

MALAYSIAN SUSTAINABLE PALM OIL
MSPO OPMC Public Summary Report

- Initial Assessment**
- Annual Surveillance Assessment** (Choose an item.)
- Recertification Assessment (RA 1)**
- Extension of Scope**

| |
|--|
| Sime Darby Plantation Berhad |
| Client Company (HQ) Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia |
| Certification Unit: East Palm Oil Mill (SOU 8) & Plantations of SOU 8 East Estate, Dusun Durian Estate & Sepang Estate |
| Date of Final Report: 13/06/2022 |

Report prepared by:
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Report Number: 3511588

Assessment Conducted by:
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Section 1: Executive Summary

| 1.1 Organizational Information and Contact Person | | | |
|---|---|-------------------------|----------------------------------|
| Company Name | Sime Darby Plantation Berhad | | |
| Mill/Estate | Certification Unit | MPOB License No. | Expiry Date |
| | East POM | 533088004000 | 30/09/2022 |
| | East Estate | 531308002000 | 31/07/2022 |
| | Dusun Durian Estate | 563441011000 | 31/07/2022 |
| | Sepang Estate | 533267002000 | 30/09/2022 |
| Address | Level 11, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia | | |
| Management Representative | Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM) Rayme Hashim (Senior Manager, East Estate (SOU 8 Chairman) | | |
| Website | www.simedarbyplantation.com | E-mail | kks.east@simedarbyplantation.com |
| Telephone | 03-78484379 (Head Office) | Facsimile | 03-78484356 (Head Office) |

| 1.2 Certification Information | | | |
|---|--|--------------------------------|------------|
| Certificate Number | Mill: MSPO 682045 Estates: MSPO 687976 | Certificate Start Date | 13/06/2022 |
| Date of First Certification | 10/01/2018 | Certificate Expiry Date | 18/05/2025 |
| Scope of Certification | <input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estates: Production of Sustainable Oil Palm Fruits | | |
| Visit Objectives | <p>The objective of the assessment was to conduct a recertification assessment and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by the organization's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organization's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p> | | |
| Standard | <input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills | | |
| Recertification Visit Date (RAV) 1 | 14-17/02/2022 | | |
| Continuous Assessment Visit Date (CAV) 1 | - | | |

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| | |
|---|---|
| Continuous Assessment Visit Date (CAV) 2 | - |
| Continuous Assessment Visit Date (CAV) 3 | - |
| Continuous Assessment Visit Date (CAV) 4 | - |

1.3 Other Certifications

| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
|------------------------------|--|-------------------------------|-------------|
| RSPO 543543 | RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Identity Preserved Supply Chain Module | BSI Services Malaysia Sdn Bhd | 18/05/2025 |
| MSPO 714129 | MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018 | BSI Services Malaysia Sdn Bhd | 22/07/2024 |
| EU-ISCC-Cert-DE-129-35283375 | International Sustainability and Carbon Certification (ISCC EU) | TUV Nord (Malaysia) Sdn Bhd | 25/01/2023 |

1.4 Location of Certification Unit

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

1.5 Certified Area

| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
|---------------------|---|---------------|-----------------------------------|--------------------|-----------------|
| East Estate | 4994.79 | **135.38 | 627.51 | 5634.45 | 88.65 |
| Dusun Durian Estate | *1,965.79 | 0 | *77.46 | *2,043.25 | 94.28 |
| Sepang Estate | 2689.13 | **2.00 | 467.27 | 3158.80 | 85.13 |
| TOTAL | 9,649.71 | 137.38 | 1172.24 | 10,836.5 | 89.04 |

Note:

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*Dusun Durian planted hectare increased by 33.11ha due to re-survey exercise by R&D, a decreased by 39.80 ha under infrastructure & other due to land acquisition for TNB & Petronas pipeline

**HCV area differ from last year report – as per HCV Re-assessment report dated Oct 2020

1.6 Plantings & Cycle

| Estate | Age (Years) | | | | | Mature | Immature |
|---------------------|---------------|-----------------|-----------------|-----------------|----------|-----------------|---------------|
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| East Estate | 409.65 | 1,798.49 | 2,268.09 | 518.56 | 0 | 4,585.14 | 409.65 |
| Dusun Durian Estate | 52.55 | 592.09 | 1,224.75 | 96.40 | 0 | 1,913.24 | 52.55 |
| Sepang Estate | 242.00 | 904.89 | 1,017.15 | 525.09 | 0 | 2,447.13 | 242.00 |
| Total (ha) | 704.20 | 3,295.47 | 4,509.99 | 1,140.05 | 0 | 8,945.51 | 704.20 |

Note: Data is aggregated over the reporting period

1.7 Certified Tonnage of FFB

| Estate | Tonnage / year | | |
|---------------------|------------------------------------|---------------------------------|-----------------------------------|
| | Estimated (Feb 2021 - Jan 2022) | Actual (Mar 2021 - Jan 2022) | Forecast (Jan 2022 - Dec 2022) |
| East Estate | 65,000.00 | 29,330.67 | 45,000.00 |
| Dusun Durian Estate | 60,077.96 | 44,239.92 | 51,102.00 |
| Sepang Estate | 61,924.70 | 38,586.37 | 65,892.00 |
| West Estate | - | 2,088.99 | - |
| Sg Buloh Estate | - | 791.95 | - |
| Bukit Talang Estate | - | 347.07 | - |
| Total (mt) | 187,002.66 | 115,384.97 | 161,994.00 |

Note: Data is aggregated over the reporting period

1.8 Uncertified Tonnage of FFB

| Estate | Tonnage / year | | |
|-------------------|------------------------------------|---------------------------------|-----------------------------------|
| | Estimated (Feb 2021 - Jan 2022) | Actual (Mar 2021 - Jan 2022) | Forecast (Jan 2022 - Dec 2022) |
| N/A | 0 | 0 | 0 |
| Total (mt) | 0 | 0 | 0 |

1.9 Certified Tonnage

| Mill Capacity: 30 MT/hr | Estimated (Feb 2021 - Jan 2022) | Actual (Mar 2021 - Jan 2022) | Forecast (Jan 2022 - Dec 2022) |
|----------------------------|------------------------------------|---------------------------------|-----------------------------------|
| | FFB | FFB | FFB |

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| | | | |
|--------------------------|---------------------------|---------------------------|---------------------------|
| SCC Model: SG | 187,002.66 | 115,384.97 | 161,994.00 |
| | CPO (OER: 22.57 %) | CPO (OER: 21.66 %) | CPO (OER: 22.00 %) |
| | 42,206.50 | 24,995.42 | 35,638.68 |
| | PK (KER: 5.25 %) | PK (KER: 5.05 %) | PK (KER: 5.00 %) |
| | 9817.64 | 5,822.16 | 8,099.70 |

| 1.10 Actual Sold Volume (CPO) | | | | | |
|--------------------------------------|----------------|-------------------------|-----------|--------------|-----------|
| CPO (mt) | MSP0 Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSPO | | |
| 24,995.42 | - | 448.01 | 14,907.17 | 9,640.24 | 24,995.42 |

| 1.11 Actual Sold Volume (PK) | | | | | |
|-------------------------------------|----------------|-------------------------|----------|--------------|----------|
| PK (mt) | MSP0 Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSPO | | |
| 5,822.16 | - | 0 | 5,556.90 | 265.26 | 5,822.16 |

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 14-17/02/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the SOU 8 - East Palm Oil Mill and Supply Base (East Estate, Sepang Estate and Dusun Durian Estate) as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities. 30 days prior to audit, public notification posted in the BSI website as per the following link: https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2022/01-1-mspo-public-notification_recertification_sime-darby_sou-8-east-pom--supply-base_english.pdf

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 Certification Unit were not using MSPO certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSPO Logo and related claims.

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 B.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.6.

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.

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

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification and recertification decision by BSI. For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

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

Tentative Date of Next Visit: February 14, 2023 - February 17, 2023

Total No. of Mandays: 11 Mandays

2.1 BSI Assessment Team

| Team Member Name | Role <i>(Team Leader or Team member)</i> | Qualifications <i>(Short description of the team members)</i> |
|-------------------------|---|---|
| Nor Halis Abu Zar (NHA) | Team Leader | <p>Education: Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2012.</p> <p>Work Experience: 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. He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended: He has completed ISO IMS 9001 and 14001 Lead Auditor Course in January 2019, MSPO MS 2530:2013 Lead Auditor Course in February 2019, Endorsed RSPO Lead Auditor Course in October 2020, CQI and IRCA Certified ISO 45001 Lead Auditor Course in June 2021, ISO 9001:2015 Lead Auditor Course in April 2019, MSPO SCCS Auditor in February 2019 and also trained in SMETA Requirement Training on May 2021.</p> <p>Aspect covered in this audit: Legal requirements, traceability, occupational health and safety, GAP, training.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p> |

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| | | |
|------------------------------------|----------------------|---|
| <p>Mohd Nazib Marwan (MNM)</p> | <p>Team Member</p> | <p>Education: He holds Diploma in Mechanical Engineering graduated from Sultan Salahuddin Abdul Aziz Shah in 2007.</p> <p>Work Experience: He has 5 years working experience with Department of Occupational Safety and Health Malaysia and has visited /audited many types of industries including plantation industry. He also has more than 11 years of experiences as auditor for several standards including ISO9001, ISO 14001, ISO 45001, MSPO and RSPO with previous certification body.</p> <p>Training attended: ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO.</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of social, legal, workers & stakeholders' consultation.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p> |
| <p>Mohamad Fitri Mustafa (MFM)</p> | <p>Team Member</p> | <p>Education: Graduate in Degree of Agribusiness.</p> <p>Work Experience: 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 MSPO auditing since September 2017.</p> <p>Training attended: Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd.</p> <p>Aspect covered in this audit: Legal requirements, Land ownership, Environmental, Waste management, HCV, Business Plan.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p> |
| <p>Mohd Sabre Salim (MSS)</p> | <p>Peer Reviewer</p> | <p>Education: Master's in Business Administration (MBA) from UiTM in 2006 and Bachelor Science Agribusiness from UPM in 1986.</p> <p>Work Experience: He gained his working exposure in the plantation sector, serving as an Plantation Manager with hap Seng Plantation Berhad and currently as consultant, free-lance lecturer, and trainer at MDV Management Sdn Bhd. He has more than 50 MSPO report that has been reviewed.</p> <p>Training attended:</p> |

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| | | |
|----------------------------|---------------|--|
| | | <p>He has completed Endorsed Lead Auditor Course and Endorsed MSPO Lead Auditor Course and MSPO Peer Review certificate by MPOCC. He has attended MSPO Peer Reviewer 1 - 2017 by MPOCC.</p> <p>Expertise: General Management, Leadership & Financial Management Occupational Safety & Health Management Plantation (Agriculture & Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).</p> |
| Muhammad Sufyan Azmi (MSA) | Peer Reviewer | <p>Education: Master's in Business Administration (MBA) from Open University of Malaysia and Bachelor Degree in Bioindustry from UPM in 2006.</p> <p>Work Experience: He gained his working exposure in the plantation sector with 15 years' experience, currently serving as a Plantation Manager with TSH Resources Berhad and previously as an Audit Executive with Kulim Malaysia Berhad.</p> <p>Training attended: He has attended MSPO Peer Reviewer 2 - 2017 by MPOCC.</p> <p>Expertise: General Management, Auditing, Environment and Plantation Management.</p> |

2.2 Impartiality and conflict of interest

During this assessment there was no circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

2.3 Accompanying Persons

| No. | Name | Role |
|-----|------|------|
| N/A | N/A | N/A |

2.4 Assessment Plan

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

| Date | Time | Subjects | (NHA) | (MNM) | (MFM) |
|--------------------------------|---------------|---|-------|-------|-------|
| Sunday, 13/02/2022 | - | Travelling to Banting | √ | √ | √ |
| Monday, 14/02/2022 East POM | 08:30 - 09:00 | Opening Meeting <ul style="list-style-type: none"> • Presentation by BSI Lead Auditor - introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope | √ | √ | √ |

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|--|---------------|--|-------|-------|-------|
| | 09:00 - 12:30 | - Mill Assessment: Plant visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc. | √ | √ | √ |
| | 12:30 - 13:30 | - Lunch break | √ | √ | √ |
| | 13:30 - 16:30 | - Document review (MS2530:2011 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, | √ | √ | √ |
| | 16:30 - 17:00 | - Interim closing meeting | √ | √ | √ |
| Tuesday, 15/02/2022 Sepang Estate | 09:00 - 12:30 | - Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. | √ | √ | √ |
| | 12:30 - 13:30 | - Lunch break | √ | √ | √ |
| | 13:30 - 16:30 | - Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | √ | √ | √ |
| | 16:30 - 17:00 | - Interim closing meeting | √ | √ | √ |
| Wednesday 16/02/2022 Sepang Estate (1 mdy) | 09:00 - 12:30 | - Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | √ | √ | √ |
| | 10:00 - 12:00 | - Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.) | - | √ | - |

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| Date | Time | Subjects | (NHA) | (MNM) | (MFM) |
|--|---------------|--|-------|-------|-------|
| Dusun Durian Estate (2 mdys) | 12:30 - 13:30 | Lunch break | √ | √ | √ |
| | 13:30 - 16:30 | Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. | √ | √ | √ |
| | 16:30 - 17:00 | Interim closing meeting | √ | √ | √ |
| Thursday, 17/02/2022 Dusun Durian Estate | 09:00 - 12:30 | Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. | √ | √ | - |
| | 12:30 - 13:30 | Lunch break | √ | √ | - |
| | 13:30 - 16:30 | Document Review (MS2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting | √ | √ | - |
| | 16:30 - 17:00 | Assessment team discussion and preparation and closing meeting | √ | √ | - |

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. The findings summary of the assessment by criteria are listed in Appendix A.

During the assessment there were Three (3) Major & One (1) Minor nonconformities and Two of OFI (2) raised. The Sime Darby SOU 8 East POM and supply base certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

| Non-Conformity Report | | | |
|------------------------------------|--|---|------------------------------------|
| NCR Ref #: | 2165781-202202-M1 | Issue Date: | 17/02/2022 |
| Due Date: | 17/05/2022 | Date of Closure: | 13/05/2022 |
| Area/Process: | East POM | Clause & Category: (Major / Minor) | MSPO 2530 Part 4: 4.4.4.2 Major |
| Requirements: | The occupational safety and health plan should cover the following: 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). j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. | | |
| Statement of Nonconformity: | The occupational safety and health plan were not effectively implemented. | | |
| Objective Evidence: | <p>During site visit at the workshop, it was sighted that the Oxygen and Acetylene gas container used for welding/cutting works was not installed with flash back arrestor. This was against the Safety Work Procedure for Workshop, rev. no. 2, issued on 07/01/2008 under section 18.4 (b) "Install Flash Back Arrestor".</p> <p>During site visit at the Kernel Dispatch area, sighted a lorry driver for lorry with reg. no. BLV 8186 was working on top of the trailer and not wearing safety harness while tarpaulin the canvas after loaded the lorry with palm kernels. The hooked at the safety rails was available there. This was against Safety Work Procedure for Oil</p> | | |

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| | <p>Palm and Kernel Dispatch, rev. no. 4, issued on 07/01/2008 under section B(11).</p> <p>During document review, it was noted that an accident occurs on 13/09/2021 at boiler operation involving workers with id no. 850809-XX-XXXX with 19 days medical leaves. However, the JKPP 6 notification was submitted to DOSH on 01/10/2021, 18 days after the accident happen. This was against the Standard Operating Procedure of Incidents, Accidents & Non-Conformance Management. Refer SOP no. SDP/SQM/(ESH)/001-2-9 rev. 1 dated 30/05/2019.</p> |
| Corrections: | <ol style="list-style-type: none"> Flash back arrestor has been installed to all oxygen and acetylene tank on 1/3/2022. The manager will monitor compliance with DOSH and supported by RSQM. Signboard for wearing Safety Harness has been put in place to remind the drivers to wear Safety Harness. The driver and those involved in this work will be briefed on 7/3/2022 to enhance their understanding and awareness. To implement CPO despatch checklist to kernel despatch operation. |
| Root cause analysis: | Monitoring and controls on the implementation of all the Safety and Health Plan components in accordance to the SOPs are inadequate. |
| Corrective Actions: | <ol style="list-style-type: none"> To brief/remind Safety & Health Committee on their role to monitor the implementation of risk control stated in HIRARC and CHRA during SHC Meeting. Biannually monitoring/inspection of DOSH compliance by the Manager supported by RSQM/SSSO to be put in place (covering all the components of the OSH Plan and in accordance to SOPs). To discuss in social dialogue and get the Worker Representative to explain to the workers on HIRARC and the importance of PPE. To review and brief HIRARC with the respective team consist of worker representative for the activity and management team by RSQM. |
| Assessment Conclusion: | <p>Major NC Close Out</p> <ol style="list-style-type: none"> Safety committee meeting has been conducted on 30/03/2022 at East POM chaired by Manager Mr Hudal Firdaus. Refer section 3.8.5, Safety & Health Committee has been briefed on their role to monitor the implementation of risk control. Monthly inspection will be done at least once a month to make sure all operation accordance with the SOPs as stated in the OSH Meeting date 30/03/2022 section 3.5.1. Social dialogue with workers representative has been conducted. HIRARC and PPE matters has been discussed during the dialogue. Latest inspection of PPE has been conducted on 14/05/2022. HIRARC has been reviewed hand briefed to workers on 14/05/2022. Refer HIRARC Briefing Kernel Despatch attendance. <p>Based on the above evidence, the major Non-Conformity is closed effectively on 21/05/2022. Continuous implementation will be further verified in the next assessment.</p> |

| Non-Conformity Report | | |
|------------------------------|-------------------|-------------------------------|
| NCR Ref #: | 2165781-202202-M2 | Issue Date: 17/02/2022 |

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| | | | |
|------------------------------------|---|---|---------------------------------|
| Due Date: | 17/05/2022 | Date of Closure: | 13/05/2022 |
| Area/Process: | Dusun Durian Estate & Sepang Estate | Clause & Category: (Major / Minor) | MSPO 2530 Part 3: 4.4.4.2 Major |
| Requirements: | <p>d) The occupational safety and health plan shall cover the following: The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> | | |
| Statement of Nonconformity: | The occupational safety and health plan were not effectively implemented. | | |
| Objective Evidence: | <p>During the site visit to Dusun Durian Estate, Sg. Buaia Division at P04 B, it was found 3 workers who conducted rat baiting were wearing cotton gloves. It was not in line with HIRARC dated 2020 Section Pests & Diseases Risk Control "Safety Awareness training, nitrile gloves, wellington boots, google" and SDS Ebor Baits dated April 2018 Section 8 (c) "Wear rubber gloves when handling the product".</p> <p>During verification of OSH Minutes of meeting of Sepang estate, 1st Quarter meeting has been planned but postponed due to MCO as per letter dated 04/02/2021. OSH Meeting has been conducted on 08/12/2021. For Dusun Durian Estate, 1st Quarter and 3rd Quarter meeting has been planned but postponed due to MCO as per letter dated 13/01/2021 and 05/07/2021. OSH Meeting has been conducted on 20/04/2021 and 18/11/2021 respectively. As per new FAQ by DOSH "Soalan Lazim Berkaitan Perintah Kawalan Pergerakan JKKP Bil. 1 dated 30/04/2020" stated 2 options which is "Melaksanakan mesyuarat menggunakan kaedah alternatif seperti telesidang" atau "Tangguh dan adakan mesyuarat selepas tempoh PKP berakhir", "Namun majikan perlu memastikan mesyuarat JKK dijalankan sekurang-kurangnya 4 kali setahun dan di minitkan satu persatu". MCO at Sepang Estate commences on June 2021 and August 2021 however, only 1 OSH meeting recorded for the year 2021. For Dusun Durian Estate, MCO on January 2021 and July 2021 however only 2 OSH Meeting conducted. It was not in line with OSH Act 1994, Regulation 21 Frequency of meeting of committee.</p> | | |
| Corrections: | <ol style="list-style-type: none"> Estate management will ensure to conduct the OSH meeting in quarterly basis in order to comply the OSH Act 1994, Regulation 21. To pre-schedule annual plan of OSH meeting in OU annual calendar where it must be conducted 4 times a year without fail and minutes of meeting being recorded. Refresher training for PPE and HIRARC regarding on rat baiting operation has been conducted to the workers on 17/2/2022 at Sungai Buaia Division Office. | | |
| Root cause analysis: | <p>OU Management not aware of the FAQ by DOSH "Soalan Lazim Berkaitan Perintah Kawalan Pergerakan" and only following the MCO, Lockdown & NRP announcement by the Government.</p> <p>Explanation from OU</p> | | |

