve to be established. No felling for area more than 25 degree. LCC sowing at terrace.	EFB	Monitoring the collection and application of EFB at field.	Complied
Environmental Issues	Mitigation Measures														
Leaking of pesticides during chemical mixing and washing into outside land.	To recollect water used and recycled during next pre-mixing. To ensure water pump in a good condition.														
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EFB	Monitoring the collection and application of EFB at field.														
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The group has established a SOP for Scheduled Wastes Management, doc no: SD/SDP/PSQM (ESH)/203-EN1, revise no: 00, dated on 06/01/2015. The SOP was endorsed by the Group Managing Director and the objective is to provide guidelines on the acceptable procedures for managing scheduled wastes in the Sime Darby Plantation Berhad operations, particularly Malaysia operations, to ensure compliance to legal requirements as well as preventing pollution.</p>	Complied												

Criterion / Indicator		Assessment Findings	Compliance						
		It covers from the scheduled waste identification, notification, records, scheduled waste inventory, handling of scheduled waste at site, schedule waste store, treatment & disposal and consignment notes.							
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	As per interviewed with all person in charge, the chemical containers will be tripled rinse and punctured to prevent contamination of water source or to human health and stored at the scheduled waste store. Some of it will be used as a pre-mix container. Others, Lagenda Bumimas Sdn Bhd, a licensed contractor will collect empty containers and used engine oil/lubricant and other scheduled wastes for disposal.	Complied						
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Domestic waste disposed in the landfill at block P02M for Melalap Estate while for Sapong Estate, the domestic waste disposed at the municipal dumpsite.	Complied						
Criterion 4.5.4: Reduction of pollution and emission									
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	<p>The assessment of polluting activities is identified and documented in the environmental impact assessment and management plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the management plan. Among the mitigation plan taken to reduce pollution are as follow:</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Mitigation Plan</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Leaking of pesticides during chemical mixing and washing into outside land.</td> <td>To recollect water used and recycled during next pre-mixing.</td> <td>Recollection water used is ongoing. Regular maintenance on water pump.</td> </tr> </tbody> </table>	Issues	Mitigation Plan	Status	Leaking of pesticides during chemical mixing and washing into outside land.	To recollect water used and recycled during next pre-mixing.	Recollection water used is ongoing. Regular maintenance on water pump.	Complied
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MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings			Compliance
			To maintain water pump in good condition.		
		Leaking of lubricant oil from servicing or parking tractor at workshop.	To used oil tray to prevent leakage of used oil.	Used of oil tray to prevent leakage is ongoing.	
		Smoke from vehicle exhaust tractor.	Regular engine maintenance.	Regular engine maintenance.	
		Erosion during replanting work.	LCC sowing at terrace area. No replanting or land clearing for slope more than 25 degree.	Monitoring and demarcation of area in place.	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The action plan to reduce the potential pollution was documented in the Pollution Prevention Plan and Waste Management Plan. Both plans were made available to the audit team and verified.			Complied
Criterion 4.5.5: Natural water resources					
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.	The estates have established water management plan which focusing on the identification & management of wastewater, contingency plan during water shortage and action plan to reduce fresh water usage. The sources of water for both estates come from a water stream located on a hill nearby the estate compound. The estate abstract water from the river and distribute the water supply to the estate line site.			Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance																		
	<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>Water quality analysis was conducted on the monthly basis to ensure it is safe to consume by the employees. The water sample was sent to Sime Darby Research Sdn Bhd for further analysis.</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Standard Quality</th> <th>Analysis Results</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>6.6 – 9.0</td> <td>6.6</td> </tr> <tr> <td>Turbidity (NTU)</td> <td>5.0</td> <td>5.0</td> </tr> <tr> <td>TDS (mg/l)</td> <td>1000</td> <td>116</td> </tr> <tr> <td>CI (mg/l)</td> <td>250</td> <td>1</td> </tr> <tr> <td>Al (mg/l)</td> <td>0.2</td> <td>ND</td> </tr> </tbody> </table> <p>Both estates did not used bore well as the water source.</p>	Parameter	Standard Quality	Analysis Results	pH	6.6 – 9.0	6.6	Turbidity (NTU)	5.0	5.0	TDS (mg/l)	1000	116	CI (mg/l)	250	1	Al (mg/l)	0.2	ND	
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4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	No bunds, weirs or dams were constructed across the main river passing through the estate.	Complied																		
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	Road side drains been practice in the field especially on the hilly area.	Complied																		
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																					
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p>	The reassessment on the HCV area in SOU 27 has been conducted on 7 – 9/7/2015 and documented in HCV Re-Assessment for Strategic	Complied																		

Criterion / Indicator		Assessment Findings	Compliance																																																		
	<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>Operating Unit (SOU) 27 Melalap final Report Ver. III dated January 2016.</p> <p>7 HCV were identified in both estates as follows:</p> <table border="1" data-bbox="1050 539 1868 1002"> <thead> <tr> <th>Estate</th> <th>No</th> <th>Area</th> <th>Ha</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Melalap</td> <td>1</td> <td>Water catchment (P01KA)</td> <td>3.6700</td> <td>4</td> </tr> <tr> <td>2</td> <td>River reserve</td> <td>84.2500</td> <td>4</td> </tr> <tr> <td>3</td> <td>Aki Tampulan</td> <td>0.0045</td> <td>6</td> </tr> <tr> <td>4</td> <td>Stone Cemetery (P01MA)</td> <td>0.3700</td> <td>6</td> </tr> <tr> <td colspan="3">Total</td> <td>88.2945</td> <td></td> </tr> <tr> <td rowspan="3">Sapong</td> <td>1</td> <td>Stream buffer zone</td> <td>41.8900</td> <td>4</td> </tr> <tr> <td>2</td> <td>Slope area P03AA</td> <td>0.4000</td> <td>4</td> </tr> <tr> <td>3</td> <td>Cemetery (P02A & P02ba)</td> <td>3.4300</td> <td>6</td> </tr> <tr> <td colspan="3">Total</td> <td>45.7200</td> <td></td> </tr> <tr> <td colspan="3">Grand Total</td> <td>134.0145</td> <td></td> </tr> </tbody> </table>	Estate	No	Area	Ha	HCV	Melalap	1	Water catchment (P01KA)	3.6700	4	2	River reserve	84.2500	4	3	Aki Tampulan	0.0045	6	4	Stone Cemetery (P01MA)	0.3700	6	Total			88.2945		Sapong	1	Stream buffer zone	41.8900	4	2	Slope area P03AA	0.4000	4	3	Cemetery (P02A & P02ba)	3.4300	6	Total			45.7200		Grand Total			134.0145		
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<p>4.5.6.2</p>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Though no RTE were identified, both estate management have taken necessary action to educate and spread awareness among the employees not to engage with the illegal hunting. During the interview with the employees, they indicate a fair understanding regarding on the illegal hunting and conserving the HCV area. Briefing were continuously given by the estate management during the morning muster.</p>	<p>Complied</p>																																																		

