

MALAYSIAN SUSTAINABLE PALM OIL
MSPO OPMC Public Summary Report

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

SIME DARBY PLANTATION BERHAD
Client Company (HQ) Address: Level 11, Main Block, Plantation Tower No. 2, Jalan PJU 1A/7, 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 27) Melalap Palm Oil Mill & Plantations: Melalap Estate and Sapong Estate
Date of Final Report: 08/11/2022

Report prepared by:
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Report Number: 3511578

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	Certification Unit	MPOB License No.	Expiry Date
	Melalap Palm Oil Mill	535146004000	31/12/2022
	Melalap Estate	531977002000	31/08/2023
	Sapong Estate	532297002000	31/08/2023
Address	Level 11, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia		
Management Representative	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) Tn. Johamdan Joni (SOU Melalap Chairman) Tn Nor Azian Anuar (Manager, KKS Melalap)		
Website	www.simedarbyplantation.com	E-mail	kks.melalap@simedarbyplantation.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)
1.2 Certification Information			
Certificate Number	Mill: MSPO 682053 Estate: MSPO 685285	Certificate Start Date	07/03/2023
Date of First Certification	07/03/2018	Certificate Expiry Date	06/03/2028
Scope of Certification	<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		
Visit Objectives	<p>The objective of the assessment was to conduct a recertification assessment and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by the organization's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organization's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p>		
Standard	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		
Recertification Assessment Visit Date (RAV) 1	19-22/09/2022		
Continuous Assessment Visit Date (CAV) 1_1	-		

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Continuous Assessment Visit Date (CAV) 1_2	-
Continuous Assessment Visit Date (CAV) 1_3	-
Continuous Assessment Visit Date (CAV) 1_4	-

1.3 Other Certifications

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 547124	RSPO Principles & Criteria for Sustainable Palm Oil Production; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	01/12/2026
MSPO 718818	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018	BSI Services Malaysia Sdn Bhd	18/12/2024

1.4 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Melalap Palm Oil Mill	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	5° 13' 59.00" N	115° 59' 15.40" E
Melalap Estate	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	5° 12' 53.90" N	115° 58' 35.20" E
Sapong Estate	14th KM, Jalan Tenom-Keningau, P.O. Box 205, 89908 Tenom, Sabah, Malaysia	5° 03' 53.20" N	115° 56' 56.90" E

1.5 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Melalap Estate	1,241.48	88.29	890.60	2,220.37	55.91%
Sapong Estate	2,155.81	45.72	*1,215.74	3,417.27	63.09%
Total	3,397.29	134.01	2,106.34	5,637.64	60.26%

Note: * Total planted, infrastructure & other area was wrongly key in during last year assessment. The Total Planted Area is 2,155.81 Ha, Infrastructure & other area is 1,215.74 Ha where this has been valid through "Field Other Area Cultivated Hectare Information".

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1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Melalap Estate	194.71	-	1,046.77	-	-	1,046.77	194.71
Sapong Estate	432.47	368.79	734.95	619.6	-	1,723.34	432.47
Total (ha)	627.18	368.79	1,781.72	619.6	-	2,770.11	627.18

1.7 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 2022 - Feb 2023)	Actual (Oct 2021 - Aug 2022)	Forecast (Mar 2023 - Feb 2024)
Melalap Estate	21,074.20	15,747.73	22,706.82
Sapong Estate	27,743.15	21,565.51	35,511.68
Ladang Cepat Kpd Sdn Bhd	7,500.00	82.76	0
Ladang Paal Sdn Bhd		217.87	
Nge Wa Hwa		60.07	
Ek Hong Agriculture		12.66	
Total (mt)	56,317.35	37,686.60	58,218.50

1.8 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 2022 - Feb 2023)	Actual (Oct 2021 - Aug 2022)	Forecast (Mar 2023 - Feb 2024)
Ehk Enterprise	22,500.00	98.69	13,500.00
Gohs Plantation		212.15	
Jn Agriculture		0	
Johan Sawit		980.27	
Wong Millenium		4,839.52	
Yong Kee Chiang		37.39	
Asia Sawit		1,362.30	
CCL Enterprise		256.22	
Koperasi Penanaman Sawit Mampan		1,135.26	
Sam Foh Ent		0	
Shine Plantation		0	

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Syarikat Makmur		0	
Total	22,500.00	8,921.80	13,500.00

1.9 Certified Tonnage

	Estimated (Mar 2022 - Feb 2023)	Actual (Oct 2021 - Aug 2022)	Forecast (Mar 2023 - Feb 2024)
	FFB	FFB	FFB
Mill Capacity: 25 MT/hr	56,137.35	37,686.60	58,218.50
SCC Model: MB			
	CPO (OER: 21.00%)	CPO (OER: 20.25%)	CPO (OER: 20.94%)
	11,826.64	7,630.32	12,190.95
	PK (KER: 5.05%)	PK (KER: 4.45%)	PK (KER: 4.41%)
	2,844.03	1,677.06	2,567.44

1.10 Actual Sold Volume (CPO)

CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
7,630.32	0	0	7,630.32	0	7,630.32

1.11 Actual Sold Volume (PK)

PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
1,677.06	0	0	1,677.06	0	1,677.06

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 19-22/09/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the SOU 27 Melalap Palm Oil Mill and Supply Bases (Melalap Estate and Sapong 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/2022/08-3-mspo-public-notification-recertification-sime-darby-sou-27-melalap-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 from the reassessment are detailed in Section 4.2. Major NC closure was through 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.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Melalap Palm Oil Mill	✓	✓	✓	✓	✓
Melalap Estate	✓	✓	✓	✓	✓
Sapong Estate	✓	✓	✓	✓	✓

Tentative Date of Next Visit: September 18, 2023 - September 21, 2023

Total No. of Mandays: 11 Mandays

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Nor Halis Abu Zar (NHA)	Team Leader	<p>Education: Bachelor of Science, Plantation Technology and Management, graduated from UiTM in 2012 and Diploma in Plantation and Industry Management from UiTM in 2009.</p> <p>Work Experience: He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day-to-day plantation operations. In his career at Kulim Plantation. He had accumulated more than 6 years of sustainability implementation experience. He is a qualified Lead Auditor for MS 2530:2013 and RSPO Auditor for ENV and OSH and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended: He has completed RSPO P&C Lead Auditor Course in Oct 2020, Refresher RSPO P&C Lead Auditor Course in May 2022, RSPO ISH Standard 2019 in December 2021, RSPO SCC 2020 in September 2022, QMS 9001:2015 Lead Auditor Course in April 2019, OSH 45001:2018 Lead Auditor Course in June 2021, IMS (ISO 9001:2015 & ISO 14001:2015) Lead Auditor Course, HCV & HCS Training in August 2022, MSPO 2530:2013 Lead Auditor Course in February 2019, , MSPO SCCS Auditor in February 2019 and also trained in SMETA Requirement Training on May 2021.</p> <p>Aspect covered in this audit: Legal requirements, traceability, occupational health and safety, GAP, training.</p>

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Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
		<p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
Mohd Nur Amin Bin Mohd Halim (MNA)	Team Member	<p>Education: Diploma Office Management & Technology, UiTM.</p> <p>Work Experience: He gained his career as sustainability practitioner in Government Link Company related to palm oil plantation for over 6 years and 10 months majorly handling operational excellent, environment, safety, and health at the upstream and downstream operations. He then joining an international certification body over the last 3 years and started his auditing career as qualified lead auditor for MSPO (OPMC and SCCS) scheme; and qualified auditor for ISCC Waste and Residue scheme. Concurrent, he was also a document controller and scheme coordinator for MSPO (OPMC and SCCS) prior to DSM accreditation.</p> <p>Training attended: He has completed Exemplar IMS (9001, 14001 & 45001) LA Course (2019), SA 8000 Course (2019), Endorse MSPO SCCS Course (2020), Endorse MSPO LA Course (2020), Endorse ISCC Waste and Residue Course (2020), HCV & HCS Course (2020), Endorse ISCC Basic & PLUS Course (2022), CQI & IRCA ISO 14001:2015 LA Course (2022), Endorse RSPO P&C LA Course (2022).</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspect of management commitment and responsibility, transparency, traceability, legal, social responsibility, employment conditions and contractor management.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
Hanafi bin Shufaat @ Mohd (HSM)	Team Member	<p>Education: Diploma in Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2001 and Executive Masters Plantation Technology and Management graduated from Asean E-University in 2012.</p> <p>Work Experience: Has 17 years working experience at managerial level of oil palm in the plantation industry in Malaysia and abroad and working with giant plantation players. The last position was Senior Manager in Primula Gemilang Sdn Bhd, Sibul, Sarawak and responsible for 12,000 hectare of oil palm plantation with 100-hectare nursery. Also had accumulated more than 3 years of sustainability implementation experience. Also qualified Lead Auditor for MS 2530:2013 and has accumulated more than 250 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended: Has successfully obtained competency of Quality Management system (ISO 9001:2015) and ISO Integrated Management system (ISO 9001:2015 and</p>

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Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
		<p>ISO 14001:2015) and MSPO SCCS auditor training in 2019 conducted by PSV Sdn Bhd. He has successfully obtained competency of Malaysia Sustainable Palm oil (MSPO) course for Malaysian Sustainable Palm Oil (MSPO).</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspect legal requirements, environment, HCV, Best Practices, Financial and Business Plan.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
Mohd Sabre Salim (MSS)	Peer Reviewer	<p>Education: Master's in Business Administration (MBA) from UiTM in 2006 and Bachelor Science Agribusiness from UPM in 1986.</p> <p>Work Experience: He gained his working exposure in the plantation sector, serving as 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>Training attended: He has completed Endorsed Lead Auditor Course and Endorsed MSPO Lead Auditor Course and MSPO Peer Review certificate by MPOCC. He has attended MSPO Peer Reviewer 1 - 2017 by MPOCC.</p> <p>Expertise: General Management, Leadership & Financial Management Occupational Safety & Health Management Plantation (Agriculture & Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).</p>
Muhammad Sufyan Azmi (MSA)	Peer Reviewer	<p>Education: Master's in Business Administration (MBA) from Open University Of Malaysia and Bachelor Degree in Bioindustry from UPM in 2006.</p> <p>Work Experience: He gained his working exposure in the plantation sector with 15 years' experience, currently serving as a Plantation Manager with TSH Resources Berhad and previously as an Audit Executive with Kulim Malaysia Berhad.</p> <p>Training attended: He has attended MSPO Peer Reviewer 2 - 2017 by MPOCC.</p> <p>Expertise: General Management, Auditing, Environment and Plantation Management.</p>