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| | The management is concerned about the outbreak of COVID-19 and to prevent the infection to our workers and the elderly living at our Workers housing therefore we discourage any physical meeting and ultimately postpone the OSH meeting. Selangor state have the highest numbers of COVID-19 cases therefore we particularly concerned about our safety and wellbeing coupled with confirm death cases due to COVID-19 surrounding our area. The Year started with the continuity of Recovery MCO from 01/01/2021 until 31/03/2021, Total Lockdown for 1 month from 01/06/2021 until 28/06/2021 and followed by National Recovery Plan (NRP/ PPN) until 01/10/2021. |
| Corrective Actions: | <ol style="list-style-type: none"> 1. Moving forward, the Management will conduct the meeting as per schedule. 2. RSQM will monitor & assess compliance to these procedures as stated under Roles & Responsibility in Safety and Health Committee Procedures. |
| Assessment Conclusion: | <p>Major NC Close Out</p> <ol style="list-style-type: none"> 1. Latest OSH Meeting has been conducted on 19/05/2022. Invitation to the meeting has been sent to the respective representative. Meeting conducted as per schedule. 2. ILO Assessment Checklist has been used to monitor and assess compliance of procedures. Latest monitoring was conducted on 17/02/2022. <p>Based on the above evidence, the major NC is closed effectively on 21/05/2022. Continuous implementation will be further verified in the next assessment.</p> |

| Non-Conformity Report | | | |
|------------------------------------|---|---|------------------------------------|
| NCR Ref #: | 2165781-202202-M3 | Issue Date: | 17/02/2022 |
| Due Date: | 17/05/2022 | Date of Closure: | 13/05/2022 |
| Area/Process: | Selangor Estate | Clause & Category: (Major / Minor) | MSPO 2530 Part 3: 4.5.3.2 Major |
| Requirements: | <ol style="list-style-type: none"> a) A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products. | | |
| Statement of Nonconformity: | Waste management plan and procedure was not effectively implemented. | | |
| Objective Evidence: | <p>During site visit at Sepang Estate, Main Division, it was found 10 units of used fluorescent (SW110) tube stored at the fertilizer store. These tubes were not identified and captured in the estate’s Waste Management Plan and Inventory of Schedule Waste for latest record on January 2022 respectively. It was not in line with Scheduled Wastes (Hazardous Waste) Management Procedure, SD/SDP/PSQM(ESH)/203-EN1, dated on 26/02/2015, under section 6.0: Requirement & Procedure, point 6.1.1; “OU shall identify all types of scheduled waste produced from the operational process by understanding the inputs into the waste stream e.g. referring to Material Safety Data Sheet (MSDS) or Chemical Safety Data Sheet (CSDS)”.</p> <p>During the site visit at Sepang Estate, Main Division Block P21 (immature area), it was found 1 unit of chemical container brand “Cypermethrin” left unattended.</p> | | |

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| | Further checked shows it contained water. It was no indicator showing the empty chemical container for premix container / pure chemical / clean water. It was not in line with Scheduled Wastes (Hazardous Waste) Management Procedure, SD/SDP/PSQM(ESH)203-EN1, dated on 26/02/2015, under section 6.0 Requirement & Procedure, point no 6.6 Treatment & Disposal, 6.6.11 Management of Class 2 (and higher) Chemical Container; "All class 2 and above chemical container shall be triple rinsed, make hole at the bottom, only if the waste generator is to disposes as non-scheduled wastes. On the other hand, if the containers are to be disposed as scheduled wastes, no washing & triple rinsing required. Disposal shall be by licenses scheduled waste contractors only". |
| Corrections: | <ol style="list-style-type: none"> 1. Management has identified the person who brought the item in the field and issue warning letter to contractor Thaylan Enterprise for using the chemical container without permission for the said accident. Appendix IV (1). The empty container will be collected and disposed as scheduled waste according to batches records. 2. To identify and register florescent tubes into waste management plan. The management have updated the notification waste for SW109 through E-SWIS application and will assign the contractor (3R Quest Sdn Bhd) for collection. Appendix IV (2). |
| Root cause analysis: | Insufficient training on implementation of waste management plan and procedure to the worker. |
| Corrective Actions: | <ol style="list-style-type: none"> 1. Estate will ensure the empty chemical container are not being used for any activities without permission by the management (PIC) 2. Practise bin card inventory check list for each of waste product (Empty chemical container) by division and submit to Manager for verification for each month 3. Estate management will ensure to do the proper marking on empty container for upkeep work used. 4. To communicate and emphasize on the consequences of using empty chemical container to the workers via social dialogue and during morning muster |
| Assessment Conclusion: | <p>Major NC Close Out</p> <ol style="list-style-type: none"> 1. Briefing on management of empty chemical container has been conducted during "Social Dialog Bersama Perwakilan Pekerja Ladang Sepang" dated 10/03/2022, Refer section II. 2. Bin card inventory of waste product has been monitored by person in-charge and verified by manager. Latest record sighted on 13/05/2022. 3. Proper marking for empty chemical container has been conducted and updated for premix container as per photo evidence. 4. Communication for emphasizing the consequence of empty chemical container has been conducted during "Social Dialog Bersama Perwakilan Pekerja Ladang Sepang" dated 10/03/2022, Refer section II. <p>Based on the above evidence, the major NC is closed effectively on 21/05/2022. Continuous implementation will be further verified in the next assessment.</p> |

| Non-Conformity Report | | | |
|------------------------------|-------------------|--------------------|------------|
| NCR Ref #: | 2165781-202202-N1 | Issue Date: | 17/02/2022 |

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| Due Date: | Next Surveillance | Date of Closure: | Next Surveillance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|---|---|-------------------------------------|------|-------------|------|----------------------|------|----------------------------|------|------------------------------|------|----------------------------|------|------------------|------|--------|-------------|--------------|------|-------------------|---------------|-----------|------|-------------------|---------------|-----------|------|-------------------|---------------|-----------|------|-------------------|---------------|-----------|
| Area/Process: | Selangor Estate | Clause & Category: (Major / Minor) | MSPO 2530 Part 3: 4.4.5.10 Minor | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Requirements: | 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. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statement of Nonconformity: | Mechanism on monitoring of other benefit given (HIS Incentive) was not effectively implemented. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Objective Evidence: | <p>A grievance was received from consultation made with the harvesting gang during field visit in Selangor Estate (Sungai Linau Division), revealed that the cutters were not getting payment of their newly implemented incentive schemes for harvesters.</p> <p>Trailing with the documented information found that effective from 15/11/2021, Selangor Estate has been selected as pilot site to implement the Harvesting Incentive Scheme (HIS) with incentives Allowance Codes as following:</p> <p>Code Description</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>A194</td> <td>Harvesting Incentive</td> </tr> <tr> <td>A195</td> <td>Harvesting Staff Incentive</td> </tr> <tr> <td>A196</td> <td>One-Off Introducer Incentive</td> </tr> <tr> <td>A197</td> <td>One-Off Training Incentive</td> </tr> <tr> <td>A198</td> <td>Cutter Incentive</td> </tr> </tbody> </table> <p>Where, based on certain criteria of pre-qualification such as outturn, quality and yield bracket tonnage etc., a cutter of harvesting gang are entitled for Code A194 and A198 incentives while the other harvesting operation workers such as carrier etc. are entitled for A194 incentive if all criteria fulfilled accordingly.</p> <p>Selangor Estate management has briefed the affected workers of the scheme on 18/11/2021 and were required to monitor the scheme for 90 days. Based on the records of December 2021 payslip for the harvesting gang sampled, it was found that two cutters were entitled and qualified for payment of Code A194 and A198 as following:</p> <ul style="list-style-type: none"> - Employee # 127686; M; Date joined: 10/11/2016; Cutter - Employee # 132827; M; Date joined: 17/4/2017; Cutter <p>Where based on the HIS analysis monitoring records, both cutters met both criteria of A194 and A198 and entitled as following:</p> <p>Code Cutter Eligibility RM Incentive</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Cutter</th> <th>Eligibility</th> <th>RM Incentive</th> </tr> </thead> <tbody> <tr> <td>A194</td> <td>Employee # 127686</td> <td>100% Eligible</td> <td>RM 400.00</td> </tr> <tr> <td>A194</td> <td>Employee # 132827</td> <td>100% Eligible</td> <td>RM 400.00</td> </tr> <tr> <td>A198</td> <td>Employee # 127686</td> <td>100% Eligible</td> <td>RM 250.00</td> </tr> <tr> <td>A198</td> <td>Employee # 132827</td> <td>100% Eligible</td> <td>RM 250.00</td> </tr> </tbody> </table> | | | Code | Description | A194 | Harvesting Incentive | A195 | Harvesting Staff Incentive | A196 | One-Off Introducer Incentive | A197 | One-Off Training Incentive | A198 | Cutter Incentive | Code | Cutter | Eligibility | RM Incentive | A194 | Employee # 127686 | 100% Eligible | RM 400.00 | A194 | Employee # 132827 | 100% Eligible | RM 400.00 | A198 | Employee # 127686 | 100% Eligible | RM 250.00 | A198 | Employee # 132827 | 100% Eligible | RM 250.00 |
| Code | Description | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A194 | Harvesting Incentive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A195 | Harvesting Staff Incentive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A196 | One-Off Introducer Incentive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A197 | One-Off Training Incentive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A198 | Cutter Incentive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Code | Cutter | Eligibility | RM Incentive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A194 | Employee # 127686 | 100% Eligible | RM 400.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A194 | Employee # 132827 | 100% Eligible | RM 400.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A198 | Employee # 127686 | 100% Eligible | RM 250.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A198 | Employee # 132827 | 100% Eligible | RM 250.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>However, the payslips reviewed for both cutters shown that only A198 incentive was paid for December 2021 although they were qualified. All other sampled harvesting gang workers were paid with their qualified incentives entitlement accordingly except for the sample cutters above. This confirmed the grievance of consulted workers was valid, hence, a non-compliance has been raised on the matter.</p> |
| Corrections: | <p>To issue notification letter to the affected workers and informed the worker that they will be reimbursed payment due to them in February 2022 wages.</p> <p>Briefed and explained to the workers on the underpaid payment for Harvesting Incentive in month of December 2021 done on 22/02/2022 together with workers representative.</p> <p>The workers will receive the payment by this month of February 2022 through bank account and not payment by cash. The briefing conducted to ensure the workers understood for the payment parameter. The payment made by the system in account code A194.</p> |
| Root cause analysis: | <p>The implementation of the HIS incentive is on a pilot phase and system input has not yet been fully automated, moreover implementation of the incentive has been fairly recent and the clerk carrying out manual input has not yet fully familiarize with the system inputs details hence subjected to human error.</p> |
| Corrective Actions: | <ol style="list-style-type: none"> OU to escalate this matter to Region HR for IT Checkroll team together with Group HR to put in place auto calculation and tighten the system controls when the full implementation of these incentives take place across all OUs in Malaysia Interim Additional monitoring and checking by assistant on the payment of HIS to each harvester eligible during month end closing before upload the worker's salary into the system and re-confirm back through payslip for each eligible workers. Strengthening of the understanding of the clerk carrying out the system inputs through additional refresher trainings. |
| Assessment Conclusion: | <p>The correction and corrective action are accepted. The evidence of effective implementation shall be verified in the next assessment visit.</p> |

| Opportunity For Improvement | | | |
|-----------------------------|--|----------------|---------------------------|
| Ref: | 2165781-202202-I1 | Clause: | MSPO 2530 Part 3: 4.5.4.2 |
| Area/Process: | Sepang Estate | | |
| Objective Evidence: | Management could improve on availability of prevention method at all workplace either fixed or temporary place that possibly having spill of chemicals, oil, and lubricant, etc. when conducting any operations related. | | |

| Opportunity For Improvement | | | |
|-----------------------------|-------------------|----------------|----------------------------|
| Ref: | 2165781-202202-I2 | Clause: | MSPO 2530 Part 3: 4.4.5.11 |
| Area/Process: | Sepang Estate | | |

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| Objective Evidence: | Housing Complex/Nest/Community Hall Weekly Inspections (PIQA) could be further improved and inspection criteria could include the requirements documented as per “Perjanjian Menduduki Rumah, Perumahan Sime Darby Plantation Berhad” |
|----------------------------|---|

| Noteworthy Positive Comments | |
|-------------------------------------|---|
| 1 | Good relationship being maintained with surrounding communities and stakeholders. |
| 2 | Good commitment from the management on maintaining the certification. |

3.3 Status of Nonconformities Previously Identified and OFI

| Non-Conformity Report | | | |
|------------------------------------|-----|---|----------------------|
| NCR Ref #: | N/A | Issue Date: | |
| Due Date: | | Date of Closure: | |
| Area/Process: | | Clause & Category: (Major / Minor) | MSPO Part __: |
| Clause: | | | |
| Requirements: | | | |
| Statement of Nonconformity: | | | |
| Objective Evidence: | | | |
| Corrections: | | | |
| Root cause analysis: | | | |
| Corrective Actions: | | | |
| Assessment Conclusion: | | | |
| Verification Statement: | | | |

| Opportunity For Improvement | | | |
|------------------------------------|--|----------------|-------------------------------|
| Ref: | 2031953-202103-I1 | Clause: | MSPO 2530 Part 4: 4.4.4.2 (g) |
| Area/Process: | East POM | | |
| Objective Evidence: | Related to frequency of Osh Meeting refer Part IV Section 21 OSHA Regulation 1996, management should consider other method or platform to conduct OSH committee meeting during new norm of COVID-19. | | |
| Verification Statement: | The Mill Management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees’ safety, health, and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. OSH Meeting Minutes for 01/2021 on 26/03/2021, 02/2021 on 26/06/2021, 03/2021 on 22/09/2021, and 04/2021 on 13/12/2021 available for verification. | | |

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| | However, Major NC was raised in this indicator due to new non-conformity found. |
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| Opportunity For Improvement | | | |
|--------------------------------|--|----------------|---------------------------|
| Ref: | 2031953-202103-I2 | Clause: | MSPO 2530 Part 3: 4.4.5.9 |
| Area/Process: | Sepang Estate | | |
| Objective Evidence: | The knowledge about the information in the workers’ pay slips among the staff at Sepang Estate can be further improved. | | |
| Verification Statement: | Briefing on pay slips has been conducted few times during muster call (e.g. dated 18/11/2021) including on new scheme (HIS). | | |

3.4 Summary of the Nonconformities and Status

| CAR Ref. | Clause & Category (Major / Minor) | Issued Date | Status & Date (Closure) |
|-------------------|-----------------------------------|-------------|-------------------------|
| 2165781-202202-M1 | Part 4: 4.4.4.2 - Major | 17/02/2022 | Closed on 21/05/2022 |
| 2165781-202202-M2 | Part 3: 4.4.4.2 - Major | 17/02/2022 | Closed on 21/05/2022 |
| 2165781-202202-M3 | Part 3: 4.5.3.2 - Major | 17/02/2022 | Closed on 21/05/2022 |
| 2165781-202202-N1 | Part 3: 4.4.5.10 - Minor | 17/02/2022 | Open |

3.5 Issues Raised by Stakeholders

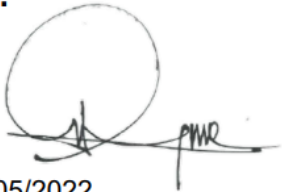

| IS # | Description |
|----------|--|
| 1 | <p>Issues: SJK(T) Sepang & SK Seri Lanang School representatives has informed; they have good relationship between school and estates management so far. Assistance from estates management such as grass cutting, transport for school childrens and etc was provided as per request. No negative issues raised.</p> <p>Management Responses: Estates management given commitment to continue good relationship with school and surrounding community.</p> <p>Audit Team Findings: No further action required.</p> |
| 2 | <p>Issues: Tanjung Mas Head Village & Kg. Seri Cheeding Village representatives informed good relationship between school and estates management. Contribution such as grass cutting, mosque programme and etc was provided by estates as per request. No negative issues raised.</p> <p>Management Responses: Estates management will continue good relationship with school and surrounding community.</p> |

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|---|---|
| | <p>Audit Team Findings: No further action required.</p> |
| 3 | <p>Issues: Tiong Ying Enterprise, G.S.P. Letchumy Sdn. Bhd., Muniandy Engineering Works Contractors has given positive feedbacks on business opportunities, payment terms and cooperation from staff. No negative issues raised.</p> |
| | <p>Management Responses: Estates management will continue good relationship with contractors.</p> |
| | <p>Audit Team Findings: No further action required.</p> |
| 4 | <p>Issues: Workers & NUPW representative Workers and NUPW representatives have given positive feedback with the facilities within the housing complex and etc.</p> |
| | <p>Management Responses: Estates management will continue to provide trainings and improve the facilities and workers welfare.</p> |
| | <p>Audit Team Findings: No further action required</p> |

3.6 List of Stakeholders Contacted

| | |
|---|---|
| <p>Government Officer: SJK(T) Sepang SK Seri Lanang</p> | <p>Community/neighbouring village: Tanjung Mas Head Village Kg. Seri Cheeding</p> |
| <p>Suppliers/Contractors/Vendors: Tiong Ying Enterprise G.S.P. Letchumy Sdn. Bhd. Muniandy Engineering Works</p> | <p>Worker's Representative/Gender Committee: NUPW Sungai Buaya Division Sungai Gappin Division</p> |

Section 4: Assessment Conclusion and Recommendation

| Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings | |
|--|---|
| Based on the findings during the assessment <i>Sime Darby SOU 8 East POM and Supply Bases</i> Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of <i>Sime Darby SOU 8 East POM and Supply Bases</i> Certification Unit is approved and continued. | |
| Acknowledgement of Assessment Findings | Report Prepared by |
| Name: RAYME HASHIM | Name: NOR HALIS ABU ZAR |
| Company name: SIME DARBY PLANTATION BERHAD | Company name: BSI SERVICES MALAYSIA SDN BHD |
| Title: SENIOR MANAGER | Title: CLIENT MANAGER |
| Signature:  Date: 23/05/2022 | Signature:  Date: 21/05/2022 |