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance																		
<p>4.5.6.3</p>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The estate management has developed HCV action plan to ensure the environmental are well preserved. Sighted the plan as follow:</p> <p><u>Melalap Estate</u></p> <table border="1"> <thead> <tr> <th>Area</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Water Catchment</td> <td>To erect a signboard To ensure no person trespassing the area.</td> </tr> <tr> <td>River buffer zone</td> <td>To erect signage at buffer zone area. To demarcated the buffer zone area.</td> </tr> <tr> <td>Aki Tampulan Stone</td> <td>To erect a signboard To ensure no person trespassing the area.</td> </tr> <tr> <td>Cemetery</td> <td>To keep the place out from disturbance.</td> </tr> </tbody> </table> <p><u>Sapong Estate</u></p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Maintain all remnant forest patches, area more than 2 degree.</td> <td>To ensure no logging or hunting in the area. To update all these area in the map. To inform and communicate to all employees, contractor, suppliers and neighbor that encroachment and hunting are not allowed or permitted in the conservation area.</td> </tr> <tr> <td>Identification of riparian reserved.</td> <td>To maintain the buffer zone as company policy. To update the hydrology map. To ensure no chemical interventions be carried out in the riparian reserved.</td> </tr> <tr> <td>Training.</td> <td>To inform & retrain all the sprayers to maintain soft grasses at the interrow.</td> </tr> </tbody> </table>	Area	Action Plan	Water Catchment	To erect a signboard To ensure no person trespassing the area.	River buffer zone	To erect signage at buffer zone area. To demarcated the buffer zone area.	Aki Tampulan Stone	To erect a signboard To ensure no person trespassing the area.	Cemetery	To keep the place out from disturbance.	Issues	Action Plan	Maintain all remnant forest patches, area more than 2 degree.	To ensure no logging or hunting in the area. To update all these area in the map. To inform and communicate to all employees, contractor, suppliers and neighbor that encroachment and hunting are not allowed or permitted in the conservation area.	Identification of riparian reserved.	To maintain the buffer zone as company policy. To update the hydrology map. To ensure no chemical interventions be carried out in the riparian reserved.	Training.	To inform & retrain all the sprayers to maintain soft grasses at the interrow.	<p>Complied</p>
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MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings		Compliance
			To ensure no spray is allowed in CSA area, riparian reserved, drains edges and along the road.	
		Maintaining fruits trees and plants.	To maintain the fruits trees planting area.	
		Maintain HCV area.	Maintaining and monitoring cemetery area.	
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 Burning Policy was established dated on November 2008, SOP Section B2 – Felling/Land Clearing & Land Preparation. The policy has complied with the Malaysian Environmental Law – EQA & Regulations 197.		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 -	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Melalap Estate and Sapong Estate. Furthermore, previous crop were not highly diseased and there was no significant risk of disease spread or continuation into the next crop.		N/A
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 -	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Melalap Estate and Sapong Estate. It was verified through interview that palms had been mechanically felled, chipped and windrowed; no burning was practiced. No controlled burning in the estates as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.		N/A

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>The group has established a policy of no open burning, SOP Section B2 – Felling/Land Clearing & Land Preparations dated November 200, which complied with the Malaysian environmental law – EQA & Regulations 1974. Both estate managements adopted the policy and ensure there is no open burning to be carried out to clear the palm oil biomass. As of to-date, no replanting has been carried out in the estates compound.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>The group has appropriately developed standard operating procedures and some of the procedures as sighted below:</p> <ul style="list-style-type: none"> a. Sime Darby Agricultural Reference Manual (SDP/OP/ARM) dated on 01/07/2011. b. Sime Darby Occupational Safety & Health Manual (SDP/01/08) dated on 03/03/2008. c. Handling of Environmental Aspects level 3.0 section VII, Handling Scheduled Waste, version 01, dated on 01/11/2008. d. Sustainable Plantation Management System Manual e. SOP Communicable Disease (COVID-19) Prevention & Control Procedure. <p>The audit team has reviewed and verified the Standard Operation Procedure for Traceability. The objective of this procedure is to provide guidelines for estates and palm oil mills to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials. Records of FFB transportation</p>	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		(dispatched and received), CPO & PKO dispatched were made available to the audit team and verified.	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	The group has established a policy on slope protection and documented in Slope & River Protection Policy, signed by the Group Managing Director on January 2015. The policy stated for slope more than 25 degree, the area shall be excluded from new planting or replanting program and existing crop to be maintained accordingly. The policy was communicated to the employees during the morning muster and through the awareness briefing event.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	The estate management established a visual identification of each estates which contained the following documents hectare, block no, planting year	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 -	There is an implemented management plan that aims to achieve long-term economic and financial viability as evident in the business management plan. Both estates have annual budget for the year 2021 which includes the projected FFB, OER and PK production which projected for 5 years.	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 -	No replanting program was carried out for both estates.	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB	Both estate managements have established respective annual budget program. The estates budget includes the projected FFB, OER and PK	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	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 -	production which projected for 5 years. Sighted the estimation expenditure for the year 2021 documented in the 2021 annual budget.	
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 -	Both estate management received visit from the Performance Monitoring Unit and Agronomist in order to ensure the operation unit effectively implemented the good agricultural practices. Among the issues covered in the agronomist report was as follow; rainfall distribution & yield impact, yield & age profile distribution, palm nutritional status/observations, manuring history, field observations & agronomic matters.	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 Berhad 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. Melalap Estate and Sapong Estate has engaged contractors for varieties of works such as FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below:	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Contractors: Pemborong Ajuta, Project: FFB Transportation, Validity from 01/11/2019 to 31/10/2021.</p> <p>Contractors: Entabuan Quarry, Project: Backhoe Rental, Validity from 01/03/2020 to 28/02/2022.</p> <p>Pricing of the works/ services and mechanism were clearly stated in the appendix of the agreement and agreed by the contractors. Payment term is outlined in the agreement where the payment shall be made within 30 days from the date of receipt of the invoice from Service Providers.</p> <p>For replanting contractor, the payment will be made within 45 days of the issue of Certificate of payment as mentioned in the Appendix 4 sighted by the contractor.</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>Payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records printed from system as below:</p> <p>Melalap Estate and Sapong Estate</p> <ol style="list-style-type: none"> 1. Pemborong Ajuta: INV# IV-4300557255 dated 30/09/2021. 2. Entabuan Quarry: INV# IV-4300557257 dated 30/09/2020. 	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors engaged by the estates' management has signed on a letter regarding the compliance of RSPO/ MSPO/ SCCS. All the contractors need to follow the RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system.</p> <p>Briefing of RSPO & MSPO was given to the contractors for SOU 27 on 25/08/2020. Seen the training attendance list and training materials. They have signed on the addendum as well on 25/08/2020.</p>	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Melalap Estate and Spong Estate has engaged contractors for varieties of works such as replanting, FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below: Contractors: Pemborong Ajuta, Project: FFB Transportation, Validity from 01/11/2019 to 31/10/2021. Contractors: Entabuan Quarry, Project: Backhoe Rental, Validity from 01/03/2020 to 28/02/2022.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	As refer to the SDP Vendor COBC, Clause 4 – Responsibility and Compliance with the Vendor COBC, where rights to audit vendors to verify compliance of the COBC. Besides, an addendum signed by the contractors has clearly stated that all contractors shall ensure to reserve the right of the certification body to audit.	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 at the estates are checked and verified by the estate’s personnel. Projects where tenders are issued by HQ are checked by representatives from HQ usually from the Engineering Department.	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 -	There is no development of new planting at both estates.	N/A

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	There is no development of new planting at both estates.	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There is no development of new planting at both estates.	N/A
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	There is no development of new planting at both estates.	N/A

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no development of new planting at both estates.	N/A
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There is no development of new planting at both estates.	N/A
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	There is no development of new planting at both estates.	N/A

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no development of new planting at both estates.	N/A
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 -	There is no development of new planting at both estates.	N/A
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at both estates.	N/A
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There is no development of new planting at both estates.	N/A

