

**MALYSIAN SUSTAINABLE PALM OIL  
MSPO OPMC Public Summary Report**

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

<b>SIME DARBY PLANTATION BERHAD</b>
Client Company (HQ) Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 11) Kerdau Palm Oil Mill & Plantations: Kerdau Estate, Chenor Estate, Mentakab Estate and Sg Mai Estate
Date of Final Report: 26/10/2022

**Report prepared by:**  
**Mohd Nazib Marwan** (Lead Auditor)

**Report Number: 3511624**

**Assessment Conducted by:**  
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## Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
<b>Company Name</b>	Sime Darby Plantation Berhad		
<b>Mill/Estate</b>	<b>Certification Unit</b>	<b>MPOB License No.</b>	<b>Expiry Date</b>
	Kerdau POM	540761004000	30/06/2022
	Kerdau Estate	524696002000	31/10/2022
	Chenor Estate	524796002000	30/11/2022
	Mentakab Estate	522397002000	31/07/2022
	Sg Mai Estate	524697002000	31/10/2022
<b>Address</b>	Level 11, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia		
<b>Management Representative</b>	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM) Azri bin Lahman (Senior Manager, Kerdau Estate (SOU Chairman))		
<b>Website</b>	www.simedarbyplantation.com	<b>E-mail</b>	kks.kerdau@simedarbyplantation.com
<b>Telephone</b>	03-7848 4379 (Head Office)	<b>Facsimile</b>	03-7848 4356 (Head Office)

1.2 Certification Information			
<b>Certificate Number</b>	Mill: MSPO 745400 Estate: MSPO 745401	<b>Certificate Start Date</b>	21/12/2022
<b>Date of First Certification</b>	21/12/2017	<b>Certificate Expiry Date</b>	20/12/2027
<b>Scope of Certification</b>	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estate: Production of Sustainable Oil Palm Fruits		
<b>Visit Objectives</b>	<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>		
<b>Standard</b>	<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		
<b>Recertification Visit Date (RAV) 1</b>	11-15/04/2022		
<b>Continuous Assessment Visit Date (CAV) 1_1</b>	-		
<b>Continuous Assessment Visit Date (CAV) 1_2</b>	-		

<b>Continuous Assessment Visit Date (CAV) 1_3</b>	-
<b>Continuous Assessment Visit Date (CAV) 1_4</b>	-

### 1.3 Other Certifications

<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
RSPO 745399	RSPO Principles & Criteria of Sustainable Palm Oil production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	06/07/2026
MSPO 745402	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018	BSI Services Malaysia Sdn Bhd	24/10/2024

### 1.4 Location of Certification Unit

<b>Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)</b>	<b>Site Address</b>	<b>GPS Reference of the site office</b>	
		<b>Latitude</b>	<b>Longitude</b>
Kerdau POM	Lot 575 HS(D) 5401, Ladang Kerdau, 28010 Temerloh, Pahang, Malaysia	3° 34' 11.36" N	102° 16' 49.68" E
Kerdau Estate	Ladang Kerdau, PT 575 Mukim Kerdau, 28010 Temerloh, Pahang, Malaysia	3° 34' 11.24" N	102° 18' 35.76" E
Chenor Estate	Ladang Chenor (KT), Sungai Jerik, 26400 Bandar Pusat Jengka, Pahang, Malaysia	3° 47' 14.00" N	102° 38' 26.40" E
Mentakab Estate	Ladang Mentakab, c/o Lanchang Division, 28500 Lanchang, Pahang, Malaysia	3° 28' 39.33" N	102° 21' 24.09" E
Sg Mai Estate	Ladang Sungai Mai, 27000 Jerantut, Pahang, Malaysia	3° 48' 30.55" N	102° 21' 24.00" E

### 1.5 Certified Area

<b>Estate</b>	<b>Total Planted (Mature + Immature) (ha)</b>	<b>HCV (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Area (ha)</b>	<b>% of Planted</b>
Kerdau Estate	5,123.78	67.42	491.84	5,683.04	90.16
Chenor Estate	1,862.69	7.82	126.48	1,996.99	93.27
Mentakab Estate	2,934.92	31.70	299.87	3,266.49	89.84
Sg Mai Estate	2,596.90	50.70	187.38	2,834.98	91.60
<b>TOTAL</b>	<b>12,518.29</b>	<b>157.64</b>	<b>1,105.57</b>	<b>13,781.50</b>	<b>90.83</b>

1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Kerdau Estate	125.88	2,915.71	1,437.20	644.99	0	4,997.90	125.88
Chenor Estate	269.39	1,080.14	181.50	331.66	0	1,593.3	269.39
Mentakab Estate	390.00	1,337.73	72.72	1,112.35	22.12	2,544.92	390.00
Sg Mai Estate	471.67	440.83	413.93	936.86	333.61	2,125.23	471.67
<b>TOTAL</b>	<b>1,256.94</b>	<b>5,774.41</b>	<b>2,105.35</b>	<b>3,025.86</b>	<b>355.73</b>	<b>11,261.35</b>	<b>1,256.94</b>

1.7 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Dec 2021 - Nov 2022)	Actual (Apr 2021 - Mar 2022)	Forecast (Dec 2022 - Nov 2023)
Kerdau Estate	95,855.84	71,763.82	39,344.59
Chenor Estate	46,494.42	41,877.09	37,883.35
Mentakab Estate	40,399.84	30,982.71	63,521.93
Sg Mai Estate	23,164.00	24,263.84	41,737.64
Bkt Puteri Estate	-	1,127.12	-
Jabor Estate	-	14,375.60	-
Ambang Hijrah Sdn Bhd	-	2,547.46	-
FELCRA Berhad Kerdau	-	674.93	-
KDP Serbaguna	-	368.51	-
Mohd Noor Azhar B. Amir	-	1,252.31	-
<b>Total (mt)</b>	<b>205,914.10</b>	<b>189,233.39</b>	<b>182,487.51</b>

1.8 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Dec 2021 - Nov 2022)	Actual (Apr 2021 - Mar 2022)	Forecast (Dec 2022 - Nov 2023)
Bakti Mas Sdn Bhd	-	1,561.94	-
Desa Rimbunan	-	75.02	-
Eng Huat Latex Concentrate Sdn Bhd	-	7.04	-
Hau Swee Liong	-	149.59	-
Kuala Lumpur Kepong Berhad	-	178.14	-
Ling Hwa Keong Enterprise	-	2,645.21	-
Marak Teguh	-	10.18	-

Pro Island Enterprise	-	346.96	-
SCL Commodities Sdn Bhd	-	7,891.26	-
Sri Kerdau Commodities	-	1,467.66	-
<b>Total (mt)</b>	-	<b>14,333.00</b>	-

**1.9 Certified Tonnage**

	Estimated (Dec 2021 - Nov 2022)	Actual (Apr 2021 - Mar 2022)	Forecast (Dec 2022 - Nov 2023)
	FFB	FFB	FFB
<b>Mill Capacity: 60 MT/hr</b>	205,914.10	189,233.39	182,487.51
<b>SCC Model: MB</b>	<b>CPO (OER: 20.54%)</b>	<b>CPO (OER: 20.38%)</b>	<b>CPO (OER: 20.50%)</b>
	42,294.75	38,565.76	37,409.94
	<b>PK (KER: 4.50%)</b>	<b>PK (KER: 4.59%)</b>	<b>PK (KER: 4.5%)</b>
	9,266.13	8,685.81	8,211.94

**1.10 Actual Sold Volume (CPO)**

CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
38,565.76	-	-	-	38,565.76	38,565.76

**1.11 Actual Sold Volume (PK)**

PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
8,685.81	-	-	-	8,685.81	8,685.81

## 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 11-15/04/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the Kerdu Palm Oil Mill, Kerdu Estate, Chenor Estate, Mentakab Estate, and Sg Mai 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/2022/03-2-mspo-public-notification\\_recertification\\_sime-darby\\_sou-11-kerdu-pom--supply-base\\_english.pdf](https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2022/03-2-mspo-public-notification_recertification_sime-darby_sou-11-kerdu-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. The Major NC closure was conduct offsite and based on the evidence submitted.

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.

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_1)	Year 3 (ASA 1_2)	Year 4 (ASA 1_3)	Year 5 (ASA 1_4)
Kerdau POM	√	√	√	√	√
Kerdau Estate	√	√	√	√	√
Chenor Estate	-	√	√	-	√
Mentakab Estate	√	-	√	√	-
Sg Mai Estate	√	√	-	√	√

**Tentative Date of Next Visit: April 10, 2023 - April 13, 2023**

**Total No. of Mandays: 15 Mandays**

## 2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohd Nazib Marwan (MNZ)	Team Leader	<p><b>Education:</b> He holds Diploma in Mechanical Engineering graduated from Politeknik Sultan Salahuddin Abdul Aziz Shah in 2007.</p> <p><b>Work Experience:</b> 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 ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO with previous certification body.</p> <p><b>Training attended:</b> ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO.</p> <p><b>Aspect covered in this audit:</b> During this assessment, he assessed on the aspects of social, legal, workers, occupational health and safety &amp; stakeholders' consultation.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English Language.</p>
Nor Halis Abu Zar (NHA)	Team Member	<p><b>Education:</b> Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2012.</p> <p><b>Work Experience:</b></p>



		<p>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><b>Training attended:</b> He has completed ISO IMS 9001 and 14001 Lead Auditor Course in January 2019, MSPO 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><b>Aspect covered in this audit:</b> He assessed on the aspects of social, legal requirements, traceability, occupational health and safety, GAP, training, stakeholders' consultation.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English Language.</p>
<p>Mohamad Fitri Mustafa (MFM)</p>	<p>Team Member</p>	<p><b>Education:</b> Graduate in Degree of Agribusiness.</p> <p><b>Work Experience:</b> 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><b>Training attended:</b> 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><b>Aspect covered in this audit:</b> Legal requirements, land ownership, environmental, waste management, HCV, business plan.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English Language.</p>
<p>Mohd Sabre Salim (MSS)</p>	<p>Peer Reviewer</p>	<p><b>Education:</b> Master's in Business Administration (MBA) from UiTM in 2006 and Bachelor Science Agribusiness from UPM in 1986.</p> <p><b>Work Experience:</b> He gained his working exposure in the plantation sector, serving as a 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><b>Training attended:</b> 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><b>Expertise:</b></p>

		General Management, Leadership & Financial Management, Occupational Safety & Health Management Plantation (Agriculture & Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).
Muhammad Sufyan Azmi (MSA)	Peer Reviewer	<p><b>Education:</b> Master's in Business Administration (MBA) from Open University Of Malaysia and Bachelor Degree in Bioindustry from UPM in 2006.</p> <p><b>Work Experience:</b> 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><b>Training attended:</b> He has attended MSP0 Peer Reviewer 2 - 2017 by MPOCC.</p> <p><b>Expertise:</b> 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	

## 2.4 Assessment Plan

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

Date	Time	Subjects	MNZ	NHA	MFM
Sunday, 10/04/2022	-	Travelling from KL to Temerloh.	√	√	√
Monday, 11/04/2022 Kerdau POM	0830 - 0900	(Kerdau Estate) Opening Meeting MSP0: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan.</li> </ul>	√	√	√
	0900 - 1230	(Kerdau POM) FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. laboratory, weighbridge, and palm product storage area.  Document review (MS 2530 Part 4), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection,	√	√	√

Date	Time	Subjects	MNZ	NHA	MFM
	1230 - 1330	Break	√	√	√
	1330 - 1630	FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. laboratory, weighbridge, and palm product storage area. Document Review (MS 2530 Part 4), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	1630 - 1700	Interim Closing briefing	√	√	√
Tuesday, 12/04/2022 Kerdau Estate	0830 - 1230	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. Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1000 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√		
	1230 - 1330	Break	√	√	√
	1330 - 1630	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. Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1600 - 1700	Interim Closing briefing	√	√	√

Date	Time	Subjects	MNZ	NHA	MFM
Wednesday, 13/04/2022  Kerdau Estate (MNM) Mentakab Estate (NHA & MFM)	0830 - 1230	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.  Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1230 - 1330	Break	√	√	√
	1330 - 1600	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.  Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1600 - 1700	Interim Closing briefing	√	√	√
Thursday, 14/04/2022  Mentakab Estate (MNM & NHA) Sg Mai Estate (MFM)	0830 - 1230	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.  Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1230 - 1330	Break	√	√	√

Date	Time	Subjects	MNZ	NHA	MFM
	1330 - 1600	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.  Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1600 - 1700	Interim Closing briefing	√	√	√
Friday, 15/04/2022 Sg Mai Estate	0830 - 1230	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.  Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1230 - 1330	Break	√	√	√
	1330 - 1600	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.  Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	1600 - 1700	Finalization of audit findings & preparation of closing meeting	√	√	√
	1700 - 1730	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 One (1) Major & One (1) Minor nonconformities and One of OFI (1) raised. The SOU 11 Kerduu 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			
<b>NCR Ref #:</b>	2189891-202201-M1	<b>Issue Date:</b>	15/04/2022
<b>Due Date:</b>	14/07/2022	<b>Date of Closure:</b>	7/10/2022
<b>Area/Process:</b>	Kerdau Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.6.4.4 Major
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	Monitoring of the control points applicable to the task performed by contractor was not effectively implemented.		
<b>Objective Evidence:</b>	<p>Based on the workers list for harvesting contractor at Kerdau Estate (Enek Bin Luman), there are new workers hired by the contractor due to resignation of existing workers (e.g. March 2022). Estate management only noticed the changes of workers after the contractor submitted the workers documentation such as pay slips, employment contract and etc.</p> <p>There was no record of briefing and training to the new contractor workers before started their works.</p> <p>There was no evidence that the contractor has seek any approval from the estate management on the changes of workers.</p> <p>Daily compliance monitoring by the estate management was not effectively implemented.</p>		

	Thus, Contractor and Vendor Management Procedure dated 17/11/2021 Procedures - OU Management to ensure contractor inform and seek approval for any changes to their workers and item 9. Daily Monitoring - Security Department through its Auxiliary Police (AP) & the OU management shall monitor the daily compliance of the C&V and Permit for Workers Under Contractor (EMS/P05/A/1, Rev1 dated 01/10/2021) was not effectively implemented.
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Estate will conduct an induction training/briefing for new contract workers before commencement of their work. (Evidence refer to Appendix 3a &amp; 3b)</li> <li>2. Estate had issued warning letter to contractor reminding him to obtain approval from estate management on any changes of workers in future. (Evidence refer to Appendix 4)</li> <li>3. Estate will implement daily monitoring &amp; checking to all contract workers by Asst/Staff (Evidence refer to Appendix 5)</li> </ol>
<b>Root cause analysis:</b>	Ineffective monitoring of contractor documentation in compliance to Contractor and Vendor Management Procedure.
<b>Corrective Actions:</b>	To conduct due diligence on legal requirement for contractor are in order on a monthly basis by the estate management/SSSO.
<b>Assessment Conclusion:</b>	<p>Major NC Close out:</p> <ol style="list-style-type: none"> <li>1. Induction training for new contractors' workers has been conducted as per photo evidence</li> <li>2. Warning letter has been issued to the respective worker dated 20/04/2022</li> <li>3. Daily monitoring and checking to all contractors' workers have been recorded in the checkroll book as per month of April 2022.</li> </ol> <p>The evidence submitted has been verified and Major NC was effectively closed on 14/07/2022.</p>

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2189891-202201-N1	<b>Issue Date:</b>	15/04/2022
<b>Due Date:</b>	Next Surveillance	<b>Date of Closure:</b>	Open
<b>Area/Process:</b>	Kerdau Estate & Sg Mai Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.4.2 Minor
<b>Requirements:</b>	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).		
<b>Statement of Nonconformity:</b>	The risk control at the place of work to cover all potentially hazardous operations and the use of appropriate PPE at the place of work to cover all potentially hazardous operations was not fully implemented.		
<b>Objective Evidence:</b>	<ol style="list-style-type: none"> <li>1. Safe work procedure for Oxy-Acetylene Set not fully implemented. During site visit at Sg Mai Estate, Workshop area, it was found that installation of flash back arrestor only at Acetylene Cylinder but not at Oxy Cylinder. It was not in line with SOP Workshop &amp; Maintenance dated 01/11/2008 Section 14.3.6 (b) Ensure that flash back arrestors are installed.</li> <li>2. During site visit at Kerdau Estate Field 10A, it was found 6 workers were conducted fertilizer application NKC. PPE were using during conduct the work which is goggle, apron, N95 mask, boots and cotton gloves. However, the type of gloves used not in line with recommendation by CHRA assessor dated 11/06/2020 Section Personal Protective Equipment No. 10, Manuring Operator,</li> </ol>		

	Type of Glove: Reusable Nitrile Glove for Fertilizer/Chemicals: Kieserite, Egyptian, Rock Phosphate, Fertibor and NKC.
<b>Corrections:</b>	<p>Kerdau Estate</p> <ol style="list-style-type: none"> <li>Estate to conduct proper training on correct PPE usage as per recommendation by CHRA especially for workers. (Evidence refer to Appendix 6).</li> <li>Estate has replaced cotton glove to reusable nitrile glove for the fertiliser applicator / workers.</li> </ol> <p>Sg Mai Estate</p> <ol style="list-style-type: none"> <li>Installed new flashback arrestors at both cylinder, Oxy Cylinder and Acetylene Cylinder immediately on 15/04/2022.</li> <li>Refresher training have been carried out to the workshop personnel on 18/04/2022. This training focusing on: <ul style="list-style-type: none"> <li>Refresher on safety PPE during work at Estate Workshop</li> <li>Refresher on Workshop SOPs.</li> <li>Recheck all equipment at workshop area such as Oxy Cylinder, Oxy Cylinder, Working Bench and others to ensure all equipment are safe and ready to be used.</li> </ul> </li> <li>Issue reminder letter to the foreman if this issue repeated.</li> </ol>
<b>Root cause analysis:</b>	Ineffective monitoring on the implementation of risk control and assessment on health & safety training not being conducted to evaluate training effectiveness
<b>Corrective Actions:</b>	<p>Kerdau Estate</p> <p>Monitoring on PPE training effectiveness during workplace inspection and site observation by the estate management.</p> <p>Sg Mai Estate</p> <ol style="list-style-type: none"> <li>To carried out site visit regularly to the workshop to ensure workshop at good condition and safe to be used.</li> <li>Carried out random interviewed to workshop personnel regarding SOPs at workshop and focusing on safety.</li> </ol>
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.

Opportunity For Improvement			
<b>Ref:</b>	2189891-202204-I1	<b>Clause:</b>	MSPO 2530 Part 3: 4.4.5.12
<b>Area/Process:</b>	Kerdau POM and Supply Base		
<b>Objective Evidence:</b>	Estate management could identify opportunities to prevent any workers' children left at home without adult supervision during school holidays while their parents working.		