Appendix A: Summary of the findings by Principles and Criteria

A) MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for 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 | The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit. The internal audit | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | further improvement. - Major compliance - | <p>schedule for 2021 has been planned and communicated by Regional SQM to all central west region Estates and Mills.</p> <p><u>Dusun Durian Estate</u></p> <p>Internal audit for RSPO/MSPO was conducted on 08/12/2021</p> <p>With 3 major nonconformance and 3 OFIs were raised. The internal audit had covered all the MSPO MS2530-3:2013 elements. It was conducted by 4 auditors from an internal department called GSD Malaysia and Central East RSQM. There were 0 Major, 4 Minor NCR and 1 OFI raised as a result of the internal audit. The estate has closed all the NCRs.</p> <p><u>Sepang Estate</u></p> <p>The last internal audit for sustainable palm oil was conducted on 05/01/2022. The internal audit had covered all the MSPO MS2530-3:2013 elements. It was conducted by 4 auditors from Sustainability Compliance Unit, Group Sustainability Department. There were 3 Major, 1 Minor NCR and 1 OFI raised as a result of the internal audit. The estate has completed the correction and corrective action of the NCRs.</p> | |
| 4.1.2.2 | The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance - | The internal audit report dated 08/12/2021 (Dusun Durian Estate) and 05/01/2022 (Sepang Estate) had included root cause analysis and corrective action plan. Based on the identified root cause recorded in the internal audit report, generally it has guided the organisation to provide effective corrections and corrective actions in order to prevent recurrence of non-conformity. | Complied |
| 4.1.2.3 | Report shall be made available to the management for their review. - Major compliance - | The internal audit reports for the sampled estates were available and have also been one of the agenda discussed in the management review. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance | |
|--|---|---|-----------------|
| Criterion 4.1.3 – Management Review | | | |
| <p>4.1.3.1</p> | <p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p> | <p>There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year.</p> <p><u>Dusun Durian Estate</u> Management Review was conducted on 13/01/2022 which was chaired by the Estate Manager and attended by 16 key personnel.</p> <p><u>Sepang Estate</u> Management Review was conducted on 09/02/2022 which was chaired by the Sr. Estate Manager and attended by 08 key personnel.</p> <p>Based on the minutes of meeting, among the agendas discussed were:</p> <ul style="list-style-type: none"> – Results of the internal audits covering RSPO and MSPO SCCS – Customer feedback – Status of preventive and corrective actions – Follow up action from management review – Changes that could affect the management system – Recommendations for improvement – Improvement of the effectiveness of the management system – Resources needs | <p>Complied</p> |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|--|---|---|------------|-------------|-----------|-----------------|--|------|-----------------|---|------|--|---|------|-----------------------------|---|------|----------|
| Criterion 4.1.4 – Continual Improvement | | | | | | | | | | | | | | | | | | |
| 4.1.4.1 | <p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p> | <p>The action plan for continual improvement with regards to social and environment impacts, and opportunities were available in the estates in various forms such as social action plan, environmental management plan, and CER Apex Milestone to name a few. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action.</p> <p>Sighted some of the plan as follow:</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Action plan</th> <th>Timeframe</th> </tr> </thead> <tbody> <tr> <td>Water catchment</td> <td>To ensure awareness and related safety signage is maintain at the site. To ensure no agrochemicals activities carried out within 2 metre around the water bodies.</td> <td>2022</td> </tr> <tr> <td>Water resources</td> <td>Water usage monitoring. Campaign on to save water.</td> <td>2022</td> </tr> <tr> <td>Handling of river pollution, water bodies & drainage system.</td> <td>To avoid garbage disposal, schedule waste item or chemical directly into drains or river nearby. To aware slope and river protection policy should be used as a guide.</td> <td>2022</td> </tr> <tr> <td>Air pollution from vehicles</td> <td>To frequently conduct maintenance on the vehicle used for complete combustion of the system in order to reduce air pollution.</td> <td>2022</td> </tr> </tbody> </table> | Issues | Action plan | Timeframe | Water catchment | To ensure awareness and related safety signage is maintain at the site. To ensure no agrochemicals activities carried out within 2 metre around the water bodies. | 2022 | Water resources | Water usage monitoring. Campaign on to save water. | 2022 | Handling of river pollution, water bodies & drainage system. | To avoid garbage disposal, schedule waste item or chemical directly into drains or river nearby. To aware slope and river protection policy should be used as a guide. | 2022 | Air pollution from vehicles | To frequently conduct maintenance on the vehicle used for complete combustion of the system in order to reduce air pollution. | 2022 | Complied |
| Issues | Action plan | Timeframe | | | | | | | | | | | | | | | | |
| Water catchment | To ensure awareness and related safety signage is maintain at the site. To ensure no agrochemicals activities carried out within 2 metre around the water bodies. | 2022 | | | | | | | | | | | | | | | | |
| Water resources | Water usage monitoring. Campaign on to save water. | 2022 | | | | | | | | | | | | | | | | |
| Handling of river pollution, water bodies & drainage system. | To avoid garbage disposal, schedule waste item or chemical directly into drains or river nearby. To aware slope and river protection policy should be used as a guide. | 2022 | | | | | | | | | | | | | | | | |
| Air pollution from vehicles | To frequently conduct maintenance on the vehicle used for complete combustion of the system in order to reduce air pollution. | 2022 | | | | | | | | | | | | | | | | |
| 4.1.4.2 | <p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p> | <p>The estate management developed annual training program to ensure the employees obtained related job skill and competent carrying out their work. Any new information or techniques will be slotted upon the approval from the manager.</p> | Complied | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| | | Sighted during the visit, the Sepang Estate implemented the usage of spreader to speed up the manuring activities (Mechanical Fertilizer Machine) and G Bag for loose fruit collection. | |
| 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 - | Any new technology and/or innovation equipment is subject to approval by Regional Offices and Headquarters. Any new information is updated to employees through morning briefings, memo, meetings, station training. Sepang Estate was using G-Bag for loose fruits collection, replacing the use of fertilizer bag. Another new technology used by Sepang Estate was the fertilizer spreader machine which can help to ease the fertilizer application with minimum manpower. | Complied |
| 4.2 Principle 2: Transparency | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements | | | |
| 4.2.1.1 | The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance - | The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Managers are responsible to address all communication and request for documentations that could be made available to public/stakeholders. | 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. - Major compliance - | Sime Darby Plantation Berhad continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | | estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantation Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx | |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance - | The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues. | Complied |
| 4.2.2.2 | A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance - | Estate Manager is responsible to deal with the external communication for the respective estates under their management as defined in the procedure. However, Estates Assistant Manager has been appointed as follows: <u>Dusun Durian Estate</u> An Assistant Manager (Alias Bin Kasman) has been nominated as Social Responsible Person to handle any issue related to social as per appointment letter dated 01/01/2021 approved by Estate Manager. <u>Sepang Estate</u> An Assistant Manager (Muhammad Redza B. Mat Rani) has been nominated as Social Responsible Person to handle any issue related to social as per appointment letter dated 01/01/2022 approved by Estate Manager. | Complied |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to input | List of stakeholders was available and updated on 01/01/2022 has included relevant stakeholders such as government agencies, local | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---------------------------------------|--|--|------------|
| | <p>from stakeholders should be properly maintained.</p> <p>- Major compliance -</p> | <p>authorities, clinics/hospital, embassy, contractor, suppliers, nearby villages and etc.</p> <p><u>Sepang Estate</u></p> <p>Stakeholder consultation with internal stakeholders were conducted through social dialogue twice a month (e.g. 10/02/2022 & 20/01/2022) with some issues raised such as internet & phone line issues, water quality issues and stray dogs issues. Consultation and communication with external stakeholders were conducted during briefing and meeting. There was no group stakeholder meeting conducted in 2021 due to Sepang Estate area has been totally lockdown twice in June and August 2021 due to COVID-19 cases reported.</p> <p><u>Dusun Durian Estate</u></p> <p>Stakeholder consultation was conducted on 17/11/2021 and attended by representative from school, contractor, TNB, BOMBA, Police, other government agencies and etc.</p> <p>The minutes of meeting was available for verification. Based on the minutes, issues raised were found to be well addressed.</p> | |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | <p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p> | <p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The current traceability system is Sime Weigh System.</p> | Complied |
| 4.2.3.2 | <p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p> | <p>The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2018, issue no 5 dated April 2019 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of</p> | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|-----------------------|--|--|------------|---------------|---------------------|------|------------|------------|---------------|-------|--------|-----------|--------|--------|------------|------|------|----------|
| | | RSPO/ISCC/MSPO. The current traceability system is Sime Weigh System. Regular inspection was conducted on daily basis from checking by mandora, staff and verified by Assistant Manager and Manager. The document check roll, FFB daily production was referred. | | | | | | | | | | | | | | | | |
| 4.2.3.3 | The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance - | The overall personal in charge for the traceability is the Estate Manager and this is addressed in the established procedure [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability]. Sighted appointment letter for Mr Mohd Shahbudin Mohd Fadzil dated 01/01/2022 for person in charge Environmental/Quality Management system for Sepang Estate. Sighted appointment letter for Mr Alias Kasman dated 01/01/2021 for person in charge Environmental/Quality Management system for Dusun Durian Estate. | Complied | | | | | | | | | | | | | | | |
| 4.2.3.4 | Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance - | Records of FFB sales & delivery including FFB Weighbridge Tickets together with FFB Delivery Note (DO Chit) and Daily Record (Daily FFB Despatch Summary Log Book) were maintained based on Standard Operating Procedure; Effective date: 2/5/2012; Chapter 7: Sales of Produce Ex-Estate/Mill Procedures; Section 7.1 FFB Sales and Despatches & Chapter 13: Retention of Documents which specified a minimum retention period of 7 years prior of disposal. Sighted samples record available as following: <u>November 2021</u> <table border="1" data-bbox="1048 1209 1839 1361"> <thead> <tr> <th>Detail FFB</th> <th>Sepang Estate</th> <th>Dusun Durian Estate</th> </tr> </thead> <tbody> <tr> <td>Date</td> <td>25/11/2021</td> <td>30/11/2021</td> </tr> <tr> <td>DO / Chit No.</td> <td>36183</td> <td>211462</td> </tr> <tr> <td>Lorry No.</td> <td>JBE950</td> <td>CF8495</td> </tr> <tr> <td>Weight, MT</td> <td>8.95</td> <td>6.13</td> </tr> </tbody> </table> | Detail FFB | Sepang Estate | Dusun Durian Estate | Date | 25/11/2021 | 30/11/2021 | DO / Chit No. | 36183 | 211462 | Lorry No. | JBE950 | CF8495 | Weight, MT | 8.95 | 6.13 | Complied |
| Detail FFB | Sepang Estate | Dusun Durian Estate | | | | | | | | | | | | | | | | |
| Date | 25/11/2021 | 30/11/2021 | | | | | | | | | | | | | | | | |
| DO / Chit No. | 36183 | 211462 | | | | | | | | | | | | | | | | |
| Lorry No. | JBE950 | CF8495 | | | | | | | | | | | | | | | | |
| Weight, MT | 8.95 | 6.13 | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|--|--|---|------------|---------------|---------------------|------|------------|------------|---------------|-------|--------|-----------|---------|---------|------------|------|------|--|
| | | <p>January 2022</p> <table border="1"> <tr> <td>Detail FFB</td> <td>Sepang Estate</td> <td>Dusun Durian Estate</td> </tr> <tr> <td>Date</td> <td>25/01/2022</td> <td>28/01/2022</td> </tr> <tr> <td>DO / Chit No.</td> <td>36665</td> <td>213043</td> </tr> <tr> <td>Lorry No.</td> <td>WCQ2436</td> <td>WAW1024</td> </tr> <tr> <td>Weight, MT</td> <td>8.12</td> <td>4.52</td> </tr> </table> | Detail FFB | Sepang Estate | Dusun Durian Estate | Date | 25/01/2022 | 28/01/2022 | DO / Chit No. | 36665 | 213043 | Lorry No. | WCQ2436 | WAW1024 | Weight, MT | 8.12 | 4.52 | |
| Detail FFB | Sepang Estate | Dusun Durian Estate | | | | | | | | | | | | | | | | |
| Date | 25/01/2022 | 28/01/2022 | | | | | | | | | | | | | | | | |
| DO / Chit No. | 36665 | 213043 | | | | | | | | | | | | | | | | |
| Lorry No. | WCQ2436 | WAW1024 | | | | | | | | | | | | | | | | |
| Weight, MT | 8.12 | 4.52 | | | | | | | | | | | | | | | | |
| 4.3 Principle 3: Compliance to legal requirements | | | | | | | | | | | | | | | | | | |
| Criterion 4.3.1 – Regulatory requirements | | | | | | | | | | | | | | | | | | |
| 4.3.1.1 | <p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p> | <p>Estates had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. Estates had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were:</p> <p><u>Sepang Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License no. (Main Division) 533267002000 valid until 30/09/2022 and (Sg Rawang) 533798002000 valid until 31/10/2022 2. Air Compressor permit no. SL PMT 81283. Valid until 14/01/2023 3. Air Compressor permit no. SL PMT 4705. Valid until 14/01/2023 4. Air Compressor permit no. SL PMT 36469. Valid until 14/01/2023 5. Diesel permit no. SL(SPG) 10/20P(D) Serial Number: B001681. Valid until 01/12/2022 6. DOE License for Authorized Contractor for collecting Schedule waste with serial number: 003172 valid until 30/04/2022 <p><u>Dusun Durian Estate</u></p> | Complied | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|------------|
| | | <ol style="list-style-type: none"> 1. MPOB License no. 563441011000 valid until 30/04/2022. 2. Air compressor SL PMT 28263 valid until 01/05/2022 3. Air compressor SL PMT 28377 valid until 23/02/2022 4. Air compressor SL PMT 28376 valid until 23/02/2022 5. Diesel permit no. B.PGK.SEL/01375 Serial Number: B005408. Valid until 12/01/2024 <p><u>Both</u></p> <ol style="list-style-type: none"> 1. Permission to deduct employees' salary for electric bill, ref.: BHG.PU/9/129 JLD 33(53), dated 06/07/2017, granted by JTK Putrajaya 2. Permission to allow overtime work for employees for more than 130 hours per month, ref.: BHG. PU/9/134 JLD 9(11) 3. Permission to deduct employees' salary for surau contribution, ref.: JTKS(E)6/115.Jld 39-15(2), dated 06/08/2018, granted by JTK Selangor 4. Permission to deduct employees' salary for Tabung Haji, Pinjaman Pembelian Motosikal, Insuran, Koperasi AMESU, Potongan Bayaran Utiliti, ref.: JTKS(E)6/115.Jld53-08(2), dated 10/09/2019, granted by JTK Putrajaya | |
| 4.3.1.2 | <p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008. Refer document LORR Legal and Other Requirement for East Estate and Sepang Estate updated on January 2022.</p> <p>Sighted sample of new laws and regulation.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| | | <ol style="list-style-type: none"> 1. Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988 (Amendment 2020) 2. Minimum wages Order (Amendment 2020) 3. Workers Minimum Standard of Housing and Amenities Act 1990 (Amendment 2020) | |
| 4.3.1.3 | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p> | <p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU1. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p> | Complied |
| 4.3.1.4 | <p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p> | <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | | Sighted appointment letter for Mr Ahmad Marzuki Bin Samsudin dated 01/01/2022 for person in charge Legal & Other Requirement Register (LORR) for Sepang Estate. Sighted appointment letter for Mr Alias Kasman dated 01/01/2021 for person in charge Legal & Other Requirement Register (LORR) for Dusun Durian Estate. | |
| Criterion 4.3.2 – Lands use rights | | | |
| 4.3.2.1 | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance - | There was no evidence that the management has diminished the land use rights of other users from their oil palm cultivation activities. | Complied |
| 4.3.2.2 | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance - | Both estates exhibit ownership of the land by providing quit rent paid to the land agency. Sepang: There are 42 land titles with a total of 3,213.5469 Ha, leased to Sime Darby Plantation Sdn Bhd. Meanwhile the land management department of Sime Darby Plantation Berhad is in the process of updating the ownership name from a few names of previous owners to SDPB. | Complied |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | Field visit to the site found that the estates has made trenches to demarcate the boundary between them and the smallholders & neighbouring estates. No encroachment of land was reported through interview with the smallholders. | Complied |
| 4.3.2.4 | Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). | There were no land disputes noted during the audit at Dusun Durian Estate and Sepang Estate as the company has the legal ownership documents which was under the Sime Darby Plantation Berhad. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| - Minor compliance - | | | |
| Criterion 4.3.3 – Customary rights | | | |
| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance - | There is no land encumbered by customary rights under East certification units estates. | N/A |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance - | There is no land encumbered by customary rights under East certification units estates. | N/A |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance - | There is no land encumbered by customary rights under East certification units estates. | 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 - | Initial Social Impact Assessment (SIA) was conducted by PSQM Department on 24-26/3/2014 & 23/5/2014 where it covered for the entire SOU 8 Complex. The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities, etc. The assessment has covered the areas of housing condition/ living improvement, working condition and etc. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | | Both estates audited has identified the Social Impact Assessment Management Plan FY2022 to monitor the implementation of the issues raised during assessment and stakeholder meetings. The plan has incorporated the action plan, person in charge and the status. Issues identified such as request black soil to mosque, gotong-royong, road repair, uncontrolled livestock, security control and etc | |
| 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 - | A Standard Operating Manual (SOM) was established and maintained. (Sime Darby Plantation Estate Quality Management System) and system for dealing with complaints and grievance was defined in Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication, version 2, issue 0, dated 25/5/2015. The complaints and grievances are open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback (Clause 6.3 of the procedure) and within one week of the completion of the investigation, for communication required investigation. | Complied |
| 4.4.2.2 | The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance - | Based on the records of complaints, it was verified that all complaints and action able to be resolved in effective, timely and appropriate manner. Verification of resolution by the Assistant Manager and Manager sighted. | Complied |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance - | Both sampled estates are using complaint forms and mobile apps to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 4.4.2.4 | <p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p> | <p>Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions.</p> <p>Employees are aware that complaints can be made through "Suara Kami" & Worker helpline - Ulula portal (toll free – 1800819741 or Whatsapp +60162991411) for grievance), Whistleblowing (through website) "Oil Palm Poll (OPP)", communication book/morning briefing and Social Dialog.</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 including the resolution for the past 24 months were still available to affected stakeholders upon request.</p> | Complied |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | <p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p> | <p>Contribution to local development was verified such as:</p> <p><u>Sepang Estate</u></p> <ul style="list-style-type: none"> • Upgrading telephone & internet line • Catching stray dogs with MPS on 04/02/2022 • Medical check-up for workers more than 40 years old on 08/02/2022 • Repair of temple at Main Div., Sg. Rawang Division and Sg. Linau Division • Monetary contribution for Ponggal celebration • Topsoil for mosque activities <p><u>Dusun Durian Estate</u></p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|----------------------|
| | | <ul style="list-style-type: none"> Grass cutting near to the school drainage on 12/11/2021 | |
| Criterion 4.4.4: Employees safety and health | | | |
| 4.4.4.1 | <p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH Risk Management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p> | Complied |
| 4.4.4.2 | <p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ol style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied | <p>The occupational safety and health plan cover the following:</p> <p>a) Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the staffs and workers through induction training for new workers, morning briefing and displayed at various notice boards within the estate. The policy has been briefed to all workers on:</p> <ul style="list-style-type: none"> Dusun Durian Estate: 25/11/2021 Sepang Estate: 18/02/2021 <p>b) Sime Darby Plantation Berhad have established Standard Operating Procedure for Risk Assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a. Estates sampled have conducted risk</p> | Major Non-Conformity |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|------------|
| <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <p>assessments for all the operations and documented in the Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. Among the activities verified in the HIRARC included Loading FFB, P&D Circle Application, Harvesting (Carriers), Gardening, etc.</p> <p>HIRARC is reviewed on annually and as and when there are any accidents that occur in the estate. Verified the latest review of HIRARC for the estates as below.</p> <ul style="list-style-type: none"> • Dusun Durian Estate: 24/11/2021 – Harvesting & 24/11/2021 - Manuring • Sepang Estate: 10/12/2021 – Harvesting & 13/11/2021 - Spraying. <p>Chemical Health Risk Assessment was conducted in compliance to the OSHA Act 1994 and the Use and Standard of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000 to assess the risks associated to hazardous chemicals used in the estate. The CHRA reports were available in the sampled estates as below:</p> <ul style="list-style-type: none"> • Dusun Durian Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/09/ASS/00/124 – 2020/0045) conducted by Global Advance Training and Consultancy (DOSH Registration: HQ/09/ASS/00/124) on 12/11/2020. • Sepang Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/09/ASS/00/124) – 2020/0043 conducted by Global Advance Training and Consultancy (DOSH Registration: HQ/09/ASS/00/124) on 11/10/2020. <p>Medical Surveillance was conducted for workers exposed to chemicals and welding fumes in the estate as recommended in the CHRA. The</p> | |

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| | <p>medical surveillance was conducted to monitor the level of exposure on the workers towards the chemicals and fumes.</p> <ul style="list-style-type: none"> <p><u>Sepang Estate</u></p> <p>Medical Surveillance was conducted from 21/01/2022 at Pantai Premier Pathology for 45 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals and fumes. Results have not been obtained yet by the estate.</p> <p><u>Dusun Durian Estate</u></p> <p>Medical Surveillance was conducted from 30/12/2021 by Klinik Faridah, Selangor for 25 workers exposed to pesticides and organophosphate in the estate. Results indicated that all workers were fit to work with no major underlying conditions.</p> <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019 in the estates. The NRA Reports were available in the sampled estates as below.</p> <ul style="list-style-type: none"> <p>Sepang Estate – Assessment conducted on 10/08/2020 by Procoma Environmental (M) Sdn Bhd. The assessment report was available for verification.</p> <p>Dusun Durian Estate – Assessment conducted on 30/10/2021 by Renash Solution (M) Sdn Bhd. The assessment report (Ref. No: SL/04/04/425) was available for verification.</p> <p>Audiometric Test was conducted in the estates as per the recommendation in the Noise Risk Assessment as below.</p> <ul style="list-style-type: none"> <p><u>Sepang Estate</u></p> | |

| Criterion / Indicator | Assessment Findings | Compliance |
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| | <p>There is no Audiometric Test conducted due to MCO. This issue has been captured in the internal audit dated 05/01/2022 and estate has taken an action on it. Audiometric test was planning to be conducted on March 2022. Quotation by Specialist Mobile safety Supplies Sdn Bhd dated 04/02/2022 has been documented.</p> <ul style="list-style-type: none"> • <u>Dusun Durian Estate</u> Audiometric Programme was conducted by Specialist Mobile Safety Supplies Sdn Bhd on 20/01/2022. A total of 24 workers had undergone the audiometric test. Report was yet to receive by the estates. <p>c) Estates sampled have established a training program for employees exposed to chemicals used at the palm oil estates to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager, and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows</p> <p><u>Dusun Durian Estate:</u></p> <ul style="list-style-type: none"> • Rat Baiting and Safety Training dated 17/02/2021, Spraying Training dated 21/11/2021 <p><u>Sepang Estate</u></p> <ul style="list-style-type: none"> • Spraying Technique by MyCorp dated 29/11/2021 <p>d) The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17/03/2008. Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> | |