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no development of new planting at both estates.	N/A
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no development of new planting at both 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 Plantation Berhad 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.	Internal audit schedule was issued to the operating unit by SQM through email and internal audit plan was sighted. The internal audit was planned on 13/08/2021 for Melalap POM.	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

	- Major compliance -		
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 Plantation Berhad has established an Internal Audit Procedure (Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017) to ensure the process of system audit is carried out effectively. The frequency of the internal audit is on annually and as when required. Seen the MSPO & RSPO Internal Audit Report for KKS Melalap and the audit was conducted on 13/08/2021. 1 major non-conformance, 0 minor non-conformance and 4 opportunity for improvement was raised for MSPO requirements. Root cause was identified, and correction & corrective action was developed accordingly. All the non-conformities were closed on 01/09/2021 as accepted by the Lead Auditor.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the mill's management. The Management Representative has acknowledged on the acceptance of the Internal Audit Report on 13/08/2021. Management review meeting was conducted to review the findings of the internal audit.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The latest management review meeting was carried out on 28/09/2021 in Melalap POM chaired by the Mill Manager and attended by 14 participants. The agenda that discussed as below: <ol style="list-style-type: none"> 1. Opening 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 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>9. Resource Needs 10. Changes that could affect the management systems 11. Recommendations for Improvement 12. Other matters 13. Conclusion</p>										
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>Continuous improvement plan was integrated with the environmental and social management plan. Sighted some of the plan taken by the mill management as follow:</p> <table border="1"> <thead> <tr> <th>Area</th> <th>Action Plan</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>To comply with Clean Air Regulation 201</td> <td>To improve boiler air emission monitoring by equip with CES and ESP system at boiler</td> <td>Currently ESP under pre-commissioning testing and synchronization with boiler system</td> </tr> <tr> <td>High EFB stock pile at composting plant</td> <td>To liaise with estate management to clear out EFB composting plant daily</td> <td>Estate management consistently dispatch out EFB for their application in the field and maintain EFB stock pile below 50 Mt daily</td> </tr> </tbody> </table>	Area	Action Plan	Status	To comply with Clean Air Regulation 201	To improve boiler air emission monitoring by equip with CES and ESP system at boiler	Currently ESP under pre-commissioning testing and synchronization with boiler system	High EFB stock pile at composting plant	To liaise with estate management to clear out EFB composting plant daily	Estate management consistently dispatch out EFB for their application in the field and maintain EFB stock pile below 50 Mt daily	Complied
Area	Action Plan	Status										
To comply with Clean Air Regulation 201	To improve boiler air emission monitoring by equip with CES and ESP system at boiler	Currently ESP under pre-commissioning testing and synchronization with boiler system										
High EFB stock pile at composting plant	To liaise with estate management to clear out EFB composting plant daily	Estate management consistently dispatch out EFB for their application in the field and maintain EFB stock pile below 50 Mt daily										
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>The mill management has established an annual training program for the purpose of improving the competency of their employees and to disseminating information. The management has listed 26 various kind of training to be completed for the year 2021.</p>	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 -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 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. Manager is responsible for address the communication and requests.	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 -	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company’s website to obtain information such as policies, annual report and complaint procedures.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 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.	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		Besides, 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.	
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 -	Mill Manager of the Melalap POM has appointed Mill Assistant II as Social Officer to handle any issue related to social in the mill. Seen the appointment letter dated 16/01/2021. Role and responsibility were outlined in the appointment letter.	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 -	For 2021 stakeholder meeting were conducted via email and letter requisition due to MCO. Refer correspondence email dated 25-28/08/2021 from Melalap POM. Sighted sample of feedback from Ketua Kampung Kg. Jawa, Tenom, Mr Radin Rasiman dated 29/08/2021. The objective of the letter / email to gain the current issues pertaining to social aspects such as legal compliance, CSR, workers issue etc. verified that there is no issue raised by stakeholders.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	The group has established traceability procedure which was issued on April 2019. The objective of the procedure was to provide guidelines for estates and palm oil mills to established and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials. Verified the implementation of the SOP as per Figure 1: Overview of Supply Chain of Upstream from product FFB to POM until downstream refiners/bulking installations. Sufficient information is stated on the weighbridge ticket or consignment note of all delivery of FFB including: <ul style="list-style-type: none"> MSPO certificate number 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<ul style="list-style-type: none"> • Estate name • Quantity • Vehicle number • Driver's name <p>As for the FFB received process, it was sighted the consignment note was issued by the weighbridge operator, acknowledged by the driver and verified by the mill executives.</p>	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	<p>The mill management team holds the responsibility on regular inspection of traceability system periodical inspection also being conducted through the visit of Mill Advisor or Internal Audit Team.</p> <p>The inspection on the traceability was conducted on daily basis for FFB received and during the CPO is dispatched to the refinery. Checklist for CPO tanker was made available to the audit team and verified.</p> <p>The checklist consists of the following information; origin of CPO POM, driver's name, driver's IC no, vehicle plate no, tanker no, list of in & out for a mover, checked by, verified by and the date.</p>	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The mill management has appointed Mill Assistant to be in charge for environmental and quality management systems. The appointment was made on 16/01/2021.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The mill has good system for tracking the movement of FFB and CPO. The mill management recorded all FFB received, FFB processed, CPO & PK produced and CPO & PK stock position in their system. The records being maintained and the documents were kept by both mill and estate management.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.3.1.1</p>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The mill management has listed permits/licenses which has to be monitored and updated periodically.</p> <ol style="list-style-type: none"> 1. MPOB license no 535146004000, valid until 31/12/2021. 2. Competent person license: <ol style="list-style-type: none"> a. CePSWaM Cert No. CePSWaM/2011199 b. CePPOME Cert No. CePPOME/197881 3. Overtime limit to maximum from "Jabatan Tenaga Kerja Sabah", serial number 600-1/2/12/1(08/TNM/2020-0132), valid until 18/05/2022. 4. Permit for deduction of wage for ASB and electricity bill from "Jabatan Tenaga Kerja Sabah", serial number 600-1/2/12/1 Jld.(11/TNM/2020-0104), valid until 12/03/2022. 5. "Pengandung Tekanan Tak Berapi", registration number SB PMT 14946, valid until 01/12/2021. 6. "Pengandung Tekanan Tak Berapi", registration number PMT-SB/20 35421, valid until 01/12/2021. 	<p>Complied</p>
<p>4.3.1.2</p>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The group has established the Standard Operation Manual (SOM), Appendix 5.2.4 – Procedure for Legal & Other Requirements, prepared by the Standard & Compliance Section, Total Quality & Environmental Management Plantation dated on 01/11/2008, to track any changes in the applicable laws and regulations. The LORR covers the following laws; Occupational Safety & Health, Environment, Water, Human Resources Related and Other Requirements.</p> <p>Reviewed on the LORR was reviewed by the mill management on 13/08/2021 by the mill assistant manager and verified by the mill manager.</p> <p>Sighted the following laws and regulations updated as follow:</p>	<p>Complied</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

		a.	12/04/2021	Road Transport Act 1987 Fire Services (Fire Certificate) (Amendment) Regulations 2020 Fire Services (Designated Premise) Order 2020 Prevention & Control of Infectious Diseases Act 1988 (Act 342).	
		b.	18/05/2021	Anti-Money Laundering Anti-Terrorism Financing & Proceeds of Unlawful Act 2001. Malaysian Anti-Corruption Commission 2009. Whistleblower Protection Act 2010.	
		c.	15/06/2021	"Perintah Pencegahan & Pengawasan Penyakit Berjangkit Peraturan-Peraturan Pencegahan & Pengawasan Penyakit Berjangkit (Langkah-Langkah di Dalam Kawasan Tempatan Jangkitan) (No.3) 2021.	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Group Sustainability & Quality Management (GSQM) will review and updated should there be any changes in regulatory requirement and the unit will notify the PIC at each operation unit. As for Melalap Palm Oil Mill, mill assistant manager was appointed to be person in charge to receive any new information from the GSQM. The appointment was made on 16/01/2021.			Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	The mill assistant manager was appointed as the person in charge to receive any new information from the GSQM. The appointment was made on 16/01/2021.			Complied
Criterion 4.3.2 – Lands use rights					
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	Melalap POM is located inside of the land of Melalap Estate. The land is belonging to Sime Darby Plantation Berhad. Sighted the copy of the			Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