2.2 Impartiality and conflict of interest

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

2.3 Accompanying Persons

No.	Name	Role
	N/A	

2.4 Assessment Plan

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

Date	Time	Subjects	NHA	MNA	HSM
Sunday, 18/09/2022	-	Travelling from Kuala Lumpur to Kota Kinabalu	√	√	√
Monday, 19/09/2022 Sapong Estate	08:30 - 09:00	Opening Meeting <ul style="list-style-type: none"> • Presentation by BSI Lead Auditor - Introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	√	√	√
	09:00 - 12:30	Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	12:30 - 13:30	Lunch break	√	√	√
	13:30 - 16:30	Document Review (MS 2530:2013 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6: Best practices, P7: Development of New Planting	√	√	√
	16:30 - 17:00	Interim closing meeting	√	√	√
Tuesday, 20/09/2022 Sapong Estate (NHA)	09:00 - 12:30	Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√

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Date	Time	Subjects	NHA	MNA	HSM
Melalap Estate (MNA & HSM)	10:00 - 12:00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	12:30 - 13:30	Lunch break	√	√	√
	13:30 - 16:30	Document Review (MS 2530:2013 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6: Best practices, P7: Development of New Planting	√	√	√
	16:30 - 17:00	Interim closing meeting	√	√	√
Wednesday, 21/09/2022 Melalap Estate (NHA & HSM) Melalap Palm Oil Mill (MNA)	09:00 - 12:30	Estate assessment: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. Mill Assessment: Plant visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12:30 - 13:30	Lunch break	√	√	√
	13:30 - 16:30	Document Review (MS 2530:2011 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6: Best practices, P7: Development of New Planting Document review (MS 2530:2013 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices.	√	√	√

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Date	Time	Subjects	NHA	MNA	HSM
	16:30 - 17:00	Interim closing meeting	√	√	√
Thursday, 22/09/2022 Melalap Palm Oil Mill	09:00 - 12:30	Mill Assessment: Plant visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	-	√
	12:30 - 13:30	Lunch break	√	-	√
	13:30 - 16:30	Document review (MS 2530:2013 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices	√	-	√
	16:30 - 17:00	Assessment team discussion and preparation and closing meeting	√	-	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

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

During the assessment there were One (1) Major & Five (5) Minor nonconformities and One (1) OFI raised. SOU 27 Melalap Palm Oil Mill and Supply Bases Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity Report			
NCR Ref #:	2251252-202209-M1	Issue Date:	22/09/2022
Due Date:	22/12/2022	Date of Closure:	24/10/2022
Area/Process:	Sapong Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.4.2(e) Major
Requirements:	e. The occupational safety and health plan shall cover the following: 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.		
Statement of Nonconformity:	Standard Operating Procedure on Handling of Chemicals was not effectively demonstrated.		
Objective Evidence:	During site visit at the Spraying Area at Field 2020A, Sapong Estate, it was found that 8 Sprayers were not using goggle and using N95 mask during conduct spraying activities. It was not in line with Safety Operating Procedure – Penyemburan Racun, Document No: SPE/SOP-13 dated 01/01/2021 Section 5 Setiap Pekerja Meracon diwajibkan menggunakan pakaian keselamatan yang telah diberikan/ disediakan oleh pihak pengurusan. Diantaranya seperti berikut: Penutup Hidung Respirator, Sarung Tangan Getah, Kasut Panjang getah, Cermin mata/pelindung mata dan apron. It also not in line with CHRA recommendation dated 14/08/2020 Section 8.0 Recommendation No. 2 Work Unit: Sprayer (1) To wear respirator 3M3744 or Single Cartridge Respirator.		

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	There is no portable eye wash provided at spraying area at Sapong Estate. It was not in line with Safety Data Sheet (SDS) Monex HC, Sornic HC dated 23/07/2020 Rev.13 Section 8 Exposure Control and Personal Protection, Other equipment: Safety showers and eye wash station should be provided in work areas.
Corrections:	All the sprayer has been advised/brief the important of wearing recommended PPE during spraying to avoid chemical exposure which might affect their health and safety.
Root cause analysis:	The sprayer did not use the single cartridge mask but using 2M N95 mask and not using google due to feeling uncomfortable when using the recommended PPE.
Corrective Actions:	Management has equipped the involved spray gang with 3M 3200 single cartridge mask and 3M google as a recommended PPE for sprayer according to CHRA. Management also will provide mobile eyewash to the sprayer which in line with Monex HC SDS.
Assessment Conclusion:	Major NC Close Out <ol style="list-style-type: none"> 1. Sprayer gang has been issued with PPE 3M 3200 single cartridge and 3M goggle as per recommended. Evidence of photo has been verified. 2. Portable Eye Wash has been provided at the sprayer gang for emergency purpose. Evidence of photo has been verified. 3. Training has been conducted. Refer Penerimaan PPE & Taklimat Cara Penggunaan Respirator 3M (Particulate Respirator), Safety Goggles and Mobile Eyewash Training by Senior Assistant manager dated 08/10/2022 attended by the Sprayer, Field Conductor and Assistant Manager. <p>Evidence of Major NC closure has been verified and Major NC was effectively Closed on 24/10/2022.</p>

Non-Conformity Report			
NCR Ref #:	2251252-202209-N1	Issue Date:	22/09/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	Sapong Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.3.2.3 Minor
Requirements:	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.		
Statement of Nonconformity:	The Legal perimeter boundary markers was not clearly demarcated.		
Objective Evidence:	During site visit at boundary area Sapong Estate, Field P00 P, it was found that there was no clear markers/physical line between the field with Kg. Pantonganas. It was not in line with the requirement stated in the SOP section B7 (Boundaries) dated 01/11/2008 item 7.2 (a) Estate boundaries must be marked with iron pipes, planted along the boundary lines, and painted with red/white alternating rings and (b) If parameters fencing is required, barbed wire fencing with concrete posts with 5 strands must be constructed.		
Corrections:	Management to adhere to SOP section B7 (Boundaries) dated 01/11/2008 item 7.2 (a) Estate boundaries must be marked with iron pipes, planted along the boundary lines, and painted with red/white alternating rings.		

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Root cause analysis:	No clear markers along boundary perimeter due to both parties (Sapong Estate and Kg. Pantongan) has agreed the boundary stone as boundary markers at Field 00P1.
Corrective Actions:	Estate’s AP will monitor the boundary marking condition during patrolling at boundary area on monthly basis.
Assessment Conclusion:	Corrective Action Plan has been accepted and the effectiveness of the implementation will be verified during next assessment.

Non-Conformity Report			
NCR Ref #:	2251252-202209-N2	Issue Date:	22/09/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	Sapong Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.5.11 Minor
Requirements:	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.		
Statement of Nonconformity:	The implementation of legal legislation related food services was not satisfactorily demonstrated.		
Objective Evidence:	During onsite interview and documentation review, found that food service canteen (Santai Café) at Sapong Estate has hired six employees. However, only the cook has taken thypoid vaccination as required under Food Act 1983, Food Hygiene Reg 2009.		
Corrections:	Management has advised the owner to ensure all employee of Santai Café required to take Thypoid vaccination as required under Food Act 1983, Food Hygiene Reg 2009.		
Root cause analysis:	Previously Santai Café operate with 2 employees (husband and wife), only the cook taken Thypoid vaccination. Santai Café owner didn't aware that all the employee required to take Thypoid vaccination as required under Food Act 1983, Food Hygiene Reg 2009.		
Corrective Actions:	Estate management will include monitoring of food service canteen (thypoid vaccination) in the quarterly workplace inspection.		
Assessment Conclusion:	Corrective Action Plan has been accepted and the effectiveness of the implementation will be verified during next assessment.		

Non-Conformity Report			
NCR Ref #:	2251252-202209-N3	Issue Date:	22/09/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	Melalap Palm Oil Mill	Clause & Category: (Major / Minor)	MSPO 2530 Part 4: 4.4.4.2(d) Minor
Requirements:	The occupational safety and health plan should cover the following: d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and		

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	control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
Statement of Nonconformity:	The use of PPE was not effectively implemented.
Objective Evidence:	During site visit at Oil Room Station, it was observed that Welder with Employee No: 34777 was conduct welding operation for leaking at Heavy Phase Decanter Pipe while standing on the steel chair. PPE worn were Face Shield, Leather Gloves and Safety Shoes. However, it was observed that the welder does not wear welding apron. In addition, during interview with foreman at Workshop (Welding Area), there is no evidence that Welding Apron has been provided for welding works. Verification of PPE Issuance record, there is no evidence that welding apron has been issued for him (Employee No: 34777) as per record from 03/01/2022 to 13/09/2022. It was not in line with SOP Station 16: Workshop Issue No:1 Ver. No:1 dated 01/11/2008 Section 16.3.1.2 (e) When performing extensive welding works, use welding apron and HIRARC Workshop dated 30/04/2022 (1) "Operasi Kimpalan; Hazard: Percikan Kimpalan, Kesan: Cedera,Melecur, Kawalan Risiko: SOP, PPE, PWI, Safety Training".
Corrections:	Mill have made quotation request to purchase the Welding Apron for the usage during Extensive Welding works.
Root cause analysis:	Workshop fitter does not wear welding apron when conducting welding works at mill. Mill also does not provide welding apron for standby. This is due to the management point of view of "Extensive Welding" that were mentioned inside the Standard Operating Procedure (SOP).
Corrective Actions:	Workshop fitter to ensure all PPE are worn during executing/conducting Extensive welding works at Mill from workplace inspection record.
Assessment Conclusion:	Corrective Action Plan has been accepted and the effectiveness of the implementation will be verified during next assessment.