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| | <p>PPE usage was not according to HIRARC Risk Control and SDS Recommendation. During the site visit to Dusun Durian Estate, Sg. Buaia Division at P04 B, it was found 3 workers who conducted rat baiting were wearing cotton gloves. It was not in line with HIRARC dated 2020 Section Pests & Diseases Risk Control "Safety Awareness training, nitrile gloves, wellington boots, google" and SDS Ebor Baits dated April 2018 Section 8 (c) "Wear rubber gloves when handling the product". Thus, Major NC was raised.</p> <p>e) Standard Operating Procedures for Handling of Chemicals were available in several documents such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26/02/2015.</p> <p>f) <u>Sepang Estate</u> The Estate Manager, Mr Rosmadi Mohd Daud was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 01/11/2021 undersigned by the Regional CEO, Central East Region. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p><u>Dusun Durian Estate</u> The Estate Manager, Mr Amirudin Said was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 01/11/2021 undersigned by the Regional CEO, Central East Region. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> | |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|---------------------|---------------|---------------------|------|--|--|-------------------------|-----------|------------|-------------------------|---|------------|-------------------------|---|---|-------------------------|------------|---|------|--|--|-------------------------|------------|---|--|
| | <p>g) The management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees' safety, health and welfare such as operational risks and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the OSH Meeting Minutes dated as follows:</p> <table border="1" data-bbox="1099 667 1850 911"> <thead> <tr> <th>Meeting</th> <th>Sepang Estate</th> <th>Dusun Durian Estate</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">2021</td> </tr> <tr> <td>1st Quarter</td> <td>Postponed</td> <td>24/01/2021</td> </tr> <tr> <td>2nd Quarter</td> <td>-</td> <td>18/11/2021</td> </tr> <tr> <td>3rd Quarter</td> <td>-</td> <td>-</td> </tr> <tr> <td>4th Quarter</td> <td>08/12/2021</td> <td>-</td> </tr> <tr> <td colspan="3" style="text-align: center;">2022</td> </tr> <tr> <td>1st Quarter</td> <td>14/02/2022</td> <td>-</td> </tr> </tbody> </table> <p>Safety Meeting was not conducted accordingly. During verification of OSH Minutes of meeting of Sepang estate, 1st Quarter meeting has been planned but postponed due to EMCO as per letter dated 04/02/2021. OSH Meeting has been conducted on 08/12/2021. For Dusun Durian Estate, 1st Quarter and 3rd Quarter meeting has been planned but postponed due to MCO as per letter dated 13/01/2021 and 05/07/2021. OSH Meeting has been conducted on 20/04/2021 and 18/11/2021 respectively. As per new FAQ by DOSH "Soalan Lazim Berkaitan Perintah Kawalan Pergerakan JKPP Bil. 1 dated 30/04/2020" stated 2 options which is "Melaksanakan mesyuarat menggunakan kaedah alternatif seperti telesidang" atau "Tangguh dan adakan mesyuarat selepas tempoh PKP berakhir", "Namun majikan perlu memastikan mesyuarat JKK dijalankan sekurang-kurangnya 4 kali</p> | Meeting | Sepang Estate | Dusun Durian Estate | 2021 | | | 1 st Quarter | Postponed | 24/01/2021 | 2 nd Quarter | - | 18/11/2021 | 3 rd Quarter | - | - | 4 th Quarter | 08/12/2021 | - | 2022 | | | 1 st Quarter | 14/02/2022 | - | |
| Meeting | Sepang Estate | Dusun Durian Estate | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 st Quarter | Postponed | 24/01/2021 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 nd Quarter | - | 18/11/2021 | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 rd Quarter | - | - | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 th Quarter | 08/12/2021 | - | | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 st Quarter | 14/02/2022 | - | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
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| | <p>setahun dan di minitkan satu persatu". MCO at Sepang Estate commences on June 2021 and August 2021 however, only 1 OSH meeting recorded for the year 2021. For Dusun Durian Estate, MCO on January 2021 and July 2021 however only 2 OSH Meeting conducted. It was not in line with OSH Act 1994, Regulation 21 Frequency of meeting of committee. Thus, Major NC was raised.</p> <p>h) Accident and Emergency procedures were available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01/07/2012.</p> <p>The estates have established Emergency Response Team lead by the Estate Managers. The ERT chart and Fire Extinguisher Map was also available and verified.</p> <p>Emergency Response Training was conducted as below:</p> <p><u>Dusun Durian Estate</u></p> <ul style="list-style-type: none"> • CPR, First Aid, Choking Training dated 15/12/2021 <p><u>Sepang Estate</u></p> <ul style="list-style-type: none"> • Fire Drill & Safety Training dated 26/01/2022 By BOMBA <p>i) First aiders were assigned to various workstation at the estates. The mandores and staffs were responsible for first aid boxes at each workstation assigned to them by the management. The first aid box was recently replenished with all stated items available in the box. First Aid trainings were conducted regularly at the sampled estates and documents of trainings were verified as below.</p> <p>Dusun Durian Estate: 15/12/2021 Sepang Estate: 29/01/2022</p> <p>j) The estates sampled recorded all accidents reports and reported to</p> | |

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| | | <p>HQ using the PSQM-ESH Monthly update form via online through GSQM ESH Portal. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p><u>Sepang Estate</u></p> <p>There were 7 accidents (157 Days LTA) case for the year 2021 reported in the estate. The JKKP 8 form has been submitted to DOSH for the year ending 2021 on 03/01/2022 and documents available for verification.</p> <p>For the year 2022 there were 1 accident cases reported with 3 Medical Leaves recorded. Accident investigations, HIRARC Review and Retraining records were available for verification.</p> <p><u>Dusun Durian Estate</u></p> <p>There were 2 accidents (78 Days LTA) case for the year 2021 reported in the estate. The JKKP 8 form has been submitted to DOSH for the year ending 2021 on 17/01/2022 and documents available for verification.</p> <p>For the year 2022 there were no accident cases reported.</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 incorporated its policy on human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Awareness on this policy was given to the employees through briefing during RSPO and MSPO trainings.</p> <p>Sime Darby Plantation Berhad has established "Human Rights Charter" in 2020 which has included the commitment as follows</p> <ul style="list-style-type: none"> Engage and empower communities for inclusive development | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | | <ul style="list-style-type: none"> • Respect and Uphold Labour Rights • Respect and Uphold Children’s Rights • Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons | |
| 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 established “Human Rights Charter” in 2020 which has include the commitment to respect and uphold labour rights (clause 3.2.5) on “Promoting 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 and will facilitate opportunities for advancement of the employees, especially women, by removing barriers to progress and respecting reproductive and maternal rights</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 contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.</p> <p>The employment contracts and payslip sampled is as follows: 0000003124, 0000003137, 0000069337, 0000122798, 0000122802, 0000133430, 0000069651, 0000089020, 0000089021, 0000102086, 000085538, 0000099378, 0000102213, 0000102214, 0000116943, 0000122800, 0000153333, 0000153339, 0000153965, 0000153955.</p> | Complied |
| 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>The management of both sampled estates ensured that the employees of the contractors are paid according to these standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | - Minor compliance - | <p>minimum standard and employment contract. The amount of EPF & SOCSO contributions were also included in the pay slips.</p> <p>Payslip verified on July 2021, Oct 2021, Jan 2022</p> <ol style="list-style-type: none"> 1. Tiong Ying Enterprise Sdn. Bhd. - 87xxxx-49-5xxx, 91xxxx-12-7xxx, 58xxxx-10-5xxx, 80xxxx-12-6xxx. 2. Chip Huat Excavator Works 84xxxx-10-5xxx, 76xxxx-10-5xxx, 3. Muniandy Engineering Works 84xxxx-10-5xxx for month of Oct 2021, Nov 2021, Dec 2021 <p>Dusun Durian Estate</p> <ol style="list-style-type: none"> 1. G.S.P Letchumy Sdn. Bhd. BX081xxxx, B053xxxx 2. Lim Beng Kiong – payment voucher no: a101 for workers ID 78xxxx-10-5xxx & B720xxxx | |
| 4.4.5.5 | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The estates have listed all their workers detail into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages and etc. The employment contract, copy of work permit and passport and induction training certificate were kept in the personal file.</p> | Complied |
| 4.4.5.6 | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> | <p>The employees that recruited by the estates are of local, Indonesians, Bangladeshi, Nepalese and Indians. They are all under direct employment to the estates. All of them have signed on the employment contract prior to work. Duration of contract/ probation period, position offered, wages, annual leave, allowances, etc. was stated in the employment contract. The employment contracts sampled is as follows:</p> <p>0000003124, 0000003137, 0000069337, 0000122798, 0000122802, 0000133430, 0000069651, 0000089020, 0000089021, 0000102086,</p> | Complied |

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| | | 000085538, 0000099378, 0000102213, 0000102214, 0000116943, 0000122800, 0000153333, 0000153339, 0000153965, 0000153955. | |
| 4.4.5.7 | The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance - | Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over. | Complied |
| 4.4.5.8 | The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance - | Document review on the SAP attendance recording system as well as payslip shown that the overtime payments are in accordance to law and workers have worked for overtime on their own choice. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. | Complied |
| 4.4.5.9 | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance - | Based on verification of the sampled workers' pay slips, the wage and overtime were paid according to the regulatory requirements and collective agreement. Below were the sampled workers ID number whom payslips for May 2021, Oct 2021 and Jan 2022 were verified: 0000003124, 0000003137,0000069337, 0000122798, 0000122802, 0000133430,0000069651, 0000089020, 0000089021, 0000102086, 000085538, 0000099378, 0000102213, 0000102214, 0000116943, 0000122800, 0000153333, 0000153339, 0000153965, 0000153955, | 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 - | Other forms of social benefits for workers is as follows: <ul style="list-style-type: none"> • free housing • subsidy for electricity and treated water • free medical treatment • price bonus | Minor Non-Conformity |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | |
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| | <p>A grievance was received from consultation made with the harvesting gang during field visit in Sepang Estate Sungai Linau Division revealed that the cutters not getting payment of their newly implemented incentive schemes for harvesters.</p> <p>Trailing with the documented information found that effective from 15/11/2021, Sepang Estate has been selected as pilot site to implement the Harvesting Investing Scheme (HIS) with incentives Allowance Codes as following:</p> <table border="1" data-bbox="1050 737 1839 922"> <thead> <tr> <th>Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>A194</td> <td>Harvesting Incentive</td> </tr> <tr> <td>A195</td> <td>Harvesting Staff Incentive</td> </tr> <tr> <td>A196</td> <td>One-Off Introducer Incentive</td> </tr> <tr> <td>A197</td> <td>One-Off Training Incentive</td> </tr> <tr> <td>A198</td> <td>Cutter Incentive</td> </tr> </tbody> </table> <p>Where, based on certain criteria of pre-qualification such as outturn, quality and yield bracket tonnage etc., a cutter of harvesting gang are entitled for Code A194 and A198 incentives while the other harvesting operation workers such as carrier etc. are entitled for A194 incentive if all criteria fulfilled accordingly. Sepang Estate management has briefed the affected workers of the scheme on 18/11/2021 and required to monitor for 90 days. Based on the records of December 2021 payslip for the harvesting gang sampled , it was found that two cutters were entitled and qualified for payment of Code A194 and A198 as following:</p> <ul style="list-style-type: none"> - Employee # 127686; M; Date joined: 10/11/2016; Cutter - Employee # 132827; M; Date joined: 17/4/2017; Cutter | Code | Description | A194 | Harvesting Incentive | A195 | Harvesting Staff Incentive | A196 | One-Off Introducer Incentive | A197 | One-Off Training Incentive | A198 | Cutter Incentive | |
| Code | Description | | | | | | | | | | | | | |
| A194 | Harvesting Incentive | | | | | | | | | | | | | |
| A195 | Harvesting Staff Incentive | | | | | | | | | | | | | |
| A196 | One-Off Introducer Incentive | | | | | | | | | | | | | |
| A197 | One-Off Training Incentive | | | | | | | | | | | | | |
| A198 | Cutter Incentive | | | | | | | | | | | | | |

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| | | <p>Where based on the HIS analysis monitoring records, both cutters met both criteria of A194 and A198 and entitled as following:</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Cutter</th> <th>Eligibility</th> <th>RM Incentive</th> </tr> </thead> <tbody> <tr> <td>A194</td> <td>Employee # 127686</td> <td>100% Eligible</td> <td>RM 400.00</td> </tr> <tr> <td>A194</td> <td>Employee # 132827</td> <td>100% Eligible</td> <td>RM 400.00</td> </tr> <tr> <td>A198</td> <td>Employee # 127686</td> <td>100% Eligible</td> <td>RM 250.00</td> </tr> <tr> <td>A198</td> <td>Employee # 132827</td> <td>100% Eligible</td> <td>RM 250.00</td> </tr> </tbody> </table> <p>However, the payslips reviewed for both cutters shown that only A198 incentive was paid for December 2021 although they were qualified. All other sampled harvesting gang workers were paid with their qualified incentives entitlement accordingly except for the sample cutters above. This confirmed the grievance of consulted workers was valid, hence, a Minor NC has been raised on the matter</p> | Code | Cutter | Eligibility | RM Incentive | A194 | Employee # 127686 | 100% Eligible | RM 400.00 | A194 | Employee # 132827 | 100% Eligible | RM 400.00 | A198 | Employee # 127686 | 100% Eligible | RM 250.00 | A198 | Employee # 132827 | 100% Eligible | RM 250.00 | |
| Code | Cutter | Eligibility | RM Incentive | | | | | | | | | | | | | | | | | | | | |
| A194 | Employee # 127686 | 100% Eligible | RM 400.00 | | | | | | | | | | | | | | | | | | | | |
| A194 | Employee # 132827 | 100% Eligible | RM 400.00 | | | | | | | | | | | | | | | | | | | | |
| A198 | Employee # 127686 | 100% Eligible | RM 250.00 | | | | | | | | | | | | | | | | | | | | |
| A198 | Employee # 132827 | 100% Eligible | RM 250.00 | | | | | | | | | | | | | | | | | | | | |
| 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 estate's management has provided free housing facilities to all the workers. Basic amenities such as water, football field, etc. were provided to the workers.</p> <p>Electricity which is obtained from the national grid is subsidised by the employer. The housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interview with the workers confirmed that they did not have any complain or grievance related to housing to be reported.</p> <p>Housing Complex/Nest/Community Hall Weekly Inspections (PIQA) could be further improved and inspection criteria could include the requirements documented in "Perjanjian Menduduki Rumah, Perumahan Sime Darby Plantation Berhad". Hence, an opportunity for improvement was raised.</p> | OFI | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|-----------------|
| <p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers at the estates showed no evidence of sexual harassment or violence happened so far.</p> | <p>Complied</p> |
| <p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they can join any trade union freely.</p> <p>For Sepang Estate, meeting with NUPW was conducted on 28/01/2022. Briefing was conducted on 23/03/2021</p> <p>For Dusun Durian Estate, Meeting minutes with NUPW is available with last meeting was conducted on 19/11/2021</p> | <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 established "Human Rights Charter" in 2020 which has included the commitment as follows</p> <ul style="list-style-type: none"> • Engage and empower communities for inclusive development • Respect and Uphold Labour Rights • Respect and Uphold Children's Rights • Protection of Human Rights Defenders, Whistle-blowers, Complainants and Community Spokespersons <p>Based on verification of workers list, there was no evidence that anyone below 18 years of age was recruited for employment.</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-----------------|------|------------------------|------------|---------------------|------------|---------------------|------------|-----------------|------------|-----------------------|------------|-----------------|------------|----------|------|-------------------|------------|---------------------|------------|-------------------|------------|-----------------|------------|----------------------------------|------------|-----------------|
| Criterion 4.4.6: Training and competency | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.4.6.1</p> | <p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p> | <p>East Certification Unit estates have established a training program for all workers based on the training need analysis conducted on a yearly basis. COVID-19 training and briefings were sighted for the estates. Interview with the sampled workers and staff indicated that they were aware on the SOP during the MCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below:</p> <p><u>Sepang Estate</u></p> <table border="1" data-bbox="1048 799 1877 1038"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>First Aid Box Training</td> <td>29/01/2022</td> </tr> <tr> <td>Fire Drill Training</td> <td>26/01/2022</td> </tr> <tr> <td>Spraying Techniques</td> <td>29/11/2021</td> </tr> <tr> <td>Policy Training</td> <td>18/02/2021</td> </tr> <tr> <td>COVID-19 SOP Training</td> <td>24/01/2022</td> </tr> <tr> <td>HIRARC Training</td> <td>08/12/2021</td> </tr> </tbody> </table> <p><u>Dusun Durian Estate</u></p> <table border="1" data-bbox="1048 1086 1877 1289"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Spraying Training</td> <td>24/11/2021</td> </tr> <tr> <td>Harvesting Training</td> <td>24/11/2021</td> </tr> <tr> <td>Manuring Training</td> <td>24/11/2021</td> </tr> <tr> <td>HIRARC Training</td> <td>27/11/2021</td> </tr> <tr> <td>First Aid, CPR, Choking Training</td> <td>15/12/2021</td> </tr> </tbody> </table> | Training | Date | First Aid Box Training | 29/01/2022 | Fire Drill Training | 26/01/2022 | Spraying Techniques | 29/11/2021 | Policy Training | 18/02/2021 | COVID-19 SOP Training | 24/01/2022 | HIRARC Training | 08/12/2021 | Training | Date | Spraying Training | 24/11/2021 | Harvesting Training | 24/11/2021 | Manuring Training | 24/11/2021 | HIRARC Training | 27/11/2021 | First Aid, CPR, Choking Training | 15/12/2021 | <p>Complied</p> |
| Training | Date | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| First Aid Box Training | 29/01/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire Drill Training | 26/01/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Spraying Techniques | 29/11/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Policy Training | 18/02/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COVID-19 SOP Training | 24/01/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HIRARC Training | 08/12/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Spraying Training | 24/11/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| First Aid, CPR, Choking Training | 15/12/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.4.6.2</p> | <p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to</p> | <p>The estates have conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type.</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | all employees based on their job description. - Major compliance - | Sighted the Estate: Recommended Training Needs for the year 2022 for all estates. | |
| 4.4.6.3 | A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance - | A training programme has been developed and available in the Annual Sustainability Programme 2022. The trainings were sighted to have been sub categorised to trainings on Environmental, GAP, SOP, Social and OSH. | Complied |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance - | Sime Darby Plantation Berhad has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020. In the Policy stated as follows: Group Sustainability and Quality Statement: Minimizing Environmental Harm: <ul style="list-style-type: none"> • Protecting and enhancing biodiversity and ecosystem • No deforestation and No new development on peat land • Enhancing resilience against climate change impact • Adopting responsible consumption and production The policy was communicated to the employees during the training session which were held on annual basis and during the morning briefing during the muster call. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| 4.5.1.2 | <p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad has established SOP for environmental impact assessment and documented in Estate Quality Management System, Standard Operation Manual sub-section 5.4 Planning, Appendix 5.4.1b: Environmental Aspect/Impact Evaluation Procedure, ver. 1, Issue no. 1 dated 01/11/2008.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.</p> <p>The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible.</p> | Complied |
| 4.5.1.3 | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p> | <p>Both estates visited has established Environmental Management Plan. The plan was reviewed by the mill management on annual basis. Sighted the scheduled waste management plan as one on the environment improvement plans were carry out to ensure the wastes were properly managed by the estate management.</p> | Complied |
| 4.5.1.4 | <p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p> | <p>Program to promote positive impact was documented in the Environmental Management Plan, under Waste & Pollution Prevention Plan. Among the positive impact sighted as below:</p> <ul style="list-style-type: none"> • To ensure all schedule wastes must be accordance as per legal requirement. • To provide regular inspection for estate vehicle for operation purposes. • To maintain oil trap as to prevent oil spillage and to provide proper spill kit. • To erect zero burning signage and conduct weekly housing inspection. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | | <ul style="list-style-type: none"> To organize preventive monitoring for contract vendor. | |
| 4.5.1.5 | <p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p> | <p>Regular training and briefing were conducted by the mill manager to the employees. Sighted the annual training program and records related to the environmental training and briefing (refer to indicator 4.4.6.1). Interview with the employees during the site visit indicated their good understanding regarding on the environmental issues.</p> | Complied |
| 4.5.1.6 | <p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p> | <p>The estate has organized regular meeting with employees to discuss issues related to the environment. Latest meeting was conducted on 09/02/2022, chaired by the Estate Manager and attended by 9 employees. Sighted the agendas discussed during the meeting were:</p> <ol style="list-style-type: none"> Opening by the chairman. Matters arising. Review on status/issues of input and output. Sustainability management. Changes that could affect the management system. Recommendations for improvement systems. Any other matters. <p>The minutes was prepared by the Estate Assistant Manager and approved by the Estate Manager.</p> | Complied |
| <p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p> | | | |