	- Major compliance -	land title and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.	
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 -	Melalap POM is located inside of the land of Melalap Estate. The land is belonging to Sime Darby Plantation Berhad. Sighted the copy of the land title and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The mill located in Melalap estate under land title no. Country Lease 165314643. The mill boundary was clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the Melalap POM at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	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 -	Melalap POM was built under Melalap Estate land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Melalap POM was built under Melalap Estate land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	Melalap POM was built under Melalap Estate land titles area. There is no customary land within or surrounding the POM. There are also no	N/A

	- Major compliance -	land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.	
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 -	Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 19 – 21/05/2015 for SOU 27 Melalap. There is no new SIA was conducted since last assessment. The methodology of the assessment was through field interview, site observation and documentation review. A Management Plan on Social Impact Assessment 2021 was developed on 25/09/2021 which has included the issues raised during stakeholder meeting and SPIEU meeting. Details consists of: 1. Issue raised / Areas of concern 2. Action plan 3. PIC 4. Completion date 5. Remarks. Verified that all issue raised by stakeholders has been acknowledge and action taken were recorded. There is no outstanding issue found.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The 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.	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		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.	
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 -	Melalap POM has implemented Internal & External Complaint Form and Complaint Book for External Stakeholder (OCP/ Supplier/ Contractor) to record any grievances from stakeholders. There is no external complaint received since July 2019. Reviewed the Internal & External Complaint Form found that common grievances were related to the housing repair. The complainants have acknowledged on the complaint form after actions have been taken to rectify the issue.	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 -	Melalap POM has implemented Internal & External Complaint Form to record complaints and requests reported by the stakeholders. Sampled of the complaints as below: <ol style="list-style-type: none"> 1. House No.: B001 dated 04/01/2021, Issue: Lamp broken. Action: The management acknowledge the complaint on 04/01/2021 and has instructed the carpenter to replace the lamp and repaired done on 08/01/2021. The complainant was acknowledged after work completed. 2. House No.: 91 dated 13/08/2021, Issue: Door broken. Action: The management acknowledge the complaint on 13/08/2021 and has instructed the carpenter to replace the lamp and repaired done on 23/08/2021. The complainant was acknowledged after work completed. 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.4.2.4</p>	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -</p>	<p>The stakeholders have been briefed on the flowchart for handling social issues and whistleblowing policy on 28/08/2021 via letter and email. Seen evidence of letter and email and feedback form.</p>	<p>Complied</p>
<p>4.4.2.5</p>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -</p>	<p>Record review found that previous complaints and requests for Year 2019 were still available.</p>	<p>Complied</p>
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			
<p>4.4.3.1</p>	<p>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 -</p>	<p>Sighted record of CSR for the year 2021 for Melalap POM: 1. "Bantuan Pembersihan Parit Saliran Air Ke Sawah Padi" for Kampung Kasiai dated 23/09/2021. 2. Donation to villagers due to Flash Flood at Sapong Estates dated 02/06/2021.</p>	<p>Complied</p>
<p>Criterion 4.4.4: Employees safety and health</p>			
<p>4.4.4.1</p>	<p>An occupational safety and health policy and plan 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 -</p>	<p>The group has established Group Sustainability & Quality Policy Statement endorsed by Mohamad Helmy Othman Basha (Group Managing Director) dated on 02/12/2019. For upstream operation, safety policy as per document "Upstream Malaysia – Health, Safety & Environment (HSE) Policy Statement signed by Roslin Azmy Hassan (CEO Upstream Malaysia) dated on 01/06/2020. The communication of the policy to the mill operation was made on 06/03/2021. The content was delivered by the mill representatives to the employees.</p>	<p>Complied</p>

<p>4.4.4.2</p>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> 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 shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect 	<ul style="list-style-type: none"> a. Communication and implementation of the OSH plan and policy was conducted by the mill management on regular basis. Sighted the briefing records on the OSH plan and policy completed on 06/03/2021. The details on the implementation of the OSH plan covered under this criterion. b. The mill management has assessed all the risk and documented it in the HIRARC document. Latest was reviewed on 10/01/2021 and verified by the mill manager. The document was made available to the audit team and verified. c. The mill management has established OSH training matrix for the year 2021 which cover 26 different of trainings. Chemical handling training for the employees exposed to the chemical was conducted on 29/03/2021. d. Appropriate PPE were provided to the employees for free. Sighted the PPE issuance records for safety shoes were made on 12/02/2021 for all workers and PPE replacement records for safety shoes for Kernel Station worker made on 03/09/2021. e. Management has established SOP for handling chemicals in document title: Chemical Safety Management, ref no: SD/SDP/PSQM(ESH)/202-OH dated on 26/02/2015. f. The mill management has appointed 2 persons (Mill Supervisor and ETP Chargehand) to be in charge with the OSH monitoring and compliances. The appointment was made on 01/08/2020. g. OSH committee meetings were conducted twice for year 2021. The first meeting was done on 03/03/2021 and the second meeting was done on 0/08/2021. The second meeting was postponed due to the Movement Control Order, which disallowed any physical gathering to conduct. Among the agenda discussed during the meeting were; confirmation on previous minutes, finding & status of workplace inspection, inspection on firefighting 	<p>Complied</p>
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MSPO Public Summary Report
Revision 1 (Feb 2020)