Non-Conformity Report			
NCR Ref #:	2251252-202209-N4	Issue Date:	22/09/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	Melalap Palm Oil Mill	Clause & Category (Major / Minor)	MSPO 2530 Part 4: 4.4.5.4 Minor
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.		
Statement of Nonconformity:	The contractor made incorrect amount deduction for EPF.		
Objective Evidence:	Sampled the payslip August 2022 found one of contractor's worker (Sairin Bin Kahar NRIC 900805-XX-XXXX) to United Machinery Parts Supply was deduct with incorrect amount of EPF which is not in accordance to Employees Provident Fund (EPF) Act 1991.		
Corrections:	Mill have informed the contactor on the issue raised for the EPF monthly deduction and to ensure the previous month starting from July onwards to deduct 11% for EPF from their workers monthly salary/income.		

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Root cause analysis:	The contractor does not aware on the minimum EPF monthly deduction to be at 11% from total monthly salary/income since July 2022.
Corrective Actions:	Estate will conduct briefing on related legal requirement to be adhered including EPF Act 1991 to all hired contractors.
Assessment Conclusion:	Corrective Action Plan has been accepted and the effectiveness of the implementation will be verified during next assessment.

Non-Conformity Report			
NCR Ref #:	2251252-202209-N5	Issue Date:	22/09/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	Melalap Palm Oil Mill	Clause & Category: (Major / Minor)	MSPO 2530 Part 4: 4.5.1.2 Minor
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations		
Statement of Nonconformity:	The legal references in environmental aspect and impact identification form were not updated.		
Objective Evidence:	Sighted the Environmental Aspect Impact Identification Form (Serial No: EAI/2018/XX/XXX. Verification of activities has been listed, environmental aspect and load item as well as environmental impact has been identified. However, the legal made references to and outdated version EQ (Clean Air) Reg 78 and EQ (Scheduled Waste) Reg 1989 which is presently revised to EQ (Clean Air) Reg 2014 and EQ (Schedule Waste) Reg 2005 respectively.		
Corrections:	Management has referred to expertise from Regional RSQM to have the updated version of Environmental Aspect Impact Identification Form.		
Root cause analysis:	Environmental Aspect Impact Identification Form legal reference did not update with the latest version.		
Corrective Actions:	Refresher training on Environmental Aspect Impact Identification and Evaluation will be conducted to the person in charge.		
Assessment Conclusion:	Corrective Action Plan has been accepted and the effectiveness of the implementation will be verified during next assessment.		

Opportunity For Improvement			
Ref:	2251252-202209-I1	Clause:	MSPO 2530 Part 3: 4.4.4.2 (b)
Area/Process:	Sapong Estate		
Objective Evidence:	The consistency of inspection the Acetylene and Oxygen Gas Tank could be further improve in order to cover all the potentially hazardous operation as identified in the HIRARC and create safe work procedure at the workshop area.		

Noteworthy Positive Comments	
1	Good commitment and corporation from the management.

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2	Generally, well implementation of Good Agricultural Practices (GAP).
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3.3 Status of Nonconformities Previously Identified and OFI

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

Opportunity For Improvement			
Ref:	N/A	Clause:	MSPO Part __:
Area/Process:	N/A		
Objective Evidence:	N/A		
Verification Statement:	N/A		

3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
2251252-202209-M1	4.4.4.2 (e) Part 3: Major	22/09/2022	Close out on 24/10/2022
2251252-202209-N1	4.3.2.3 Part 3: Minor	22/09/2022	Open
2251252-202209-N2	4.4.5.11 Part 3: Minor	22/09/2022	Open
2251252-202209-N3	4.4.4.2 (d) Part 4: Minor	22/09/2022	Open
2251252-202209-N4	4.4.5.4 Part 4: Minor	22/09/2022	Open
2251252-202209-N5	4.5.1.2 Part 4: Minor	22/09/2022	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Local communities, (Representative Kampung Pulong Tenom) Villagers have good relationship with estate and mill management. They are always being communicated on every program which related to their interest. There is no issue between both parties.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
2	<p>Issues: Contractor representative, (Subcontractor to Pembangunan Kian Jadi) The representative is subcontractor to Pembangunan Kian Jadi, therefore, not much information acquired during the session regarding on the agreement between Sime Darby Plantation Berhad and main contractor to be verified. However, the representative inform that he has no issue on the payment paid by their main contractor which is within 1 month as per agreed. Main contractor, had briefed to them regarding on the RSPO and MSP0 requirement before they commence work in Sime Darby Plantation Berhad’s estates.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
3	<p>Issues: Government Agency (Tenom Labor Department) The officer is newly joined officer transfer from Kota Kinabalu head office with just only one week from the date of the stakeholder consultation being conducted. She is not familiar with any inquiry related to labour issues at Tenom district area. Therefore, there is not much information can share from the attended officer. However, she is being invited to attend stakeholder consultation conducted with other plantation company in Sabah to share and discuss on the RSPO and MSP0 requirement.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Issues: Retailer, (New Hock Yee, Sin Liam Hin and Santai Café) Agreement between Sime Darby Plantation Berhad and retailers were signed and verified during the audit. No complaint for the management. Retailers being briefed regarding RSPO & MSP0 requirement during the stakeholder consultation conducted at Sapong Estate on 05/08/2022.</p> <p>Management Responses: Noted on the information.</p>



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	<p>Audit Team Findings: No other issue.</p>
5	<p>Issues: Workers representatives Sample of local and foreign workers has been interviewed. As per interview, there are no issues has been raised. Policy and procedure have been communicated to all workers. Salary payment is in line with local regulations. All workers interviewed satisfied with accommodation provided by the company.</p> <p>Management Responses: The management noted with the respond and will continue provide adequate housing and amenities to workers.</p> <p>Audit Team Findings: No further action needed.</p>

3.6 List of Stakeholders Contacted

<p>Government Officer: Tenom Labor Department</p>	<p>Community/neighbouring village: Representative Kampung Pulong Tenom</p>
<p>Suppliers/Contractors/Vendors: Subcontractor to Pembangunan Kian Jadi New Hock Yee Sin Liam Hin Santai Café</p>	<p>Worker’s Representative/Gender Committee: Local & Foreign Workers</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Sime Darby SOU 27 Melalap POM and Supply Bases Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sime Darby SOU 27 Melalap POM and Supply Bases Certification Unit is continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: JOHAMDAN BIN JONI @ JONI TETEI	Name: NOR HALIS ABU ZAR
Company name: SIME DARBY PLANTATION	Company name: BSI SERVICES MALAYSIA SDN BHD
Title: SENIOR MANAGER	Title: CLIENT MANAGER
Signature: GUTHRIE INDUSTRIES MALAYSIA SENDIRIAN BERHAD SAPONG ESTATE 	Signature: 
Date: 24/10/2022 JOHAMDAN BIN JONI @ JONI TETEI SENIOR MANAGER	Date: 24/10/2022

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Oil Palm Plantations and Organized Smallholders

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Group Sustainability & Quality Policy Statement has been established dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy established mention that Sime Darby are committed to making: 1) Promoting Good Governance and Transparency 2) Contributing to a better society 3) Minimizing environmental harm 4) Delivering sustainability quality This policy shall be guided by the commitment spelt out in the company's: 1) Responsible Agriculture Charter (RAC) 2) Human Right Charter (HRC) 3) Innovation & Productivity Charter (IPC)	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance															
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Sime Darby Plantation Berhad's SQM headquarters issued Internal audit schedule to operating unit through email and internal audit plan was sighted. The internal audit was planned on 28/06/2022 for Melalap Estate and 29/06/2022 for Sapong Estate.	Complied															
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	<p>Sime Darby Plantation Berhad has established an Internal Audit Procedure (Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017) to ensure the process of system audit is carried out effectively. The frequency of the internal audit is on annually and as when required.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date</th> <th>Major NC</th> <th>Minor NC</th> <th>OFI</th> </tr> </thead> <tbody> <tr> <td>Melalap</td> <td>28/06/2022</td> <td>2</td> <td>2</td> <td>3</td> </tr> <tr> <td>Sapong</td> <td>29/06/2022</td> <td>1</td> <td>2</td> <td>1</td> </tr> </tbody> </table> <p>Document review sighted the MSPO & RSPO Internal Audit Report for Melalap Estate and Sapong Estate. There are nonconformities raised during the internal audit for both estates. The root cause, correction and corrective action has been documented and accepted by the internal lead auditor.</p>	Estate	Date	Major NC	Minor NC	OFI	Melalap	28/06/2022	2	2	3	Sapong	29/06/2022	1	2	1	Complied
Estate	Date	Major NC	Minor NC	OFI														
Melalap	28/06/2022	2	2	3														
Sapong	29/06/2022	1	2	1														
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Melalap Estate and Sapong Estate received the internal audit report from SQM headquarters. The Management Representative has acknowledged on the acceptance of the Internal Audit Report. Management review meeting was conducted to review the findings of the internal audit.	Complied															