| 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 - | The estates visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Year</th> <th>FFB</th> <th>Diesel</th> <th>Electric</th> <th>Diesel/FFB</th> <th>Electric/FFB</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>53079.74</td> <td>87727</td> <td>467215</td> <td>1.65</td> <td>8.80</td> </tr> <tr> <td>2020</td> <td>52979.36</td> <td>70920</td> <td>468289.4</td> <td>1.34</td> <td>8.84</td> </tr> <tr> <td>2021</td> <td>50714.43</td> <td>67150</td> <td>453763.3</td> <td>1.32</td> <td>8.95</td> </tr> <tr> <td>2022</td> <td>2973</td> <td>4277</td> <td>25506.97</td> <td>1.44</td> <td>8.58</td> </tr> </tbody> </table> | Year | FFB | Diesel | Electric | Diesel/FFB | Electric/FFB | 2019 | 53079.74 | 87727 | 467215 | 1.65 | 8.80 | 2020 | 52979.36 | 70920 | 468289.4 | 1.34 | 8.84 | 2021 | 50714.43 | 67150 | 453763.3 | 1.32 | 8.95 | 2022 | 2973 | 4277 | 25506.97 | 1.44 | 8.58 | Complied |
| Year | FFB | Diesel | Electric | Diesel/FFB | Electric/FFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 53079.74 | 87727 | 467215 | 1.65 | 8.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 52979.36 | 70920 | 468289.4 | 1.34 | 8.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 50714.43 | 67150 | 453763.3 | 1.32 | 8.95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | 2973 | 4277 | 25506.97 | 1.44 | 8.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.2 | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance - | The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | No renewable energy used in both estates compound. | 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 - | Estate management has established Waste Management Procedure which classified the waste under 3 category, Schedule Waste, Domestic Waste and Industrial Waste. The estate management also had identified and documented the waste products and source of pollution. Sighted the plan as follow: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Type of Waste</th> <th>Item Description</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Scheduled Waste</td> <td>Scheduled waste</td> <td>As stipulated in PSQM SOP, SD/SDP/PSQM(ESH)203-EN1.</td> </tr> </tbody> </table> | Type of Waste | Item Description | Action to be taken | Scheduled Waste | Scheduled waste | As stipulated in PSQM SOP, SD/SDP/PSQM(ESH)203-EN1. | Complied | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of Waste | Item Description | Action to be taken | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Scheduled Waste | Scheduled waste | As stipulated in PSQM SOP, SD/SDP/PSQM(ESH)203-EN1. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | | | Compliance |
|-----------------------|--|---------------------|----------------|--|------------|
| | | | | <p>Comply to the EQ (Scheduled Waste) Regulation 2005 as follows:</p> <ul style="list-style-type: none"> a. Established list of scheduled waste generated. b. Notify DOE on all scheduled waste generated. c. Ensure of labelling of SW with appropriate label and code. d. Establish SW inventory. e. Establish information of the SW. f. Ensure disposal of schedule waste not more than <20Mt or 180 days. g. Reuse the empty chemical containers h. Monthly update in eSWIS system. | |
| | | Domestic Waste | Rubbish Sewage | <p>Allocate landfill 3km away from natural waterways and resident area. Provide adequate dustbins at the estate and line site area. Establish collection SOP Establish collection schedule Create awareness on hygiene amongst employees Regular monitoring on cleanliness and hygiene.</p> <p>Provide adequate washrooms at mills and estates. Arrange for sewage disposal by local municipal when necessary. Monitoring by supervision team.</p> | |
| | | Industrial Waste | EFB | Monitoring on collection & application. | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|-----------------------------|
| <p>4.5.3.2 A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p> | <p>Estate sampled has established management Plan base on the identification and source of pollutions and the documented in Waste management Plan FY 2022 and were available for review. In the management plan stated the type of waste, description, source of pollution, action to be taken and person responsible.</p> <p>Waste management plan and procedure was not effectively implemented.</p> <p>During site visit at Sepang Estate, Main Division, it was found 10 units of used fluorescent (SW110) tube stored at the fertilizer store. These tubes were not identified and captured in the estate’s Waste Management Plan and Inventory of Schedule Waste for latest record on January 2022 respectively. It was not in line with Scheduled Wastes (Hazardous Waste) Management Procedure, SD/SDP/PSQM(ESH)/203-EN1, dated on 26/02/2015, under section 6.0: Requirement & Procedure, point 6.1.1; “OU shall identify all types of scheduled waste produced from the operational process by understanding the inputs into the waste stream e.g. referring to Material Safety Data Sheet (MSDS) or Chemical Safety Data Sheet (CSDS)”.</p> <p>During the site visit at Sepang Estate, Main Division Block P21 (immature area), it was found 1 unit of an empty chemical container brand “Cypermethrin”. Further checked shows it contained water. It was no indicator showing the empty chemical container for premix container / pure chemical / clean water. It was not in line with Scheduled Wastes (Hazardous Waste) Management Procedure, SD/SDP/PSQM(ESH)203-EN1, dated on 26/02/2015, under section 6.0 Requirement & Procedure, point no 6.6 Treatment & Disposal, 6.6.1.1 Management of Class 2 (and higher) Chemical Container; “All class 2 and above chemical container shall be triple rinsed, make hole at the bottom only if the water generator is to disposes non-scheduled wastes. On the other hand, if the containers are to be disposed as scheduled wastes, no washing triple rinsing</p> | <p>Major Non-Conformity</p> |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|------------|
| | | required. Disposal shall be by licences scheduled waste contractors only". Thus, Major NC was raised. | |
| 4.5.3.3 | <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p> | <p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Estates also has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected, and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area. All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> | Complied |
| 4.5.3.4 | <p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p> | <p>Empty pesticides container was identified as recycle waste. All empty pesticides containers were triple rinse, puncture and stored at designated stored before disposed to licensed contractors, Malik Family Resources Technology Sdn Bhd. Latest disposal recorded on 23/11/2021.</p> | Complied |
| 4.5.3.5 | <p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p> | <p><u>Sepang Estate</u> Main Division and Sungai Linau Division disposed their domestic waste in the landfill at the block P01A1 while for Sungai Rawang Division the domestic waste disposed thru the municipal landfill.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | |
|--|---|--|----------------------|---------------------|------------|--|---|------|--|--|------|------------------------|--|------|------------------------------|--|------|-----------------|--|------|----------|
| | | <u>Dusun Durian Estate</u> Domestic waste was disposed to the landfill located at block 96K. | | | | | | | | | | | | | | | | | | | |
| 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 estate management has established Pollution Management Plan and assessed the potential of polluting the environment. Sighted the plan as below:</p> <table border="1"> <thead> <tr> <th>Environmental Issues</th> <th>Mitigating Measures</th> <th>Time Frame</th> </tr> </thead> <tbody> <tr> <td>Fuel and lubricant leakage discharged to the land.</td> <td>To do everyday basis inspection on every estate vehicle. To provide tray at the parking bay for all estate vehicles. To replace the vehicles component when needed.</td> <td>2022</td> </tr> <tr> <td>Chemical herbicides & pesticide spillage discharged to the land.</td> <td>To recollect water used at the chemical mixing area to be recycled during mixing. To construct containment sum at the chemical mixing area of a certain chemical.</td> <td>2022</td> </tr> <tr> <td>Dust polluted the air.</td> <td>To spray water along the office and workers quarters at the estate compound.</td> <td>2022</td> </tr> <tr> <td>Air pollution from vehicles.</td> <td>To frequently conduct maintenance on the vehicle in order to reduce air pollution.</td> <td>2022</td> </tr> <tr> <td>Waste handling.</td> <td>To ensure all SW are stored at the schedule waste store. To ensure all domestic wastes are collected. To encourage recycling practice.</td> <td>2022</td> </tr> </tbody> </table> | Environmental Issues | Mitigating Measures | Time Frame | Fuel and lubricant leakage discharged to the land. | To do everyday basis inspection on every estate vehicle. To provide tray at the parking bay for all estate vehicles. To replace the vehicles component when needed. | 2022 | Chemical herbicides & pesticide spillage discharged to the land. | To recollect water used at the chemical mixing area to be recycled during mixing. To construct containment sum at the chemical mixing area of a certain chemical. | 2022 | Dust polluted the air. | To spray water along the office and workers quarters at the estate compound. | 2022 | Air pollution from vehicles. | To frequently conduct maintenance on the vehicle in order to reduce air pollution. | 2022 | Waste handling. | To ensure all SW are stored at the schedule waste store. To ensure all domestic wastes are collected. To encourage recycling practice. | 2022 | Complied |
| Environmental Issues | Mitigating Measures | Time Frame | | | | | | | | | | | | | | | | | | | |
| Fuel and lubricant leakage discharged to the land. | To do everyday basis inspection on every estate vehicle. To provide tray at the parking bay for all estate vehicles. To replace the vehicles component when needed. | 2022 | | | | | | | | | | | | | | | | | | | |
| Chemical herbicides & pesticide spillage discharged to the land. | To recollect water used at the chemical mixing area to be recycled during mixing. To construct containment sum at the chemical mixing area of a certain chemical. | 2022 | | | | | | | | | | | | | | | | | | | |
| Dust polluted the air. | To spray water along the office and workers quarters at the estate compound. | 2022 | | | | | | | | | | | | | | | | | | | |
| Air pollution from vehicles. | To frequently conduct maintenance on the vehicle in order to reduce air pollution. | 2022 | | | | | | | | | | | | | | | | | | | |
| Waste handling. | To ensure all SW are stored at the schedule waste store. To ensure all domestic wastes are collected. To encourage recycling practice. | 2022 | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | | | Compliance | | | | | | | | | | | | |
|---|--|---|---|--|--------------------|-------------|-----|----------------------------|--|-----|-----------------|---|------------|----------------------|---|------------|----------|
| | | | To give awareness briefing among employees. | | | | | | | | | | | | | | |
| 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 identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan. Management could improve on availability of prevention method at all workplace either fixed or temporary place that possibly having spill of chemicals, oil, and lubricant, etc. when conducting any operations related. Thus, OFI was raised. | | | OFI | | | | | | | | | | | | |
| 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: <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. | Both estate managements had developed and established Water Management Plan for year 2022 which cover the Water Contingency Plan and Water Reduction Plan. The plan focusses on the monitoring water quality, contingency during water shortage, monitor usage of fresh water and reuse of water. Sighted the plan as follow: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Incidents / Issues</th> <th style="width: 50%;">Action Plan</th> <th style="width: 25%;">PIC</th> </tr> </thead> <tbody> <tr> <td>Water shortage / dry spell</td> <td>To purchase water supply from SYABAS. To train employees to take necessary steps to conserve water.</td> <td>All</td> </tr> <tr> <td>Water pollution</td> <td>To perform treatment on the water samples. To purchase water supply from SYABAS.</td> <td>Management</td> </tr> <tr> <td>Salt water intrusion</td> <td>Flushing out to be carried out during wet session. Construction screw gate to prevent salt water to field drain. Carry out inspection to identify any leakage of tide gate.</td> <td>Management</td> </tr> </tbody> </table> | | | Incidents / Issues | Action Plan | PIC | Water shortage / dry spell | To purchase water supply from SYABAS. To train employees to take necessary steps to conserve water. | All | Water pollution | To perform treatment on the water samples. To purchase water supply from SYABAS. | Management | Salt water intrusion | Flushing out to be carried out during wet session. Construction screw gate to prevent salt water to field drain. Carry out inspection to identify any leakage of tide gate. | Management | Complied |
| Incidents / Issues | Action Plan | PIC | | | | | | | | | | | | | | | |
| Water shortage / dry spell | To purchase water supply from SYABAS. To train employees to take necessary steps to conserve water. | All | | | | | | | | | | | | | | | |
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| Criterion / Indicator | | Assessment Findings | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|---|--|------------|------------|------|-------------|-----|---------------|------|--------|----------|-------|------|--------|----------|-------|------|--------|----------|-------|-------|-------|---------|-------|------|-------------|-----|---------------|------|-----------|----------|------|------|-----------|----------|------|------|
| | e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. - Major compliance - | Leakage on plumbing system | To report any broken, damage etc immediately Carry out inspection to identify any leakage of pipes. Fix leakages | Management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Handling of chemical | To recycled water spillage while mixing of chemical at mixing area. | All | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Education and awareness | Do not let water flowed during washing Water the plants in the early morning or late evening to avoid water loss through evaporation. Avoid using too much water to clean the outside the house edge. | All | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | a. Both estates acquired water supply from Syarikat Air Selangor (SYABAS). Water usage monitoring was conducted to ensure the water was fully utilize and reduce water wastage. <u>Sepang Estate</u> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Usage</th> <th>FFB</th> <th>Ratio (L/FFB)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>280662</td> <td>56031.74</td> <td>5.009</td> </tr> <tr> <td>2020</td> <td>328161</td> <td>55769.31</td> <td>5.884</td> </tr> <tr> <td>2021</td> <td>320060</td> <td>48721.93</td> <td>6.569</td> </tr> <tr> <td>2022*</td> <td>26122</td> <td>2962.45</td> <td>8.818</td> </tr> </tbody> </table> <p>*Record as at January 2022</p> <u>Dusun Durian Estate</u> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Usage</th> <th>FFB</th> <th>Ratio (L/FFB)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>201406.00</td> <td>53079.74</td> <td>3.79</td> </tr> <tr> <td>2020</td> <td>282484.20</td> <td>52981.65</td> <td>5.33</td> </tr> <tr> <td>2021</td> <td>140409.80</td> <td>47532.46</td> <td>2.95</td> </tr> </tbody> </table> | | | | Year | Total Usage | FFB | Ratio (L/FFB) | 2019 | 280662 | 56031.74 | 5.009 | 2020 | 328161 | 55769.31 | 5.884 | 2021 | 320060 | 48721.93 | 6.569 | 2022* | 26122 | 2962.45 | 8.818 | Year | Total Usage | FFB | Ratio (L/FFB) | 2019 | 201406.00 | 53079.74 | 3.79 | 2020 | 282484.20 | 52981.65 | 5.33 | 2021 |
| Year | Total Usage | FFB | Ratio (L/FFB) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Criterion / Indicator | | Assessment Findings | | | | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|---|-----|------------|----------|------------|-----------|----------|----|-----------|----------|---|--------|----------|---|------------|----------|---|---------|----------|---|--------|-------|---|-------|---------|---|------------|--------|---|-----|-------|---|-----------|--------|--|
| | | 2022* | N/A | N/A | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>b. Monitoring of outgoing water were done by sampling the water at the specific sampling point at each estate. The samples are taken for detection of any pollution arising from the mill and estate activities. Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water course. Among others, parameters as shown below:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Parameter</th> <th>Standard</th> <th>No</th> <th>Parameter</th> <th>Standard</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Aldrin</td> <td>0.02 ppb</td> <td>5</td> <td>Heptachlor</td> <td>0.05 ppb</td> </tr> <tr> <td>2</td> <td>Deldrin</td> <td>0.02 ppb</td> <td>6</td> <td>Indane</td> <td>2 ppb</td> </tr> <tr> <td>3</td> <td>t-DDT</td> <td>0.1 ppb</td> <td>7</td> <td>Endosulfan</td> <td>10 ppb</td> </tr> <tr> <td>4</td> <td>BHC</td> <td>2 ppb</td> <td>8</td> <td>Chlordane</td> <td>0.08pb</td> </tr> </tbody> </table> | | | | No | Parameter | Standard | No | Parameter | Standard | 1 | Aldrin | 0.02 ppb | 5 | Heptachlor | 0.05 ppb | 2 | Deldrin | 0.02 ppb | 6 | Indane | 2 ppb | 3 | t-DDT | 0.1 ppb | 7 | Endosulfan | 10 ppb | 4 | BHC | 2 ppb | 8 | Chlordane | 0.08pb | |
| No | Parameter | Standard | No | Parameter | Standard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Aldrin | 0.02 ppb | 5 | Heptachlor | 0.05 ppb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Deldrin | 0.02 ppb | 6 | Indane | 2 ppb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | t-DDT | 0.1 ppb | 7 | Endosulfan | 10 ppb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | BHC | 2 ppb | 8 | Chlordane | 0.08pb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>c. Both estates developed waste water management plan with objective to save and recycle the waste water from certain estate activities. The plan has outlined the source of waste water which come from chemical mixing area, workshop, line site & office and washrooms.</p> <p>d. No rivers were sighted crossing the estate compound except for field drain.</p> <p>e. Natural vegetation was sighted in a good condition along the field drain. Management has put signage at buffer zone area and do training for workers to create awareness for them</p> <p>f. No bore well is being use as water supply.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.5.2 | No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance - | Verified during site visit confirmed that there is no construction bunds, weirs and dams across main rivers or waterways (rivers) passing through an estate. | | | | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|------------|-------------|----------|----|-------------|-------|--|--|--|--|--------------|---|-----|-----|-----|-------------|---|----------------|-------|-------|---|-----------|-------|-------|---|--|-------|-------|---------------|---|-----------------|-----|-------|-------|--|--|--|--|-------------|---|---------------|------|-------|---|------------------|-------|-------|---|----------------|------|-------|----------|
| 4.5.5.3 | Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance - | Water harvesting technique such as Close Ended Conservation Trenches were sighted in the field during the site visit. | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.6.1 | Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance - | As per Addendum Report to HCV Re-Assessment for Selangor Central Zone: Strategic Operating Unit (SOU) 8 & 9 East & West Complex, Final Report ver III dated August & October 2020 by Plantation Sustainability Quality Management (PSQM) Department. <table border="1"> <thead> <tr> <th>Estate</th> <th>No</th> <th>HCV Area</th> <th>Ha</th> <th>Present HCV</th> </tr> </thead> <tbody> <tr> <td colspan="5" style="text-align: center;">SOU 8</td> </tr> <tr> <td>Dusun Durian</td> <td>1</td> <td>NIL</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td rowspan="3">East Estate</td> <td>2</td> <td>Mah Meri tribe</td> <td>0.815</td> <td>HCV 6</td> </tr> <tr> <td>3</td> <td>graveyard</td> <td>52.72</td> <td>HCV 4</td> </tr> <tr> <td>4</td> <td>Fridge mangroves Erosion control bund</td> <td>81.84</td> <td>HCV 4</td> </tr> <tr> <td>Sepang Estate</td> <td>5</td> <td>Water catchment</td> <td>2.0</td> <td>HCV 4</td> </tr> <tr> <td colspan="5" style="text-align: center;">SOU 9</td> </tr> <tr> <td rowspan="3">West Estate</td> <td>1</td> <td>Natural ponds</td> <td>4.79</td> <td>HCV 4</td> </tr> <tr> <td>2</td> <td>Fridge mangroves</td> <td>39.84</td> <td>HCV 4</td> </tr> <tr> <td>3</td> <td>Hatters castle</td> <td>1.12</td> <td>HCV 6</td> </tr> </tbody> </table> | Estate | No | HCV Area | Ha | Present HCV | SOU 8 | | | | | Dusun Durian | 1 | NIL | N/A | N/A | East Estate | 2 | Mah Meri tribe | 0.815 | HCV 6 | 3 | graveyard | 52.72 | HCV 4 | 4 | Fridge mangroves Erosion control bund | 81.84 | HCV 4 | Sepang Estate | 5 | Water catchment | 2.0 | HCV 4 | SOU 9 | | | | | West Estate | 1 | Natural ponds | 4.79 | HCV 4 | 2 | Fridge mangroves | 39.84 | HCV 4 | 3 | Hatters castle | 1.12 | HCV 6 | Complied |
| Estate | No | HCV Area | Ha | Present HCV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SOU 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dusun Durian | 1 | NIL | N/A | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| East Estate | 2 | Mah Meri tribe | 0.815 | HCV 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3 | graveyard | 52.72 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4 | Fridge mangroves Erosion control bund | 81.84 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sepang Estate | 5 | Water catchment | 2.0 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SOU 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| West Estate | 1 | Natural ponds | 4.79 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2 | Fridge mangroves | 39.84 | HCV 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3 | Hatters castle | 1.12 | HCV 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.6.2 | If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or | No RTE species were identified in the assessment conducted as per Addendum Report to HCV Re-Assessment for Selangor Central Zone: Strategic Operating Unit (SOU) 8 & 9 East & West Complex, Final Report ver: III dated August & October 2020 by Plantation Sustainability Quality Management (PSQM) Department. | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| | <p>collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p> | <p>The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report. Among the plan established:</p> <ol style="list-style-type: none"> 1. To ensure the signage is maintain at site and retrievable on map. 2. To update and monitor record of terracing. 3. To promote awareness on HCV. 4. To manage human wildlife conflict. 5. To maintain/enhance the biodiversity in the estate | |
| 4.5.6.3 | <p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p> | <p>The estates visited has established HCV/Biodiversity Management Plan base on the HCV identified in the report. Sighted the implementation of the plan as follow:</p> <ol style="list-style-type: none"> 1. Monitoring the HCV area on monthly basis. The monitoring covers on evidence of encroachment, wildlife issue, pollution, etc. 2. Sighted during site visit at the HCV area, the vegetation surrounding the water catchment area is well established. Signage on prohibition of no fishing, no hunting and no swimming was erected at the designated area along the HCV area. <p>Interview with the employees indicate their good understanding regarding on the HCV management.</p> | Complied |
| Criterion 4.5.7: Zero burning practices | | | |
| 4.5.7.1 | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p> | <p>The group has established Responsible Agriculture Charter, revised in 2020, stating that under section 3.2: Commitment Towards No Deforestation and New Development on Peat, paragraph 3.2.5: Zero use of fire for land preparation and establish effective monitoring and prevention as well as proactive firefighting measures within a reasonable radius beyond our operational boundaries.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| 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 - | Visit to the estates within estates confirmed that no previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop hence, no special approval been obtained so far. Hence this requirement is not applicable. | 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 - | Since no special approval been obtained so far for burning, hence this requirement is not applicable. | N/A |
| 4.5.7.4 | Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance - | All the previous palms shall be felled, chipped and windrowed as stated in the Agriculture Manual. Based on site visit at several fields at the sampled estates, there was no trace of open burning observed. | Complied |
| 4.6 Principle 6: Best Practices | | | |
| Criterion 4.6.1: Site Management | | | |
| 4.6.1.1 | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance - | Estates has a SOP which is SOP EQMS, Pictorial safety Standard, Estate Quality Management System and Agricultural Manual reference. Manual that covered planting material, nursery technique, replanting and preparation, planting density, canopy management and etc. was available for verification. Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units as a guidance document to conduct estate operation. Sime Darby Plantation Berhad has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | | <p>Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep. Refer PA visit to Sepang Estate on 17-19/03/2021. Refer Report SEP/SOU8/E/1/2021.</p> <p>Interview with workers and stakeholders confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.</p> | |
| 4.6.1.2 | <p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly. All estates had complied with this policy to not plant on slopes above 25° and Buffer Zone.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p> | Complied |
| 4.6.1.3 | <p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p> | <p>Estates audited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on signboards as sighted in the fields.</p> | Complied |
| Criterion 4.6.2: Economic and financial viability plan | | | |
| 4.6.2.1 | <p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p> | <p>Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2022 and business plan FY 2020 – FY 2024. In the 5 years business plan include items as follows:</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | |
|-----------------------|---|---|------------|-----------|-----------|-----------|-----------|-----------|--------|---|--------|--------|--------|--------|--------------|-------|---|-------|--------|-------|----------|
| | | a. Area statement. b. Crop (FFB) by year planting. c. Crop (FFB) monthly breakdown. d. 10 years replanting programs. e. Summary of replanting program by field. f. Detail of replanting by field. g. Executive/staff and workers requirement. h. Mature OP costing statement. i. General charges statement. j. Capital expenditure statement. k. Summary replanting cost to maturity. l. Replanting cost field by field. | | | | | | | | | | | | | | | | | | | |
| 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 - | Both estate management has scheduled long range replanting program as follow: <table border="1" data-bbox="1048 906 1850 1029"> <thead> <tr> <th>Estate</th> <th>2022 (ha)</th> <th>2023 (ha)</th> <th>2024 (ha)</th> <th>2025 (ha)</th> <th>2026 (ha)</th> </tr> </thead> <tbody> <tr> <td>Sepang</td> <td>0</td> <td>127.84</td> <td>222.55</td> <td>243.94</td> <td>277.36</td> </tr> <tr> <td>Dusun Durian</td> <td>34.26</td> <td>0</td> <td>83.33</td> <td>263.67</td> <td>38.06</td> </tr> </tbody> </table> | Estate | 2022 (ha) | 2023 (ha) | 2024 (ha) | 2025 (ha) | 2026 (ha) | Sepang | 0 | 127.84 | 222.55 | 243.94 | 277.36 | Dusun Durian | 34.26 | 0 | 83.33 | 263.67 | 38.06 | Complied |
| Estate | 2022 (ha) | 2023 (ha) | 2024 (ha) | 2025 (ha) | 2026 (ha) | | | | | | | | | | | | | | | | |
| Sepang | 0 | 127.84 | 222.55 | 243.94 | 277.36 | | | | | | | | | | | | | | | | |
| Dusun Durian | 34.26 | 0 | 83.33 | 263.67 | 38.06 | | | | | | | | | | | | | | | | |
| 4.6.2.3 | The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance - | This requirement is further elaborated under indicator 4.6.2.1 above. The estates management had a format and guidelines to formulate the returns on the field operations. This format was made available to the audit team and reviewed. | Complied | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 4.6.2.4 | <p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p> | <p>Monthly meeting was conducted to ensure the management plan was successfully implemented. Sighted the meeting minutes dated on 15/01/2022, chaired by the Estate Manager and attended the executives and staffs. Among the agenda discussed during the meeting were:</p> <ol style="list-style-type: none"> Introduction by the chairman. Presentation by the estate assistant manager on their monthly progress for estate activities. Reminder by the chairman to ensure safe working among the employees. Be ready for audit from the external party. <p>Besides, the estate management also received visit from Plantation Advisor dated on 17-19/03/2021. Next visit is programmed on March 2022.</p> | Complied |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | <p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p> | <p>Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 25/02/2021. - All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and representatives from HQ for major projects</p> | Complied |
| 4.6.3.2 | <p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p> | <p>The contract agreements between the management and the contractors were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.</p> <p>Contract Form was verified as follow: -</p> | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|------------------------------------|---|---|------------|
| | | <ul style="list-style-type: none"> Muniandy Engineering Works (Doc No: 4300568954 dated 06/01/2022) Tax invoice no: 1806272990 dated 31/12/2021 Tiong Ying Enterprise (Doc: 4300568774, dated 06/01/2022), Transport Rates Revision dated 28/12/2021, Invoice No: TYESB/DEC21/009 dated 03/01/2022 | |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | The understanding about MSPO requirements were given to the contractors through stakeholders' consultation meeting which is conducted from time to time. Apart from that, the requirement to perform their task in-line with the standard's requirements was also stipulated in the contract agreement or LOA. Based on interview with the sampled contractors, they have been made aware of this requirement by the management. | Complied |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Contract agreements between the estates and their contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between the company and the contractors were sampled for verification. (e.g. Contractor: YMA Trading (Ref No: CER/TD/011/2022-CER) dated 27/01/2022 for Supply & Delivery of Round Concrete Culvert, Contract Period: January – December 2022 acknowledged by Meghan Ang (YMA Trading) dated 28/01/2022). | Complied |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance - | There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | | This was verified as per letter dated 12/01/2022 acknowledged by GSP Letchumy on 14/01/2022, Tiong Ying Enterprise S/B dated 17/01/2022, Phua Tiong Hau dated 19/01/2022 and Chip Huat Excavator Works dated 02/02/2022. | |
| 4.6.4.4 | The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance - | All works performed by the contractors at the estates are checked and verified by the estate’s personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept. | Complied |
| 4.7 Principle 7: Development of new planting | | | |
| Criterion 4.7.1: High biodiversity value | | | |
| 4.7.1.1 | Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance - | There is no development of new planting at both visited estates. | N/A |
| 4.7.1.2 | No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance - | There is no development of new planting at both visited estates. | N/A |
| Criterion 4.7.2: Peat Land | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 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 visited 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 visited 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 visited estates. | N/A |
| 4.7.3.3 | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance - | There is no development of new planting at both visited 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 visited estates. | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| Criterion 4.7.4: Soil and topographic information | | | |
| 4.7.4.1 | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance - | There is no development of new planting at both visited 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 visited 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 visited estates. | N/A |
| 4.7.5.2 | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance - | There is no development of new planting at both visited 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 visited estates. | N/A |
| Criterion 4.7.6: Customary land | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| 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 visited 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 visited 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 visited estates. | N/A |
| 4.7.6.4 | The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance - | There is no development of new planting at both visited 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 visited estates. | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| 4.7.6.6 | A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance - | There is no development of new planting at both visited 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 visited 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 visited estates. | N/A |