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			
<b>NCR Ref #:</b>	2041468-202104-M1	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/07/2021	<b>Date of Closure:</b>	19/06/2021
<b>Area/Process:</b>	Kerdau POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 4: 4.4.4.2 (d) Major
<b>Requirements:</b>	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).		
<b>Statement of Nonconformity:</b>	There is no usage of PPE in Chemical Store Kerdau Palm Oil Mill.		
<b>Objective Evidence:</b>	During site visit at Chemical Store Kerdau POM, it was sighted no PPE are wore by Storekeeper (Employee Number 60026) during entrance and PPE not provided for entrance the store. It was against the requirement that 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), CHRA recommendation section Workplace Chemical Store dated 11/06/2020 (HQ/14/ASS/00/00001-2020/7) and company SOP Pictorial Safety Standard (PSS) Section 15.0 Store and Section 15.1 PPE at store.		
<b>Corrections:</b>	To remind the storekeeper and other personnel to wear the PPE when entering the chemical store.		
<b>Root cause analysis:</b>	Ineffective training on the implementation of SOP.		
<b>Corrective Actions:</b>	To conduct refresher training on the safety and PPE for chemical store and chemical handling.		
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP implementation was verified as following: Training PPE Usage for Chemical handler dated 28/04/2021 attended by 12 personnel in the KKS Kerdau. Sighted training materials, attendance, and photos. Thus, the Major NC was closed.		
<b>Verification Statement:</b>	Refresher training on the safety and PPE for chemical store and chemical handling was conducted at Kerdau POM. Training PPE Usage for Chemical handler dated 28/04/2021 attended by 12 personnel in the Kerdau POM. Sighted training materials, attendance, and photos. Thus, the Major NC remain closed.		

Non-Conformity Report			
<b>NCR Ref #:</b>	2041468-202104-M2	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/07/2021	<b>Date of Closure:</b>	19/06/2021
<b>Area/Process:</b>	Kerdau POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 4: 4.4.5.6 Major
<b>Requirements:</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each, and every employee indicated in the employment records.		

<b>Statement of Nonconformity:</b>	Clauses stipulated in the employment contract were incorrect.
<b>Objective Evidence:</b>	Reviewed the employment contracts for the contractor's workers (SS Naveen Engineering) found the following issues: <ol style="list-style-type: none"> <li>1. Clause 3.1 – The worker will receive a basic wages of RM 1,100.00 per month. In fact, the location of work is fall under Majlis Perbandaran Temerloh which shall be RM 1,200.00 per month for Minimum Wage Order 2020.</li> <li>2. Clause 16.1 – The first traveling expenses from Bangladesh to any agreed point of entry in Malaysia shall be borne by the Worker. In contra, the traveling expenses from country of origin to Malaysia shall be borne by the employer as part of the recruitment expenses.</li> </ol>
<b>Corrections:</b>	To request SS Naveen Engineering to amend the respective clauses accordingly.
<b>Root cause analysis:</b>	Ineffective monitoring of contractor documentation in compliance to Employment Act 1955.
<b>Corrective Actions:</b>	To review and ensure the employment contract for contractor's worker are in accordance with Employment Act 1955 as and when a new contract was awarded to the contractor. Monitoring of contractor's compliance to legal requirement on a quarterly basis by RQSM.
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP implementation was verified as following: Sighted amended employment contract. Refer Section 3: Wages, 3.1 The workers will; received a basic wages RM1,200.00 per month. Refer Employment contract under SS Naveen Engineering signed by both parties. The sampled workers as below: <ol style="list-style-type: none"> <li>1. Passport No.: BX 0642498</li> <li>2. Passport No.: BL 0314190</li> <li>3. Passport No.: BX 0724001</li> <li>4. Passport No.: BR 0584037</li> </ol> Thus, Major NC was closed.
<b>Verification Statement:</b>	Amended employment contract. Refer Section 3: Wages, 3.1 The workers received a basic wages RM1,200.00 per month and the employment contract under SS Naveen Engineering signed by both parties. The sampled workers as below: <ol style="list-style-type: none"> <li>1. Passport No.: BX 0642498.</li> </ol> The rest of workers was no longer working with the contractor. Thus, Major NC remain closed.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2041468-202104-M3	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/07/2021	<b>Date of Closure:</b>	19/06/2021
<b>Area/Process:</b>	Kerdau Estate & Mentakab Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.3 Major
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	Compliance of legal requirements (Employment Act 1955) and industry requirements (MAPA/ NUPW) was not implemented effectively.		

<p><b>Objective Evidence:</b></p>	<p>Kerdau Estate:</p> <ol style="list-style-type: none"> <li>1. Sampled payslips found one of the workers (Employee No.: 133587) who has only worked 21 days with 1 day of public holiday and 1 day of vacation leave on January 2021. There was 3 days of work not offered due to raining. The total days of work was only 23 days. However, no evidence of the management has top day 1 day of wages to the worker.</li> <li>2. The management has made deduction of wages for workers for the purpose of school bus fare of RM 25/ person. Total 19 workers have been made deduction of wages as verified on Employee Allowances and Deduction Details of March 2021 for Deduction Code: D065- School Bus Deduction. However, there is no approval from the authority to make the respective deduction.</li> </ol> <p>Mentakab Estate:</p> <p>Reviewed the Employee Allowances and Deduction Details of March 2021 found that there were 28 workers who is union member was found deduction of wages for RM 11 for the union membership fees since they joined on 01/12/2019. There was no reimbursement of RM 3 made to the worker as per MAPA/NUPW Circular No. 22/2015 dated 4/8/2015. The sampled of workers as below:</p> <ol style="list-style-type: none"> <li>1. Employee No.: 150867</li> <li>2. Employee No.: 151767</li> <li>3. Employee No.: 151917</li> <li>4. Employee No.: 155053</li> <li>5. Employee No.: 155064</li> <li>6. Employee No.: 151875</li> <li>7. Employee No.: 151718</li> <li>8. Employee No.: 151915</li> </ol>
<p><b>Corrections:</b></p>	<p>Kerdau Estate</p> <p>Management will request an approval from authority (JTK) on the school bus deduction. Management to reimburse the short-wages to the respective worker in the following month wages.</p> <p>Mentakab Estate</p> <p>To calculate the total refund of RM3/workers and reimburse the respective worker in April 2021 salary.</p>
<p><b>Root cause analysis:</b></p>	<p>The mechanism to monitor the compliance to legal requirement and industry requirement is not sufficient.</p>
<p><b>Corrective Actions:</b></p>	<p>Spot checks by RQSM/Careline on a quarterly basis during their visit to the respective operating unit and management to include additional level of data verification by assistant in-charge.</p> <p>To inform union representative during meeting with union to ensure the union member receive the reimbursement due to them as per stipulated at Employment Act 1955 and as per SDP Human Right Charter.</p>
<p><b>Assessment Conclusion:</b></p>	<p>CAP has been accepted and evidence of CAP implementation was verified as following:</p> <p>KDE: Sighted evidence of reimbursement of top up wages based on evidence of pay slip month April 2021 for Employee No.: 133587. No deduction of school bus fee has been made as per evidence on payslip April 2021.</p> <p>MTE: Sighted evidence of reimbursement of top up wages based on evidence of pay slip month April 2021. The sampled of workers as below:</p> <ol style="list-style-type: none"> <li>1. Employee No.: 150867</li> <li>2. Employee No.: 151767</li> <li>3. Employee No.: 151917</li> </ol>

	<p>4. Employee No.: 155053 5. Employee No.: 155064 6. Employee No.: 151875 7. Employee No.: 151718 8. Employee No.: 151915</p> <p>Sighted evidence of Insurance reimbursement as per Form A145. Union meeting has been conducted on 25/05/2021 and the minutes evidence showed the communication of the reimbursement matters. Thus, Major NC was closed.</p>
<b>Verification Statement:</b>	<p>KDE: Sighted evidence of reimbursement of top up wages based on evidence of pay slip month April 2021 for Employee No.: 133587. No deduction of school bus fee has been made as per evidence on payslip April 2021. MTE: Sighted evidence of reimbursement of top up wages based on evidence of pay slip month April 2021. The sampled of workers as below:</p> <p>1. Employee No.: 150867 2. Employee No.: 151767 3. Employee No.: 151917 4. Employee No.: 155053 5. Employee No.: 155064 6. Employee No.: 151875 7. Employee No.: 151718 8. Employee No.: 151915.</p> <p>Sighted evidence of Insurance reimbursement as per Form A145. Union meeting has been conducted on 25/05/2021 and the minutes evidence showed the communication of the reimbursement matters. Thus, Major NC was remained closed.</p>

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2041468-202104-M4	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/07/2021	<b>Date of Closure:</b>	19/06/2021
<b>Area/Process:</b>	Chenor Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.6 Major
<b>Requirements:</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.		
<b>Statement of Nonconformity:</b>	Terms and conditions of the employment contract was incomprehensive.		
<b>Objective Evidence:</b>	<p>Chenor Estate:</p> <p>The employment contract for FFB Transporter, Pacat Emas Enterprise was found incomplete. Terms and conditions of employment such as period of notice, reason for dismissal, entitlement of annual leave, public holiday and medical leave, overtime rate and etc. were not outlined in the employment contracts. Sampled of the employment contracts as below:</p> <p>i. I/C No.: 890323-06-XXXX ii. I/C No.: 800131-03-XXXX iii. I/C No.: 791201-06-XXXX iv. I/C No.: 880508-06-XXXX</p>		

<b>Corrections:</b>	To request the contractor to revise employment contract to their worker to include terms and conditions as per Employment Act 1955 requirement.
<b>Root cause analysis:</b>	Legal due diligence for contractor is not effectively monitor.
<b>Corrective Actions:</b>	Refresher training on the legal requirement stated in Employment Act 1955. Warning letter will be issued should the contractor fail to comply to the legal requirement and breach the contract.
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP implementation was verified as following: Sighted evidence employment contract for FFB Pacat Emas Enterprise consist of period of notice, reason for dismissal, entitlement of annual leave, public holiday and medical leave, overtime rate. Sampled of the employment contracts I/C No.: 890323-06-XXXX, I/C No.: 800131-03-XXXX, I/C No.: 791201-06-XXXX, I/C No.: 880508-06-XXXX. Briefing for contractor has been conducted on 19/05/2021. Thus, Major NC was closed.
<b>Verification Statement:</b>	Sighted evidence employment contract for FFB Pacat Emas Enterprise consist of period of notice, reason for dismissal, entitlement of annual leave, public holiday and medical leave, overtime rate. Sampled of the employment contracts for I/C No.: 890323-06-XXXX, I/C No.: 800131-03-XXXX, I/C No.: 791201-06-XXXX, I/C No.: 880508-06-XXXX. Briefing for contractor has been conducted on 19/05/2021. Thus, Major NC was remained closed.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2041468-202104-N1	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/04/2022	<b>Date of Closure:</b>	15/04/2022
<b>Area/Process:</b>	Kerdau POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSP0 2530 Part 3: 4.4.5.4 Minor
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	Payslips were not available during the time of audit and no evidence to show that SOCSO contribution was made to the contractor's workers.		
<b>Objective Evidence:</b>	Payslips of the 4 contractor's workers (SS Naveen Engineering) were not available during the time of audit and no evidence to show that the contractor has made contribution for SOCSO. The sampled workers as below: 1. Passport No.: BX 0642498 2. Passport No.: BL 0314190 3. Passport No.: BX 0724001 4. Passport No.: BR 0584037		
<b>Corrections:</b>	To request the contractor to provide the payslips for the respective months and comply to statutory contribution.		
<b>Root cause analysis:</b>	Ineffective monitoring of contractor documentation in compliance to Employment Act 1955.		
<b>Corrective Actions:</b>	To ensure legal requirement due diligence for contractor are in order on a monthly basis by the management Annual monitoring of the above mechanism during internal audit conducted by RSQM/GSD.		
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.		

<b>Verification Statement:</b>	Payslip for one of the contractor worker (SS Naveen Engineering) was verified with contribution to SOCSO has been made for worker passport number BX0642498. However, the other 3 workers were no longer working with the contractor. Thus, minor NC was effectively closed.
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<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2041468-202104-N2	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/04/2022	<b>Date of Closure:</b>	15/04/2022
<b>Area/Process:</b>	Kerdau Estate, Chenor Estate, Mentakab Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.4 Minor
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	Compliance of legal requirements were not implemented effectively by the contractors.		
<b>Objective Evidence:</b>	<p>Kerdau Estate:</p> <ol style="list-style-type: none"> <li>1. Reviewed the payslips and FFB Despatch by Ticket for September 2020, December 2020 and February 2021 found that 4 contractor's workers (FFB transporter – Triang Leong Enterprise) in Kerdau Estate have worked on rest day and no evidence to show that they were paid according to Employment Act 1955, Section 60 (3) (d). Interviewed with the contractor confirmed that he did not pay as per Employment Act 1955, Section 60 (3) (d). The sampled workers as below:            Passport No. Date of Work on Rest Day            B 9246519 06/12/2020, 13/12/2020, 20/12/2020 and 27/12/2020            C 7522889            C 5019257            EF 0621146</li> <li>2. Besides, the contractor above paid RM 42.31/ day for total 9 of his workers for public holiday wages. However, the location of work is fall under Majlis Perbandaran Temerloh which should be RM 46.15/ day. This did not comply with Minimum Wage Order 2020.</li> <li>3. In additional, the contractor did not make the correct amount of SOCSO contribution according Employees' Social Security Act 1969 (Act 4).            Passport No. Salary/ Month Amount of Contribution Made Actual Amount of Contribution            AT 640135 RM 3274.53 on December 2020 RM 34.40 RM 40.60            B9246519 RM 2967.76 on December RM 35.60 RM 36.90</li> </ol> <p>Chenor Estate:</p> <ol style="list-style-type: none"> <li>1. Reviewed the FFB Despatch by Ticket for December 2020, January 2021 and February 2021 found that 4 of the FFB Lorry Drivers (monthly-rated) have worked on rest day. However, no evidence to show that the drivers were paid according to Employment Act 1955, Section 60 (3) (b). The sampled of workers as below:           <ol style="list-style-type: none"> <li>i. I/C No.: 890323-06-XXXX</li> <li>ii. I/C No.: 800131-03-XXXX</li> <li>iii. I/C No.: 791201-06-XXXX</li> </ol> </li> </ol>		

	<p>iv. I/C No.: 880508-06-XXXX</p> <p>2. There was no evidence of EPF, SOCSO and EIS contribution was made by FFB Transporter for his workers. Interviewed with the FFB Transporter, Pacat Emas Enterprise to confirm that he did not make contribution of EPF, SOCSO and EIS to 4 of his workers as per Employees' Social Security Act 1969 (Act 4) and Employee Provident Fund Act 1991. The sampled of workers as below:</p> <ul style="list-style-type: none"> <li>i. I/C No.: 890323-06-XXXX</li> <li>ii. I/C No.: 800131-03-XXXX</li> <li>iii. I/C No.: 791201-06-XXXX</li> <li>iv. I/C No.: 880508-06-XXXX</li> </ul> <p>Mentakab Estate:</p> <p>1. Reviewed the FFB Despatch by Ticket for March 2021 found that 4 of the FFB Lorry Drivers (Risda Fleet Sdn Bhd) have worked on rest day. However, no evidence to show that the drivers were paid according to Employment Act 1955, Section 60 (3) (d). The sampled workers as below:</p> <table border="0"> <tr> <td>I/C No.</td> <td>Date of Work on Rest Day</td> </tr> <tr> <td>851106-08-XXXX</td> <td>14/03/2021, 28/03/2021</td> </tr> <tr> <td>971030-11-XXXX</td> <td>14/03/2021</td> </tr> <tr> <td>940418-06-XXXX</td> <td>14/03/2021, 21/03/2021</td> </tr> <tr> <td>690102-06-XXXX</td> <td>14/03/2021, 21/03/2021</td> </tr> </table>	I/C No.	Date of Work on Rest Day	851106-08-XXXX	14/03/2021, 28/03/2021	971030-11-XXXX	14/03/2021	940418-06-XXXX	14/03/2021, 21/03/2021	690102-06-XXXX	14/03/2021, 21/03/2021
I/C No.	Date of Work on Rest Day										
851106-08-XXXX	14/03/2021, 28/03/2021										
971030-11-XXXX	14/03/2021										
940418-06-XXXX	14/03/2021, 21/03/2021										
690102-06-XXXX	14/03/2021, 21/03/2021										
<b>Corrections:</b>	CHE To issue warning letter to the said contractor for breaching of contract on the noncompliance to legal requirement including statutory contribution KDE To advise the contractor to revise or comply with their employee work agreement on the minimum wages, payment method and the SOCSO compliance. MTE To advise the contractor to revise or comply their employee work agreement on rest day.										
<b>Root cause analysis:</b>	Legal due diligence for contractor is not effectively monitor.										
<b>Corrective Actions:</b>	To emphasize monitoring on compliance to Employment Act 1955 and other statutory deduction on monthly basis on contractor's documentation i.e. payslip of contractor's worker Warning letter will be issued should the contractor fail to comply to the legal requirement and breach the contract.										
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.										
<b>Verification Statement:</b>	Reviewed contractor workers' payslips found the salary was paid accordingly and contribution to SOCSO, EPF and EIS has been made. Warning letter was issued and briefing to contractor has been conducted. Thus, minor NC was effectively closed.										

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2041468-202104-N3	<b>Issue Date:</b>	08/04/2021
<b>Due Date:</b>	07/04/2022	<b>Date of Closure:</b>	15/04/2021
<b>Area/Process:</b>	Kerdau Estate & Mentakab Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.6.3 Minor
<b>Requirements:</b>	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 with the documented training procedure.		
<b>Statement of Nonconformity:</b>	Awareness on waste management were not implemented.		

<b>Objective Evidence:</b>	a) During the field visit to Kerbau Jentar Division empty bottles / food packs were found scattered in the fields which indicates no monitoring of waste management. b) Storekeeper was not able to explain the requirement of SW legislation during interview session at Mentakab Estate.
<b>Corrections:</b>	Kerbau Estate - Estate will conduct a training/briefing to educate all workers regarding recycle and provide proper sack at designated rain shelter in the field for workers to place the plastic bottles and food packs. MTE - To conduct a Scheduled Waste training for the new appointed store clerk by RSQM representative.
<b>Root cause analysis:</b>	Training on waste management is not sufficient.
<b>Corrective Actions:</b>	Monitoring on waste management training effectiveness during housing inspection and site observation by the management.
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.
<b>Verification Statement:</b>	Waste management training has been conducted as below: Kerbau Estate: 12/02/2022 Mentakab Estate: 27/08/2021 Sg Mai Estate: 17/03/2022 Housing Inspection has been conducted on weekly basis. Checklist of inspection has been verified and included of waste management monitoring. Refer Part A: Cleanliness / Domestic waste / Landscaping. Thus, minor NC was effectively closed.

<b>Opportunity For Improvement</b>			
<b>Ref:</b>	2041468-202104-I1	<b>Clause:</b>	MSPO Part 4: 4.4.4.2 (i)
<b>Area/Process:</b>	Kerbau POM		
<b>Objective Evidence:</b>	Management could improve on placing additional First Aid Box at back section of Palm Oil Mill to increase safety precaution when having any emergency.		
<b>Verification Statement:</b>	First aid inspected were in order and contained as per inventory. Based on interview First Aider have good awareness on the First Aid Box content.		