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.1.3 – Management Review		
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p> <p>Melalap Estate and Sapong Estate conduct latest management review meeting chaired by Senior Manager Estate as follows.</p> <ol style="list-style-type: none"> 1. Melalap Estate dated 12/08/2022. 2. Sapong Estate dated 11/08/2022. <p>The agenda discussed as below:</p> <ol style="list-style-type: none"> 1. Opening Remarks by Chairman 2. Previous Meeting Minutes Review 3. Matters Arising from Previous Minutes of Meeting 4. Objective/ Management Program 5. Training Plan 6. Results from Internal Audits: RSPO & MSPO 7. Nonconformity, Corrective and Preventive Actions 8. Customers/ Stakeholders Feedback/ Complaints 9. Resource Needs 10. Changes that could affect the management systems 11. Recommendations for Improvement 12. Other matters 13. Conclusion 	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance													
Criterion 4.1.4 – Continual Improvement															
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Both estates Sapong and Melalap management have respectively established continual improvement plans which covers social, environmental, safety & health and operations. Sighted sampled continuous improvement plans documented as follows:</p> <ul style="list-style-type: none"> • To improve security storage of scheduled waste store. • To reduce and monitor domestic waste. • To ensure compliance on Environmental Quality Regulations 2005. • To monitor and ensure no open burning conducted inside the estate compound. • To ensure the spraying gang are well trained to avoid spraying activities at near riverbank. • To create awareness among employees regarding on the importance of saving electricity. <table border="1" data-bbox="1048 979 1865 1367"> <thead> <tr> <th>Issue</th> <th>Item Description</th> <th>Location</th> <th>Mitigating Measures</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Schedule Waste</td> <td>Spent Lubricants</td> <td rowspan="4">Workshop</td> <td>As stipulated in MQMS Standard Operation Procedures (SOP) Section vii – Handling of Scheduled Wasted.</td> </tr> <tr> <td>Spent Hydraulic Oil</td> <td rowspan="3">Comply to the Environmental Quality (SW) Regulation 2005 as follows:</td> </tr> <tr> <td>Used Batteries</td> </tr> <tr> <td>Contaminated Rags</td> </tr> </tbody> </table>	Issue	Item Description	Location	Mitigating Measures	Schedule Waste	Spent Lubricants	Workshop	As stipulated in MQMS Standard Operation Procedures (SOP) Section vii – Handling of Scheduled Wasted.	Spent Hydraulic Oil	Comply to the Environmental Quality (SW) Regulation 2005 as follows:	Used Batteries	Contaminated Rags	<p>Complied</p>
Issue	Item Description	Location	Mitigating Measures												
Schedule Waste	Spent Lubricants	Workshop	As stipulated in MQMS Standard Operation Procedures (SOP) Section vii – Handling of Scheduled Wasted.												
	Spent Hydraulic Oil		Comply to the Environmental Quality (SW) Regulation 2005 as follows:												
	Used Batteries														
	Contaminated Rags														

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Criterion / Indicator		Assessment Findings				Compliance
			Empty Lubricant, Grease, Hydraulic Hose.		<ol style="list-style-type: none"> 1. Establish list of Scheduled Waste generate. 2. Notify DOE on all Scheduled Waste generate. 3. Ensure Labelling of SW with appropriate label and coding. 4. Establish inventory of SW generate. 5. Ensure disposal of SW <180 days and used the appropriated Consignment Note form. 6. Establish information of the SW. 	
			Empty Chemical Containers	Chemical Store		
			Clinical waste	Clinic/Healthcare		
		Domestic	Rubbish	Housing Complex/Office	- Domestic waste disposed to Keningau Landfill.	
			Sewage	Septic Tank	- Provide adequate dustbin at Housing Complex. - Create awareness on hygiene among	

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Criterion / Indicator		Assessment Findings				Compliance								
					employees and awareness 3R. - Regular Monitoring on cleanliness and hygiene - Ensure the maintenance of septic tank. - Arrange for sewage disposal by local authority when necessary.									
					<table border="1"> <thead> <tr> <th>Issue</th> <th>Mitigating Measures</th> <th>Action By</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Electricity</td> <td> i) Create awareness among staff/workers regarding import. ii) Water pump repaired. </td> <td>Store Clerk Assistant</td> <td> a) Recollected water used is on going b) Water pump repaired </td> </tr> </tbody> </table>	Issue	Mitigating Measures	Action By	Status	Electricity	i) Create awareness among staff/workers regarding import. ii) Water pump repaired.	Store Clerk Assistant	a) Recollected water used is on going b) Water pump repaired	
Issue	Mitigating Measures	Action By	Status											
Electricity	i) Create awareness among staff/workers regarding import. ii) Water pump repaired.	Store Clerk Assistant	a) Recollected water used is on going b) Water pump repaired											
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	System to improve practice in line with new information and techniques were carried out by the estate management through various programs as documented in the annual training program. The management on receiving this information is responsible to disseminate to the employees.				Complied								
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry	The estate managements respectively established annual training program based on the training needs analysis for the purpose of improving the competency of their employees and to disseminating				Complied								

Criterion / Indicator		Assessment Findings	Compliance
	standard or technology (where applicable) shall be established. - Major compliance -	information. Any new update or information, if related and endorsed by the top management, shall be disseminated to the employees thru the training program.	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Sime Darby Plantation Berhad established Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Melalap Estate and Sapong Estate’s management disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company’s website to obtain information such as policies, annual report and complaint procedures.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	Sime Darby Plantation Berhad established Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1, Issued 01 dated 1/04/2008 to put in place a system to	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Besides, Sime Darby Plantation Berhad established Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailed the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Senior Manager of the Melalap Estate and Sapong Estate have appointed Assistant Managers as Social Officer to handle any issue related to social in the estate. Seen the appointment letter dated Mr Joseph Chu Sheng Fook dated 05/01/2022 for Melalap Estate and Mr Muhamad Adam Mokhtar dated 18/12/2020 for Sapong Estate. Role and responsibility were outlined in the appointment letter.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	List of stakeholders was available at the sampled estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. Updated list has been established for the year of 2022 both Melalap and Sapong Estate. Melalap Estate was conducted on 07/07/2022 with the participation of stakeholders such as local communities, contractors and government authorities. Meeting minutes was sighted, and issues raised during the meeting were responded immediately by the management. The issues were incorporated into the Action Plan for SIA dated 07/01/2022 as well. Interviewed with the local communities confirmed that action has	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>been taken accordingly to resolve the issues they raised during the stakeholder meeting.</p> <p>Sapong Estate has conducted stakeholder meeting with the affected stakeholders such as government authorities, workers' representatives, contractors and local communities on 05/08/2022. Issues and requests raised during the meeting were incorporated into the SIA action plan dated 06/08/2022.</p> <p>Stakeholder list was developed which included local communities, suppliers, contractors and government authorities. The list was last updated on 01/01/2022 in Melalap Estate and 01/01/2022 in Sapong Estate.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The current traceability system is Sime Weigh System.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Sustainable Plantation Management System, Appendix 15, SOP for Sustainable Supply Chain and Traceability Version 2, 2018, issue no 5 dated April 2019 documented the procedure for traceability. Procedure has combined all related sustainability standard requirements of RSPO/ISCC/MSPO. The current traceability system is Sime Weigh System. Regular inspection was conducted on daily basis from checking by mandora, staff and verified by Assistant Manager and Manager. The document check roll, FFB daily production was referred.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																								
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Estate Manager and this is addressed in the established procedure [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability]. Sighted appointment letter for Mr Muhamad Adam Nin Mokhtar dated 18/04/2022 for Environmental/Quality Management system for Sapong Estate. Sighted appointment letter for Mr Joseph Chu Sheng Fook dated 05/01/2022 for person in charge Environmental/Quality Management system for Melalap Estate.	Complied																								
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of FFB sales & delivery including FFB Weighbridge Tickets together with FFB Delivery Note (DO Chit) and Daily Record (Daily FFB Despatch Summary Logbook) 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: Sapong Estate <table border="1"> <tr> <td>Date</td> <td>28/03/2022</td> <td>25/05/2022</td> <td>13/06/2022</td> </tr> <tr> <td>DO / Chit No.</td> <td>99543</td> <td>100368</td> <td>100647</td> </tr> <tr> <td>Lorry No.</td> <td>SAB4082 L19</td> <td>SS5619 N01</td> <td>SS6070 P09</td> </tr> <tr> <td>Weight, MT</td> <td>11.24</td> <td>8.79</td> <td>14.59</td> </tr> </table> Melalap Estate <table border="1"> <tr> <td>Date</td> <td>23/03/2022</td> <td>09/05/2022</td> <td>28/08/2022</td> </tr> <tr> <td>DO / Chit No.</td> <td>99462</td> <td>100141</td> <td>101796</td> </tr> </table>	Date	28/03/2022	25/05/2022	13/06/2022	DO / Chit No.	99543	100368	100647	Lorry No.	SAB4082 L19	SS5619 N01	SS6070 P09	Weight, MT	11.24	8.79	14.59	Date	23/03/2022	09/05/2022	28/08/2022	DO / Chit No.	99462	100141	101796	Complied
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DO / Chit No.	99462	100141	101796																								