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

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | Policy for the implementation of MSPO shall be established. - Major compliance - | 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. - Major compliance - | The Internal Audit Procedure (SD/SDP/PSQM/IAP) dated 01/11/2017 documented the process to conduct internal audit. The internal audit schedule for 2021 has been planned and | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| | | <p>communicated by Regional SQM to all central west region Estates and Mills.</p> <p>Latest RSPO & MSPO internal audit for East POM was conducted on 06/12/2021. The internal audit had covered all the MSPO MS2530-4:2013 elements by 4 auditors from Sustainability Compliance Unit, Group Sustainability Department (GSD). Total of 5 Major and 2 Minor nonconformances (consist of 1 Major NC and 1 Minor NC for MSPO and 3 Major NC for RSPO/MSPO SCCS) including 1 Opportunity for improvement (OFI) raised as a result of the internal audit. The mill has closed all the NCRs.</p> | |
| 4.1.2.2 | <p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p> | <p>The internal audit report dated 25/01/2021 had included root cause analysis and corrective action plan. Based on the identified root cause recorded in the internal audit report, generally it has guided the organisation to provide effective corrections and corrective actions in order to prevent recurrence of non-conformity.</p> <p>The root cause including correction and corrective action plan for the non-conformances raised during internal audit has been identified.</p> | Complied |
| 4.1.2.3 | <p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p> | <p>The internal audit report was available and have also been one of the agendas discussed in the management review.</p> | Complied |
| | | | |
| 4.1.3.1 | <p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p> | <p>There is a procedure for Management Review (SOM, Sub-Section 5.6, dated: 25/5/2015) to provide guidance on how to conduct management review. The frequency to carry out management review is at least once a year.</p> | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|--|--|--|------------|-----------------|----------------------|---------------|----------------|------|-------------|--------------------------|------|------------|---------------------------------|------|----------|--|------|----------|
| | | <p>The latest MSPO Management Review was conducted on 27/12/2021 which was chaired by the Mill Manager and attended by 11 key personnel. Based on the minutes of meeting, among the agendas discussed were:</p> <ul style="list-style-type: none"> - Results of the internal audits covering RSPO and MSPO SCCS - Customer feedback - Status of preventive and corrective actions - Follow up action from management review - Changes that could affect the management system - Recommendations for improvement - Improvement of the effectiveness of the management system - Resources needs | | | | | | | | | | | | | | | | |
| Criterion 4.1.4 – Continual Improvement | | | | | | | | | | | | | | | | | | |
| 4.1.4.1 | <p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p> | <p>The action plan for continual improvement with regards to social and environment impacts, and opportunities were available in the mill in various forms such as social action plan, environmental management plan, and master initiative list to name a few. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action. Sighted some of the plan as below:</p> <table border="1"> <thead> <tr> <th>Station</th> <th>Issues/Findings</th> <th>Target of Completion</th> </tr> </thead> <tbody> <tr> <td>FFB reception</td> <td>Ramp Extension</td> <td>2023</td> </tr> <tr> <td>Mill office</td> <td>New mill office building</td> <td>2023</td> </tr> <tr> <td>Sterilizer</td> <td>3 units sterilizer replacement.</td> <td>2022</td> </tr> <tr> <td>Oil room</td> <td>2 units sludge centrifuges as replacement.</td> <td>2022</td> </tr> </tbody> </table> | Station | Issues/Findings | Target of Completion | FFB reception | Ramp Extension | 2023 | Mill office | New mill office building | 2023 | Sterilizer | 3 units sterilizer replacement. | 2022 | Oil room | 2 units sludge centrifuges as replacement. | 2022 | Complied |
| Station | Issues/Findings | Target of Completion | | | | | | | | | | | | | | | | |
| FFB reception | Ramp Extension | 2023 | | | | | | | | | | | | | | | | |
| Mill office | New mill office building | 2023 | | | | | | | | | | | | | | | | |
| Sterilizer | 3 units sterilizer replacement. | 2022 | | | | | | | | | | | | | | | | |
| Oil room | 2 units sludge centrifuges as replacement. | 2022 | | | | | | | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | | | Compliance | |
|--|---|--|---------------------------|------|------------|--|
| | | Threshing | 1-unit thresher structure | drum | 2022 | |
| 4.1.4.2 | The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance - | Any new technology and/or innovation equipment is subject to approval by Regional Offices and Headquarters. Any new information is updated to employees through morning briefings, memo, meetings, station training. Where new technology or system are introduced, awareness briefing is provided to the employees at all levels prior to the implementation | | | Complied | |
| 4.2 Principle 2: Transparency | | | | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements | | | | | | |
| 4.2.1.1 | The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance - | The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders. | | | Complied | |
| 4.2.1.2 | The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance - | Sime Darby Plantation Berhad continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and | | | Complied | |

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|---|---|---|------------|
| | | grievances were available through Sime Darby Plantation Berhad website. | |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance - | The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues. | Complied |
| 4.2.2.2 | The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance - | As stated in the procedure, the Mill Manager is responsible to deal with the external communication for the respective estates under their management. Azni Rohaidah Bt A. Rahman (Admin Account Officer) and Rajeswary A/P Krishnan (Admin Asst) as per appointment letter dated 01/01/2021 approved by Mill Manager remain valid. | Complied |
| 4.2.2.3 | A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance - | List of stakeholders was updated on 01/02/2022. Meeting with stakeholders were conducted on 11/11/2021 attended by 81 stakeholders. Several issues raised such as request from school & community to repair fencing, drainage, streetlight, road condition and safety issues. Based on the minutes, issues raised were found to be well addressed. | 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 | East POM is receiving FFB mainly from it supply base - East Estate, Sepang Estate and West Estate. Nonetheless, East POM also | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|-----------------|
| <p>operation procedure for traceability.</p> <p>- Major compliance -</p> | <p>occasionally received crop from other POM's supply base under Sime Darby Plantation.</p> <p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment - Date of the shipment <p>For despatch of CPO & PK, the weighbridge ticket includes the following information to enable the customer to trace the CPO source: -</p> <ul style="list-style-type: none"> - Customer Name - Destination of the CPO - Product - DO number - PO number - Weight of the product. <p>There has been no FFB from other company received by East POM since the last assessment.</p> | |
| <p>4.2.3.2 The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p> | <p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> | <p>Complied</p> |

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|--|--|---|------------|----------|----------|------|------------|------------|----------|--------|--------|-----------|---------|---------|------------|----------|----------|--|----------|----------|------|------------|------------|----------|--------|--------|-----------|---------|---------|------------|----------|----------|----------|
| | | <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Mill Manager.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.2.3.3 | <p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p> | <p>Based on the company's traceability procedure, the overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description.</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.2.3.4 | <p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p> | <p>Records of CPO & PK sales & delivery including Weighbridge Tickets together with sales Delivery Note (DO Chit) and Daily Record (Daily CPO/PK Despatch Summary Logbook) were maintained based on Standard Operating Procedure. Sample of ticket as below: -</p> <p>CPO</p> <table border="1"> <thead> <tr> <th></th> <th>Sample 1</th> <th>Sample 2</th> </tr> </thead> <tbody> <tr> <td>Date</td> <td>11/02/2022</td> <td>09/02/2022</td> </tr> <tr> <td>Chit No.</td> <td>014189</td> <td>014179</td> </tr> <tr> <td>Lorry No.</td> <td>NBN6954</td> <td>NBW8073</td> </tr> <tr> <td>Weight, MT</td> <td>35.33 MT</td> <td>35.82 MT</td> </tr> </tbody> </table> <p>PK</p> <table border="1"> <thead> <tr> <th></th> <th>Sample 1</th> <th>Sample 2</th> </tr> </thead> <tbody> <tr> <td>Date</td> <td>29/01/2022</td> <td>13/01/2021</td> </tr> <tr> <td>Chit No.</td> <td>015384</td> <td>015349</td> </tr> <tr> <td>Lorry No.</td> <td>BPA9815</td> <td>BLV8186</td> </tr> <tr> <td>Weight, MT</td> <td>32.96 MT</td> <td>20.17 MT</td> </tr> </tbody> </table> | | Sample 1 | Sample 2 | Date | 11/02/2022 | 09/02/2022 | Chit No. | 014189 | 014179 | Lorry No. | NBN6954 | NBW8073 | Weight, MT | 35.33 MT | 35.82 MT | | Sample 1 | Sample 2 | Date | 29/01/2022 | 13/01/2021 | Chit No. | 015384 | 015349 | Lorry No. | BPA9815 | BLV8186 | Weight, MT | 32.96 MT | 20.17 MT | Complied |
| | Sample 1 | Sample 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | 11/02/2022 | 09/02/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chit No. | 014189 | 014179 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lorry No. | NBN6954 | NBW8073 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weight, MT | 35.33 MT | 35.82 MT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sample 1 | Sample 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | 29/01/2022 | 13/01/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chit No. | 015384 | 015349 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lorry No. | BPA9815 | BLV8186 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weight, MT | 32.96 MT | 20.17 MT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.3 Principle 3: Compliance to legal requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.3.1 – Regulatory requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| 4.3.1.1 | <p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p> | <p>East POM had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. Mill had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were: -</p> <ol style="list-style-type: none"> 1. MPOB License no. 533088004000 for processing 96000-ton FFB. Valid until 30/09/2022. 2. DOE License no. 001456. Valid until 30/06/2022 3. Jadwal Pematuhan AS(B)31/152/000/308 valid until 30/06/2022 4. Steriliser SL PMT 1069 valid until 21/02/2023 5. Steriliser SL PMT 1531 valid until 21/02/2023 6. Permit for OT Limit BHG.PU/9/134 Jld 21(2) valid until 30/05/2022 7. Suruhanjaya Tenaga No 46597 valid until 31/12/2022 8. Boiler SL PMD 80297 valid until 14/04/2022 9. Weighbridge DE18-010039 valid until 13/02/2023 10. "Permohonan Had Kerja Lebih Masa Di Bawah Seksyen 60A(4)(a) Akta Kerja 1955" from JTK on 31/05/2019. Refer BHG.PU/9/134 Jld 2.1(2). | Complied |
| 4.3.1.2 | <p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list was</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | <p>updated on annually basis or new updates on the register. Latest updated on January 2022:</p> <ol style="list-style-type: none"> 1. Perintah Pencegahan dan Pengawasan Penyakit Berjangkit Peraturan-Peraturan Pencegahan Pengawasan Penyakit berjangkit (Pindaan 2020) 2. Workers Minimum Standard of Housing and Amenities (Amendment) Act 2019 3. Minimum Wages Order (Amendment 2020) | |
| 4.3.1.3 | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p> | <p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU8. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p> | Complied |
| 4.3.1.4 | <p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory</p> | <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the</p> | Complied |