### 3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
2189891-202201-M1	4.6.4.4 Part 3 Major	15/04/2022	Closed on 14/07/2022
2189891-202201-N1	4.4.4.2 Part 3 Minor	15/04/2022	Open

### 3.5 Issues Raised by Stakeholders

IS #	Description
1	<b>Issues:</b> Local Village Representatives – Village Head Kampung Sg Buloh




	<p>Both mill and estate management always helpful and contributed a lot to local villagers. Contributions including food basket to COVID-19 quarantined families and recently house cleaning with foods and clothes to families affected by flood.</p> <p><b>Management Responses:</b> Estates management given commitment to continue good relationship with community.</p> <p><b>Audit Team Findings:</b> No further action required.</p>
<b>2</b>	<p><b>Issues:</b> Estate supplier &amp; shop keeper – Triang Long Enterprise &amp; Syarikat Mohd Affendi No issue in contractual matters since company always give priority to locals and/or long-served contractor to provide service/contract work. Contract pricing fair to both parties for direct award contract unless involve tendering that need to be negotiated. Nevertheless, negotiated price for specific contract/tender work if awarded still fair to both parties.</p> <p><b>Management Responses:</b> Estates management will continue good relationship with supplier.</p> <p><b>Audit Team Findings:</b> No further action required.</p>
<b>3</b>	<p><b>Issues:</b> Local workers &amp; foreign workers NUPW representatives No restrictions by management to all mill and estate employees to join union. Almost all local workers associated with NUPW while more than 50% foreign workers become member. Required fees paid by company with no issue.</p> <p><b>Management Responses:</b> Estates management will continue good relationship with workers.</p> <p><b>Audit Team Findings:</b> No further action required.</p>
<b>4</b>	<p><b>Issues:</b> Estate Medical Assistant (MA) – Norashikin Mat Rosdy Issue related to COVID-19 pandemic was handled well by management and all personnel. No serious positive case. No other viral case occurred since last audit.</p> <p><b>Management Responses:</b> Estates management will continue to monitor health and safety issues.</p> <p><b>Audit Team Findings:</b> No further action required.</p>

### 3.6 List of Stakeholders Contacted

<p><b>Government Officer:</b> -</p>	<p><b>Community/neighbouring village:</b> Villagers Head – Kampung Sg Buloh</p>
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<p><b>Suppliers/Contractors/Vendors:</b> Triang Long Enterprise Syarikat Mohd Affendi</p>	<p><b>Worker's Representative/Gender Committee:</b> Medical Assistant Local workers &amp; foreign workers NUPW representatives</p>
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**Section 4: Assessment Conclusion and Recommendation**

<p><b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b></p>	
<p>Based on the findings during the assessment Kerdu Palm Oil Mill and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Kerdu Palm Oil Mill and Supply Base Certification Unit is approved and continued.</p>	
<p><b>Acknowledgement of Assessment Findings</b></p>	<p><b>Report Prepared by</b></p>
<p><b>Name:</b> <b>AZRI BIN LAHMAN</b></p>	<p><b>Name:</b> <b>Mohd Nazib Marwan</b></p>
<p><b>Company name:</b> <b>SIME DARBY</b></p>	<p><b>Company name:</b> <b>BSI Services Malaysia Sdn. Bhd.</b></p>
<p><b>Title:</b> <b>SENIOR MANAGER</b></p>	<p><b>Title:</b> <b>Client Manager</b></p>
<p><b>Signature:</b>  <b>Date:</b> 8/10/22</p>	<p><b>Signature:</b>  <b>Date:</b> 15/07/2022</p>

**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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	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
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Internal audit for estates was planned at least once a year. Latest internal audit was conducted by Sustainability Compliance Unit, GSD Which has covered RSPO, MSPO and MSPO SCCS. Internal audit was conducted at each estate as follows:	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Kerdau Estate – conducted on 08 &amp; 14/03/2022 with 1 major and 3 minor nonconformances were raised.</p> <p>Mentakab Estate – 15/03/2022 with 2 minor nonconformances and 4 OFIs</p> <p>Sg Mai Estate – 15/03/2022 with 1 minor nonconformance raised</p>	
<b>4.1.2.2</b>	<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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has maintained the Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/09/2017. The audit results recorded in Internal Audit Results has include detail of nonconformities/findings, root cause, correction and corrective action plan.</p>	Complied
<b>4.1.2.3</b>	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The internal audit report is available for the estate management review. The Management Representative has acknowledged on the Internal Audit Report for each estates audited as follows:</p> <ol style="list-style-type: none"> <li>1. Kerdau Estate dated 14/03/2022</li> <li>2. Mentakab Estate dated 15/03/2022</li> <li>3. Sg Mai Estate dated 15/03/2022</li> </ol>	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	<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><b>- Major compliance -</b></p>	<p>Management review was planned to be conducted at least once a year after the internal audit. Latest management review meeting was conducted at each estate as follow:</p> <ol style="list-style-type: none"> <li>1. Kerdau Estate – MRM conducted on 15/03/2022</li> <li>2. Mentakab Estate – MRM conducted on 30/03/2022</li> <li>3. Sg Mai Estate – MRM conducted on 29/03/2022</li> </ol> <p>Meeting minutes is available where the agenda discussed in the meeting is as follows:</p> <ol style="list-style-type: none"> <li>1. Results of internal audits covering RSPO, MSPO &amp; SCCS</li> <li>2. Customer feedback</li> </ol>	Complied

Criterion / Indicator		Assessment Findings	Compliance																																						
		3. Status of preventive and corrective actions 4. Follow-up actions from management reviews 5. Changes that could affect the management system 6. Recommendations for improvement 7. Improvement of the effectiveness of the management system and processes 8. Resources needs																																							
<b>Criterion 4.1.4 – Continual Improvement</b>																																									
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	Each of estate management has developed their respective continual management plan which involved of new infrastructure/facilities installation, process improvement pollution and energy conservation for current and forthcoming year. Sighted some of the plan programmed for year 2022 as follow: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Type of work</th> <th>Improvement Plan</th> <th>Project Cost</th> <th>Planned</th> </tr> </thead> <tbody> <tr> <td colspan="4">Kerdau Estate</td> </tr> <tr> <td rowspan="2">Harvesting</td> <td>Mechanized palm cutter.</td> <td>RM 32,000</td> <td>2022</td> </tr> <tr> <td>Mechanize FFB loading.</td> <td>RM 84,000</td> <td>2022</td> </tr> <tr> <td rowspan="2">Immature area</td> <td>MB sprayer.</td> <td>RM 25,000</td> <td>2022</td> </tr> <tr> <td>Turbomizer.</td> <td>RM 43,000</td> <td>2022</td> </tr> <tr> <td colspan="4">Mentakab Estate</td> </tr> <tr> <td>Plant &amp; Machinery</td> <td>Fertilizer applicator</td> <td>RM 29,480</td> <td>2022</td> </tr> <tr> <td colspan="4">Sungai Mai Estate</td> </tr> <tr> <td>Maintenance</td> <td>Rotary slasher.</td> <td>RM 13,000</td> <td>2022</td> </tr> </tbody> </table>	Type of work	Improvement Plan	Project Cost	Planned	Kerdau Estate				Harvesting	Mechanized palm cutter.	RM 32,000	2022	Mechanize FFB loading.	RM 84,000	2022	Immature area	MB sprayer.	RM 25,000	2022	Turbomizer.	RM 43,000	2022	Mentakab Estate				Plant & Machinery	Fertilizer applicator	RM 29,480	2022	Sungai Mai Estate				Maintenance	Rotary slasher.	RM 13,000	2022	Complied
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<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry	Any new technology and innovation equipment are subject to approval by the regional office. Any new information is updated to	Complied																																						

Criterion / Indicator		Assessment Findings	Compliance								
	standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	<p>employees through morning briefings, meetings or during the trainings.</p> <p>During the site visit to the estate, it was observed some estate adopted new technology to ease their operation activities.</p> <table border="1"> <tr> <td>Estate</td> <td>New technology or technique.</td> </tr> <tr> <td>Kerdau</td> <td>The estate management adopted new machinery called Land Surf to replace the use of wheelbarrow to take out clear the FFB from field to platform.</td> </tr> <tr> <td>Mentakab</td> <td>The estate management adopted new machinery called ASP Spray. This machine will ease the spraying activities at the hilly area with minimum manpower.</td> </tr> <tr> <td>Sg Mai</td> <td>No new technology implemented in the estate compound.</td> </tr> </table>	Estate	New technology or technique.	Kerdau	The estate management adopted new machinery called Land Surf to replace the use of wheelbarrow to take out clear the FFB from field to platform.	Mentakab	The estate management adopted new machinery called ASP Spray. This machine will ease the spraying activities at the hilly area with minimum manpower.	Sg Mai	No new technology implemented in the estate compound.	
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Sg Mai	No new technology implemented in the estate compound.										
<b>4.1.4.3</b>	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. <b>- Major compliance -</b>	Action plan to provide necessary resources including training or implementing new techniques/technology are developed and programmed in their annual training program.	Complied								
<b>4.2 Principle 2: Transparency</b>											
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>											
<b>4.2.1.1</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication	Complied								

Criterion / Indicator		Assessment Findings	Compliance
		requiring investigation. Manager is responsible for address the communication and requests.	
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. <b>- Major compliance -</b>	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website <a href="http://www.simedarbyplantation.com">http://www.simedarbyplantation.com</a> to obtain information such as policies, annual report and complaint procedures.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	Each estate has appointed Assistant Manager as communication personnel as per appointment letter approved by Estate Manager as follows: Kerdau Estate – Fakhrul Hilmi Bin Muhamad Shah and Siti Aisyah Nur Binti Abd Ramin dated 01/01/2022 Mentakab Estate – Muhammad Noor Khairuddin, appointment letter dated 08/03/2021 Sg Mai Estate – Mohd Jeffri Zai Ramli appointment letter dated 15/02/2021	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p><b>- Major compliance -</b></p>	<p>List of Stakeholders was updated by each estate has included contractors, local head communities, vendors/suppliers, government agencies/authorities and etc.</p> <p><u>Kerdau Estate</u></p> <p>Meeting with stakeholder was conducted on 04/03/2022 which was attended by representatives from authority and government agencies (e.g. KPDNHEP, School), TNB, contractor, clinic and supplier. There were concerns raised by the stakeholders.</p> <p>Action plan for Kerdau Estate was incorporated into the Social Management Plan dated 10/03/2022 such as school bus, road quality issue, school children attendance, housing facilities and etc.</p> <p><u>Mentakab Estate</u></p> <p>Survey form and presentation slide on RSPO &amp; MSPO was sent to 21 stakeholders and only 2 stakeholders replied with no issue raised.</p> <p><u>Sg Mai Estate</u></p> <p>Stakeholder consultation was conducted on 07/03/2022 attended by representative from school, BOMBA, nearby villages, neighbouring smallholders and etc. Issue raised by the stakeholder was incorporated into Social Management Plan FY2022 such as road safety, fire drill school children attendance and etc.</p>	Complied
<b>Criterion 4.2.3 – Traceability</b>			
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><b>- Major compliance -</b></p>	<p>Sampled estates send their FFB to Kerdau POM. Weighbridge tickets were available for verification and maintained for traceability of all FFBs sent to the mill. Weighbridge tickets were sampled for both estates. The weighbridge ticket provided the following details among others:</p> <ol style="list-style-type: none"> <li>1. Product (FFB or Loose fruit)</li> <li>2. Delivery note from estates stating the weight and fruit grade (A or B).</li> </ol>	Complied



Criterion / Indicator		Assessment Findings	Compliance												
		3. D.O Number 4. Date of the shipment The Sustainable Plantation Management System (Appendix 15) Dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System. The responsible personal for the traceability is the Estate Manager of each supplying units.													
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2018, issue no 5 dated April 2019 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of RSPO/ISCC/MSPO.	Complied												
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the estate managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability]. Management has also assigned person in charge on traceability as per appointment letter dated 14/01/2022 for Mr Fakhru Hilmi Mohd Shah for Kerbau Estate.	Complied												
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	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: <table border="1" data-bbox="1048 1337 1848 1439"> <tbody> <tr> <td>Estate</td> <td>Kerbau</td> <td>Sg Mai</td> <td>Mentakab</td> </tr> <tr> <td>Date</td> <td>21/03/2022</td> <td>29/01/2022</td> <td>28/03/2022</td> </tr> <tr> <td>Chit Number</td> <td>267861</td> <td>12181</td> <td>267064</td> </tr> </tbody> </table>	Estate	Kerbau	Sg Mai	Mentakab	Date	21/03/2022	29/01/2022	28/03/2022	Chit Number	267861	12181	267064	Complied
Estate	Kerbau	Sg Mai	Mentakab												
Date	21/03/2022	29/01/2022	28/03/2022												
Chit Number	267861	12181	267064												

Criterion / Indicator		Assessment Findings				Compliance	
		Lorry Number	BPK 358	VFM 5925	VFL 835		
		Weight, MT	4.59	12.30	13.78		
		Estate	Kerdau	Sg Mai	Mentakab		
		Date	31/01/2022	28/01/2022	31/01/2022		
		Chit Number	265974	12451	266016		
		Lorry Number	BNB 7028	VFJ 2773	VFV 1239		
		Weight, MT	2.55	12.74	11.66		
<b>4.3 Principle 3: Compliance to legal requirements</b>							
<b>Criterion 4.3.1 – Regulatory requirements</b>							
<b>4.3.1.1</b>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad have established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU19.</p> <p>PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Sime Darby Plantation, ESH Management System Manual, ESH Legal &amp; Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision: 0. Date: 01/07/2012.</p> <p>Among the license and Permits sampled were:</p> <p><u>Kerdau Estate</u></p> <ol style="list-style-type: none"> <li>1. MPOB License 524696002000 valid until 31/10/2022</li> <li>2. Sijil Penggunaan Sumber Air Pahang Series Number: 0127, 1121010007 valid until 31/12/2022</li> <li>3. Permit Barang Kawalan Berjadual Diesel KPDNHEP TLH 600-5/2/03/86 valid until 26/05/2022</li> </ol>					Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>4. Permit Barang Kawalan Berjadual Petrol KPDNHEP TLH 600-5/2/337/17(PK) valid until 06/08/2022</p> <p>5. Air Compressor License PH PMT 2801 valid until 13/05/2023</p> <p>6. Code of Good Nursery Practices (COPN) MPOB 535116011000 valid until 31/12/2022</p> <p><u>Mentakab Estate</u></p> <p>1. MPOB License 524796002000 valid until 31/07/2022</p> <p>2. Permit Barang Kawalan Berjadual (Diesel) KPDNHEP TLH 600-5/2/324/81 valid until 01/07/2022</p> <p>3. Sijil Penggunaan Sumber Air Pahang Series Number: 0154, 1121010008 valid until 31/12/2022</p> <p>4. MPOB For Oil Palm Nurseries License No: 546148011000 valid until 31/01/2023</p> <p>5. Air Compressor License PH PMT 3455 valid until 02/05/2022</p> <p>6. Air Compressor License PH PMT 4162 valid until 15/06/2022</p> <p><u>Sg Mai Estate</u></p> <p>1. MPOB License 524697002000 valid until 31/10/2022</p> <p>2. Sijil Penggunaan Sumber Air Pahang Series Number: 0062, 0821010006 valid until 31/12/2022</p> <p>3. Permit Barang Kawalan Berjadual Diesel KPDNHEP JRT 600-5/2/243 (PA) PD valid until 26/05/2022</p> <p>4. Permit Barang Kawalan Berjadual Petrol KPDNHEP JRT600-5/2/103/11(PK) valid until 25/04/2022</p> <p>5. Air Compressor License PH PMT 2834 valid until 12/04/2023</p> <p>6. The estate has obtained approval from <i>Jabatan Tenaga Kerja Negeri Pahang</i> for deduction of wages for electric bill, insurance and workers' association fee. Approval letter with Ref. No.: JTK.PHG.600-2/11/3(25) dated 14/06/2016 was sighted.</p> <p>7. Air Compressor License PH PMT 2835 valid until 12/04/2023</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.3.1.2</b> The management shall list all laws applicable to their operations in a legal requirements register. <b>- Major compliance -</b></p>	<p>Documented Procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>All legal requirements were documented in Legal and Other Requirement Register available at the estates. The register is reviewed regularly and updated as and when there are new or amended legal requirements that are applicable to the estate operations. The latest review is as below.</p> <p>LORR was established to cover all legal acts, regulations and other requirement related to. Management has listed applicable laws and regulations. The sample of Act and Legal:</p> <ol style="list-style-type: none"> <li>1. Akta Kawalan Penyakit Berjangkit 1998 (Amendment 2020)</li> <li>2. Minimum Wages Order (Amendment 2020)</li> <li>3. Workers Minimum Standard of Housing and Amenities (Amendment Act 2019)</li> <li>4. Pesticides (Amendment of First Schedule) Order 2019</li> <li>5. Children and Young Person (Amendment) Act 2010</li> </ol>	<p>Complied</p>
<p><b>4.3.1.3</b> The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b></p>	<p>Documented procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the estates undersigned by the Top Management. The document lists the latest applicable laws and</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance																										
		<p>amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 &amp; Akta Pencegahan &amp; Pengawalan Penyakit Berjangkit 1988.</p>																											
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></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. Refer Appointment letter as Person in Charge for Environmental/Quality Management System.</p> <p>Mentakab Estate: Mr Muhammad Noor Khairuddin dated 08/03/2021. Sg Mai Estate: Mr Arif Afendi Bin Mahamat dated 14/01/2022</p>	Complied																										
<b>Criterion 4.3.2 – Lands use rights</b>																													
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>Land title for each estate was made available to the audit team. listed the titles and accumulated hectarage as below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Lot No</th> <th>Area</th> <th>Special Term</th> </tr> </thead> <tbody> <tr> <td rowspan="7">Kerdau</td> <td>575</td> <td>4856.23</td> <td>Oil Palm</td> </tr> <tr> <td>1859</td> <td>120.7784</td> <td>Oil Palm</td> </tr> <tr> <td>1879</td> <td>89.4881</td> <td>Oil Palm</td> </tr> <tr> <td>1715</td> <td>371.5</td> <td>Oil Palm</td> </tr> <tr> <td>1880</td> <td>73.07</td> <td>Oil Palm</td> </tr> <tr> <td>1860</td> <td>131.802</td> <td>Oil Palm</td> </tr> <tr> <td>830</td> <td>40.0387</td> <td>Oil Palm</td> </tr> </tbody> </table>	Estate	Lot No	Area	Special Term	Kerdau	575	4856.23	Oil Palm	1859	120.7784	Oil Palm	1879	89.4881	Oil Palm	1715	371.5	Oil Palm	1880	73.07	Oil Palm	1860	131.802	Oil Palm	830	40.0387	Oil Palm	Complied
Estate	Lot No	Area	Special Term																										
Kerdau	575	4856.23	Oil Palm																										
	1859	120.7784	Oil Palm																										
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	1860	131.802	Oil Palm																										
	830	40.0387	Oil Palm																										