Criterion / Indicator		Assessment Findings				Compliance
		Lorry No.	SD6268 M11	SS3138 P10	SAC4584 FB	
		Weight, MT	10.84	10.28	2.76	
4.3 Principle 3: Compliance to legal requirements						
Criterion 4.3.1 – Regulatory requirements						
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Estates had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. Estates had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were: -</p> <p>Sapong Estate</p> <ol style="list-style-type: none"> 1. MPOB License #532297002000 valid from 01/09/2022 to 31/0/2023 2. MPOB License #616164011000 valid from 01/02/2022 to 31/01/2022 3. Air compressor #SB PMT 599 valid until 29/06/2023 4. Diesel License #S006063 valid from 27/10/2021 to 26/10/2024 5. Energy Commission Permit #000421/2021 valid until 24/01/2023 6. Lesen Berniaga #TNM/2022/711 dated 05/01/2022 7. Permit on Salary Deduction for electricity and motorcycle installment #JTKSBH/PMT/113/2022/0042 valid from 28/03/2024 to 27/03/2024. 8. Lesen Untuk Menggaji Pekerja Bukan Pemastautin #JTK.H.TNM: 600-4/1/92112/63 valid from 11/06/2022 to 10/06/2023 <p>Melalap Estate</p>				Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. MPOB License #531977002000 valid from 01/09/2022 to 31/08/2023 2. Diesel License #S000266 (13,500 Liter) valid from 10/08/2021 to 09/08/2024 3. Air Compressor #SB PMT 598 valid until 26/01/2023 4. Lesen Berniaga #TNM/2022/695 dated 05/01/2022 5. Permit on Salary Deduction for Passport Fee and Electricity #JTKSBH/PMT/113/2022/0068 valid from 12/04/2022 to 11/04/2024. 6. Lesen Untuk Menggaji Pekerja Bukan Pemastautin #JTK.H.TNM: 600-4/1/92112/63 valid from 11/06/2022 to 10/06/2023 	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008. Refer document LORR Legal and Other Requirement for Sapong Estate and Melalap Estate updated on May 2022.</p> <p>Sighted sample of new laws and regulation.</p> <ol style="list-style-type: none"> 1. Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988 (Amendment 2020) 2. Minimum wages Order (Amendment 2022) 3. Workers Minimum Standard of Housing and Amenities Act 1990 (Amendment 2020) 	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	all operating units under SOU 27. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008. 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. Refer Legal & Other Requirements Register (LORR) Updated June 2022.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. 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. Sighted appointment letter for Pn Nursyafawani Binti Paul@Boing dated 01/01/2021 for person in charge Legal & Other Requirement Register (LORR) for Sapong Estate. Sighted appointment letter for Mr Joseph Chu Sheng Fook dated 05/01/2022 for person in charge Legal & Other Requirement Register (LORR) for Melalap Estate.	Complied
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance								
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The was no evidence to show that oil palm cultivation activities Melalap Estate and Sapong Estate had diminished the land use rights of others. Verified documents to show legal ownership of its land.	Complied								
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	<p>Verified the land titles shown that the legal ownership of the company. Sample of land title as below:</p> <p><u>Sapong Estate:</u> There is total 8 land titles found in Sapong Estate for total 3422.88 ha. All the land titles have been issued under the name of owner to Guthrie Industries Malaysia Sdn Bhd which belongs to Sime Darby Plantation Berhad.</p> <p>a) Provisional Lease Land Title No.: 165309866; Area: 318.73 ha b) Provisional Lease Land Title No.: 166283012; Area: 141.00 ha c) Provisional Lease Land Title No.: 166283058; Area: 5.56 ha</p> <p><u>Melalap Estate:</u> There is total 6 land titles found for total 2257.26 ha. All the land titles have been issued under the name of owner to Sime Darby Plantation Berhad.</p> <p>a) Country Lease No.: 165289341; Lot No.: 460; Area Lot: 3.47 ha b) Country Lease No.: 165175548; Lot No.: 1757; Area Lot: 6.01 ha</p> <p>From the original area, on 04/08/2021 verified that Melalap Estate has been paid some amount compensation as below:</p> <table border="1" data-bbox="1048 1310 1877 1374"> <thead> <tr> <th>Title No</th> <th>Purpose Acquisition</th> <th>Ha</th> <th>Compensation (RM)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Title No	Purpose Acquisition	Ha	Compensation (RM)					Complied
Title No	Purpose Acquisition	Ha	Compensation (RM)								

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Criterion / Indicator		Assessment Findings				Compliance
		CL 16531463	Melalap New Township	110.10	1,963,512.20	
		CL 16531463	Upgrading road Mengkalis Tenom	2.976	477,800.00	
		CL 16531463	Projek Air Luar Bandar (BALB)	0.541	86,900.00	
		CL 16531463	Tenom-Keningau Road Project	12.43	12,000.00	
		CL 16531463	Fresh water fish project	4.33	3,900.00	
		CL 16531463	Mini Dewan Melalap	2.02	11,250.00	
		CL 16531463	Police Station	0.40	NA	
		CL 16531463	Mosque	1.22	34,000.00	
		CL 16531463	Road Project, Pulong to Kg. Pagasangon Tenom	Not stated	NA	
		CL 16531463	Murut Cultural Centre	12.14	243,000.00	
		CL 165008355	Projek Jamabtan Kg. Nataduan KM 14.45 Jalan Keningau Tenom.	2.48	289,000.00	
		CL 165008355	Naik taraf jalan ke Mesej Kelanyaan Tenom	4.663	518,500.00	
		Total		143.30		

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Criterion / Indicator		Assessment Findings	Compliance																																			
<p>4.3.2.3</p>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Legal boundary was clearly demarcated with concrete pole and security trenches.</p> <p><u>Sapong Estate</u></p> <p>Legal boundary was clearly demarcated with security trenches. Reviewed the picture taken at the boundary Field no P00P boundary with Kg. Pantongan was not clearly demarcated at site.</p> <table border="1" data-bbox="1048 655 1872 791"> <thead> <tr> <th>NO</th> <th>Field</th> <th>Neighboring</th> <th>Field</th> <th>Neighboring</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>00P1</td> <td>Kg. Sri Tanjong</td> <td>00P</td> <td>Kg. Pantongan</td> </tr> <tr> <td>2</td> <td>01P1</td> <td>Kg. Angan-Angan</td> <td>20B</td> <td>Kg. Lundos</td> </tr> <tr> <td>3</td> <td>03AA</td> <td>Kg. Biah</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><u>Melalap Estate</u></p> <p>Legal boundary was clearly demarcated with concrete pole and security trenches. Reviewed the picture taken at the boundary stone P02A.</p> <table border="1" data-bbox="1048 946 1872 1046"> <thead> <tr> <th>NO</th> <th>Field</th> <th>Neighboring</th> <th>Field</th> <th>Neighboring</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>19A</td> <td>Kg. Makaniton</td> <td>02M</td> <td>Kg. Jawa</td> </tr> <tr> <td>2</td> <td>01MA</td> <td>Cemetery</td> <td>19B</td> <td>Kg. Lagut</td> </tr> </tbody> </table> <p>The Legal perimeter boundary markers was not clearly demarcated. During site visit at boundary area Sapong Estate, Field P00 P, it was found that there was no clear markers/physical line between the field with Kg. Pantongan. It was not in line with the requirement stated in the SOP section B7 (Boundaries) dated 01/11/2008 item 7.2 (a) Estate boundaries must be marked with iron pipes, planted along the boundary lines, and painted with red/white alternating rings and (b) If parameters fencing is required, barbed wire fencing with concrete posts with 5 strands must be constructed. Thus, Minor NC was raised.</p>	NO	Field	Neighboring	Field	Neighboring	1	00P1	Kg. Sri Tanjong	00P	Kg. Pantongan	2	01P1	Kg. Angan-Angan	20B	Kg. Lundos	3	03AA	Kg. Biah	-	-	NO	Field	Neighboring	Field	Neighboring	1	19A	Kg. Makaniton	02M	Kg. Jawa	2	01MA	Cemetery	19B	Kg. Lagut	<p>Minor Non-Conformities</p>
NO	Field	Neighboring	Field	Neighboring																																		
1	00P1	Kg. Sri Tanjong	00P	Kg. Pantongan																																		
2	01P1	Kg. Angan-Angan	20B	Kg. Lundos																																		
3	03AA	Kg. Biah	-	-																																		
NO	Field	Neighboring	Field	Neighboring																																		
1	19A	Kg. Makaniton	02M	Kg. Jawa																																		
2	01MA	Cemetery	19B	Kg. Lagut																																		

Criterion / Indicator		Assessment Findings	Compliance
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). - Minor compliance -	There is no land dispute in Melalap Estate and Sapong Estate at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no land encumbered by customary rights under Melalap certification units' estates.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no land encumbered by customary rights under Melalap certification units' estates.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no land encumbered by customary rights under Melalap certification units' estates.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Sime Darby Plantation Berhad's SQM headquarters has conducted Social Impact Assessment (SIA) on 19 – 21/05/2015 for SOU 27 Melalap. There is no new SIA was conducted since last assessment. The methodology of the assessment was through field interview, site	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>observation and documentation review. A Management Plan on Social Impact Assessment 2022 was developed on 01/07/2022 in Melalap Estate and 06/08/2022 in Sapong Estate which has included the issues raised during stakeholder meeting and SPIEU meeting. Details consists of:</p> <ol style="list-style-type: none"> 1. Issue raised / Areas of concern 2. Action plan 3. PIC 4. Completion date 5. Remarks. <p>Document reviewed, verified that all issue raised by stakeholders has been acknowledge and action taken were recorded. There is no outstanding issue found.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad’s SQM headquarter has established procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailed the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad’s SQM headquarters has established Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Melalap Estate and Sapong Estate implemented Complaint Form and Complaint Book to record any grievances from Internal or External Stakeholder (OCP/ Supplier/ Contractor). Document reviewed on Internal and External Complaint Book found that common grievances were related to the housing repair. The complainants have acknowledged on the complaint form after actions have been taken to rectify the issue.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Melalap Estate and Sapong Estate has implemented Complaint Form and Complaint Book to record any grievances from Internal or External Stakeholder (OCP/ Supplier/ Contractor) Sampled of Melalap Estate complaints as below: 1. Issue: Shower room clouge dated 19/09/2022 by Mr Jini Jailani No. C44. 2. Action: The management has instructed carpenter to repair the said complaint. The complainants have acknowledged on 28/09/2022 after work done. 3. Issue: Socket external lamp and singki clouge dated 19/09/2022 Mr. Sanggau Bin Tunai House No. C43. Action: The management has instructed carpenter to repair the said complaint. The complainants have acknowledged on 22/09/2022 after work done. Sampled of Sapong Estate complaints as below: 1. Issue: Naco Frame damage dated 06/08/2022 by Mr Ainuman	Complied