	<p>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>& first aid, review on OSH performance, near missed accident report, unsafe condition report and legal compliance status.</p> <p>h. The mill management has developed the accident and emergency procedures which covers the following section; workers on strike, oil spillage, explosion, chemical spillage, accident, fire and guideline for dispute among the employer, employees & contractors. The ERP flow charts were displayed at visible point to make easy for others to see.</p> <p>i. The mill management has appointed 5 employees to undergo first aid training which cover 5 different department. These personnel are responsible to take care of the first aid kit. First aid kit checklist was made available to the audit team and verified.</p> <p>j. JKKP 8 form has been submitted to the DOSH on 23/01/2021. According to the form, no accidents were recorded for the year 2020. Any accident cases will be discussed in their OSH committee meeting which be held every 3 months. Sighted and reviewed their OSH minutes meeting.</p>	
<p>Criterion 4.4.5: Employment conditions</p>			
<p>4.4.5.1</p>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has established Group Sustainability & Quality Policy Statement dated 2/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation Berhad respect and safeguard human rights, notion of democracy and its institution.</p> <p>They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be</p>	<p>Complied</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, and business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees during induction training for new employees and morning muster. Latest Policy Briefing was conducted at Melalap POM on 06/03/2021.</p>	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from http://www.simedarbyplantation.com/sustainability/human-rights-charter</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p> <p>Sampled of agreement and pay slips for December 2020, June 2021 and August 2021 as below:</p> <ol style="list-style-type: none"> Employee ID: 71990 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<ul style="list-style-type: none"> 2. Employee ID: 79809 3. Employee ID: 34782 4. Employee ID: 134050 5. Employee ID: 115704 6. Employee ID: 34769 7. Employee ID: 158881 8. Employee ID: 148459 	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Reviewed the payslips and employment contract for contractor's workers found that the workers were paid accordingly with Minimum Wages Order 2020. Deduction of EPF, SOCSO and EIS found in order. Verified pay slip month of December 2020, June 2021 and August 2021. Sample were taken as below:</p> <p>Contractor: Biorem Sdn Bhd</p> <ul style="list-style-type: none"> 1. Robin Bin Joseph NRIC Number: 770104-XX-XXXX 2. Amirhan Bin Marzani NRIC Number: 710806-XX-XXXX 	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The mill management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</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>The mill management has employed local and foreign workers from Indonesia. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.</p>	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>Sampled of agreement and pay slips for December 2020, June 2021 and August 2021 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 71990 2. Employee ID: 79809 3. Employee ID: 34782 4. Employee ID: 134050 5. Employee ID: 115704 6. Employee ID: 34769 7. Employee ID: 158881 8. Employee ID: 148459 	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Seen the Mill Daily Attendance Report for monthly basis where it recorded the number of days work and hours of overtime work. The data was transferred from punch card into the SAP system.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>Interviewed with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Wages and overtime were paid according to the Mill Daily Attendance Report. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips.</p> <p>Sampled of agreement and pay slips for December 2020, June 2021 and August 2021 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 71990 2. Employee ID: 79809 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>3. Employee ID: 34782 4. Employee ID: 134050 5. Employee ID: 115704 6. Employee ID: 34769 7. Employee ID: 158881 8. Employee ID: 148459</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families with subsidized water supply.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The mill's management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. The mill workers are using SAJ water. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. The last inspection for August 2021 and July 2021 was conducted on 04/08/2021, 28/07/2021, 21/07/2021 and 15/07/2021 in Melalap POM.</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Latest Policy Briefing was conducted at Melalap POM on 06/03/2021.</p>	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		Gender Committee was established in Melalap POM to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 22/09/2021. Issues reported were recorded in the minutes. Interviewed with the female workers found that no sexual harassment or violence case reported so far.	
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively. Latest Policy Briefing was conducted at Melalap POM on 06/03/2021. SPIEU (Sabah Plantation Industry Employee Union) committee was established in Melalap POM and last meeting was conducted on 22/09/2021 between the workers' representatives and management representatives to discuss issues related to workers. Seen the meeting minutes and issues were recorded in the meeting minutes.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornography. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years. No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers.	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		Latest Policy Briefing was conducted at Melalap POM on 06/03/2021.	
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	Annual training program for Melalap Palm Oil Mill for year 2021 was made available to the audit team. Sighted the training as follow: 1. First aid training conducted on 26/04/2021. 2. Chemical handling training conducted on 24/03/2021 3. Briefing on the company policies conducted on 06/03/2021 4. 3R awareness training conducted on 17/08/2021	Complied
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	The mill management has established training needs analysis based on the job scope to ensure the employees competency while carrying out their tasks. 26 different training were identified and scheduled for the year 2021.	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	Annual training program was made available to the audit team and verified. It was sighted the mill management has program a continuous training for their employees in order to ensure they are capable to carry their duties.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	The group has established sustainability policy which was endorsed by the Group Managing Director on 02/12/2019. Among the environmental objectives in the policy is to protect and enhanced biodiversity & the ecosystem, no deforestation & no new development	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>on peat land, enhancing resilience against climate change impact and to adopt responsible consumption & production.</p> <p>The policy briefing was conducted to the mill employees on 06/08/2021.</p> <p>The mill management also has developed environmental management plan which covers environmental issues, continuous improvement, identification & management of waste water, and waste management plan.</p>													
<p>4.5.1.2</p>	<p>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 -</p>	<p>The mill has conducted environmental aspect & impact identification which is done annually. Latest was conducted on 01/03/2021.</p> <table border="1" data-bbox="1048 726 1872 1377"> <thead> <tr> <th>Activity</th> <th>Env. Aspect</th> <th>Env. Impact</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 762 1211 954">ESP operation</td> <td data-bbox="1211 762 1402 954">Smoke emission Ash disposal</td> <td data-bbox="1402 762 1608 954">Global warming Air pollution Ozone layer depleting</td> <td data-bbox="1608 762 1872 954">To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler</td> </tr> <tr> <td data-bbox="1048 959 1211 1377">Desludging</td> <td data-bbox="1211 959 1402 1377">Leakage Electric power consumption Spillages</td> <td data-bbox="1402 959 1608 1377">Land contamination Unpleasant working environment.</td> <td data-bbox="1608 959 1872 1377">To reduce further pH level at pond no. 5,6 & 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond no 5 & 6. To install 2 units of surface aerator at ETP pond.</td> </tr> </tbody> </table>	Activity	Env. Aspect	Env. Impact	Action Plan	ESP operation	Smoke emission Ash disposal	Global warming Air pollution Ozone layer depleting	To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler	Desludging	Leakage Electric power consumption Spillages	Land contamination Unpleasant working environment.	To reduce further pH level at pond no. 5,6 & 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond no 5 & 6. To install 2 units of surface aerator at ETP pond.	<p>Complied</p>
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MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.5.1.3</p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -</p>	<p>The mill management has developed environmental improvement plan which covers the EAI/EIE plan, pollution prevention plan, waste management plan and waste water management plan. The monitoring was conducted on regular basis and issues pertaining the environmental will be discussed in the Environmental Performance Monitoring Committee meeting. Latest meeting was conducted on 24/07/2021.</p>	<p>Complied</p>								
<p>4.5.1.4</p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -</p>	<p>The program to promote positive impacts were included in the Continuous Improvement Management Action Plan for year 2021. The plan covers 3 main issues as follow:</p> <table border="1" data-bbox="1050 719 1865 1114"> <thead> <tr> <th data-bbox="1050 719 1440 754">Issues</th> <th data-bbox="1449 719 1865 754">Action Plan</th> </tr> </thead> <tbody> <tr> <td data-bbox="1050 761 1440 850">To comply with Clean Air Regulation 2014.</td> <td data-bbox="1449 761 1865 850">To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler.</td> </tr> <tr> <td data-bbox="1050 857 1440 946">High EFB stock pile at composting plant.</td> <td data-bbox="1449 857 1865 946">To liaise with estate management to clear out EFB at composting plant daily.</td> </tr> <tr> <td data-bbox="1050 952 1440 1114">To manage waste water as and land irrigation as guided by the compliance schedule.</td> <td data-bbox="1449 952 1865 1114">To reduce further pH level at pond 5, 6 and 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond 5 & 6.</td> </tr> </tbody> </table>	Issues	Action Plan	To comply with Clean Air Regulation 2014.	To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler.	High EFB stock pile at composting plant.	To liaise with estate management to clear out EFB at composting plant daily.	To manage waste water as and land irrigation as guided by the compliance schedule.	To reduce further pH level at pond 5, 6 and 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond 5 & 6.	<p>Complied</p>
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<p>4.5.1.5</p>	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -</p>	<p>The mill management continue to provide related training to the employees which can be seen in their annual training program. The training program cover the environmental awareness & compliance related trainings to the executives and workers.</p>	<p>Complied</p>								
<p>4.5.1.6</p>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are</p>	<p>The meeting related to the environment (which is called Environment Performance Monitoring Committee meeting) between the employer</p>	<p>Complied</p>								