Criterion / Indicator		Assessment Findings			Compliance	
		Total	5682.9072			
		Mentakab	194	15.8586	Nil	
			231	0.9965	Nil	
			474	85.5909	Nil	
			567	417.8221	Nil	
			918	17.2952	Oil Palm	
			1193	181.9059	Nil	
			1806	2.5723	Nil	
			1807	866.0259	Nil	
			1808	565.3449	Nil	
			2163	37.8128	Nil	
			2164	29.7191	Oil Palm	
			2317	6.7178	Oil Palm	
			2470	5.7389	Nil	
			2473	20.6642	Oil Palm	
			3079	54.7842	Nil	
			3080	0.9131	Nil	
			1970	290.5638	Nil	
			2107	242.6087	Nil	
			2122	12.7476	Nil	
			2459	202.646	Nil	
		4027	35.9332	Nil		
		4029	258.7279	Nil		
		Total	3352.9896			
		Sungai Mai	379	1.29	Nil	
			746	1.50	Nil	
			777	617.87	Nil	
			955	248.27	Nil	
			1096	670.56	Nil	
			509	785.09	Oil Palm	
			796	339.54	Oil Palm	
			797	189.58	Oil Palm	

Criterion / Indicator		Assessment Findings			Compliance
		Total	2853.70		
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. <b>- Major compliance -</b>	Estate management showing ownership of the land possessed by paying the quit rent fee to the respective local municipal. The payment receipts were made available to the audit team.			Complied
		Estate	Quit Rent	Date	
		Kerdau	RM 994,727	28/01/2022	
		Mentakab	RM 195,586.50	29/03/2022	
		Sungai Mai	RM 499,112	07/01/2022	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	During the site visit, it was observed the estate management construct fences trenches as the boundary marking. The boundary stones were made available and visible during the visits.			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). <b>- Minor compliance -</b>	There is no land dispute recorded in the estate compound at the time of audit. The land belongs to Sime Darby Plantation Sdn Bhd. Related documents were verified.			Complied
<b>Criterion 4.3.3 – Customary rights</b>					
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. <b>- Major compliance -</b>	There is no land encumbered by customary rights under Kerdau 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. <b>- Minor compliance -</b>	There is no land encumbered by customary rights under Kerdau certification units estates.			N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	There is no land encumbered by customary rights under Kerdau certification units estates.			N/A

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 11 – 16/01/2016 for SOU 11 Kerdu. There is no new SIA was conducted since last assessment.  Action Plan Social Assessment Kerdu Estate was developed on April 2021, 16/03/2021 in Chenor Estate and March 2021 in Mentakab Estate where concerns raised by the stakeholders during stakeholder meeting, NUPW meeting, OSH meeting and Gender Committee meeting were incorporated into the action plan.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	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
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	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



Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	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
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	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.  Employees are aware that complaints can be made through "Suara Kami" & Worker helpline, Ulula portal (toll free – 1800819741, Whatsapp +60162991411) for grievance), Whistleblowing (through website) "Oil Palm Poll (OPP)", communication book/morning briefing and Social Dialog.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	Record review found that previous complaints and requests including the resolution for the past 24 months were still available to affected stakeholders upon request.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	Contribution to local development was verified such as: - <ol style="list-style-type: none"> <li>1. Contribution of school equipment (e.g., school bag) to SJK (Tamil) Ladang Sungai Tekal</li> <li>2. Post flood cleaning activities in January 2022 at Kampung Paya Taram, SK Paya Taram, Taman Wijaya (Karak)</li> <li>3. Monetary contribution to workers affected by flood at Sungai Tekal Division</li> </ol> <u>Mentakab Estate</u> <ol style="list-style-type: none"> <li>1. Post Flood Relief Fund to Taman Lanchang Indah on 06/01/2022 (Electrical appliances), KV Puteri Temerloh, Dala/Jeragan and</li> </ol>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Kampung Bongsudated 05/01/2022 (Pillow, Mattress &amp; comforter).</p> <p><u>Sg Mai Estate</u></p> <p>1. Postflood relief fund to Kampung Kuala Mai Baru dated 19-24/12/2021, Kampung Paya Sok and Kampung Gong Haltdated 08/01/2022.</p>	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>The group has developed a Group Sustainability &amp; Quality Policy Statement, endorsed by Mr. Mohamad Helmy Othman Basha on 02/12/2019. The statement indicated their commitment to provide safe and healthy workplace and protecting worker’s welfare.</p> <p>The estate management has conducted the policies training to the workers on delivered by the Senior Assistant / Assistant Manager to the workers. Besides that, morning briefing regarding on the safety issues during work were conducted every day. Briefing records were made available to the audit team. Training on policy has been conducted as below:</p> <p>Kerdau Estate: 11/04/2022 Mentakab Estate: 12/04/2022 Sg Mai Estate: 30/03/2022</p> <p>The estate management has conducted series of training and briefing regarding on the safety and health to the workers. During the interview, the workers were able to demonstrate a good understanding on the safe working procedures and the importance of using PPE while at work.</p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p>	<p>The group has developed a Group Sustainability &amp; Quality Policy Statement, endorsed by Mr. Mohamad Helmy Othman Basha on 02/12/2019. The statement indicated their commitment to provide safe and healthy workplace and protecting worker’s welfare.</p>	Minor Non-Conformity

Criterion / Indicator	Assessment Findings	Compliance
<p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> <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>a. Safety and health policy were communicated to the workers during morning muster and awareness training conducted by the management.</p> <p>b. HIRARC documents were made available to the audit team. All the operation and non-operation activities were covered. 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</p> <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"> <li>- Kerdau Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/14/ASS/00/00001-2020/11) conducted by Azhar Hazardous Chemical Consultancy (DOSH Registration: HQ/14/ASS/00/358) on 11/06/2020 was available for verification.</li> <li>- Mentakab Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/14/ASS/00/00001-2020/16) conducted by Azhar Hazardous Chemical Consultancy (DOSH Registration: HQ/14/ASS/00/358) on 06/06/2020 was available for verification.</li> <li>- Sg Mai Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/14/ASS/00/00001-2020/14) conducted by Azhar Hazardous Chemical Consultancy (DOSH Registration: HQ/14/ASS/00/358) on 11/07/2020 was available for verification.</li> </ul> <p>Medical Surveillance was conducted for workers exposed to chemicals in the estate as recommended in the CHRA. The medical surveillance was conducted to monitor the level of</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>exposure on the workers towards the chemicals from identification by Occupational Health Doctor.</p> <ul style="list-style-type: none"> <li>- <u>Kerdau Estate</u> Medical Surveillance was conducted from 07/02/2022 at Klinik Sulaiman Temerloh, Pahang for 12 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals. Results indicated that all workers were free from occupational diseases.</li> <li>- <u>Mentakab Estate</u> Medical Surveillance was conducted from 01/04/2022 at Klinik Sulaiman Temerloh, Pahang for 6 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals. Results yet to receive.</li> <li>- <u>Sg Mai Estate</u> Medical Surveillance was conducted from 22/03/2022 at Klinik Sulaiman Temerloh, Pahang for 3 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals. Results yet to receive.</li> </ul> <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety &amp; 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"> <li>• Kerdau Estate – Assessment conducted on 21/09/2021 by SH Safety Consultancy Sdn Bhd. The assessment report was available for verification.</li> <li>• Mentakab estate - Assessment conducted on 22/09/2021 by SH Safety Consultancy Sdn Bhd. The assessment report was available for verification.</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Sg Mai Estate - Assessment conducted on 23/09/2021 by SH Safety Consultancy Sdn Bhd. The assessment report was available for verification.</li> </ul> <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"> <li>- <u>Kerdau Estate</u> Audiometric test was conducted on 28/03/2022 by Best Hearing Aid Centre Sdn Bhd for workers identified to be exposed to excessive noise in the estate. The result with reference number BHAC/TML/LC000145 was verified.</li> <li><u>Mentakab Estate</u> Audiometric test was conducted on 23/03/2022 by Best Hearing Aid Centre Sdn Bhd for workers identified to be exposed to excessive noise in the estate. The result yet to receive.</li> <li><u>Sg Mai Estate</u> Audiometric test was conducted on 11/04/2022 by Best Hearing Aid Centre Sdn Bhd for workers identified to be exposed to excessive noise in the estate. The result with reference number BHAC/TML/LC000156 was verified.</li> </ul> <ul style="list-style-type: none"> <li>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.</li> <li>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. PPE issuance record was made available to</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>the audit team. The estate management has provided the suitable PPE to the workers according to their nature of job such as apron, wellington boot, safety helmets, safety shoes and eye protector. Interview with the workers indicate that they are aware of the important of PPE usage during work.</p> <p>The risk control at the place of work to cover all potentially hazardous operations not fully implemented. During site visit at Kerdau Estate Field 10A, it was found 6 workers were conducted fertilizer application NKC. PPE were using during conduct the work which is goggle, apron, N95 mask, boots and cotton gloves. However, the type of gloves used not in line with recommendation by CHRA assessor dated 11/06/2020 Section Personal Protective Equipment No. 10, Manuring Operator, Type of Glove: Reusable Nitrile Glove for Fertilizer/Chemicals: Kieserite, Egyptian, Rock Phosphate, Fertibor and NKC. During site visit at Sg Mai Estate, Workshop area, it was found that installation of flash back arrestor only at Acetylene Cylinder but not at Oxy Cylinder. It was not in line with SOP Workshop &amp; Maintenance dated 01/11/2008 Section 14.3.6 (b) Ensure that flash back arrestors are installed. Thus, Minor Nc was raised.</p> <p>e. The Sime Darby Plantation Berhad has developed a Chemical Safety Management Procedure, approved by Mr. Iqmal Fajri Danial (Head of Safety Environment, Upstream Malaysia) on 09/03/2021. the procedure has outlined the requirement and procedures as follow:</p> <ul style="list-style-type: none"> <li>• Procurement of chemicals</li> <li>• Transportation of chemicals</li> <li>• Receiving of chemicals</li> <li>• Storage of chemicals.</li> <li>• Handling of chemicals</li> <li>• Disposal of chemicals</li> <li>• Training</li> <li>• Maintenance of equipment</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance																																												
	<p>f. Verified OSH Organization chart has been established for all sample estates. Appointment letter has been kept in the OSH file. Person in charge (Chairman) for OSH for each operation units are as follow:</p> <table border="1" data-bbox="1093 488 1848 687"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>Appointment Date</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>Azri Bin Lahman</td> <td>Estate Manager</td> <td>01.01.2022</td> <td>Kerdau</td> </tr> <tr> <td>Ahmad Tarmizi Harun</td> <td>Estate Manager</td> <td>08.01.2022</td> <td>Sg Mai</td> </tr> <tr> <td>Zuraimi Norrais</td> <td>Estate Manager</td> <td>02.01.2022</td> <td>Mentakab</td> </tr> </tbody> </table> <p>g. Meeting minutes are well kept in the OSH Meeting File. Verification found that OSH Meeting was conducted quarterly meeting as per requirement by regulation. Sighted evidence of minutes of meeting and attendance</p> <table border="1" data-bbox="1093 877 1848 1251"> <thead> <tr> <th>OSH 2021</th> <th>Kerdau Estate</th> <th>Sg Mai Estate</th> <th>Mentakab Estate</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Meeting</td> <td>17/03/2021</td> <td>26/03/2021</td> <td>18/02/2021</td> </tr> <tr> <td>2<sup>nd</sup> Meeting</td> <td>28/05/2021</td> <td>23/06/2021</td> <td>12/05/2021</td> </tr> <tr> <td>3<sup>rd</sup> Meeting</td> <td>23/08/2021</td> <td>17/09/2021</td> <td>14/08/2021</td> </tr> <tr> <td>4<sup>th</sup> Meeting</td> <td>29/11/2021</td> <td>24/11/2021</td> <td>11/11/2021</td> </tr> <tr> <th>OSH 2022</th> <th>Kerdau Estate</th> <th>Sg Mai Estate</th> <th>Mentakab Estate</th> </tr> <tr> <td>1<sup>st</sup> Meeting</td> <td>24/02/2022</td> <td>23/02/2022</td> <td>11/02/2022</td> </tr> </tbody> </table> <p>h. Sime Darby Plantation Sdn Bhd has established an Emergency Response Procedure. ERT are initiated for fire &amp; flood, chemical spillage, motor &amp; vehicle accident, wild &amp; poisonous animal attack and first aid team. The workers can demonstrate a fair</p>	Name	Designation	Appointment Date	Estate	Azri Bin Lahman	Estate Manager	01.01.2022	Kerdau	Ahmad Tarmizi Harun	Estate Manager	08.01.2022	Sg Mai	Zuraimi Norrais	Estate Manager	02.01.2022	Mentakab	OSH 2021	Kerdau Estate	Sg Mai Estate	Mentakab Estate	1 <sup>st</sup> Meeting	17/03/2021	26/03/2021	18/02/2021	2 <sup>nd</sup> Meeting	28/05/2021	23/06/2021	12/05/2021	3 <sup>rd</sup> Meeting	23/08/2021	17/09/2021	14/08/2021	4 <sup>th</sup> Meeting	29/11/2021	24/11/2021	11/11/2021	OSH 2022	Kerdau Estate	Sg Mai Estate	Mentakab Estate	1 <sup>st</sup> Meeting	24/02/2022	23/02/2022	11/02/2022	
Name	Designation	Appointment Date	Estate																																											
Azri Bin Lahman	Estate Manager	01.01.2022	Kerdau																																											
Ahmad Tarmizi Harun	Estate Manager	08.01.2022	Sg Mai																																											
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OSH 2021	Kerdau Estate	Sg Mai Estate	Mentakab Estate																																											
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3 <sup>rd</sup> Meeting	23/08/2021	17/09/2021	14/08/2021																																											
4 <sup>th</sup> Meeting	29/11/2021	24/11/2021	11/11/2021																																											
OSH 2022	Kerdau Estate	Sg Mai Estate	Mentakab Estate																																											
1 <sup>st</sup> Meeting	24/02/2022	23/02/2022	11/02/2022																																											

Criterion / Indicator		Assessment Findings	Compliance
		<p>understanding and they are aware of where and who to contact during emergency. Training record as per indicator 4.4.6.1.</p> <p>i. First aid training was conducted and recorded. Sighted the report for the training. Training was given by Medical Assistant to all first aiders. Verification during site visit found that mandores were carried the First Aid box to the workplace. Inspection of First Aid box contents found all items were in order and according to the guidelines. Training record as per indicator 4.4.6.1.</p> <p>j. Records for accident happened in the estate compound were well kept in the OSH File.</p> <p>Kerdau Estate - JKPP 8 form submitted to the DOSH on 07/01/2022 with reference number JKPP8/90448/2021. Four (4) accidents were reported and involved of 33 days TLA. Accidents were reviewed in the OSH meeting.</p> <p>Mentakab Estate - JKPP 8 form submitted to the DOSH on 31/01/2022 with reference number JKPP8/111462/2022. One (1) accident were reported and involved of 3 days TLA. Accidents were reviewed in the OSH meeting.</p> <p>Sg Mai Estate - JKPP 8 form submitted to the DOSH on 10/01/2022 with reference number JKPP8/96928/2021. Three (3) accidents were reported and involved of 130 days TLA. Accidents were reviewed in the OSH meeting.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has established Group Sustainability &amp; Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding &amp; no exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020.</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
		<p>Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/03/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP.</p> <p>This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p>	
<b>4.4.5.2</b>	<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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age.</p> <p>The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from <a href="https://www.simedarbyplantation.com/sustainability/humanrights-charter">https://www.simedarbyplantation.com/sustainability/humanrights-charter</a></p>	Complied
<b>4.4.5.3</b>	<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><b>- Major compliance -</b></p>	<p>Employment contracts and offer letters for local workers and foreign workers is available. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>Sampled of pay slips for August 2021, December 2021 and February 2022 found that all the workers were paid accordingly.</p> <p>Samples of pay slip verified is as follows:</p> <p><u>Kerdau Estate</u> 163107, 162390, 163917, 167465, 167470, 148125, 161366, 161411, 161456, 161463, 161388, 161393, 161398, 161470, 161493, 153723, 122076, 151357, 151368, 152642</p> <p><u>Mentakab Estate</u> 167964, 20806, 52085, 20808, 20816, 29302, 151717, 151767, 140311, 144042, 154068, 55494, 127902, 121310, 142486, 91128, 144043, 108293, 155062</p> <p><u>Sg Mai Estate</u> 13885, 120181, 96323, 151922, 162943, 152743, 21118, 164985, 21054, 21070</p>	
<p><b>4.4.5.4</b> 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><b>- Minor compliance -</b></p>	<p>The management of both sampled estates ensured that the employees of the contractors are paid according to these standard requirements by obtaining the pay slips from the contractor. The copies of pay slips were available at the estates for verification. Based on samples of the payslips, it was noted that the employees of the contractors were paid based on minimum standard and employment contract. The amount of EPF &amp; SOCSO contributions were also included in the pay slips.</p> <p><u>Kerdau Estate</u> Contractor: Triang Leong Enterprise, Emp ID No: AU074730 &amp; B9246519 &amp; B9246521, C 5019257 Dec 2021, Jan 2022 – No socso contribution</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Contractor: Wagimin Enterprise, Emp ID No: 980316-06-5633&amp;900206-06-6309</p> <p>Contractor: Enek Bin Luman Emp ID No: 960914-06-5643, 940105-06-6031, 791027-06-5829, 921227-06-5973, 890222-06-6177, 901210-0605805, 020108-06-0987, 951208-06-5473.</p> <p>Contractor: Shamisha Trading, Emp ID No: 600701-08-6855</p> <p><u>Mentakab Estate</u></p> <p>Risda Fleet – 760831-06-5561, 940418-06-5873, 940423-06-5459 SSRJ Enterprise – 751010-08-533, 760828-10-5745 East Coast Engineering Industrial – 890926-06-5703, 960503-06-5331, 971125-06-5599, 950922-14-5329</p> <p><u>Sg Mai Estate</u></p> <p>Jasa Awah Enterprise – 911020-06-5715, 951128-06-6185 Risda Fleet Sdn. Bhd – 870702-06-5343, 830806-06-5501, 720112-10-5911, 930125-06-5061, 850417-06-5717, 940421-06-5499, 940418-06-5873, 971130-06-5649</p>	
<p><b>4.4.5.5</b> 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><b>- Major compliance -</b></p>	<p>The estates’ management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</p>	<p>Complied</p>
<p><b>4.4.5.6</b> 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><b>- Major compliance -</b></p>	<p>The estates’ management has employed local and foreign workers from Indonesia, India, Nepal and Bangladesh. They are all under direct employment to the estates. Sampled of employment contracts and all of them have signed on the employment contract prior to work and extension contract where the original contract has expired.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		Terms and conditions were according to Collective Agreement and Employment Act 1955.	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. <b>- Major compliance -</b>	Estate Daily Attendance Report updated on monthly basis to record the number of days work/ total tonnage and hours of overtime work. The report was generated from the daily data recorded in Daily Attendance Form.	Complied
<b>4.4.5.8</b>	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. <b>- Major compliance -</b>	Interviewed with the workers confirmed that they were given rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Wages and overtime were paid according to the Daily Attendance Report and productivity reports. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips. Refer to indicator 4.4.5.3.	Complied
<b>4.4.5.10</b>	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. <b>- Minor compliance -</b>	All the workers and their family are provided with free housing facilities and free medical facilities. The workers are entitled with allowance based on the work such as phone allowance of RM5 per month, price bonus, free water up to 35 gallons per employee per day, 10kg of rice once in every two months.	Complied
<b>4.4.5.11</b>	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. <b>- Major compliance -</b>	The estates' management has provided free housing facilities to all of their workers with basic amenities such as water and electricity. Linesite inspection has been carried out. Inspection will be carried by Medical Assistant on weekly basis, bi-weekly by Workers' Representative and quarterly by the Employees Welfare Committee.	Complied
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	Sime Darby Plantation Berhad maintained its Human Rights Charter where they have a responsibility to respect, support and uphold the fundamental human rights as expressed, amongst others, in the	OFI