Criterion / Indicator		Assessment Findings	Compliance
		House No. B 50 Action: The management has instructed carpenter to repair the said complaint. Seen the photo evident of the Naco Frame has been repaired. The complainants have acknowledged on 15/08/2022 after work done.	
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Melalap Estate and Sapong Estate's stakeholders been briefed on the flowchart for handling social issues and whistleblowing policy during stakeholders meeting conducted as below: 1. Melalap Estate dated 07/07/2022. 2. Sapong Estate dated 05/08/2022. Seen the attendance list and the training material.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Document reviewed, verified Melalap Estate and Sapong Estate has kept and maintain that previous complaints and requests for Year 2020.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Sighted evidence of CSR activities has been conducted by Melalap Estate and Sapong Estate. Among evidence as below: 1. 'Bantuan Penyemburan / Pembersihan Salut Lumpur selepas banjir di Seolah Kebangsaan Ladang Sapong Tenom' dated 24/05/2021. 2. Donation to Pejabat Daerah Tenom for 'Perayaan Pesta Keamatan Daerah Tenom 2021' dated 16/04/2021. Refer Doc. No: SPE/2021/01	Complied
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.1</p> <p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The Group Upstream Malaysia Safety, Health and Environmental Policy Statement had been established and implemented.</p> <p>a) The policy was signed by the Chief Operation Officer Upstream Malaysia in June 2020 and displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>b) The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p> <p>c) Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.</p> <p>Procedure has been established. Refer Health, Safety and Environment Management (HSEMS) Manual dated 09/03/2021 with reference number UM/HSE/MS/01.</p>	<p>Complied</p>
<p>4.4.4.2</p> <p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied 	<p>The occupational safety and health plan cover the following:</p> <p>a) Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the staffs and workers through induction training for new workers, morning briefing and displayed at various notice boards within the estate. The policy has been briefed to all workers on:</p> <ul style="list-style-type: none"> • Sapong Estate: 06/01/2022 • Melalap Estate: 17/08/2022 <p>b) Sime Darby Plantation Berhad have established Standard Operating Procedure for Risk Assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a. Estates sampled have conducted risk assessments for all the operations and</p>	<p>Major Non-Conformities & OFI</p>

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<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>documented in the Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. Among the activities verified in the HIRARC included Loading FFB, P&D Circle Application, Harvesting (Carriers), Gardening, etc.</p> <p>HIRARC is reviewed on annually and as and when there are any accidents that occur in the estate. Verified the latest review of HIRARC for the estates as below.</p> <ul style="list-style-type: none"> • Sapong Estate: Security dated 13/01/2022, Welding 13/01/2022 • Melalap Estate: Harvesting dated 02/04/2022, Spraying dated 02/04/2022 <p>The consistency of inspection the Acetylene and Oxygen Gas Tank could be further improve in order to cover all the potentially hazardous operation as identified in the HIRARC and create safe work procedure at the workshop area. Thus, OFI was raised.</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"> • Sapong Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/09/ASS/00/124 – 2020/0028) conducted by Global Advance Training and Consultancy (DOSH Registration: HQ/09/ASS/00/124) on 25/06/2020. • Melalap Estate: The Chemical Health Risk Assessment Report (Ref. Number: HQ/09/ASS/00/124 – 2019/064) conducted by 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Global Advance Training and Consultancy (DOSH Registration: HQ/09/ASS/00/124) on 01/11/2019.</p> <p>Medical Surveillance was conducted for workers exposed to chemicals and welding fumes in the estate as recommended in the CHRA. The medical surveillance was conducted to monitor the level of exposure on the workers towards the chemicals and fumes.</p> <ul style="list-style-type: none"> Sapong Estate - Medical Surveillance was conducted from 24/01/2022 at Mabello Group of Clinic for 31 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals and fumes. Results indicates all fit to work. Melalap Estate - Medical Surveillance was conducted from 24/01/2022 at Mabello Group of Clinic for 15 estate workers, namely sprayers, workshop attendants, mandores, trunk injectors, and manurers who have been exposed to chemicals and fumes. Results indicates all fit to work. <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019 in the estates. The NRA Reports were available in the sampled estates as below.</p> <ul style="list-style-type: none"> Sapong Estate – Assessment conducted on 08/07/2020 by Mabello Group of Clinics. The assessment report was available for verification. Melalap Estate – Assessment conducted on 08/07/2020 by Mabello Group of Clinics. The assessment report was available for verification. 	

Criterion / Indicator	Assessment Findings	Compliance
	<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"> • Sapong Estate – Audiometric Programme was conducted by Mabello Group of Clinic on Dec 2021. A total of 10 workers had undergone the audiometric test. Result indicates that 10 workers have normal audiogram and none of workers fall under Hearing Impairment. There are no workers fall under Permanent Standard Threshold Shift (STS). • Melalap Estate - Audiometric Programme was conducted by Mabello Group of Clinic on Dec 2021. A total of 10 workers had undergone the audiometric test. Result indicates that 9 workers have normal audiogram and 1 of worker fall under Hearing Impairment. There are no workers fall under Permanent Standard Threshold Shift (STS). <p>c) Estates sampled have established a training program for employees exposed to chemicals used at the palm oil estates to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager, and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows</p> <ul style="list-style-type: none"> • Sapong Estate- Refresher Sprayer Training dated 16/06/2022 • Melalap Estate- Refresher Slashing Training dated 06/04/2022 <p>d) SOP on PPE has established as per document Operating Control Procedure Personal Protective Equipment with reference number SD/SDP/PSQM(ESH)/201-OS16 dated 26/02/2015. The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC, and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17/03/2008. Sighted</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation. Weekly PPE inspection has been conducted as per record.</p> <p>e) Standard Operating Procedures for Handling of Chemicals were available in several documents such as Sime Darby Plantation Berhad, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26/02/2015. SDS were placed in the Chemical and Fertilizer store. Emergency eye wash and portable eye wash were functioned well during inspection. Safety warning and signage were placed at strategic area in order to control the hazard. Chemical register was checked and found in order.</p> <p>Standard Operating Procedure on Handling of Chemicals were not effectively implemented. During site visit at the Spraying Area at Field 2020A, Sapong Estate, it was found that 8 Sprayers were not using goggle and using N95 mask during conduct spraying activities. It was not in line with Safety Operating Procedure – Penyemburan Racun, Document No: SPE/SOP-13 dated 01/01/2021 Section 5 Setiap Pekerja Meraacun diwajibkan menggunakan pakaian keselamatan yang telah di berikan/disediakan oleh pihak pengurusan. Diantaranya seperti berikut: Penutup Hidung Respirator, Sarung Tangan Getah, Kasut Panjang getah, Cermin mata/pelindung mata dan apron. It also not in line with CHRA recommendation dated 14/08/2020 Section 8.0 Recommendation No. 2 Work Unit: Sprayer (1) To wear respirator 3M3744 or Single Cartridge Respirator. There is no portable eye wash provided at spraying area at Sapong Estate. It was not in line with Safety Data Sheet (SDS) Monex HC, Sornic HC dated 23/07/2020 Rev.13 Section 8 Exposure Control and Personal</p>	

Criterion / Indicator		Assessment Findings	Compliance			
		<p>Protection, Other equipment: Safety showers and eye wash station should be provided in work areas. Thus, Major NC was raised.</p> <p>f) <u>Sapong Estate</u> The Estate Manager, Mr Johamdan Bin Joni was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 01/12/2021 undersigned by the Regional General Manager, Sabah North. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p><u>Melalap Estate</u> The Estate Manager, Mr Ashok Kumar A/L Yutaman was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 01/01/2022 undersigned by the Regional CEO, Northern Region. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees' safety, health and welfare such as operational risks and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the OSH Meeting Minutes dated as follows:</p> <table border="1" data-bbox="1093 1348 1877 1383"> <tr> <td>OSH Meeting 2022</td> <td>Sapong Estate</td> <td>Melalap Estate</td> </tr> </table>	OSH Meeting 2022	Sapong Estate	Melalap Estate	
OSH Meeting 2022	Sapong Estate	Melalap Estate				

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Criterion / Indicator		Assessment Findings			Compliance
		1 st Quarter	07/03/2022	29/03/2022	
		2 nd Quarter	07/06/2022	23/06/2022	
		3 rd Quarter	06/09/2022	-	
		OSH Meeting 2021	Sapong Estate	Melalap Estate	
		4 th Quarter	09/12/2021	15/12/2021	
		3 rd Quarter	09/09/2021	22/09/2021	
		<p>h) Accident and Emergency procedures were available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01/07/2012. The estates have established Emergency Response Team lead by the Estate Managers. The ERT chart and Fire Extinguisher Map was also available and verified. Emergency Response Training was conducted as below:</p> <p>Sapong Estate: 08/02/2022 Melalap Estate: 17/08/2022</p> <p>i) Refer First Aid in the workplace Procedure dated 09/03/2021 with reference number UM/HSE/OCP/01. First aiders were assigned to various workstation at the estates. The mandores and staffs were responsible for first aid boxes at each workstation assigned to them by the management. The first aid box was recently replenished with all stated items available in the box. First Aid trainings were conducted regularly at the sampled estates and documents of trainings were verified as below.</p> <p>Sapong Estate: 29/06/2022 Melalap Estate: 21/07/2022</p>			

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Criterion / Indicator		Assessment Findings	Compliance
		<p>j) The estates sampled recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update form via online through GSQM ESH Portal. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p><u>Sapong Estate</u></p> <p>There were 2 accident cases recorded with TLA 17 days for the year 2021 reported in the estate. The JKPP 8 form has been submitted to DOSH for the year ending 2021 on 12/01/2022 with reference number JKPP8/99778/2021 and documents available for verification.</p> <p>For the year 2022 there were 1 accident cases reported with Medical Leaves recorded. Accident investigations, HIRARC Review, and Retraining records were available for verification.</p> <p><u>Melalap Estate</u></p> <p>There were 1 accident cases with TLA 1 days recorded for the year 2021 reported in the estate. The JKPP 8 form has been submitted to DOSH for the year ending 2021 on 11/01/2022 with reference number JKPP 8/76303/2021 and documents available for verification.</p> <p>For the year 2022 there were 1 accident cases reported with Medical Leaves recorded. Accident investigations, HIRARC Review, and Retraining records were available for verification.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The	Sime Darby Plantation Berhad established Group Sustainability & Quality Policy Statement and signed by Group Managing Director dated 2/12/2019.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The policy describes company commitment on respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation Berhad respect and safeguard human rights, notion of democracy and its institution.</p> <p>They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be 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, and business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 17/08/2022 2. Sapong Estate: 01/06/2022 	
<p>4.4.5.2</p> <p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy could be downloaded from</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		http://www.simedarbyplantation.com/sustainability/human-rights-charter Latest policy briefing for estate workers were conducted as below: 1. Melalap Estate: 17/08/2022 2. Sapong Estate: 01/06/2022	
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Sime Darby Plantation Berhad has established employment contracts and adopted by Melalap and Sapong Estates. During hiring new workers, Melalap and Sapong Estates' management briefed in language that understood and signed by the workers (Local, Indonesian and Bangladesh). Workers hired for more than 2 years (Indonesian), and 3 years (other nationalities) have signed an extension contract (version: ECFW/Mac19/Pnsr/Ind/Ext/V2.0). The established employment contracts for staffs and workers are in line with latest Minimum Wage Order. Document review of sampled of employment contracts, verified terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker. Sampled of agreement and payslip for November 2021, April 2022 and August 2022 as below: <u>Melalap Estate</u> 1. Employee ID: 0000033546 2. Employee ID: 0000033552 3. Employee ID: 0000164419 4. Employee ID: 0000106921 5. Employee ID: 0000151652	Complied