	<p>discussed. - Major compliance -</p>	<p>and employees were conducted on regular basis. They would all issues pertaining to the environment. Latest meeting was conducted on 24/07/2021, attended by 5 participants. Among agendas discussed during the meeting were:</p> <ul style="list-style-type: none"> a. Competency of employees: ESP and ETP courses. b. Performance monitoring facilities & instruments c. Record keeping d. Data analysis & interpretation e. Reporting & communications f. Future development g. Others. 																																	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																			
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -</p>	<p>The consumption of non-renewable energy was closely monitored by the mill management by establishing baseline values to observe the trends within appropriate timeframe.</p> <p>Diesel Consumption 2019 – 2021</p> <table border="1" data-bbox="1048 1010 1832 1177"> <thead> <tr> <th>Year</th> <th>2019</th> <th>2020</th> <th>2021 (as at Sept)</th> </tr> </thead> <tbody> <tr> <td>Total FFB</td> <td>68466.97</td> <td>62483.14</td> <td>38122.26</td> </tr> <tr> <td>Total CPO</td> <td>14852.76</td> <td>12712.58</td> <td>7830.81</td> </tr> <tr> <td>Total Diesel</td> <td>14771.12</td> <td>9412.12</td> <td>4471.10</td> </tr> <tr> <td>Baseline</td> <td>0.99</td> <td>0.74</td> <td>0.57</td> </tr> </tbody> </table> <p>Electric Consumption 2019 – 2021</p> <table border="1" data-bbox="1048 1278 1832 1377"> <thead> <tr> <th>Year</th> <th>2019</th> <th>2020</th> <th>2021 (as at Aug)</th> </tr> </thead> <tbody> <tr> <td>Total FFB</td> <td>68466.97</td> <td>62482.39</td> <td>33423.69</td> </tr> <tr> <td>Total CPO</td> <td>14852.76</td> <td>12712.58</td> <td>6853.38</td> </tr> </tbody> </table>	Year	2019	2020	2021 (as at Sept)	Total FFB	68466.97	62483.14	38122.26	Total CPO	14852.76	12712.58	7830.81	Total Diesel	14771.12	9412.12	4471.10	Baseline	0.99	0.74	0.57	Year	2019	2020	2021 (as at Aug)	Total FFB	68466.97	62482.39	33423.69	Total CPO	14852.76	12712.58	6853.38	<p>Complied</p>
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MSPO Public Summary Report
Revision 1 (Feb 2020)

		Total Diesel	710413.98	711655.87	494961.00	
		Baseline	47.83	55.98	72.22	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The mill management established their annual budget and estimated the consumption of diesel and electricity including the fuel use by the contractors. The budget was made available to the audit team and verified.				Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The mill uses by product of FFB production as renewable energy source where 100% of fiber and shell are extracted from FFB production.				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 -	Waste products and source of pollution were identified and documented in the waste management plan year 2021. The mill management has categorized the type of waste into schedule waste and industrial waste. Domestic waste was managed by the Melalap Estate. Waste identified are listed as spent lubricant oil, spent hydraulic oil, spent hexane oil, empty drum & container, contaminated rags, used acid battery and spent used grease. The source location was identified as workshop, engine room, laboratory, and mill processing. Industrial waste such as POME and EFB were channel to land irrigation and as a mulching used in the estate compound. Industrial waste application records were made available to the audit team and verified.				Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution.	The mill management has developed waste management plan for year 2021 which cover 2 types of waste; schedule waste and industrial waste. Domestic wasted was management by the Melalap Estate				Complied

**MSPO Public Summary Report
Revision 1 (Feb 2020)**

	<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>management. List of waste products were documented in the waste management plan.</p> <table border="1" data-bbox="1048 435 1861 1217"> <thead> <tr> <th>Type of waste</th> <th>Description</th> <th>Location</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td>Schedule waste</td> <td>Spent lubricant oil Spent hydraulic oil Spent hexane & IPA Spent empty container & drum Spent contaminated rags Spent obsolete laboratory chemical Spent used lead acid batteries Spent used grease Spent used fluorescent lamp</td> <td>Workshop, engine room, laboratory & mill processing</td> <td>As stipulated in the MQM SOP Section 7 – Handling of schedule waste. Comply to the Environment Quality (SW) Regulation 2005</td> </tr> <tr> <td>Industrial waste</td> <td>POME EFB</td> <td>Effluent treatment plant & EFB station</td> <td>Monitoring of POME application. Monitoring of field application record continuously.</td> </tr> </tbody> </table> <p>POME release records and EFB dispatched records were made available and verified to the audit team.</p>	Type of waste	Description	Location	Action plan	Schedule waste	Spent lubricant oil Spent hydraulic oil Spent hexane & IPA Spent empty container & drum Spent contaminated rags Spent obsolete laboratory chemical Spent used lead acid batteries Spent used grease Spent used fluorescent lamp	Workshop, engine room, laboratory & mill processing	As stipulated in the MQM SOP Section 7 – Handling of schedule waste. Comply to the Environment Quality (SW) Regulation 2005	Industrial waste	POME EFB	Effluent treatment plant & EFB station	Monitoring of POME application. Monitoring of field application record continuously.	
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Industrial waste	POME EFB	Effluent treatment plant & EFB station	Monitoring of POME application. Monitoring of field application record continuously.												
<p>4.5.3.3</p>	<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)</p>	<p>Sime Darby Plantation Berhad has developed Chemical Safety Management with the objective to define the requirement for the</p>	<p>Complied</p>												

	<p>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>procurement, transportation, receiving, handling, storage, disposal and training on the handling or use of chemicals.</p> <p>The mill management has engaged Lagenda Bumimas Sdn Bhd as the schedule waste collector and latest disposal was made on 09/04/2021. Consignment notes were made available to the audit team.</p> <p>Next disposal was program on October 2021, however, due to Movement Control Order, the disposal was postponed to a new date which to be confirm later. The mill management has provided the email trails as the proof of communication between the mill and the contractor.</p>	
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>As they shared the same residential area, mill domestic waste is managed by the estate management which were disposed to a block P02M in Melalap Estate.</p>	Complied
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			
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>Assessment of all pollution activities were documented in the Pollution Prevention Plan which combined together the following area environmental issues, plan to reduce fresh water usage, identification & management of waste water, environmental continuous improvement management and waste management plan.</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>The mill management has developed action plan to reduce identified waste and identified significant pollutant and emission from mill processed. Mill has conducted Environmental Impact Evaluation Form and Environmental Aspect & Impact Identification Form assessment for all its' activities as prepared by QA coordinator on 11/01/2021 and 01/03/2021 respectively. It includes the following process/activities:</p> <ul style="list-style-type: none"> a. ESP operation b. ETP desludging c. Final discharged. 	Complied