Criterion / Indicator	Assessment Findings	Compliance
<p>- <b>Major compliance</b> -</p>	<p>Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Gender Committee was established in Kerdau Estate, Chenor Estate and Mentakab Estate to monitor if there is any case of sexual harassment reported.</p> <p>The last meeting was carried out as follow            Kerdau Estate dated 31/03/2022            Mentakab Estate dated 31/03/2022            Sg Mai Estate dated 14/01/2022, 11/11/2021</p> <p>There was no issue reported by the female workers through interviewed with the workers. Activities such as crafting, cooking and farewell was conducted.</p> <p>Estate management could identify opportunities to prevent any workers' children left at home without adult supervision during school holidays while their parents working. Thus, OFI was raised.</p>	
<p><b>4.4.5.13</b> 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>- <b>Major compliance</b> -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively.</p> <p>NUPW committee was established in all the estates.</p> <p>The last meeting was conducted as follows            Kerdau Estate - 10/03/2022            Mentakab Estate – 10/03/2022            Sg Mai Estate – 29/03/2021</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance																								
		Issues concerns were recorded in the meeting minutes and responded by the management during the meeting. The issue concerns were incorporated into the Action Plan Social Assessment dated April 2021 in Chenor Estate and Mentakab Estate.																									
<b>4.4.5.14</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornograph. They are eradicating child labour in all their supply chain and not employ anyone underage of 18 years.	Complied																								
<b>Criterion 4.4.6: Training and competency</b>																											
<b>4.4.6.1</b>	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. <b>- Major compliance -</b>	<p>The estate management has schedule training programmed for the whole year 2022. There was also session held with contractors and neighbouring communities. The records were made available to the audit team and verified. Training records were well kept in the training files.</p> <p><u>Kerdau Estate</u></p> <table border="1"> <thead> <tr> <th>No</th> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Organizational Health Index Training</td> <td>25/03/2022</td> </tr> <tr> <td>2</td> <td>Personal Hearing Protector Training</td> <td>24/03/2022</td> </tr> <tr> <td>3</td> <td>First Aid Training</td> <td>22/01/2022</td> </tr> <tr> <td>4</td> <td>Harvesting Training</td> <td>21/01/2022</td> </tr> <tr> <td>5</td> <td>Fire Drill Training</td> <td>20/01/2022</td> </tr> <tr> <td>6</td> <td>HIRARC Training</td> <td>19/01/2022</td> </tr> <tr> <td>7</td> <td>Waste Management Training</td> <td>27/08/2021</td> </tr> </tbody> </table> <p><u>Mentakab Estate</u></p>	No	Training	Date	1	Organizational Health Index Training	25/03/2022	2	Personal Hearing Protector Training	24/03/2022	3	First Aid Training	22/01/2022	4	Harvesting Training	21/01/2022	5	Fire Drill Training	20/01/2022	6	HIRARC Training	19/01/2022	7	Waste Management Training	27/08/2021	Complied
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Criterion / Indicator		Assessment Findings			Compliance
		No	Training	Date	
		1	Hearing conversation Training	24/03/2022	
		2	First Aid Training	04/03/2022	
		3	Safety PPE Training	02/04/2022	
		4	Manuring Training	31/03/2022	
		5	Fire Drill Training	25/03/2021	
		6	Spraying and calibration training	12/11/2021	
		7	Schedule Waste Training	21/03/2022	
		<u>Sg Mai Estate</u>			
		No	Training	Date	
		1	First Aid Training	11/04/2022	
		2	Ergonomic Training	19/03/2022	
		3	OSH Legal Compliance Training	18/03/2022	
		4	NRA Training	11/03/2022	
		5	RSPO & MSPO Training	09/03/2022	
		6	Engine Vehicle Implement Tractor Training	01/03/2022	
		7	ERP & Fire Drill Training	20/03/2021	
<b>4.4.6.2</b>	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. <b>- Major compliance -</b>	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. Sighted the Estate: Recommended Training Needs for the year 2021/2022 for all estates.			Complied
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	A training programme has been developed and available in the Annual Sustainability Programme 2021/2022. The trainings were sighted to have been sub categorised to trainings on Environmental, GAP, SOP, Social and OSH.			Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>					

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.5.1:</b> Environmental Management Plan			
<b>4.5.1.1</b>	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>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.</p> <p>In the Policy stated as follows: Group Sustainability and Quality Statement: Minimizing Environmental Harm:</p> <ul style="list-style-type: none"> <li>• Protecting and enhancing biodiversity and ecosystem</li> <li>• No deforestation and no new development on peat land</li> <li>• Enhancing resilience against climate change impact</li> <li>• Adopting responsible consumption and production</li> </ul> <p>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.</p>	<p>Complied</p>
<b>4.5.1.2</b>	<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><b>- Major compliance -</b></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 based on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.</p> <p>The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible.</p>	<p>Complied</p>



Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. <b>- Major compliance -</b>	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.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	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"> <li>To ensure all schedule wastes must be accordance as per legal requirement.</li> <li>To provide regular inspection for estate vehicle for operation purposes.</li> <li>To maintain oil trap as to prevent oil spillage and to provide proper spill kit.</li> <li>To erect zero burning signage and conduct weekly housing inspection.</li> <li>To organize preventive monitoring for contract vendor.</li> </ul>	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. <b>- Major compliance -</b>	Related briefing and training program were conducted by the estate management to the employees. Sighted the records as follow: <u>Kerdau Estate:</u> <ol style="list-style-type: none"> <li>Sustainability and Company’s policies briefing conducted on 03/03/2022.</li> <li>Bagworm census &amp; treatment training conducted on 11/03/2022.</li> <li>Spraying and pesticide training was conducted on 27/08/2021.</li> <li>Training on IPM plant in oil palm plantation conducted on 20/08/2021.</li> </ol> <u>Mentakab Estate:</u> <ol style="list-style-type: none"> <li>Briefing on the COBC &amp; the group’s policies were conducted on 02/04/2022.</li> </ol>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		b. Schedule waste & recycle program training were conducted on 21/03/2022. c. Training on chemical spraying & calibration were conducted on 12/11/2021. d. Schedule waste training was conducted on 04/06/2021. e. HCV briefing and monitoring training were conducted on 20/09/2021. <u>Sungai Mai Estate:</u> a. COBC & SDP Policies training was conducted on 09/04/2022. b. HCV & Biodiversity training was conducted on 24/03/2022. c. Schedule waste & recycling program training was conducted on 17/03/2022. d. Contractor & vendor management training was conducted 03/12/2021.	
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b>	The management has discussed with the employee regarding environmental quality during ESH committee meeting conducted on quarterly basis. The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact. The estates held a combined Management Review on 14/02/2022 chaired by the SOU Chairman - Senior Manager of Kerdu Estate. Minutes were sighted and adequate in discussing the environmental issues.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
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. <b>- Major compliance -</b>	Estates visited has established management plan to optimize the usage of non-renewable energy and monitor it on monthly basis. Sighted the implementation of the management plan as follows: <ol style="list-style-type: none"> <li>i. Sighted the records of Daily Vehicle maintenance Checklist for tractors at estates visited.</li> <li>ii. The sampled monitoring records for diesel consumption/FFB production at estates visited FY 2021 &amp; FY2020 as follows:</li> </ol>	Complied

Criterion / Indicator		Assessment Findings						Compliance																												
		Diesel Consumption <table border="1"> <thead> <tr> <th>Estate</th> <th colspan="2">Kerdau</th> <th colspan="2">Mentakab</th> <th colspan="2">Sungai Mai</th> </tr> <tr> <th>Year</th> <th>Diesel</th> <th>FFB</th> <th>Diesel</th> <th>FFB</th> <th>Diesel</th> <th>FFB</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>11,909</td> <td>6,853</td> <td>18,093</td> <td>12,883</td> <td>15,804</td> <td>7,321</td> </tr> <tr> <td>2021</td> <td>100,578</td> <td>43,530</td> <td>98,972</td> <td>77,049</td> <td>60,309</td> <td>30,917</td> </tr> </tbody> </table>						Estate	Kerdau		Mentakab		Sungai Mai		Year	Diesel	FFB	Diesel	FFB	Diesel	FFB	2022	11,909	6,853	18,093	12,883	15,804	7,321	2021	100,578	43,530	98,972	77,049	60,309	30,917	
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<b>4.5.2.2</b>	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. <b>- Major compliance -</b>	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 in all transport and machinery operations was available in the respective estate yearly budgets.						Complied																												
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	No renewable energy used in both estates compound.						Complied																												
<b>Criterion 4.5.3: Waste management and disposal</b>																																				
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	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"> <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. Comply to the EQ (Scheduled Waste) Regulation 2005 as follows:                             <ol style="list-style-type: none"> <li>Established list of scheduled waste generated.</li> <li>Notify DOE on all scheduled waste generated.</li> <li>Ensure of labelling of SW with appropriate label and code.</li> </ol> </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. Comply to the EQ (Scheduled Waste) Regulation 2005 as follows: <ol style="list-style-type: none"> <li>Established list of scheduled waste generated.</li> <li>Notify DOE on all scheduled waste generated.</li> <li>Ensure of labelling of SW with appropriate label and code.</li> </ol>	Complied																						
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Criterion / Indicator		Assessment Findings			Compliance
				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	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. Provide adequate washrooms at mills and estates. Arrange for sewage disposal by local municipal when necessary. Monitoring by supervision team.	
		Industrial Waste	EFB	Monitoring on collection & application.	
<b>4.5.3.2</b>	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <b>- Major compliance -</b>	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.			Complied
		No	Type of Waste	Item	Action Plan
		1	Domestic waste	Rubbish	Prepare landfill away from residential and water course area.

Criterion / Indicator		Assessment Findings				Compliance
				Sewage	Establish landfill or arrange with the municipal for waste collection. Create awareness.	
		2	Industrial waste	Scrap iron/metal	Labelling permanent signage.	
		3	Scheduled waste	Used lubricant Empty chemical containers Used batteries Tyres, tubes, scrap iron Contaminated rags	Collect & record used lubricant. To ensure comply with EQ reg 2005. Ensure store are locked. Put up "Used Lubricant" signage. Disposed thru registered purchaser.	
		4	Clinical waste	Syringe, bloody glove, human tissue, bodily fluids.	Disposed thru registered purchaser including VMO (with approval letter).	
		5	Recyclable waste	EFB Compost Re-use empty chemical containers	Monitoring of collection and application. Monitoring of field application. Labelling or re-use empty container with "X".	
		EFB application records were made available to the audit team and verified. Scheduled waste disposal records were explained under indicator 4.5.3.3.				
<b>4.5.3.3</b>	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.	The inventory of the waste generated is recorded using the "E-SWISS" inventory system. Methodology of SW disposal is also described in indicator 4.5.3.2 above. All SW are disposed to Rengkas Maju Sdn Bhd and Kualiti Alam Sdn Bhd. Details as sampled as shown below; There were delay in collection due to MCO restriction.				Complied

Criterion / Indicator		Assessment Findings						Compliance
	- Major compliance -	Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled waste is disposed on the following dates:						
		Estate	Date	SW409	SW410	SW305	SW404	
		Kerdau	17/02/2022	-	0.080	0.800	-	
			20/08/2021	-	0.120	0.800	-	
			08/03/2021	-	0.225	0.800	-	
		Mentakab	05/03/2022	0.100	0.200	0.600	-	
			24/09/2022	0.120	0.195	0.556	-	
			07/02/2022	-	-	-	0.003	
			03/09/2021	-	-	-	0.003	
		Sg Mai	22/03/2022	0.405	0.200	-	-	
			13/01/2022	-	-	-	0.003	
			03/09/2021	-	-	0.500	0.002	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.  - Major compliance -	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, Kualiti Alam Sdn Bhd (Kerdau Estate), Rengkas Maju Sdn Bhd (Mentakab Estate), SS Setia Technology Enterprise (Sg Mai Estate). Refer approval letter from DOE no AS (B) J 91/110/619/069 Jld 3(37) dated 24/10/2018. Sighted the implementation of the triple rinse during site visit at the storage area.  Disposal date for empty pesticide containers were mentioned under indicator 4.5.3.3.						Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.  - Minor compliance -	Domestic waste for Kerdau Estate disposed thru contractor, Gedangsa Jelutong Sdn Bhd. The contractor will arrange waste collection 3 times a week which also include the mill's line site.  Domestic waste for Mentakab Estate disposed at landfill in block 991A. sighted the signboard showing the open and close date of the landfill.						Complied

Criterion / Indicator		Assessment Findings	Compliance																		
		Domestic waste for Sungai Mai Estate disposed at landfill in block 02S1. Sighted the signboard erected showing the open and close date.																			
<b>Criterion 4.5.4:</b> Reduction of pollution and emission																					
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	<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 &amp; 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 fface 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. To give awareness briefing among employees.</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 fface 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. To give awareness briefing among employees.	2022	Complied
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Criterion / Indicator		Assessment Findings	Compliance																																		
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Estates visited has established management plan to reduce the significant pollutants and documented in the Pollution Prevention Plan and Energy Management Plan. In the management plan stated the plan to reduce identified significant pollutants and emissions such as Energy Management, Diesel Reduction Plan and GHG Reduction Plan.	Complied																																		
<b>Criterion 4.5.5: Natural water resources</b>																																					
<b>4.5.5.1</b>	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"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> <li>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.).</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul> <b>- Major compliance -</b>	Water management plan was made available to the audit team. the plan has outlined the significant action as follow: <ul style="list-style-type: none"> <li>i. Monitor the quality of main water inlet/outlet for pollution from estate’s operations.</li> <li>ii. Contingency during water shortage.</li> <li>iii. Monitor the usage of fresh water in monthly basis.</li> <li>iv. Reuse or recycle wastewater.</li> </ul> a. Water supply for the estates comes from “Perkhidmatan Air Pahang Berhad – PAIP” (Kerdau & Sg Mai Estate) and treated water from water bodies (Mentakab Estate). Water consumption records sighted as below: <table border="1" data-bbox="1093 1034 1854 1200"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="2">Kerdau</th> <th colspan="2">Mentakab</th> <th colspan="2">Sg Mai</th> </tr> <tr> <th>Water</th> <th>FFB Produced</th> <th>Water</th> <th>FFB Produced</th> <th>Water</th> <th>FFB Produced</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>28544</td> <td>6853.33</td> <td>18093</td> <td>12883</td> <td>16258.04</td> <td>7321.18</td> </tr> <tr> <td>2021</td> <td>123712</td> <td>43530.43</td> <td>98972</td> <td>77049</td> <td>62664.88</td> <td>30917.13</td> </tr> <tr> <td>2020</td> <td>123026</td> <td>26500</td> <td>55774</td> <td>26500</td> <td>52806</td> <td>30884.9</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>b. Monitoring of outgoing water was conducted by dispatching the samples to Sime Darby Plantation Berhad. Results were made available to the audit team and verified.</li> <li>c. Sighted in the water management plan, the estates plan to recollect wastewater in sump for reuse for premixing activity.</li> </ul>	Estate	Kerdau		Mentakab		Sg Mai		Water	FFB Produced	Water	FFB Produced	Water	FFB Produced	2022	28544	6853.33	18093	12883	16258.04	7321.18	2021	123712	43530.43	98972	77049	62664.88	30917.13	2020	123026	26500	55774	26500	52806	30884.9	Complied
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Criterion / Indicator		Assessment Findings	Compliance				
		Besides reuse the wastewater, it also sighted the application of EFB at field to enhance the soil moisture. d. Vartivar grass sighted at the river banks where it helps to avoid soil erosion within the estate. e. The vegetation in riparian areas will be immediately restore if it has been removed due to the any activities. f. No well is being used for water supply.					
<b>4.5.5.2</b>	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. <b>- Minor compliance -</b>	Not applicable. No bunds were constructed across main river.	N/A				
<b>4.5.5.3</b>	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). <b>- Minor compliance -</b>	Side drain, silt pit and EFB application were sighted implemented in the field.	Complied				
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>							
<b>4.5.6.1</b>	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. <b>- Major compliance -</b>	The group's PSQM Department has conducted high conservation value assessment for Pahang Zone (SOU 10 Bukit Puteri, SOU 11 Kerduau & SOU 12 Jabor) on March 2016. The assessment team consist of three team members, led by Ms. Nur Aida Ab Ghani, assisted by Ms. Norsyamimi Saifullilah and Ms. Tharani Malar David. The objectives of this assessment were to update the status of existing recommendation area by HCV Assessment Report, verify presence of protected areas, conservation status & legal protection that could be significantly affected and to propose the HSCV Management Area and Plan for SOU 10, 11 & 12. The assessor team had listed several type of wildlife species which were found in the SOU 10, 11 and 12. <table border="1" data-bbox="1048 1345 1848 1377"> <tr> <td>Common Name</td> <td>Scientific Name</td> <td>IUCN</td> <td>WCA 2010</td> </tr> </table>	Common Name	Scientific Name	IUCN	WCA 2010	Complied
Common Name	Scientific Name	IUCN	WCA 2010				