Criterion / Indicator	Assessment Findings	Compliance
	6. Employee ID: 0000079594 7. Employee ID: 0000164401 8. Employee ID: 0000033536 9. Employee ID: 0000160659 <u>Sapong Estate</u> 1. Employee ID: 0000074414 2. Employee ID: 0000119886 3. Employee ID: 0000048039 4. Employee ID: 0000079383 5. Employee ID: 0000033702 6. Employee ID: 0000164502 7. Employee ID: 0000033759 8. Employee ID: 0000033678	
4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	Melalap Estate and Sapong Estate kept contractors' workers' Pay slip/ cash voucher. Document reviewed on the pay slip/ cash voucher, contractors' workers paid with daily rate of RM 57.69 per day which is in line with employment contract and other requirement applicable. Sample of the employee of contractors' workers' pay slip/ cash voucher as follow. <u>Melalap Estate</u> Pemborong Ajuta – FFB Transportation 1. Driver, AT986XXXX 2. Driver, C654XXXX <u>Sapong Estate</u>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Entabuan Quarry – Backhoe services 1. Workers, NRIC 771114-XX-XXXX	
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	Melalap Estate and Sapong Estate’s management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded. Besides, contractor (Pembangunan Kian Jadi) in Melalap Estate and Sapong Estate have provided the Personal Particulars to both managements to maintain.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	Melalap Estate and Sapong Estate’s management employed local and foreign workers from Indonesia, India, Myanmar, Bangladesh, and Nepal. They are all under direct employment to the estates. All of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955. Sampled of agreement and payslip for November 2021, April 2022 and August 2022 as below: <u>Melalap Estate</u> 1. Employee ID: 0000033546 2. Employee ID: 0000033552 3. Employee ID: 0000164419 4. Employee ID: 0000106921 5. Employee ID: 0000151652 6. Employee ID: 0000079594 7. Employee ID: 0000164401	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>8. Employee ID: 0000033536 9. Employee ID: 0000160659 <u>Sapong Estate</u> 1. Employee ID: 0000074414 2. Employee ID: 0000119886 3. Employee ID: 0000048039 4. Employee ID: 0000079383 5. Employee ID: 0000033702 6. Employee ID: 0000164502 7. Employee ID: 0000033759 8. Employee ID: 0000033678 9. Employee ID: 000067340</p> <p>Onsite interviewed with the foreign workers informed they have freedom to go out from the compound during off day. They kept their own passport in special locker install in the housing and locked for safety reason as they worried the passport will be lost. They will give a copy of passport to office for keeping in the office for hiring process.</p>	
<p>4.4.5.7</p>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Onsite interviewed with Melalap Estate and Sapong Estate’s workers informed working hours and breaks were according with their employment contract, collective agreements and legal regulations.</p> <p>Document reviewed, Melalap Estate and Sapong Estate’s check roll records, overtime and breaks were recorded and consistent with the sampled pay slip. No overtime was recorded exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.</p>	<p>Complied</p>
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Melalap Estate and Sapong Estate’s worker’s 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.</p>	<p>Complied</p>
4.4.5.10	<p>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.</p> <p>- Minor compliance -</p>	<p>Melalap Estate and Sapong Estate’s workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families with free water supply. Incentives were provided to workers for special capabilities on certain jobs.</p>	<p>Complied</p>
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Melalap Estate and Sapong Estate’s management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out on weekly basis by Medical Assistant using Housing Complex / Nest / Community Hall Inspections.</p> <p><u>Melalap Estate</u></p> <p>The last inspection conducted on 15/09/2022, 08/09/2022, 02/09/2022 and 25/08/2022</p> <p><u>Sapong Estate</u></p>	<p>Minor Non-Conformities</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>The last inspection conducted on 15/09/2022, 10/09/2022, 03/09/2022 and 27/08/2022</p> <p>The implementation of legal legislation related food services was not satisfactorily demonstrated. During onsite interview and documentation review, found that food service canteen (Santai Café) at Sapong Estate has hired six employees. However, only the cook has taken thyphoid vaccination as required under Food Act 1983, Food Hygiene Reg 2009. Thus, Minor NC was raised.</p>	
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad established Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.</p> <p>Gender Committee was established in Melalap Estate and Sapong Estate to monitor if there is any case of sexual harassment reported. The last Gender Committee meeting at SOU Level was carried out on 12/09/2022 for both Melalap Estate and Sapong Estate. Issues reported were recorded in the minutes.</p> <p>Onsite interviewed with the female workers found that no sexual harassment or violence case reported so far.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 17/08/2022 2. Sapong Estate: 01/06/2022 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.13</p> <p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad established Group Sustainability & Quality Policy signed by Group Managing Director dated 02/12/2019 where the management is respecting Freedom of Association.</p> <p>Sighted Human Right Charter Revised 2020 has been established to cover on Human Right consist of Preamble, Scope, Commitments, Approach, Implementation and Responsibilities & Reporting.</p> <p>Refer section 3.2 stated respect the rights of employees to join and form organizations of their own choice and to bargain collectively.</p> <p>The SPIEU (Sabah Plantation Industry Employee Union) minute meeting for Melalap Estate was conducted on 14/09/2022.</p> <p>The SPIEU (Sabah Plantation Industry Employee Union) minute meeting for Sapong Estate was conducted on 14/09/2022.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 17/08/2022 2. Sapong Estate: 01/06/2022 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance –</p>	<p>Sime Darby Plantation Berhad established 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.</p> <p>Onsite interviewed with management informed no employees below the age of 18 were allowed to work in fields.</p> <p>Document reviewed on Employee Master Listing verified no underage workers hired in Melalap Palm Oil Mill.</p> <p>Latest policy briefing for estate workers were conducted as below:</p> <ol style="list-style-type: none"> 1. Melalap Estate: 17/08/2022 2. Sapong Estate: 01/06/2022 	<p>Complied</p>
<p>Criterion 4.4.6: Training and competency</p>			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Training was provided during musters and in session held in the estate community hall. The following training made for the employees were recorded as follows. Subjects extracted were mainly related to ESH, SOP, and Environment. Estates have established a training program for all workers based on the training need analysis conducted on a yearly basis. Records of trainings were maintained by the estates as below: -</p> <p>Sapong Estate</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings		Compliance																										
		<table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr><td>SOP Harvesting</td><td>25/11/2021</td></tr> <tr><td>SOP Manuring and Spraying</td><td>25/11/2021</td></tr> <tr><td>OSH Rollout Briefing</td><td>23/11/2021</td></tr> <tr><td>Fire Fighting ERP</td><td>08/02/2022</td></tr> <tr><td>Refresher Sprayer Training</td><td>16/06/2022</td></tr> <tr><td>First Aid Training</td><td>29/06/2022</td></tr> <tr><td>E Swiss and SW training</td><td>10/08/2022</td></tr> <tr><td>PPE Training</td><td>08/07/2022</td></tr> <tr><td>Safety & Health Training</td><td>03/08/2022</td></tr> </tbody> </table>	Training	Date	SOP Harvesting	25/11/2021	SOP Manuring and Spraying	25/11/2021	OSH Rollout Briefing	23/11/2021	Fire Fighting ERP	08/02/2022	Refresher Sprayer Training	16/06/2022	First Aid Training	29/06/2022	E Swiss and SW training	10/08/2022	PPE Training	08/07/2022	Safety & Health Training	03/08/2022								
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4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to	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		Complied																										

Criterion / Indicator		Assessment Findings	Compliance
	all employees based on their job description. - Major compliance -	job type. Sighted the Estate: Recommended Training Needs for the year 2022 for all estates.	
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	A training programme has been developed and available in the Annual Sustainability Programme 2022. The trainings were sighted to have been sub categorised to trainings on Environmental, GAP, SOP, Social and OSH.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	The group has established sustainability policy which was endorsed by the Chief Executive Officer on 01/06/2020. The policy indicates the group commitment to provide safe & healthy workplace and operating in an environmentally responsible manner at all operation premises. The group shall; Environment: <ul style="list-style-type: none"> • Comply with emission & effluent standards. • Efficient use of water & energy. • Reduce GHG footprint. • Minimize waste. • Protect the ecosystem & biodiversity. <p>Communication of the policy to the employees was conducted thru training, briefing, morning muster call and displayed on the notice board.</p>	Complied