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.5.4.3</p>	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The mill management gradually phase it out in accordance to the applicable state or national regulations. Effluent samples were sent to Sime Darby Research Sdn Bhd for further analysis. Sighted the POME sampling result dated on 30/07/2021 as below (sampled):</p> <table border="1" data-bbox="1048 507 1832 778"> <thead> <tr> <th>Sample</th> <th>pH</th> <th>BOD</th> <th>SS</th> <th>TN</th> <th>AN</th> </tr> </thead> <tbody> <tr> <td>Pond 1</td> <td>7.7</td> <td>1890</td> <td>22711</td> <td>251</td> <td>106</td> </tr> <tr> <td>Pond 2</td> <td>7.5</td> <td>80</td> <td>646</td> <td>239</td> <td>102</td> </tr> <tr> <td>Pond 3</td> <td>8.5</td> <td>20</td> <td>194</td> <td>254</td> <td>111</td> </tr> <tr> <td>Pond 4</td> <td>8.9</td> <td>19</td> <td>166</td> <td>254</td> <td>114</td> </tr> <tr> <td>Pond 5</td> <td>9.0</td> <td>16</td> <td>107</td> <td>257</td> <td>116</td> </tr> <tr> <td>Pond 6</td> <td>9.2</td> <td>17</td> <td>136</td> <td>260</td> <td>112</td> </tr> <tr> <td>Pond 7</td> <td>9.2</td> <td>16</td> <td>116</td> <td>194</td> <td>104</td> </tr> </tbody> </table>	Sample	pH	BOD	SS	TN	AN	Pond 1	7.7	1890	22711	251	106	Pond 2	7.5	80	646	239	102	Pond 3	8.5	20	194	254	111	Pond 4	8.9	19	166	254	114	Pond 5	9.0	16	107	257	116	Pond 6	9.2	17	136	260	112	Pond 7	9.2	16	116	194	104	<p>Complied</p>
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<p>Criterion 4.5.5: Natural water resources</p>																																																			
<p>4.5.5.1</p>	<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> <ol style="list-style-type: none"> Assessment of water usage and sources. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The mill management has established Water Management Plan which focusing on the reducing fresh water usage for mill operation. The plan was prepared by mill assistant manager on 20/02/2021. Sources of water comes from a river and the mill has taken necessary action to provide free water supply to all residents in the Melalap Complex.</p> <p>Water sample analysis for microbiology testing was made available to the audit team. The analysis was conducted on 05/08/2021. The result shows that bacteria E. coli was not detected in the water samples, thus safe to consume.</p>	<p>Complied</p>																																																

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.5.5.2</p>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -</p>	<p>Melalap POM has treated POME in accordance to the DOE limits for final discharge into land application. POME discharge records were made available to the audit team and verified.</p>	<p>Complied</p>
<p>4.6 Principle 6: Best Practices</p>			
<p>Criterion 4.6.1: Mill Management</p>			
<p>4.6.1.1</p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -</p>	<p>The mill processing system is documented in the Sustainability Plantation Management System, doc no: MQMS/SQM/08 v1, dated 01/11/2008 which include the Mill SOP and Mill Quality Management Manual. These standard operation procedures describe details from the reception, sterilization, threshing, pressing, clarification, effluent, laboratory, workshop and etc. Traceability procedure was reviewed and the implementation of the procedure was verified thru the documents related to the FFB delivery, FFB received, CPO & PKO dispatch and sales records. The inspection on the traceability was conducted on daily basis for FFB received and during the CPO is dispatched to the refinery. Checklist for CPO tanker was made available to the audit team and verified.</p>	<p>Complied</p>
<p>4.6.1.2</p>	<p>All palm oil mills shall implement best practices. - Major compliance -</p>	<p>Apart from the inspection or monitoring conducted by the mill representative, mill management also received visit from Plantation Monitoring Unit, who will run inspection and monitoring regarding on the mill operation. Reviewed the report conducted on 05-08/04/2021 which cover the following part/area; process control, spillage/leakage, housekeeping/upkeep/environment, PK quality, CPO quality, laboratory, oil losses, kernel losses and security, safety & compliance.</p>	<p>Complied</p>
<p>Criterion 4.6.2: Economic and financial viability plan</p>			

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.6.2.1</p>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The mill management has established a documented business plan for 5 years from 2020 until 2025. The plan covers the capital and operation expenditure which includes the following; mill maintenance, consumable items, rehabilitation cost, admin cost, security, training etc.</p>	<p>Complied</p>
<p>Criterion 4.6.3: Transparent and fair price dealing</p>			
<p>4.6.3.1</p>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Mill has engaged contractor for activity such as transporters and maintenance work. Sampled of the agreement between company and the contractors as below:</p> <p>Contractor: Pengangkutan Bumi Sdn Bhd, Contract No. T/SDPSSB/SABAH/CPOPK/0317 dated 30/10/2020 until 31/10/2021, Project: Transportation of CPO and PK.</p> <p>Contractor: Biorem Sdn Bhd, Contract No. 4300523063 dated 17/11/2020, Project: Maintenance work.</p> <p>Pricing mechanism were clearly stated in the agreement between Sime Darby Plantation Berhad and contractors.</p>	<p>Complied</p>
<p>4.6.3.2</p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records as below:</p> <ol style="list-style-type: none"> 1. Pengangkutan Bumi Sdn Bhd: Doc No. 1600000450 dated 30/09/2021 2. Biorem Sdn Bhd : PO Number: 4300523063, Invoice Number: I-20121000 dated 13/01/2021. <p>Besides, interviewed with contractors also confirmed that payment was made promptly.</p>	<p>Complied</p>
<p>Criterion 4.6.4: Contractor</p>			

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.6.4.1</p>	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -</p>	<p>The contractors engaged by the mill management have signed on a Vendor Integrity Pledge (VIP) and briefed on the SDP Vendor COBC and RSPO & MSPO requirement was conducted on 25/08/2020. Besides, the contractors have signed on the addendum dated 23/11/2020 where they need to follow RSPO/ MSPO/ SCCS requirements. Awareness training related MSPO has been given to contractors dated 15/08/2021 at Meeting Room Melalap POM. Sighted evidence of training materials, attendance, and photos.</p>	<p>Complied</p>
<p>4.6.4.2</p>	<p>The management shall provide evidence of agreed contracts with the contractor. - Major compliance -</p>	<p>Mill has engaged contractor for activity such as transporters and maintenance work. Sampled of the agreement between company and the contractors as below: Contractor: Pengangkutan Bumi Sdn Bhd, Contract No. T/SDPSSB/SABAH/CPOP/0317 dated 30/10/2020 until 31/10/2021, Project: Transportation of CPO and PK. Contractor: Biorem Sdn Bhd, Contract No. 4300523063 dated 17/11/2020, Project: Maintenance work.</p>	<p>Complied</p>
<p>4.6.4.3</p>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -</p>	<p>As refer to the SDP Vendor COBC, Clause 4 – Responsibility and Compliance with the Vendor COBC, where rights to audit vendors to verify compliance of the COBC. Besides, an addendum signed by the contractors has clearly stated that all contractors shall ensure to reserve the right of the certification body to audit.</p>	<p>Complied</p>

Appendix B: List of Stakeholders Contacted

<p>Government Officer: Pondok Polis Saping Head Master SK Pulong Head Master SK Saping</p>	<p>Community/neighbouring village: Head Village Kg Makaniton Tenom Groceries Saping</p>
<p>Suppliers/Contractors/Vendors: Pemborong Ajuta</p>	<p>Worker’s Representative/Gender Committee: Gender committee Representative workers</p>