Criterion / Indicator		Assessment Findings				Compliance
		King fisher	<i>Halycon smyrnensis</i>	LKerdau concern	Totally protected wildlife	
		Crested serpent eagle	<i>Spilornis cheela</i>	LKerdau concern	Totally protected wildlife	
		Red jungle fowls	<i>Gallus gallus</i>	LKerdau concern	Protected wildlife	
		Intermediate egret	<i>Mesophoyx intermedia</i>	LKerdau concern	Totally protected	
		Leopard cat	<i>Prionailurus bengalensis</i>	LKerdau concern	Totally protected wildlife	
		Malay civet	<i>Viverra zangalunga</i>	LKerdau concern	Protected wildlife	
		Common cobra	<i>Naja Naja</i>	LKerdau concern	Protected wildlife	
		Monitor lizard	<i>Varanus salvator</i>	LKerdau concern	Protected wildlife	
		<p>The assessor team also provides managing threats as below:</p> <ol style="list-style-type: none"> <li>Ensure no agrochemical activities conducted near the catchment area, river reserve and stream buffer.</li> <li>Cover any bare soil with planting of vetiver grasses to reduce soil erosion.</li> <li>Erect signboards to create awareness such as, "No Trespassing", "No Hunting" and "No Open Burning".</li> <li>Liaison with forestry officer and wildlife department on ways to handle any human – wildlife conflict.</li> <li>Notify the relevant authorities immediately if any fires or illegal activities detected.</li> </ol>				
<b>4.5.6.2</b>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection</p>	<p>Appropriate measures to ensure any legal requirements relating to the protection of the species are met and discouraging any illegal or inappropriate hunting are documented in the HCV Re-Assessment</p>				Complied

Criterion / Indicator		Assessment Findings			Compliance	
	<p>of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	Report, under recommendation for managing threats. Sighted the recommendation as follow:				
		No	HCV Area	Possible Threats	Managing & Monitoring of HCVA	
		1	River reserve/ stream buffer/ water bodies	<ul style="list-style-type: none"> <li>• Riverbanks erosion.</li> <li>• Sedimentation.</li> <li>• Eutrophication of aquatic environments and vegetation overgrowth due to fertilizer applications.</li> <li>• Interruption on aquatic biological health.</li> <li>• Degradation of catchment area.</li> </ul>	<ul style="list-style-type: none"> <li>• Education and awareness for workers.</li> <li>• Monitoring of water sampling results (where possible).</li> <li>• Ensure no agrochemical activities are carried out at the bordering the water bodies.</li> <li>• Cover any bare soil with planting of vetiver grass, groundcovers etc to reduce soil erosion.</li> </ul>	
		2	>25 degree slope area	<ul style="list-style-type: none"> <li>• Soil erosion.</li> <li>• Eroded soil deposited down slope can cause road damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Marking of slope &gt;25 degree on the map and in the field.</li> <li>• Avoid the construction of the skid trails inside steep area.</li> </ul>	
		3	Forest border	<ul style="list-style-type: none"> <li>• Forest encroachment.</li> <li>• illegal poaching/wildlife hunting.</li> <li>• Illegal logging.</li> </ul>	<ul style="list-style-type: none"> <li>• Erect signboards to create awareness.</li> <li>• Maintain the boundary stones along the borders.</li> <li>• Liaison with forestry &amp; wildlife department on</li> </ul>	

Criterion / Indicator		Assessment Findings		Compliance	
			<ul style="list-style-type: none"> <li>• Forest product exploitation.</li> <li>• Human – wildlife conflict.</li> </ul>	<ul style="list-style-type: none"> <li>ways to handle any human - wildlife conflicts.</li> <li>• Notify the relevant authorities immediately if any fires or illegal hunting sighted.</li> </ul>	
		4	Historical site. <ul style="list-style-type: none"> <li>• Demolition.</li> <li>• Vandalism.</li> <li>• Washed away by nature.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the area is secured and upkeep.</li> <li>• Enabling a consistent two-way engagement with local.</li> <li>• Monitoring by photo.</li> </ul>	
		Training on the HCV: Briefing & Monitoring of HCV & Biodiversity were conducted on 21/09/2021 by the estate management. Ground visit confirms that the employees able to demonstrate good understanding regarding on the illegal hunting. Sighted on the site also the signboards erected at certain location such as line site area, boundary area and at the main office. Wildlife patrolling records were made available to the audit team. no RTE species were review in the records.			
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	Management plan for HCV was developed and elaborated under indicator 4.5.6.2.		Complied	
<b>Criterion 4.5.7: Zero burning practices</b>					
<b>4.5.7.1</b>	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.	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		Complied	

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	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.	
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. - <b>Major compliance</b> -	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. - <b>Major compliance</b> -	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. - <b>Minor compliance</b> -	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
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - <b>Major compliance</b> -	Standard Operating Procedure (SOP) was established for the Estates. Agricultural reference Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU as a guidance document to conduct estate operation.  The management procedures were deriving into: <ul style="list-style-type: none"> <li>• Level 1 – System Fundamental – UM HSEMS Manual</li> <li>• Level 2 – HSE System Procedures – UM HSEMS System Procedures</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>Level 3 – HSE Operating Control Procedures – UM HSEMS – Operating Control Procedures</li> <li>GSQM Procedures</li> </ul> <p>Latest updated was sighted on HSE UM Procedures – Incidents, Accidents and Non-Compliance Management dated 04/03/2022.</p> <p>The Agricultural Manual covers on land preparation, planting material, upkeep, harvesting, FFB transportation and etc.</p> <p>Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. Sample of visit report for Mentakab Estate, Agronomist visit on 24/05/2021 and Performance Monitoring Visit on 09/11/2021.</p> <p>Verified during site visit at Kerdau Estate, Sg Mai Estate and Mentakab Estate found all operation were followed company SOP.</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><b>- Major compliance -</b></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><b>- Major compliance -</b></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 / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.6.2:</b> Economic and financial viability plan			
<b>4.6.2.1</b>	<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><b>- Major compliance -</b></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> <ul style="list-style-type: none"> <li>a. Area statement.</li> <li>b. Crop (FFB) by year planting.</li> <li>c. Crop (FFB) monthly breakdown.</li> <li>d. 10 years replanting programs.</li> <li>e. Summary of replanting program by field.</li> <li>f. Detail of replanting by field.</li> <li>g. Executive/staff and workers requirement.</li> <li>h. Mature OP costing statement.</li> <li>i. General charges statement.</li> <li>j. Capital expenditure statement.</li> <li>k. Summary replanting cost to maturity.</li> <li>l. Replanting cost field by field.</li> </ul>	<p>Complied</p>
<b>4.6.2.2</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Both estate management has scheduled long range replanting program and recorded in the yearly budget.</p>	<p>Complied</p>
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production: cost per tonne of FFB</li> <li>d) Price forecast</li> </ul>	<p>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.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	e) Financial indicators: cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>		
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	<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> <ul style="list-style-type: none"> <li>a. Introduction by the chairman.</li> <li>b. Presentation by the estate assistant manager on their monthly progress for estate activities.</li> <li>c. Reminder by the chairman to ensure safe working among the employees.</li> <li>d. Be ready for audit from the external party.</li> </ul> <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
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	<p>Sampled the letter of award (LOA) for services provided as below: Kerdau Estate: Triang Leong Enterprise for FFB transportation services Ref No: T/SDPB/PHG/FFB/0904/001 with contract period from 01/05/2020 until 30/04/2023</p> <p>Contractor: Enek Bin Luman dated 23/03/2022 for FFB Internal Transport and Harvesting rate approved by Regional CEO, Central East Region</p> <p>Ref Document No. 1600006876 dated 08/02/2021</p> <p>Chenor Estate: Pakat Emas Enterprise Ref Document No. 310100001 dated 31/01/2021</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
		Mentakab Estate: Risda Fleet Sdn Bhd Ref Document No. T/SDPB/PHG/FFB/0904/001 dated 01/05/2020. Pricing of the contract was stated in the LOA and acknowledged by the contractors.	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Contract Form and Invoice acknowledged by Estate Assistant Manager sighted for verification as follow: <u>Kerdau Estate</u> Contract Form No: 4300578320 dated 02/04/2022 for Contractor Enek bin Luman (FFB Transport) <u>Mentakab Estate</u> Contract Agreement between SDPB and Risda Fleet Sdn. Bhd. on the transportation of FFB East Coat Industrial Engineering Services for Ad-Hoc Contract for Land Transportation Services dated 03/01/2022 with duration of contract from 03/01/2022 – 31/06/2022 Contract Form No#4300576483 dated 01/03/2022 <u>Sg Mai Estate</u> Contractor: Jasa Awah Enterprise, Contract Form No: 4300574698 dated 01/03/2022	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	The contractors engaged by the estate management has signed on a letter with subject RSPO/ ISCC/ MSPO/ SCCS dated 02/01/2021. Briefing of sustainability were given to contractors on during LOA awards at estate office. Contractor & Vendor Management Procedures dated 17/11/2021 approved by CEO Upstream Malaysia. - Procedures	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>OU Management to ensure contractor inform and seek approval for any changes to their workers</p> <ul style="list-style-type: none"> <li>- Item 9. Daily Monitoring</li> </ul> <p>Security Department through its Auxiliary Police (AP) &amp; the OU management shall monitor the daily compliance of the C&amp;V.</p>	
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p><u>Kerdau Estate</u> Contractor: Enek Bin Luman, Scope of Work: FFB Internal Transport and Harvesting dated 01/04/2022, Contract Period: April 2022 – December 2022.</p> <p><u>Mentakab Estate</u> Contract Agreement between SDPB and Risda Fleet Sdn. Bhd. on the transportation of FFB</p> <p><u>Sg Mai Estate</u> Rental Agreement of 1 unit Backhoe Loader Contractor: Jasa Awah Enterprise, Contract period: 01/01/2022 – 31/12/2022, S/N: 4571614</p> <p>Risda Fleet Sdn. Bhd, Contractor: FFB Transportation Service, Ref No: T/SDPB/PHG/FFB/0904/001 dated 01/05/2020, Contract period: 01/11/2020 – 31/10/2023</p>	Complied
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>A letter on RSPO/ ISCC/ MSPO/ SCCS signed by Senior Manager of estate to all the contractors and suppliers in the estate. The letter has stated that all Contractors need to follow RSPO/ ISCC/ MSPO/ SCCS guideline in accordance with the Sime Darby Plantation of Estate. All contractors shall provide access to the RSPO/ ISCC/ MSPO/ SCCS auditors to contractors’ operation site(s) and employees whenever deemed necessary. The contractors have agreed, understood, and acknowledged on the letter. Sighted evidence of agreement doc number RSPO/ISCC/MSPO/SCCS dated 01/01/2022.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.4	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>All works performed at the estates are checked and verified by the estate’s personnel. Projects where tenders are issued by HQ are checked by representative from HQ.</p> <p>Monitoring of the control points applicable to the task performed by contractor was not effectively implemented. Based on the workers list for harvesting contractor at Kerdau Estate (Enek Bin Luman), there are new workers hired by the contractor due to resignation of existing workers (e.g. March 2022). Estate management only noticed the changes of workers after the contractor submitted the workers documentation such as pay slips, employment contract and etc.</p> <ol style="list-style-type: none"> <li>1. There was no record of briefing and training to the new contractor workers before started their works.</li> <li>2. There was no evidence that the contractor has seek any approval from the estate management on the changes of workers.</li> <li>3. Daily compliance monitoring by the estate management was not effectively implemented</li> </ol> <p>Contractor and Vendor Management Procedure dated 17/11/2021 Procedures - OU Management to ensure contractor inform and seek approval for any changes to their workers and item 9. Daily Monitoring - Security Department through its Auxiliary Police (AP) &amp; the OU management shall monitor the daily compliance of the C&amp;V and Permit for Workers Under Contractor (EMS/P05/A/1, Rev1 dated 01/10/2021) was not effectively implemented. Thus, Major NC was raised.</p>	Major Non-Conformity
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
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.	There is no development of new planting at both visited estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	There is no development of new planting at both visited estates.	N/A
<b>Criterion 4.7.2: Peat Land</b>			
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
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
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.	There is no development of new planting at both visited estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<b>4.7.3.4</b>	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.  - <b>Minor compliance</b> -	There is no development of new planting at both visited estates.	N/A
<b>Criterion 4.7.4:</b> Soil and topographic information			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.  - <b>Major compliance</b> -	There is no development of new planting at both visited estates.	N/A
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.  - <b>Major compliance</b> -	There is no development of new planting at both visited estates.	N/A
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.  - <b>Major compliance</b> -	There is no development of new planting at both visited estates.	N/A
<b>4.7.5.2</b>	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.  - <b>Major compliance</b> -	There is no development of new planting at both visited estates.	N/A
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	There is no development of new planting at both visited estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	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
<b>4.7.6.2</b>	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
<b>4.7.6.3</b>	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
<b>4.7.6.4</b>	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
<b>4.7.6.5</b>	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
<b>4.7.6.6</b>	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	There is no development of new planting at both visited estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	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
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Internal audit for Kerdu POM was planned at least once a year. Latest internal audit was conducted on 07 & 16/03/2022 by Sustainability Compliance Unit, GSD Which has covered RSPO, MSPO and MSPO SCCS. Total of 3 major and 3 minor nonconformances were raised.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root	Sime Darby Plantation Berhad has maintained the Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/09/2017.	Complied



Criterion / Indicator		Assessment Findings	Compliance
	causes of nonconformities, in order to implement the necessary corrective action. <b>- Major compliance -</b>	Internal audit conducted on 07 & 16/03/2022 was recorded total of 3 major and 3 minor nonconformances for MSPO has been closed. Audit results recorded in Internal Audit Results has include the detail of nonconformities/findings, root cause, correction and corrective action plan.	
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. <b>- Major compliance -</b>	The internal audit report has been distributed to the mill management. The Management Representative has acknowledged on the Internal System(s) Audit Report on 23/02/2021 in Kerdau POM. Management review meeting was conducted to review the findings of the internal audit.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	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. <b>- Major compliance -</b>	The latest management review meeting was carried out on 01/04/2022 at Kerdau POM and meeting minutes was available where the agenda that discussed as below: 1. Results of internal audits covering RSPO, MSPO & SCCS 2. Customer feedback 3. Status of preventive and corrective actions 4. Follow-up actions from management reviews 5. Changes that could affect the management system 6. Recommendations for improvement 7. Improvement of the effectiveness of the management system and processes 8. Resources needs	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.	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	Complied

Criterion / Indicator		Assessment Findings	Compliance																		
	- Major compliance -	<p>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> <tr> <td>Threshing</td> <td>1-unit thresher drum structure</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	Threshing	1-unit thresher drum structure	2022	
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4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied																		
<b>4.2 Principle 2: Transparency</b>																					
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>																					
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). 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.</p>	Complied																		
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or</p>	<p>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</p>	Complied																		

Criterion / Indicator		Assessment Findings	Compliance
	social outcomes. <b>- Major compliance -</b>	land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantation Berhad website.	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	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
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	Senior Assistant Manager of the mill (Ahmad Husaini Bin Harun) has been appointed as social officer to handle any social issues reported in the mill. Appointment letter dated 31/12/2021 approved by Senior Mill Manager was sighted.	Complied
<b>4.2.2.3</b>	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. <b>- Major compliance -</b>	Stakeholder list was developed and stakeholders such as local communities, government authorities, external FFB suppliers and contractors were included into the list. Meeting with stakeholder was conducted on 04/03/2022 which was attended by representatives from authority and government agencies (e.g. KPDNHEP, School), TNB, contractor, clinic and supplier. There were concerns raised by the stakeholders. Action plan was incorporated into the Social Management Plan dated 10/03/2022 such as school bus, road quality issue, school children attendance, housing facilities and etc.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Social dialogue was conducted on 07/04/2022, 23/03/2022, 10/03/2022, 24/02/2022 and etc.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p><b>- Major compliance -</b></p>	<p>The Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, 2018; issue no. 5, April 2019.</p> <p>Among the relevant documents to ensure traceability were sampled as follows:</p> <p>For own supply base and diverted sister estates: The weighbridge ticket provided the following details: <u>For own supply base and diverted sister estates:</u></p> <ul style="list-style-type: none"> <li>- Supplied from which estate</li> <li>- Product (FFB or Loose fruit)</li> <li>- Delivery notes from estates stating the weight and fruit grade (A or B).</li> <li>- D.O Number</li> <li>- Weight of the shipment</li> <li>- Date of the shipment</li> </ul> <p><u>For External Supply Base (OCP):</u></p> <ul style="list-style-type: none"> <li>- Supplied from which estate</li> <li>- Product (FFB or Loose fruit)</li> <li>- Delivery notes from estates stating the weight and fruit grade (A or B).</li> <li>- D.O Number</li> <li>- Weight of the shipment</li> <li>- Date of the shipment</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance																								
		<p><u>For despatch of CPO &amp; PK, the weighbridge ticket includes the following information to ensure traceability:</u></p> <ul style="list-style-type: none"> <li>- Customer Name</li> <li>- Destination of the CPO /PK</li> <li>- Product</li> <li>- DO number</li> <li>- PO number</li> </ul> <p>Weight of the product.</p>																									
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>Regular inspections on compliance with the established traceability system were conducted through daily process through FFB weighbridge ticket and periodical internal audit. Every consignment ticket will be verified by the weighbridge operator and executive.</p>	Complied																								
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>Management has assigned person in charge on traceability. Sighted appointment letter for Mr Ahmad Husaini Harun (Sr Asst. Manager) dated 01/01/2021. Refer Appointment as Person in Charge for Environmental/Quality Management System.</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><b>- Major compliance -</b></p>	<p>Records of CPO &amp; PK sales &amp; 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.</p> <p>CPO</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Weight, MT</th> </tr> </thead> <tbody> <tr> <td>19/12/2021</td> <td>018421</td> <td>NDG 3816</td> <td>43.61</td> </tr> <tr> <td>15/01/2022</td> <td>018506</td> <td>CED 7069</td> <td>41.51</td> </tr> <tr> <td>05/02/2022</td> <td>018551</td> <td>CED 7069</td> <td>41.37</td> </tr> </tbody> </table> <p>PK</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Weight, MT</th> </tr> </thead> <tbody> <tr> <td>30/12/2021</td> <td>018456</td> <td>SMD 5943</td> <td>40.27</td> </tr> </tbody> </table>	Date	Ticket No.	Lorry No.	Weight, MT	19/12/2021	018421	NDG 3816	43.61	15/01/2022	018506	CED 7069	41.51	05/02/2022	018551	CED 7069	41.37	Date	Ticket No.	Lorry No.	Weight, MT	30/12/2021	018456	SMD 5943	40.27	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		11/01/2021	018488	PNT 3600	21.12	
		15/02/2022	018584	BKU 9339	33.46	
<b>4.3 Principle 3: Compliance to legal requirements</b>						
<b>Criterion 4.3.1 – Regulatory requirements</b>						
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	<p>The list of permit and license required for the operations of the mill were sighted. The sample of permit and license:</p> <p><u>Kerdau POM</u></p> <ol style="list-style-type: none"> <li>1. MPOB license 540761004000 valid until 30/06/2022</li> <li>2. DOE Licence 005105 valid until 30/06/2022</li> <li>3. Jadual Pematuhan No: JAS.CHQ600-3/1/2/38(29) valid until 30/06/2022</li> <li>4. Perakuan BOMBA No: JBPM:PH/7/0198/2017 valid until 17/02/2023</li> <li>5. Permit Barang Kawalan Berjadual KPDNHEP TLH 600-5/2/13/94 valid until 06/08/2022.</li> </ol> <p>Sime Darby Plantation Sdn Bhd has obtained approval from <i>Jabatan Tenaga Kerja Semenanjung Malaysia</i> for the following:</p> <ol style="list-style-type: none"> <li>1. Ref. No.: BHG. PU/9/129 JLD 3 (53) dated 06/07/2017 for deduction of wages for electricity bill.</li> <li>2. Ref. No.: BHG. PU/9/134 JLD 9 (11) dated 27/03/2017 for overtime limit for 130 hours.</li> <li>3. Kerdau POM has obtained the approval from <i>Jabatan Tenaga Kerja Negeri Pahang</i> for deduction of wages for AMESU, life insurance, <i>Tabung Haji and Amanah Saham Nasional</i>. Approval letter with Ref. No.: JTK</li> </ol>				Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	LORR was established to cover all legal acts, regulations and other requirement related to Kerdau Mill. Management has listed applicable laws and regulations. The sample of Act and Legal: 1. Akta Kawalan Penyakit Berjangkit 1998 (Amendment 2020) 2. Minimum Wages Order (Amendment 2020) 3. Workers Minimum Standard of Housing and Amenities (Amendment Act 2019) 4. Occupational Safety and Health (Noise Exposure) Regulations 2019 5. Pesticides (Amendment of First Schedule) Order 2019	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	LORR was established to cover all legal acts, regulations and other requirement related to Kerdau Mill. Management has listed applicable laws and regulations. The sample of Act and Legal: 1. Akta Kawalan Penyakit Berjangkit 1998 (Amendment 2020) 2. Minimum Wages Order (Amendment 2020) 3. Workers Minimum Standard of Housing and Amenities (Amendment Act 2019) 4. Occupational Safety and Health (noise Exposure) Regulations 2019 5. Pesticides (Amendment of First Schedule) Order 2019 Verified that LORR has been updated as and when there are any new amendments or any new regulations coming into force.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Management has assigned person in charge on monitoring law and regulation as per appointment letter for Mr Ahmad Husaini Harun (Sr Asst. Manager) dated 01/01/2021. Refer Appointment as Person in Charge for Environmental/Quality Management System.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	Mill premise is in the Kerdau Estate compound and their oil palm milling activities do not diminish the land use rights of other users	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. <b>- Major compliance -</b>	The quit rent for the mill premise was paid by the Kerdau 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. <b>- Major compliance -</b>	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). <b>- Minor compliance -</b>	As to date, no disputes or encroachment was reported to the mill management.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
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. <b>- Major compliance -</b>	There is no customary land or negotiated agreements within the Kerdau 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. <b>- Minor compliance -</b>	The right to use the land is not disputed and there was no customary land within the Kerdau 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. <b>- Major compliance -</b>	There is no land dispute or customary rights issues in the mill. Interviewed with the local communities confirmed that no land encroachment.	N/A