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| | requirements. - Minor compliance - | information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars. | |
| Criterion 4.3.2 – Lands use rights | | | |
| 4.3.2.1 | The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance - | Mill premise is located in the East Estate compound. The ownership belongs to the Golden Hope Plantations (Peninsular) Sdn Bhd. | Complied |
| 4.3.2.2 | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance - | The quit rent for the mill premise was paid by the East Estate. Records were made available to the audit team and reviewed. | Complied |
| 4.3.2.3 | Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | Legal parameter boundary marker was visible and maintained. The mill management has demarcated the boundary with proper fencing. | 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 - | As to date, no disputes or encroachment was reported to the mill management. | Complied |
| Criterion 4.3.3 – Customary rights | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance - | There is no customary land or negotiated agreements within the East POM land area. Interviewed with the local communities confirmed that no land encroachment. | N/A |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance - | The right to use the land is not disputed and there was no customary land within the East POM. Interviewed with the local communities confirmed that no land encroachment. | N/A |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance - | There is no land dispute or customary rights issues in the mill. Interviewed with the local communities confirmed that no land encroachment. | N/A |
| 4.4 Principle 4: Social responsibility, health, safety and employment condition | | | |
| Criterion 4.4.1: Social Impact Assessment (SIA) | | | |
| 4.4.1.1 | Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance - | SIA was carried out by Social & Environment Projects Unit, PSQM Department on 24-26/3/2014 to cover whole SOU 8 (East Palm Oil Mill, East Estate, Dusun Durian Estate and Sepang Estate). The method of assessment was through interview, field observation and documentation review. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, local communities etc. The assessment has covered the areas of housing condition/ living improvement, working condition etc. Social Management Plan on Social Impact Assessment FY2022 was identified and reviewed on 02/11/2021 such as Children Playground, House Repairing Work, House Grill, JKKK, Rain | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | Harvesting Tank, Interview of New Workers, Change of Working Time and etc. | |
| 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 - | A Standard Operating Manual (SOM) was established and maintained. (Sime Darby Plantation Estate Quality Management System) and system for dealing with complaints and grievance was defined in Sub-section 5.5 Management Responsibility, Appendix 5.5.3.2 Procedure for External Communication, version 2, issue 0, dated 25/5/2015. The complaints and grievances are open to effected parties including internal and external stakeholders. The time frame to deal with external communications should be within two weeks of the date of receipt for communication requiring direct feedback (Clause 6.3 of the procedure) and within one week of the completion of the investigation, for communication required investigation. | Complied |
| 4.4.2.2 | The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance - | It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly. Social Dialogue Action Tracker was implemented since end of November 2021 – KKS East was conducted once in every 2 weeks (e.g. 09/02/2022 & 26/01/2022) attended by management and workers representative. | 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 - | Mill are using complaint forms and mobile apps to record any defects related to housing facilities reported by their workers | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | <p>(tenants). There is also communication book which is used to record any request by stakeholders.</p> <p>Complaints also recorded in the Gender Committee meeting minutes dated 24/11/2021 and 13/03/2021 has been investigated and resolved.</p> <p>Complaint on the Housing Defect was recorded in the OPP system and form "Permohonan Membaiki Kerosakan Rumah" (e.g. dated 01/12/2021, House Unit No: 93 and dated 20/04/2021).</p> | |
| 4.4.2.4 | <p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p> | <p>Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions.</p> <p>Employees are aware that complaints can be made through "Suara Kami" & Worker helpline - Ulula portal (toll free – 1800819741 or Whatsapp +60162991411) for grievance), Whistleblowing (through website) "Oil Palm Poll (OPP)", communication book/morning briefing and Social Dialog.</p> | Complied |
| 4.4.2.5 | <p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p> | <p>Record review found that previous complaints and requests including the resolution for the past 24 months were still available to affected stakeholders upon request.</p> | Complied |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | <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.</p> <p>- Minor compliance -</p> | <p>Contribution to local development in consultation with the local communities were recorded such as: -</p> <p>a) Provide daily food to workers for 4 days due to workers line-sites were flooded on 17/12/2021.</p> | Complied |

| Criterion / Indicator | Assessment Findings | Compliance | |
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| Criterion 4.4.4: Employees safety and health | | | |
| 4.4.4.1 | <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.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>East POM has established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2021. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring and Health monitoring.</p> | <p>Complied</p> |
| 4.4.4.2 | <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as | <p>The occupational safety and health plan cover the following:</p> <ul style="list-style-type: none"> a) Sime Darby Plantation Berhad have established the Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The policy has been briefed to all workers on 07/12/2021. b) HIRARC was available for all operations within the Mill to identify the hazards, assess and recommended control measures to minimize the risks. Among the HIRARC sampled were Weighbridge, Ramp, Sterilization, Threshing Station and Pressing. HIRARCs have been recently reviewed due to accidents that occur in regard to the related activity. Sighted the HIRARC for Ramp – FFB Grading reviewed on 29/09/2021 | <p>Major Non-Conformity</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
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| <p>identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant 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>due to a related incident that occurred on 20/09/2021. The reviewed HIRARC stated the recommended risk control as – wear safety goggles. Based on the interview with the workers and the worker involved with the incident, they have not been provided with the goggles for the activity. Thus, Minor NC was raised.</p> <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 23/01/2020 by DOSH Registered Assessor, Hj Shaari Chin (HQ/09/ASS/00/124) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/09/ASS/00/124) was available for verification.</p> <p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to particular hazards such a Manganese. The Mill has conducted the medical surveillance on 10/11/2021 for 26 of the workers at Klinik Hartati where 1 worker had abnormal results (Anemia). Nevertheless, no workers were recommended for removal.</p> <p>Noise Risk Assessment was conducted by Earwright Services & Consultants on 11/03/2019 for East POM by a Noise Risk Assessor, Mr Nagendran Periaiah (NRA Reg: HQ/07/PEB/00/74). The NRA Report (Ref. No: HQ/07/PEB/00/74-2019/004) was available for verification.</p> <p>Annual & Baseline Audiometric Testing was conducted for the year of 2020 and 2021 for all workers exposed to excessive noise in the mill by Specialist Mobile Safety Supplies Sdn Bhd. For 2020, workers were examined, and the results indicated that 10 workers were having Hearing Impairment, 22 workers</p> | |

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| | <p>were having Standard Threshold Shift. Retest has been conducted on 13/07/2020 and the result were 1 worker having Hearing Impairment and 12 workers having Standard Threshold Shift. Notification of STS and NIHL has been submitted on 13/08/2020. For 2021, Audiometric test has been conducted on 04 & 11/10/2021. 10 workers were having Hearing Impairment, 32 workers were having Standard Threshold Shift. Retest was conducted on 24/01/2022 and report yet to receive by the Mill.</p> <p>c) The mill has established a training and awareness program for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators.</p> <p>d) The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17/03/2008. Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>The occupational safety and health plan were not effectively implemented. The risk control of work to cover all potentially hazardous operations as identified in the risk assessment and control was not effectively implemented.</p> <p>During site visit at the workshop, it was sighted that the Oxygen and Acetylene gas container used for welding/cutting works was not installed with flash back arrestor. This was against the Safety Work Procedure for Workshop, rev. no. 2, issued on</p> | |

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| | <p>07/01/2008 under section 18.4 (b) "Install Flash Back Arrestor".</p> <p>During site visit at the Kernel Dispatch area, sighted a lorry driver for lorry with reg. no. BLV 8186 was working on top of the trailer and not wearing safety harness while tarpaulin the canvas after loaded the lorry with palm kernels. The hooked at the safety rails was available there. This was against Safety Work Procedure for Oil Palm and Kernel Dispatch, rev. no. 4, issued on 07/01/2008 under section B (11). Thus, Major NC was raised.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26/02/2015. SDS were placed at the chemical store.</p> <p>f) The Mill Manager, Mr Hudal Firdaus Lahuri was appointed to be the Chairman of OSH Committee at the Mill as stated in the appointment letter dated November 2021 undersigned by the Regional General Manager (Central East). Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>g) The Mill Management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees' safety, health, and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. OSH Meeting Minutes for 01/2021 on</p> | |

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| | <p>26/03/2021, 02/2021 on 26/06/2021, 03/2021 on 22/09/2021, and 04/2021 on 13/12/2021 available for verification.</p> <p>h) Accident and emergency procedures are available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision: 0; Date 01/07/2012.</p> <p>The mill has established Emergency Response Team lead by the Mill Engineer. ERP Training has been conducted on 26/01/2022.</p> <p>i) First aiders were present at various workstations at the mill such as ramp, boiler station and workshop. The first aiders were responsible for first aid box at each workstation assigned to them by the management. The first aid box was recently replenished with records of monthly monitoring available for verification. The latest First Aid Training was conducted on 08/01/2022.</p> <p>j) Accident records are recorded and maintained in the mill and discussed during the quarterly held JKKP Meetings. There were 2 reported accident for the year 2021 in the workplace involved 37 LTA. The accident investigation report was available for verification. Sighted the JKKP 8 form submission to JKKP for the year 2021 as well, submitted on 04/02/2022. The JKKP6 forms have been submitted to DOSH accordingly and were available for verification.</p> <p>During document review, it was noted that an accident occurs on 13/09/2021 at boiler operation involving workers with id no. 850809-10-6135 with 19 days medical leaves. However, the JKKP 6 notification was submitted to DOSH was only conducted 01/10/2021, 18 days after the accident happen. This was</p> | |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | against the Standard Operating Procedure of Incidents, Accidents & Non-Conformance Management. Refer SOP no. SDP/SQM/(ESH)/001-2-9 rev. 1 dated 30/05/2019. Thus, Major NC was raised. | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees. - Major compliance - | Sime Darby Plantation Berhad has incorporated its policy on human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Awareness on this policy was given to the employees through briefing during RSPO and MSPO trainings. Sime Darby Plantation Berhad has established "Human Rights Charter" in 2020 which has included the commitment as follows <ul style="list-style-type: none"> - Engage and empower communities for inclusive development - Respect and Uphold Labour Rights - Respect and Uphold Children's Rights - Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons | Complied |
| 4.4.5.2 | The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance - | Sime Darby Plantation Berhad has established "Human Rights Charter" in 2020 which has include the commitment to respect and uphold labour rights (clause 3.2.5) on "Promoting 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 and will facilitate opportunities for advancement of the employees, especially women, by removing barriers to progress and respecting reproductive and maternal rights | Complied |

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| <p>4.4.5.3 Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p> | <p>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.</p> <p>Sampled workers ID number whom payslips for Mar 2021, Sept 2021 and Jan 2022 were verified are as follows: 0000118949, 0000123154, 0000140940, 0000144682, 0000158712, 0000079815, 0000092510, 0000127105, 0000160612, 0000158090.</p> | <p>Complied</p> |
| <p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p> | <p>The management is ensuring the employees of their contractors are paid based on legal requirements by obtaining the pay slips of the contractor’s workers and review them. Based on verification of the sampled contractor (e.g. Munusamy & Sons Enterprise - hiring backhoe), the payment was made in accordance to the legal requirements. The amount of EPF & SOCSO contributions were also included in the pay slips.</p> <p>Workers: 03xxxx-10-04xx & 68xxxx-10-52xx. Payslip verified (e.g. Jan 2022 with daily rate of rm70 for both workers)</p> | <p>Complied</p> |
| <p>4.4.5.5 The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The mill management has registered all their workers into Employee Master Details Listing where personal details such as full name, gender, date of birth, date join the company, race, role of job, wages, etc. The employment contract, copy of work permit and passport and induction training certificate were kept in the personal file.</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</p> | <p>The employees that recruited by the mill are of local, Indonesians, Nepalese and Indians. They are all under direct employment to the</p> | <p>Complied</p> |

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| | contract shall be made available for each and every employee indicated in the employment records. - Major compliance - | mill and all of them have signed on the employment contract prior to commencement of work. The information about the duration of contract/ probation period, position offered, wages, annual leave, allowances, other benefits, etc. was stated in the employment contracts. The employment contracts for the following employees were verified: 144682, 123154. | |
| 4.4.5.7 | The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance - | All the daily attendance was recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month can be generated and maintained by the SAP system. | Complied |
| 4.4.5.8 | The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance - | The working hours and breaks for individual workers were verified as per punch card and payslip. Working hour for East POM operation is as follow: - 8.00 am – 6.00 pm & 6.00 p.m. – 6.00 a.m. | 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 payment have been documented on the pay slips based on the working days recorded on the “punch card”. Total hours of overtime and daily attendance has recorded in the individual punch card. Sampled workers ID number whom payslips for Mar 2021, Sept 2021 and Jan 2022 were verified are as follows: 0000118949, 0000123154, 0000140940, 0000144682, 0000158712, 0000079815, 0000092510, 0000127105, 0000160612, 0000158090, The payslips shown that the overtime payments are in accordance to law and workers have worked for overtime on their own choice. The mill has obtained a permit from Jabatan Tenaga Kerja | Complied |

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| | | <p>Putrajaya on 31/5/2019 with Ref. No. BHG. PU/9/134 JLD 21(2) to allow their workers to work not more than 130 hours of overtime per month. Overtimes were paid according to the rate stated in the agreement and regulatory requirements</p> <p>All the sampled employees above have been paid in accordance to the Minimum Wage Order 2020. Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.</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>Among the benefits offered by the company:</p> <ul style="list-style-type: none"> • 10 kg rice distribution every 2 months • Telephone allowance • Free medical care • Free 35 gallons of water • Price bonus • Insurance subsidy | 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 management has provided free housing facilities to all their workers. Basic amenities such as water, electricity, football field and etc. were provided to the workers. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). The mill has also conducted housing inspection at least fortnightly focusing on cleanliness and safety.</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 incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers, there was</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | <p>few cases of domestic violence recorded. However, it has been resolved by the Mill management.</p> <p>Complaint for sexual harassment channel was established through "Suara Kami" helpline – 1800 818 771 or SMS 011 310 16031. Gender Committee Handbook 1st Edition 2014 was established by PSQM. Gender Committee Meeting was conducted on 24/11/2021, 24/09/2021, 24/06/2021</p> | |
| 4.4.5.13 | <p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. The mill management allowed their workers to form or join any association such as NUPW.</p> <p>UNION meeting was last conducted on 20/11/2021 with the members and management representatives to discuss issues related to workers. The minutes of meeting were available for verification and found properly documented. There was no evidence of joining any association is restricted.</p> | Complied |
| 4.4.5.14 | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p> | <p>Sime Darby Plantation Berhad has established "Human Rights Charter" in 2020 which has included the commitment as follows</p> <ul style="list-style-type: none"> • Engage and empower communities for inclusive development • Respect and Uphold Labour Rights • Respect and Uphold Children's Rights • Protection of Human Rights Defenders, Whistle-blowers, Complainants and Community Spokespersons | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | |
|---|---|---|------------|------|----------------------------|------------|----------------------------------|------------|--------------------------|------------|--------------|------------|-----------------------------|------------|-----------------|------------|----------|
| | | Based on verification of workers list, there was no evidence that anyone below 18 years of age was recruited for employment. | | | | | | | | | | | | | | | |
| 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 - | <p>East POM has established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>COVID-19 training and briefings were sighted for the mill. Interview with the sampled workers and staff indicated that they were aware on the SOP during the MCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Crane Operational Training</td> <td>12/01/2021</td> </tr> <tr> <td>Store, PO, Weighing SOP Training</td> <td>21/05/2021</td> </tr> <tr> <td>Mill Laboratory Training</td> <td>28/10/2021</td> </tr> <tr> <td>PPE Training</td> <td>14/10/2021</td> </tr> <tr> <td>COVID-19 Awareness Training</td> <td>09/07/2021</td> </tr> <tr> <td>HIRARC Training</td> <td>13/12/2021</td> </tr> </tbody> </table> | Training | Date | Crane Operational Training | 12/01/2021 | Store, PO, Weighing SOP Training | 21/05/2021 | Mill Laboratory Training | 28/10/2021 | PPE Training | 14/10/2021 | COVID-19 Awareness Training | 09/07/2021 | HIRARC Training | 13/12/2021 | Complied |
| Training | Date | | | | | | | | | | | | | | | | |
| Crane Operational Training | 12/01/2021 | | | | | | | | | | | | | | | | |
| Store, PO, Weighing SOP Training | 21/05/2021 | | | | | | | | | | | | | | | | |
| Mill Laboratory Training | 28/10/2021 | | | | | | | | | | | | | | | | |
| PPE Training | 14/10/2021 | | | | | | | | | | | | | | | | |
| COVID-19 Awareness Training | 09/07/2021 | | | | | | | | | | | | | | | | |
| HIRARC Training | 13/12/2021 | | | | | | | | | | | | | | | | |
| 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 - | East POM has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Requirement for Strategic Operating Units (Mill – SOU 8) for the year 2022 for verification. | 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. | A training programme has been developed and available in the Training Requirement for East POM ESH Activities for 2022. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers, and contractors. | Complied | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| - Minor compliance - | | | |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance - | Sime Darby Plantation Berhad has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy statement signed by CEO Upstream Malaysia dated 01/06/2020. Environmental Management Plan for East POM was made available to the audit team, prepared by the Mill Assistant Manager and approved by the Mill Manager. The plan covered Waste Management Plan, Pollution Prevention Plan and Energy Management Plan. | Complied |
| 4.5.1.2 | The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance - | Sime Darby Plantation Berhad has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy statement signed by CEO Upstream Malaysia dated 01/06/2020. The aspects and impacts analysis of all operations was documented in the Register of Environmental Aspects & Impacts, prepared on 20/12/2018. The mill had listed 28 areas or location for assessment for the mill activities. | Complied |
| 4.5.1.3 | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance - | The mill has established Environmental Management Plan. The plan was reviewed by the mill management on annual basis. Sighted the scheduled waste management plan as one on the environment improvement plans were carry out to ensure the wastes were properly managed by the mill management. | Complied |