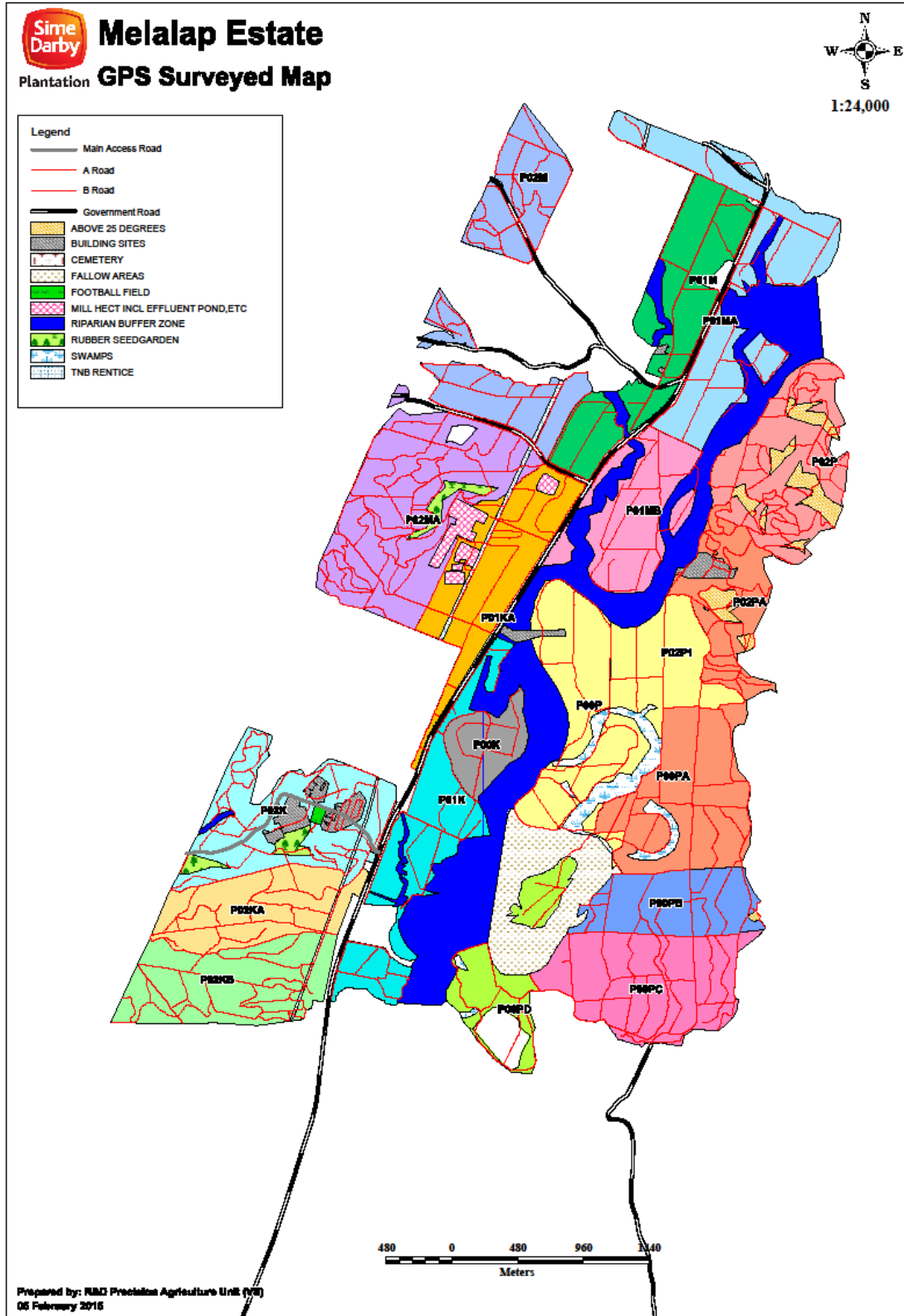
MSP0 Public Summary Report
Revision 1 (Feb 2020)

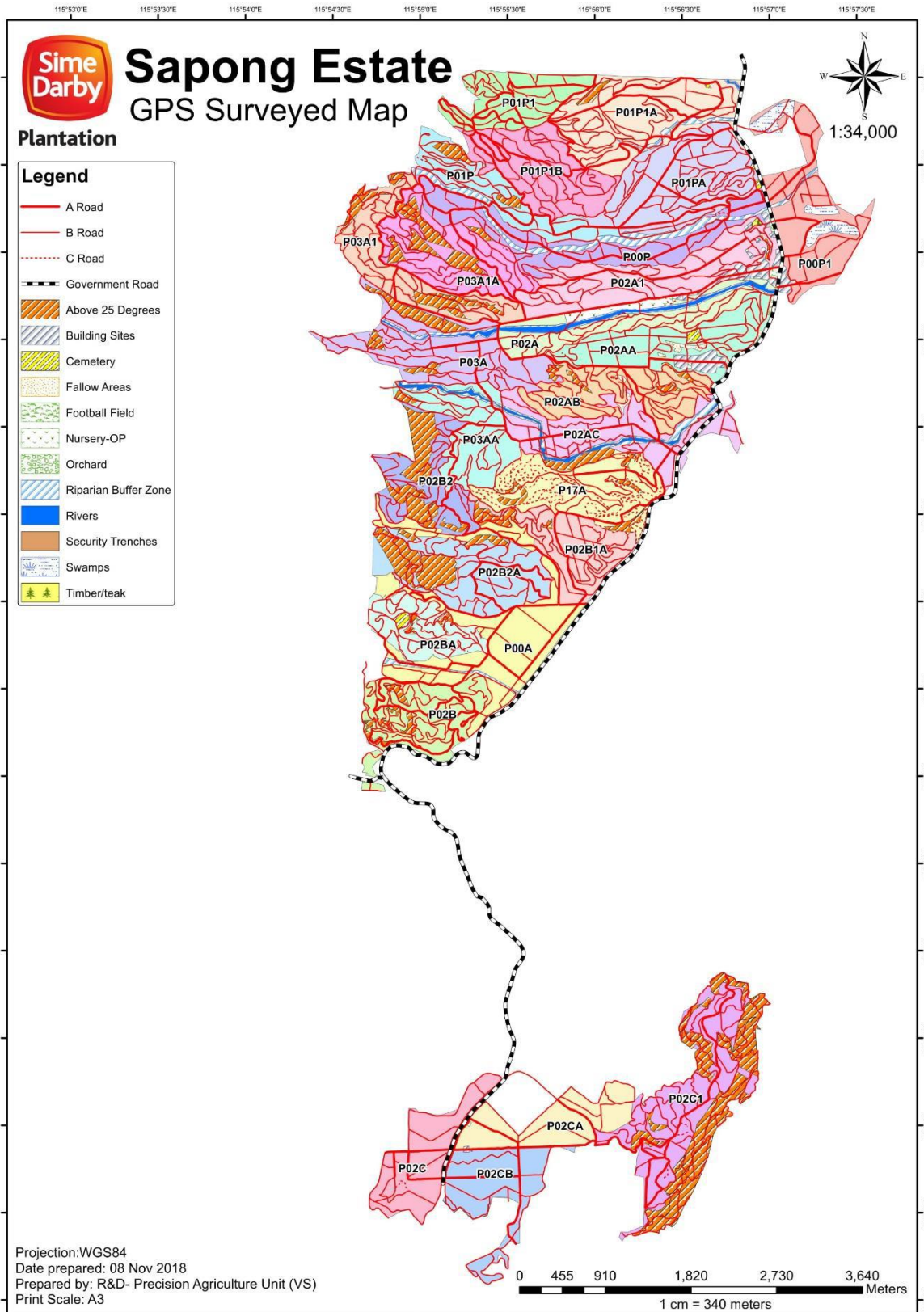
Appendix C: Smallholder Member Details

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

Appendix D: Location and Field Map







Appendix E: List of Abbreviations

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