Criterion / Indicator	Assessment Findings	Compliance	
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1:</b> Social Impact Assessment (SIA)			
<b>4.4.1.1</b>	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Sustainability Strategy Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 11 – 16/01/2016 for SOU 11 Kerdau. There is no new SIA was conducted since last assessment. Management Plan on Social Impact Assessment was reviewed on 27/03/2021. Issues reported during the stakeholder meeting and NUPW meeting were incorporated into the management plan with action taken and status.	Complied
<b>Criterion 4.4.2:</b> Complaints and grievances			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	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
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Social Dialogue Action Tracker was implemented since end of November 2021 – KKS Kerdau was conducted once in every 2 weeks (e.g. 09/02/2022 & 26/01/2022) attended by management and workers representative.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	Mill 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.  Complaints also recorded in the Gender Committee meeting minutes dated 24/11/2021 and 13/03/2021 has been investigated and resolved.  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).	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	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.  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.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	Record review found that previous complaints and requests including the resolution for the past 24 months were still available to affected stakeholders upon request.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of	Contribution to local development in consultation with the local communities were recorded such as: -	Complied

Criterion / Indicator		Assessment Findings	Compliance
	plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. <b>- Minor compliance -</b>	a) Provide daily food to workers for 4 days due to workers line-sites were flooded on 17/12/2021.	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	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. <b>- Major compliance -</b>	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. An OSH Plan was available in the form of "important areas" and the trainings required for the respective personals for the year 2020/2021. In the Policy stated, "Upstream Malaysia is committed to providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia."  The OSH policy and plan are regularly communicated to the staffs and workers during the morning briefings and OSH Meetings.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan should cover the following: 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: 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	The OSH plan generated by the Mill for the year 2020/2021 covers the important aspects of OSH such as Safety Trainings, OSH Meetings, Fire Extinguisher Inspections, HIRARC Reviews, Workplace Inspections, ERP Trainings, Fire Drills and Medical Surveillance & Audiometric Test.  a) 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 OSH policy and plan are regularly communicated to the staffs and workers during the morning briefings and OSH Meetings. Latest policy briefing sighted on 17/03/2022. Sighted UM HSE Management System Manual UM/HSE/MS/01 dated 22/03/2021.  b) Sighted OSH Risk Management Procedure UM/HSE/SP/01 dated 04/03/2021. The mill has conducted assessment for risk on all	Complied

Criterion / Indicator	Assessment Findings	Compliance
<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><b>- Major compliance -</b></p>	<p>the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as boiler station, FFB ramp, fruit handling station, Sterilizer station, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year if accident occur or changes on the operation. Latest review on 23/02/2021. Verified that HIRARC for COVID-19 has been prepared on 25/04/2020. Mitigation plans and control procedures such as PPE, Administrative Control and Trainings were documented. Latest JKPP visit on 25/01/2021 refer JKPP visit logbook.</p> <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 11/06/2020 by DOSH Registered Assessor, Mohamad Khairil Azhar Bin Mohd Salim (HQ/14/ASS/00/358) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/14/ASS/00/00001-2020/7) 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 12 to 18/12/2020 for 19 of the workers at Klinik Sulaiman Temerloh where 18 workers had normal results and 1 workers had abnormal results (Hypertension). Nevertheless, no workers were recommended for removal. Latest Medical surveillance was conducted on 09/02/2022 and report yet to receive.</p> <p>Noise Risk Assessment was conducted by Procoma Environmental (M) Sdn Bhd on 10 to 11/03/2021 for Kerdau POM by a Noise Risk Assessor. The NRA Report was available for verification.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Annual &amp; Baseline Audiometric Testing was conducted on 11/03/2021 by Procoma Environmental (M) Sdn Bhd for all workers exposed to excessive noise in the mill. Personal Noise Exposure Monitoring shows none of the employees were exposed to noise level above Maximum Sound Pressure Level of 115 dB(A) and Peak Sound Pressure Level Above 140 dB(C).</p> <p>c) The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. Sighted evidence of training plan and record for the year of 2020 and 2021. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. This training programme is used as a guideline to ensure continuous awareness and assessment on the understanding of the required modules.</p> <p>d) Sighted Personal Protective Procedure (PPE) UM/HSE/OCP/03 dated 04/03/2021. All workers were provided with appropriate PPE as identified in the HIRARC. Latest PPE record sighted on 14/03/2022. PPE issuance was recorded in PPE Issue form. The records were kept by monthly basis for monitoring purpose.</p> <p>e) SOPs for Best Practices of Chemical Handling were available in the POM. Refer Chemical safety Management Procedure UM/HSE/OCO/04 dated 04/03/2021. Chemical register review on 23/09/2020.</p> <p>f) The POM has appointed Mr Ahmad Husaini Bin Harun as PIC for safety and health dated 31/12/2020 together with Employer and Employee representative based on their work units as members of the safety committee.</p> <p>g) OSH Organization Chart for the year 2022 has been established. The Occupational Safety &amp; Health Meetings were done on a regular basis (3 months Interval) to address the safety and health issues in the Mill.</p>	

Criterion / Indicator		Assessment Findings	Compliance														
		<table border="1"> <tr> <td>2021</td> <td>Date</td> </tr> <tr> <td>1<sup>st</sup> Meeting</td> <td>23/06/2021</td> </tr> <tr> <td>2<sup>nd</sup> Meeting</td> <td>20/09/2021</td> </tr> <tr> <td>3<sup>rd</sup> Meeting</td> <td>26/11/2021</td> </tr> <tr> <td>4<sup>th</sup> Meeting</td> <td>13/12/2021</td> </tr> <tr> <td>2022</td> <td>Date</td> </tr> <tr> <td>1<sup>st</sup> Meeting</td> <td>18/02/2022</td> </tr> </table> <p>h) Accident &amp; Emergency Response Plans are available for Emergency Contact Number, Emergency Evacuation, First Aid Locations, Fire Extinguisher Locations, Emergency Response Plans (Fire, Chemical Spillage, Chemical Contamination, Flood and Accident) and displayed at strategic locations around the mill, estate office and stores. The competent personals are appointed and trained to be part of the Emergency Response Team. Appointment letters were sighted in the POM. Latest ERP training has been conducted on 30/03/2022.</p> <p>i) Sighted First Aid in Workplace Procedure UM/HSE/OCP/01 dated 04/03/2021. First Aid Training was conducted on 30/03/2022 at Meeting Room Kerdau POM. First Aid were check through interview and found in order. Management could improve on placing additional First Aid Box at back section of Palm Oil Mill to increase safety precaution when having any emergency.</p> <p>j) Records of all accidents were kept in the POM and reviewed at quarterly intervals during the JKPP Meeting. Lost Time Incident are monitored by the POM and records were sighted in the POM. Sighted evidence of JKPP 8 report submitted on 24/01/2022 with reference number JKPP8/92554/2021.</p>	2021	Date	1 <sup>st</sup> Meeting	23/06/2021	2 <sup>nd</sup> Meeting	20/09/2021	3 <sup>rd</sup> Meeting	26/11/2021	4 <sup>th</sup> Meeting	13/12/2021	2022	Date	1 <sup>st</sup> Meeting	18/02/2022	
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<b>Criterion 4.4.5: Employment conditions</b>																	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.5.1</b> The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has established Group Sustainability &amp; Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding &amp; no exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/03/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with Sime Darby Plantation Berhad. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees on 20/03/2021</p>	<p>Complied</p>
<p><b>4.4.5.2</b> 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><b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from <a href="https://www.simedarbyplantation.com/sustainability/humanrights-charter">https://www.simedarbyplantation.com/sustainability/humanrights-charter</a></p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.5.3</b> 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><b>- Major compliance -</b></p>	<p>Employment contracts and offer letters for local workers and foreign workers were available. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p> <p>Sampled of total 10 pay slips for October 2021, December 2021 and February 2022 found that all the workers were paid accordingly.</p> <p>Samples of pay slip verified is as follows: Emp No: 30387, 158891, 167015, 156940, 145161, 138605, 122158, 159846, 160439, 70560, 141046, 111550</p>	<p>Complied</p>
<p><b>4.4.5.4</b> 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><b>- Minor compliance -</b></p>	<p>The mill management has engaged contractor for workshop activity. There is total 3 contractor’s workers (SS Naveen Engineering, East Coast Industrial Supplies and Gedangsa Jelutong Jaya) employed to work in the workshop of the mill.</p> <p>SS Naveen Engineering Passport No: BX0642498, East Coast Ind: ID No: 821226-06-5383, 941210-06-5801, 890926-06-5703 Gedangsa Jelutong Jaya ID No: 911020-03-6375</p>	<p>Complied</p>
<p><b>4.4.5.5</b> 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><b>- Major compliance -</b></p>	<p>The mill management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</p> <p>Verified record dated 11/04/2022 (ZCKRLM04)</p>	<p>Complied</p>
<p><b>4.4.5.6</b> All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment</p>	<p>The mill management has employed local and foreign workers from Indonesia. They are all under direct employment to the mill. Sampled of total 10 employment contracts and all of them have signed on the employment contract prior to work and extension</p>	<p>Complied</p>



Criterion / Indicator		Assessment Findings	Compliance
	contract shall be made available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955. Employment contract verified. Emp No: 167015, 166802, 166791, 166790	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	The mill has implemented "Punch Card" system to record the working hours and overtime of the workers.	Complied
<b>4.4.5.8</b>	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. <b>- Major compliance -</b>	Interviewed with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Wages and overtime were paid according to the Mill Daily Attendance Report and Daily Input Form. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips. Details refer to indicator 4.4.5.3.	Complied
<b>4.4.5.10</b>	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. <b>- Minor compliance -</b>	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month and 10kg of rice once every two months. Free housing facilities were provided to all the workers and their families. Latest 10kg rice provided to workers on March 2022.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. <b>- Major compliance -</b>	The mill management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Refer to the Inter-office mail (Ref. No.: CEO/060/12/2020) dated 29/12/2020 where the company is raising the standards of employee housing & amenities and enhancing employees' welfare. 3 types of linesite inspection will be carried out.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Inspection will be carried by Medical Assistant on weekly basis, bi-weekly by Workers' Representative and quarterly by the Employees Welfare Committee. Linesite inspection was carried out weekly basis by Assistant Manager using Housing Complex/ Nest/ Community Hall Weekly Inspections checklist. The last inspection for March 2021 was conducted on 25/03/2021.	
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Gender Committee was established in Kerdu POM and meeting was conducted on 03/03/2022.  There was no issue reported during the meeting. Interviewed with the female workers confirmed that no sexual harassment or violence case reported.	Complied
<b>4.4.5.13</b>	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. <b>- Major compliance -</b>	Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively.  NUPW committee was established in Kerdu POM and last meeting was conducted on 15/03/2022  Meeting minutes was sighted. There were issues raised by the workers. The issues have been incorporated into the Management Plan on Social Impact Assessment 2021 dated 27/03/2021.	Complied

Criterion / Indicator	Assessment Findings	Compliance																					
<p><b>4.4.5.14</b> Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. <b>- Major compliance -</b></p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornography. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years. No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers.</p>	<p>Complied</p>																					
<p><b>Criterion 4.4.6: Training and competency</b></p>																							
<p><b>4.4.6.1</b> All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. <b>- Major compliance -</b></p>	<p>Records of training were maintained and verified as below: -</p> <table border="1" data-bbox="1086 874 1868 1114"> <thead> <tr> <th>No</th> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Hearing conservation training</td> <td>07/04/2022</td> </tr> <tr> <td>2</td> <td>First Aid Training</td> <td>30/03/2022</td> </tr> <tr> <td>3</td> <td>PPE Training</td> <td>24/03/2022</td> </tr> <tr> <td>4</td> <td>Chemical Handling Training</td> <td>24/03/2022</td> </tr> <tr> <td>5</td> <td>Steriliser training</td> <td>25/01/2022</td> </tr> <tr> <td>6</td> <td>Impact Assessment Training</td> <td>10/01/2022</td> </tr> </tbody> </table>	No	Training	Date	1	Hearing conservation training	07/04/2022	2	First Aid Training	30/03/2022	3	PPE Training	24/03/2022	4	Chemical Handling Training	24/03/2022	5	Steriliser training	25/01/2022	6	Impact Assessment Training	10/01/2022	<p>Complied</p>
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1	Hearing conservation training	07/04/2022																					
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<p><b>4.4.6.2</b> 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. <b>- Major compliance -</b></p>	<p>Training needs of individual employees have been identified prior to the planning and implementation of the training programs to provide the specific skill and competency required to all employees based on their job description.</p>	<p>Complied</p>																					
<p><b>4.4.6.3</b> A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function</p>	<p>Training programme planned for year 2021/2022 was available during the visit. The OSH program generated by the Mill for the year 2021/2022 covers the important aspects of OSH such as Safety Trainings, OSH Meetings, Fire Extinguisher Inspections, HIRARC</p>	<p>Complied</p>																					

Criterion / Indicator		Assessment Findings	Compliance
	and responsibility in accordance to the documented training procedure. <b>- Minor compliance -</b>	Reviews, Workplace Inspections, ERP Trainings, Fire Drills and Medical Surveillance & Audiometric Test.	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	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. <b>- Major compliance -</b>	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 Kerdu 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
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	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
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. <b>- Major compliance -</b>	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
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	Program to promote positive impact was documented in the Environmental Management Plan, under Waste & Pollution Prevention Plan. Among the positive impact sighted as below:	Complied

Criterion / Indicator		Assessment Findings	Compliance			
		<ul style="list-style-type: none"> <li>To ensure all schedule wastes must be accordance as per legal requirement.</li> <li>To provide regular inspection for estate vehicle for operation purposes.</li> <li>To maintain oil trap as to prevent oil spillage and to provide proper spill kit.</li> <li>To erect zero burning signage and conduct weekly housing inspection.</li> <li>To organize preventive monitoring for contract vendor.</li> </ul>				
<b>4.5.1.5</b>	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. <b>- Major compliance -</b>	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			
<b>4.5.1.6</b>	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. <b>- Major compliance -</b>	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			
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>						
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period. <b>- Major compliance -</b>	<p>Energy Management Plan for year 2022 was made available to the audit team. the plan sighted listed action plan as below:</p> <ol style="list-style-type: none"> <li>Worker’s housing inspection to ensure no illegal wiring.</li> <li>Preventive maintenance program for transportation vehicle by the mill.</li> </ol> <p>The consumption of diesel and electric usage for year 2021 are as follow:</p> <table border="1"> <tr> <td>Energy</td> <td>Diesel</td> <td>Electric</td> </tr> </table>	Energy	Diesel	Electric	Complied
Energy	Diesel	Electric				

Criterion / Indicator		Assessment Findings			Compliance
		Usage	7,866.58	513,334	
		FFB MT	100,635.59	100,635.59	
		Usage/FFB MT	0.078	5.10	
<b>4.5.2.2</b>	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. <b>- Major compliance -</b>	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.			Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	The mill used fibre and shell to fuel up their boiler. Usage records were made available and sighted.			Complied
<b>Criterion 4.5.3: Waste management and disposal</b>					
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	<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> <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>			Complied

Criterion / Indicator		Assessment Findings			Compliance
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><b>- Major compliance -</b></p>	The waste management plan was sighted as follow:			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 Kerdau Estate. Domestic waste to be disposed at landfill. Established collection schedule and person in charge. Create awareness on hygiene.	
Recycled waste	Scrapped iron.	Collection at scrapped yard. Mill to record the inventory.			