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|--|---|---|------------|
| 4.5.1.4 | A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance - | Program to promote positive impact was documented in the Environmental Management Plan, under Waste & Pollution Prevention Plan. Among the positive impact sighted as below: <ul style="list-style-type: none"> To ensure all schedule wastes must be accordance as per legal requirement. To provide regular inspection for estate vehicle for operation purposes. To maintain oil trap as to prevent oil spillage and to provide proper spill kit. To erect zero burning signage and conduct weekly housing inspection. To organize preventive monitoring for contract vendor. | Complied |
| 4.5.1.5 | An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance - | Regular training and briefing were conducted by the mill manager to the employees. Sighted the annual training program and records related to the environmental training and briefing (refer to indicator 4.4.6.1). Interview with the employees during the site visit indicated their good understanding regarding on the environmental issues. | Complied |
| 4.5.1.6 | The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance - | Environmental Quality within the Mill were regularly discussed amongst the management and workers during the Health & Safety Meeting as one of the Agendas. Sighted evidence of Environmental Performance Monitoring Committee Meeting dated 05/12/2021. | Complied |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | |
| 4.5.2.1 | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to | Energy Management Plan for year 2022 was made available to the audit team. the plan sighted listed action plan as below: <ol style="list-style-type: none"> Workers housing inspection to ensure no illegal wiring. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | |
|---|--|--|------------|--------|----------|-------|----------|---------|--------|------------|------------|--------------|-------|------|--|
| | <p>assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p> | <p>2. Preventive maintenance program for transportation vehicle by the mill.</p> <p>The consumption of diesel and electric usage for year 2021 are as follow:</p> <table border="1"> <thead> <tr> <th>Energy</th> <th>Diesel</th> <th>Electric</th> </tr> </thead> <tbody> <tr> <td>Usage</td> <td>7,866.58</td> <td>513,334</td> </tr> <tr> <td>FFB MT</td> <td>100,635.59</td> <td>100,635.59</td> </tr> <tr> <td>Usage/FFB MT</td> <td>0.078</td> <td>5.10</td> </tr> </tbody> </table> | Energy | Diesel | Electric | Usage | 7,866.58 | 513,334 | FFB MT | 100,635.59 | 100,635.59 | Usage/FFB MT | 0.078 | 5.10 | |
| Energy | Diesel | Electric | | | | | | | | | | | | | |
| Usage | 7,866.58 | 513,334 | | | | | | | | | | | | | |
| FFB MT | 100,635.59 | 100,635.59 | | | | | | | | | | | | | |
| Usage/FFB MT | 0.078 | 5.10 | | | | | | | | | | | | | |
| 4.5.2.2 | <p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p> | <p>The mill has estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring. Estimation base on Budget.</p> | Complied | | | | | | | | | | | | |
| 4.5.2.3 | <p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p> | <p>The mill used fibre and shell to fuel up their boiler. Usage records were made available and sighted.</p> | Complied | | | | | | | | | | | | |
| Criterion 4.5.3: Waste management and disposal | | | | | | | | | | | | | | | |
| 4.5.3.1 | <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p> | <p>The group has established Scheduled Waste (Hazardous Waste) Management Procedure, doc no: SD/SDP/PSQM/(ESH)/203-EN1, revision no: 0, dated on 26/02/2015. The objective of the procedure is to provide guidelines on the acceptable procedures for managing scheduled wastes in Sime Darby Plantation Berhad operations. The group is committed to protecting the environment through the establishment of this procedure which is in compliance with the scheduled wastes Laws and the Basel Convention.</p> | Complied | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | |
|-----------------------|---|--|---------------|------|-------------|----------------|--|--|----------------|-------------------|--|----------|
| | | <p>Waste management plan was made available to the audit team. the mill had classified the waste into 3 categories which are schedule waste, domestic waste and recycled waste.</p> <p>The mill management has identified the scheduled waste generated in their premises such as; SW103 (battery use for diesel engine), SW110 (used fluorescent tube), SW305 (vehicle, gearbox maintenance), SW322 (lab analysis), SW409 (empty chemical container), SW410 (rags use for cleaning), and SW417 (mill workshop). For domestic waste, the mill recorded the source comes from line site and office which produced rubbish and sewage.</p> | | | | | | | | | | |
| 4.5.3.2 | <p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p> | <p>The waste management plan was sighted as follow:</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Item</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Schedule waste</td> <td>Used batteries Spent lubricant oil Spent hydraulic oil Rags, plastic, papers or filters contaminated with scheduled waste. Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste.</td> <td>Collect and record listed scheduled waste. Scheduled wastes were placed in the scheduled waste store. Monitor of scheduled waste inventory. Disposed the scheduled waste to the licensed contractors.</td> </tr> <tr> <td>Domestic waste</td> <td>Rubbish Sewage</td> <td>Arrangement of domestic waste disposal is under East Estate. Domestic waste to be disposed at landfill.</td> </tr> </tbody> </table> | Type of waste | Item | Action Plan | Schedule waste | Used batteries Spent lubricant oil Spent hydraulic oil Rags, plastic, papers or filters contaminated with scheduled waste. Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste. | Collect and record listed scheduled waste. Scheduled wastes were placed in the scheduled waste store. Monitor of scheduled waste inventory. Disposed the scheduled waste to the licensed contractors. | Domestic waste | Rubbish Sewage | Arrangement of domestic waste disposal is under East Estate. Domestic waste to be disposed at landfill. | Complied |
| Type of waste | Item | Action Plan | | | | | | | | | | |
| Schedule waste | Used batteries Spent lubricant oil Spent hydraulic oil Rags, plastic, papers or filters contaminated with scheduled waste. Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste. | Collect and record listed scheduled waste. Scheduled wastes were placed in the scheduled waste store. Monitor of scheduled waste inventory. Disposed the scheduled waste to the licensed contractors. | | | | | | | | | | |
| Domestic waste | Rubbish Sewage | Arrangement of domestic waste disposal is under East Estate. Domestic waste to be disposed at landfill. | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | | | Compliance | | | | | | | | | | | | | | | |
|---|--|---|----------------|--|------------|----------------|---------------|------------------------------|-------|-------------------|--------|-------|---------------|--------------------|-------|---|-------------------|-------|-------------------|---------|
| | | | | Established collection schedule and person in charge. Create awareness on hygiene. | | | | | | | | | | | | | | | | |
| | | Recycled waste | Scrapped iron. | Collection at scrapped yard. Mill to record the inventory. Disposal management by Central East Region. | | | | | | | | | | | | | | | | |
| <p>Scheduled waste inventory was reviewed. The mill has generated waste as below:</p> <table border="1"> <thead> <tr> <th>Waste category</th> <th>Name of waste</th> <th>Quantity generated per month</th> </tr> </thead> <tbody> <tr> <td>SW110</td> <td>Fused fluorescent</td> <td>4.3 kg</td> </tr> <tr> <td>SW322</td> <td>Hexane IPA</td> <td>15.9 kg 52.8 kg</td> </tr> <tr> <td>SW409</td> <td>Contaminated container Contaminated glass ware</td> <td>8.5 kg 2.21 kg</td> </tr> <tr> <td>SW410</td> <td>Contaminated rags</td> <td>67.9 kg</td> </tr> </tbody> </table> | | | | | | Waste category | Name of waste | Quantity generated per month | SW110 | Fused fluorescent | 4.3 kg | SW322 | Hexane IPA | 15.9 kg 52.8 kg | SW409 | Contaminated container Contaminated glass ware | 8.5 kg 2.21 kg | SW410 | Contaminated rags | 67.9 kg |
| Waste category | Name of waste | Quantity generated per month | | | | | | | | | | | | | | | | | | |
| SW110 | Fused fluorescent | 4.3 kg | | | | | | | | | | | | | | | | | | |
| SW322 | Hexane IPA | 15.9 kg 52.8 kg | | | | | | | | | | | | | | | | | | |
| SW409 | Contaminated container Contaminated glass ware | 8.5 kg 2.21 kg | | | | | | | | | | | | | | | | | | |
| SW410 | Contaminated rags | 67.9 kg | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 4.5.3.3 | The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 | <p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>The mill also has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected,</p> | | | Complied | | | | | | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | - Major compliance - | and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area. All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. | |
| 4.5.3.4 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance - | Domestic waste for mill was managed by the East Estate management. | Complied |
| Criterion 4.5.4: Reduction of pollution and emission | | | |
| 4.5.4.1 | An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance - | The mill has assessed of all polluting activities during Environmental Aspects Identification and Environmental Impact Evaluation. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. | Complied |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance - | The action plan to reduce the identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan. | Complied |
| 4.5.4.3 | Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. | Treated POME discharge was regularly monitored as prescribed under Compliance Schedule. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | |
|--|--|---|------------|-------------|
| - Major compliance - | | | | |
| Criterion 4.5.5: Natural water resources | | | | |
| 4.5.5.1 The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance - | Water sources for East POM comes from Syarikat Air Selangor (SYABAS). The mill management has monitor and evaluate the water consumption for mill activities and domestic used. East POM has developed Water Management Plan, prepared on the 03/01/2022. Sighted the plan as follow: | | Complied | |
| | Issue | Action Plan | | Status |
| | Rain water collection | To rehab existing mill earth pond and to reuse the water for the earth pond collection for hydro cyclone process and mill cleaning. | | On going |
| | The water stagnant inside mill compound. | Mill to collaborate with engineering team from region office on redesign the monsoon drain layout. | | In planning |
| Flooded at line site. | Region budgeted new capex to install a pump house at the tidal gate as to remove the water during high tide period. | In planning. | | |
| 4.5.5.2 Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance - | Not applicable as the POME was discharged to the land irrigation. | | N/A | |
| 4.6 Principle 6: Best Practices | | | | |
| Criterion 4.6.1: Mill Management | | | | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.6.1.1 | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance - | East POM processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition, there are also manuals available within the industry and MPOB that are used as guidelines. | Complied |
| 4.6.1.2 | All palm oil mills shall implement best practices. - Major compliance - | The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the Mill Advisor scheduled on a 6-monthly basis. In addition, there are audits by Regional Head, PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others. Report relating to the monitoring i.e. daily production report, monthly report, SOU meetings minutes and RSQM internal audit report were sighted, and system adopted was effective. | Complied |
| Criterion 4.6.2: Economic and financial viability plan | | | |
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2022 and business plan FY 2020 – FY 2024. In the 5 years business plan include items as follows: a. Mill intake – FFB input | Complied |

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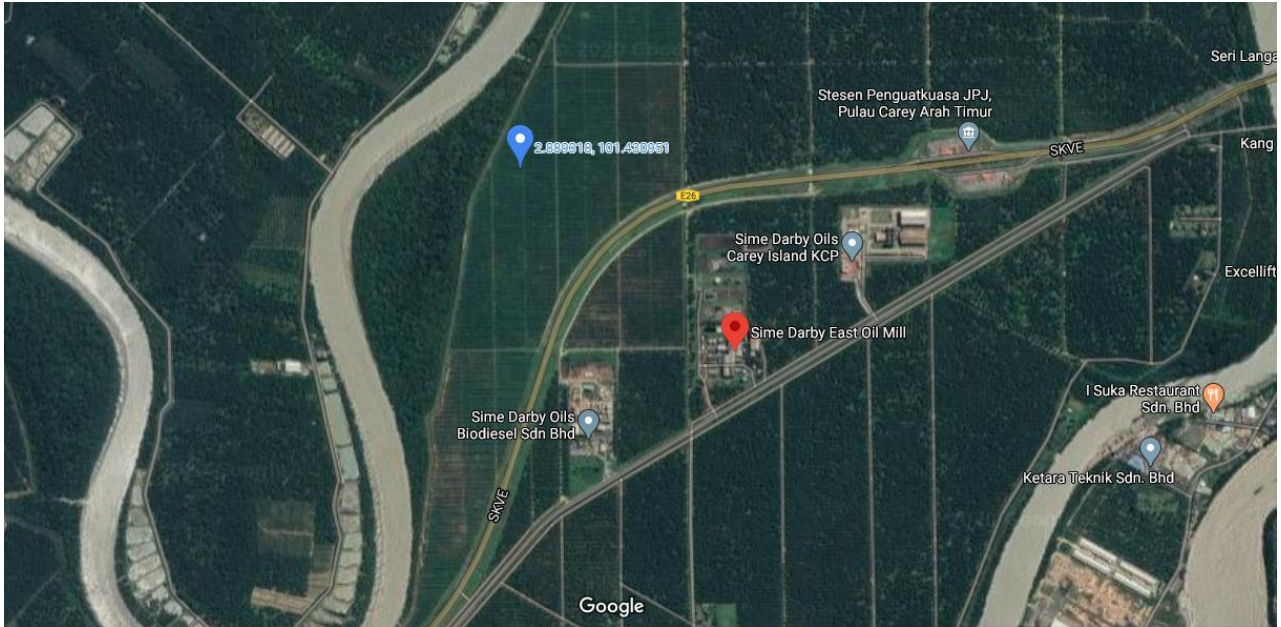
| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| | | b. Production of CPO c. Production of PK d. Total Palm Oil Extraction e. Total Palm Kernel Extraction f. Mill cost The business plan for FY2020 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization and etc. It also includes environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure. Sighted the mill has projected 153,24.23 Mt of FFB and with total cost at RM9,822,983.31 for year 2022 activities. | |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | Awarding of contract and pricing mechanism is guided by a procedure GPA No. E4 Procurement, version 26/8/2020 - All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and representatives from HQ for major projects. | Complied |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance - | All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the Contract Form. Payments were all made in timely manner and no complaint from the contractor so far. Munusamy & Son Enterprise (Contract Form/Doc No: 4300565548 dated 28/11/2021 approved by Mill Manager and acknowledged by contractor | Complied |

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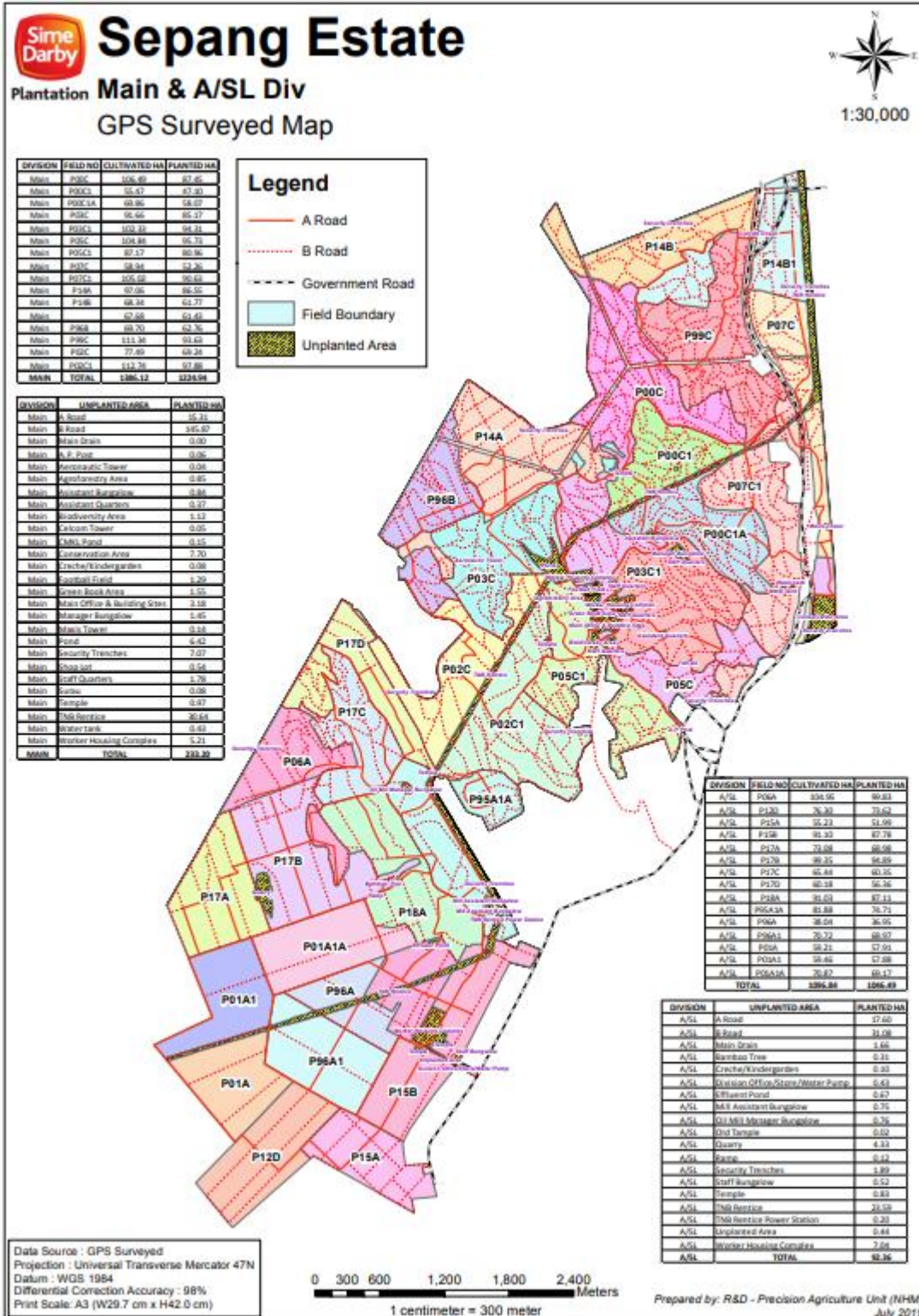
| Criterion / Indicator | | Assessment Findings | Compliance |
|------------------------------------|---|---|------------|
| | | Delivery Order No: 2266 dated: 23/12/2021 was verified by Mill Engineer on 29/12/2021). | |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | The understanding about MSPO requirements were given to the contractors through stakeholders' consultation meeting which is conducted from time to time. Apart from that, the requirement to perform their task in-line with the standard's requirements was also stipulated in the contract agreement or LOA. Based on interview with the sampled contractors, they have been made aware of this requirement by the management. | Complied |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between the company and the contractors (Munusamy and Chin Tat), were sampled for verification. Munusamy & Son Enterprise (Contract Form/Doc No: 4300565548 dated 28/11/2021 approved by Mill Manager and acknowledged by contractor). | Complied |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance - | There was no restriction whether from the management or the contractors to allow MSPO approved auditors to verify assessments through a physical inspection if required. | Complied |

Appendix C: Location and Field Map

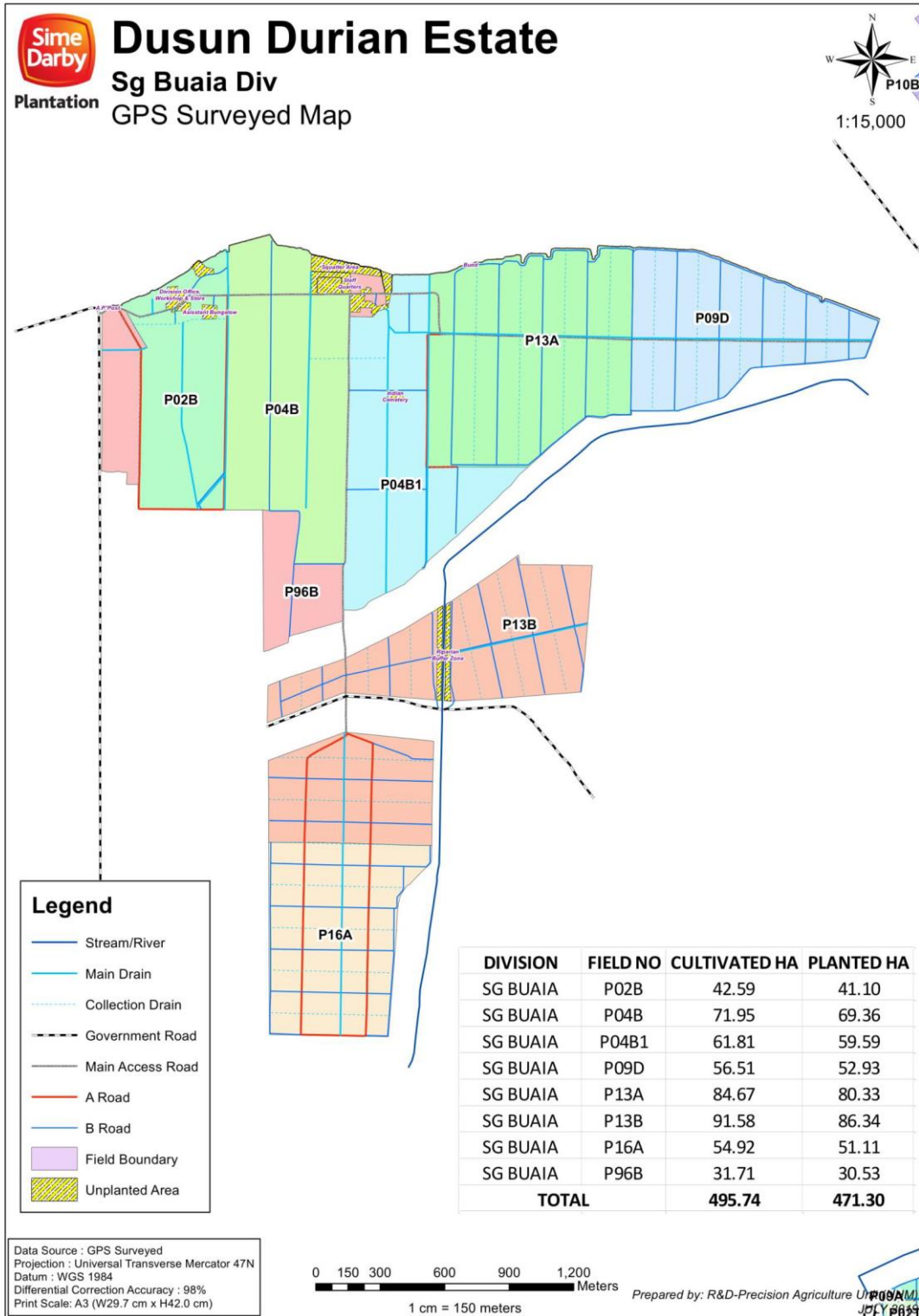
East POM



Sepang Estate



Dusun Durian Estate



Appendix D: 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 |