Criterion / Indicator		Assessment Findings			Compliance															
				Disposal management by Central Kerdu Region.																
		<p>Scheduled waste inventory was reviewed. The mill has generated waste as below:</p> <table border="1"> <thead> <tr> <th>Waste category code</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 code	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	
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SW410	Contaminated rags	67.9 kg																		
<b>4.5.3.3</b>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></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>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, 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</p>			Complied															



Criterion / Indicator		Assessment Findings	Compliance
		adequate as per required by EQ (Scheduled Waste) Regulations 2005.	
<b>4.5.3.4</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. <b>- Minor compliance -</b>	Domestic waste for mill was managed by the Kerbau Estate management.	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	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
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	The action plan to reduce the identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan.	Complied
<b>4.5.4.3</b>	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. <b>- Major compliance -</b>	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
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	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.	Water sources for Kerbau POM comes from government. The mill management has monitor and evaluate the water consumption for mill activities and domestic used.  Kerbau POM has developed Water Management Plan, prepared on the 03/01/2022. Sighted the plan as follow:	Complied

Criterion / Indicator		Assessment Findings			Compliance
	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 (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <b>- Major compliance -</b>	Issue	Action Plan	Status	
		Rainwater 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	
<b>4.5.5.2</b>	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. <b>- Major compliance -</b>	Not applicable as the POME was discharged to the land irrigation.			N/A
<b>4.6 Principle 6: Best Practices</b>					
<b>Criterion 4.6.1: Mill Management</b>					
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.  Sime Darby Plantation Berhad has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.			Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Verified through site visit found all operation were conducted accordingly to Mill SOP.</p> <p>Latest visit from Mill Advisory on 21-22/07/2020. Report reference SOU11/KDM/01/2020. Other than that, Structured Oil Recovery Assessment (SORA) has been conducted on 8 to 12/11/2021.</p>	
<b>4.6.1.2</b>	<p>All palm oil mills shall implement best practices.</p> <p><b>- Major compliance -</b></p>	<p>The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.</p>	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<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><b>- Major compliance -</b></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 2021 – FY 2025. In the 5 years business plan include items as follows:</p> <ul style="list-style-type: none"> <li>a. Mill intake – FFB input</li> <li>b. Production of CPO</li> <li>c. Production of PK</li> <li>d. Total Palm Oil Extraction</li> <li>e. Total Palm Kernel Extraction</li> <li>f. Mill cost</li> </ul> <p>The business plan for FY2021/2022 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.</p> <p>Sighted the mill has projected 153,24.23 Mt of FFB and with total cost at RM9,822,983.31 for year 2022 activities.</p>	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	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
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	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.  Agreement No: P/P/1221/FFB03402L between SDPB and Sri Kerdau Commodities Sdn. Bhd.  Agreement No: P/P/1221/FFB03413L with Goh Ming Tze P/P/1221/FFB03415L with Mohd Noor Azhaar Bin Amir valid from 01/01/2022 – 31/12/2022  P/P/1221/FFB03403L Bakti Mas Bina Sdn. Bhd. P/P/1221/FFB03401L Koperasi Serbaguna Kebangsaan Berhad	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>environmental issues. Contracts between the company and the Contractor: Gedangsa Jelutong Jaya Sdn. Bhd. Contract Ref No: CER/TD/003/2022-KDM dated 14/01/2022 for Rental of Excavator at Kerdau Mill</p> <p>Contractor: SS Naveen Engineering Contract No: CER/TD/004/2022-KDM dated 12/01/2022 for Supply Contract Labour for Preventive Maintenance, Corrective Maintenance and Projects</p>	
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p><b>- Minor compliance -</b></p>	<p>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.</p>	Complied

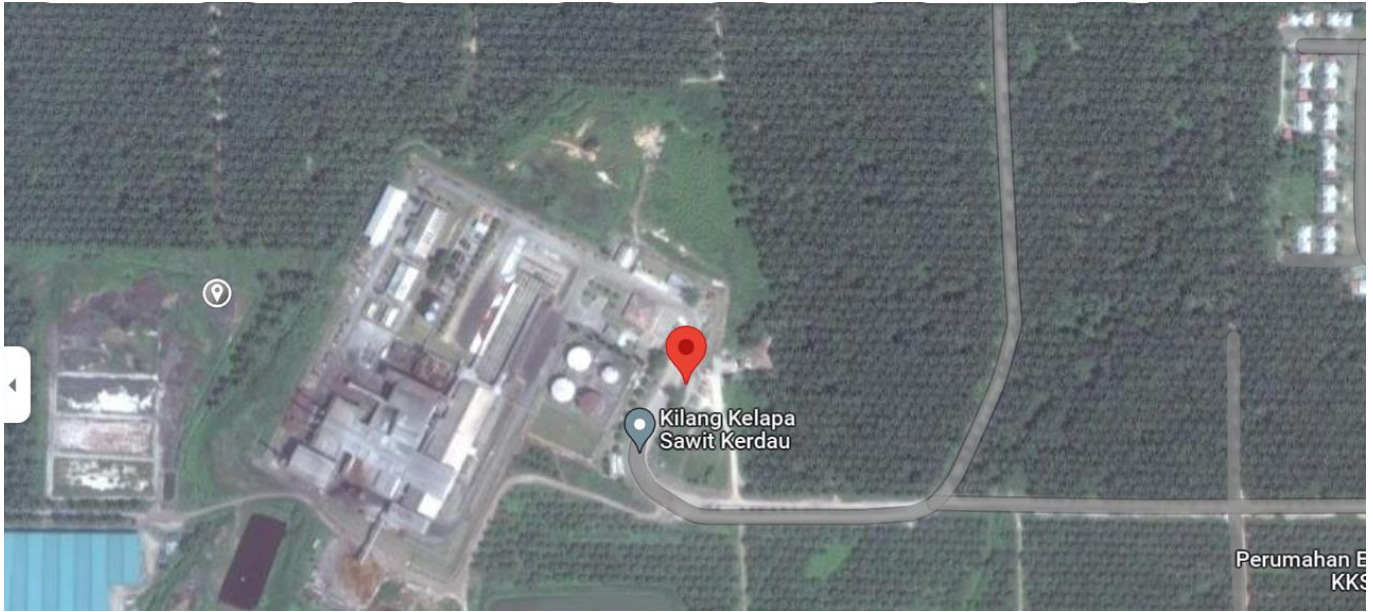


**Appendix B: Smallholder Member Details**

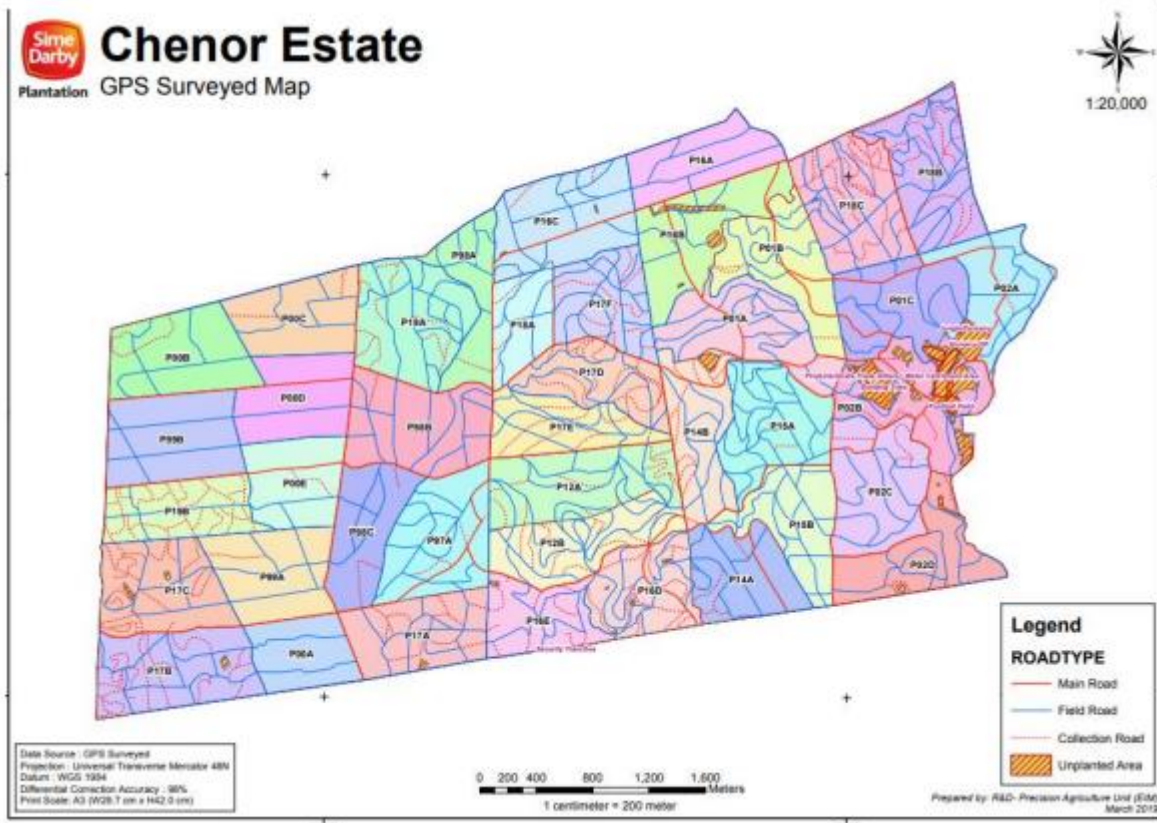
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates		Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number		Latitude	Longitude		
	N/A						

Appendix C: Location and Field Map

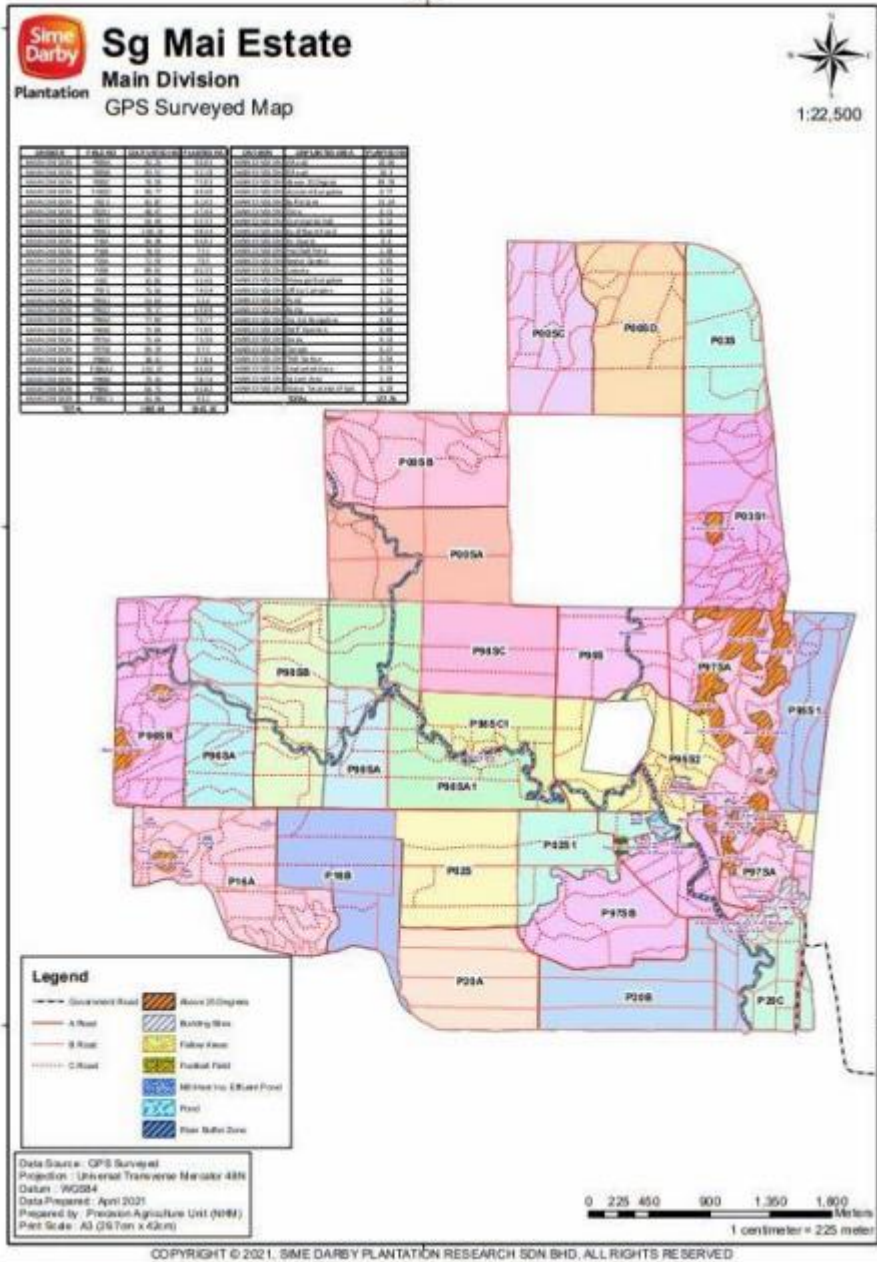
Kerdao POM



Chenor Estate

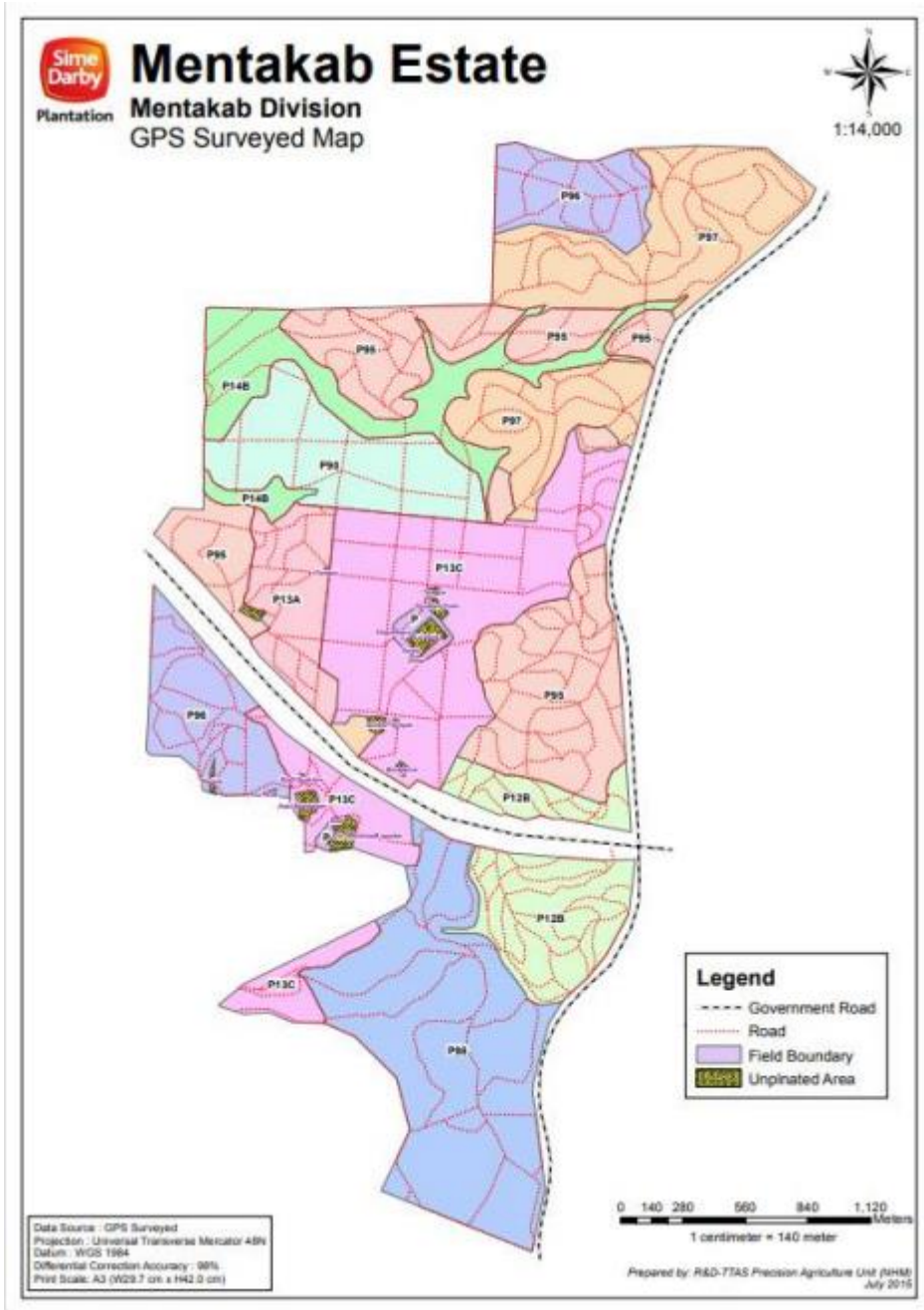


**Sg Mai Estate**

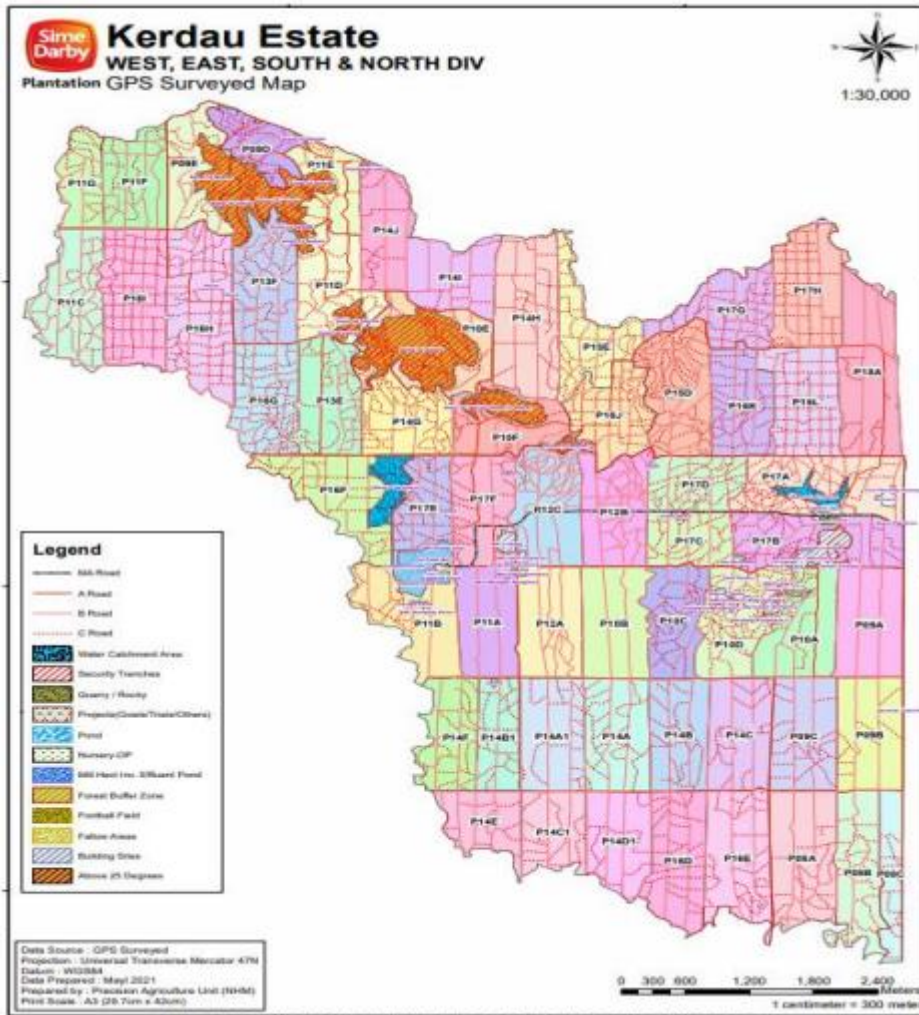




## Mentakab Estate



**Kerdau 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