Criterion / Indicator		Assessment Findings					Compliance										
		<p>The estate managements also have developed environmental management plan which covers environmental issues, continuous improvement, identification & management of wastewater, and waste management plan.</p> <p>Sample meeting and briefing on environment was held on 04/08/2022 by Assistant Manager. In the briefing the executive reminds on the environment issues and also HCV.</p>															
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>The estate managements have assessed the aspects and impacts for all operations and documented it under Environmental Aspect Impact Plan.</p> <p>a) The environmental management plan has identified 18 area for aspects and impacts assessment, which are compound, dispensary, creche, field-FFB transportation, main entrance, field-FFB chute, nursery, pest disease control, skid tank, power station, replanting, road, scheduled waste, store, water treatment plant, harvesting & collection, workshop and weighbridge.</p> <p>b) The aspect of the Environmental Aspect & Impact (EAI) and Environmental Impact Evaluation (EIE) was prepared on 16/02/2022. There were no changes on the previous report.</p> <p>c) The area being monitored as per stipulated frequency.</p>					Complied										
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The estate managements have established environmental management plan and documented it. The plan stated the environmental issues, mitigation measures and person responsible. The mitigation is continuously implemented and monitored as per plan stated in the EMP.</p> <table border="1" data-bbox="1048 1310 1877 1375"> <thead> <tr> <th>No</th> <th>Issues</th> <th>Mitigation measures</th> <th>Action by</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>					No	Issues	Mitigation measures	Action by	Status						Complied
No	Issues	Mitigation measures	Action by	Status													

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Criterion / Indicator		Assessment Findings					Compliance
		1	Leaking pesticides during chemical mixing and washing into outside land.	To recollect water used and recycled during next pre-mixing. Water pump repaired.	Store Clerk	Recollect water used on going. Water repaired.	
		2	Leaking of lubricant/oil from servicing/par king tractor	To used oil tray to prevent leakage of used oil.	Forem an/wor kshop	Used tray to prevent leakage is on going.	
		3	Smoke from vehicles exhaust.	Regular engine maintenance.	Forem an/wor kshop	Regular engine mainten an ce.	
		4	Erosion during replanting work	Riparian reserve 20m establish. DO not fill area more than 25°. Marking/signage to be established at slope area > 25°. LCC sowing at terrace area.	Assista nt Manag er	Maintaining and demarcatio n of area in place.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Based on the Standard Operating Manual; Subsection 5.4: Planning and Appendix 5.4.1b: Environment Aspect/Impact Evaluation Procedure, all operating unit shall carry out the annual review of the					Complied

Criterion / Indicator		Assessment Findings	Compliance																																				
		EAI documents in the Registration of EAI. The continual improvement plans had programs to promote the positive impacts.																																					
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Both estates continued to have continuous awareness and training programs planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance with the documented training procedure.	Complied																																				
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	The estate managements continued to have regular meetings with workers where concerns of workers and management about the environmental quality are discussed. This was discussed at the quarterly held ESH committee meetings.	Complied																																				
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																							
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	<p>Estates have maintained records for diesel consumption for the period of 2021 – 2022. Sample record diesel use per ton FFB from 2021 - present.</p> <p><u>Melalap Estate</u></p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel Used (l)</th> <th>FFB Production</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan-21</td> <td>3,458</td> <td>1,235.69</td> <td>2.80</td> </tr> <tr> <td>Feb-21</td> <td>2,754</td> <td>1,091.94</td> <td>2.52</td> </tr> <tr> <td>Mar-21</td> <td>4,093</td> <td>1,396.83</td> <td>2.93</td> </tr> <tr> <td>Apr-21</td> <td>4,658</td> <td>1,379.20</td> <td>3.38</td> </tr> <tr> <td>May-21</td> <td>3,723</td> <td>1,299.32</td> <td>2.87</td> </tr> <tr> <td>Jun-21</td> <td>4,895</td> <td>1,625.00</td> <td>3.01</td> </tr> <tr> <td>Jul-21</td> <td>5,619</td> <td>1,424.70</td> <td>3.94</td> </tr> <tr> <td>Aug-21</td> <td>3,311</td> <td>1,424.70</td> <td>3.94</td> </tr> </tbody> </table>	Month	Diesel Used (l)	FFB Production	Diesel/FFB	Jan-21	3,458	1,235.69	2.80	Feb-21	2,754	1,091.94	2.52	Mar-21	4,093	1,396.83	2.93	Apr-21	4,658	1,379.20	3.38	May-21	3,723	1,299.32	2.87	Jun-21	4,895	1,625.00	3.01	Jul-21	5,619	1,424.70	3.94	Aug-21	3,311	1,424.70	3.94	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		Sept-21	3,828	1,551.12	2.13	
		Oct-21	4,588	1,425.72	2.35	
		Nov-21	5,572	1,485.65	3.22	
		Dec-21	3,541	1,395.48	2.54	
		Sapong estate				
		Month	Diesel Used (l)	FFB Production	Diesel/FFB	
		Jan-22	6,474	1,441.41	4.49	
		Feb-22	3,853	1,419.18	2.71	
		Mar-22	3,366	1,624.67	2.07	
		Apr-22	6,434	1,495.87	4.30	
		May-22	2,905	1,306.57	2.22	
		Jun-22	3,155	1,367.75	2.31	
		Jul-22	2,867	1,319.27	2.17	
		Aug-22	3,581	1,466.15	2.44	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimation of diesel consumption and electricity usage has been documented in the annual budget program on the financial year with the latest available is for year 2022. Sighted the estimation and actual of energy used continuously being recorded.				Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy being used in the estates compound.				Complied
Criterion 4.5.3: Waste management and disposal						
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	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				Complied

Criterion / Indicator		Assessment Findings			Compliance
	- Major compliance -	had identified and documented the waste products and source of pollution. Sighted the plan as follow:			
		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: a. Established list of scheduled waste generated. b. Notify DOE on all scheduled waste generated. c. Ensure of labelling of SW with appropriate label and code. d. Establish SW inventory. e. Establish information of the SW. f. Ensure disposal of schedule waste not more than <20Mt or 180 days. g. Reuse the empty chemical containers h. Monthly update in eSWIS system.	
		Domestic Waste	Rubbish Sewage	Allocate landfill 3km away from natural waterways and resident area. Provide adequate dustbins at the estate and line site area.	

Criterion / Indicator		Assessment Findings			Compliance									
				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.										
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>Plan to avoid or reduce pollution is documented in the Pollution Prevention Plan and Waste Management Plan. Sighted the plan as follow:</p> <p>Type of waste in the estate:</p> <p>i) Domestic waste.</p> <p>ii) Schedule waste</p> <p>iii) Chemical waste</p> <table border="1"> <thead> <tr> <th>No</th> <th>Environmental Issues</th> <th>Mitigation Measures</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Leaking of pesticides during chemical mixing and washing into outside land.</td> <td>To recollect water used and recycled during next pre-mixing. To ensure water pump in a good condition.</td> </tr> <tr> <td>2</td> <td>Leaking of lubricant oil from servicing or parking</td> <td>Regular engine maintenance.</td> </tr> </tbody> </table>			No	Environmental Issues	Mitigation Measures	1	Leaking of pesticides during chemical mixing and washing into outside land.	To recollect water used and recycled during next pre-mixing. To ensure water pump in a good condition.	2	Leaking of lubricant oil from servicing or parking	Regular engine maintenance.	Complied
No	Environmental Issues	Mitigation Measures												
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Criterion / Indicator		Assessment Findings	Compliance																																																								
		pollution. It covers from the scheduled waste identification, notification, records, scheduled waste inventory, handling of scheduled waste at site, schedule waste store, treatment & disposal and consignment notes.																																																									
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>The chemical containers will be tripled rinse and punctured to prevent contamination of water source or to human health and stored at the scheduled waste store. Some of it will be used as a pre-mix container. Others, Lagenda Bumimas Sdn Bhd, a licensed contractor will collect empty containers and used engine oil/lubricant and other scheduled wastes for disposal. Consignment note: A 043288, waste category SW 410 at 0.0049mt. The delivery date on 24/02/2022.</p> <p>From the previous report verified the last consignment note was on 21/04/2021 for schedule waste SW 409.</p> <p>Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal. The CU scheduled waste is disposed to the following vendors registered with DOE.</p> <table border="1"> <thead> <tr> <th></th> <th>Date</th> <th>SW409</th> <th>SW410</th> <th>SW102</th> <th>SW305</th> <th>SW408</th> </tr> </thead> <tbody> <tr> <td>Sapong</td> <td>24/2/22</td> <td>1.060</td> <td>0.079</td> <td>0.062</td> <td>0.030</td> <td>0.019</td> </tr> <tr> <td>Sapong</td> <td>21/4/21</td> <td>0.180</td> <td>0.033</td> <td>0.001</td> <td>0.020</td> <td>-</td> </tr> <tr> <td>Melalap</td> <td>02/9/22</td> <td>0.460</td> <td>0.022</td> <td>-</td> <td>0.450</td> <td>-</td> </tr> <tr> <td>Melalap</td> <td>05/2/22</td> <td>0.462</td> <td>0.048</td> <td>0.046</td> <td>-</td> <td>SW404</td> </tr> <tr> <td>Sapong</td> <td>22/2/22</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.001</td> </tr> <tr> <td>Sapong</td> <td>01/7/21</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.001</td> </tr> <tr> <td>Melalap</td> <td>11/2/22</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.003</td> </tr> </tbody> </table>		Date	SW409	SW410	SW102	SW305	SW408	Sapong	24/2/22	1.060	0.079	0.062	0.030	0.019	Sapong	21/4/21	0.180	0.033	0.001	0.020	-	Melalap	02/9/22	0.460	0.022	-	0.450	-	Melalap	05/2/22	0.462	0.048	0.046	-	SW404	Sapong	22/2/22	-	-	-	-	0.001	Sapong	01/7/21	-	-	-	-	0.001	Melalap	11/2/22	-	-	-	-	0.003	Complied
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Criterion / Indicator		Assessment Findings							Compliance												
		Melalap	13/9/21	-	-	-	-	0.003													
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	<p>The domestic waste disposed at the municipal Majlis Daerah Keningau, Sabah dumpsite. The collection was done twice a week (Tuesday and Thursday).</p> <p>Records of domestic waste disposal to MD Keningau located at Pekan Sook were sighted and verified. Collection dates dated 21/08/22 on average 2x to 3x /week.</p>							Complied												
Criterion 4.5.4: Reduction of pollution and emission																					
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	<p>The assessment of polluting activities is identified and documented in the environmental impact assessment and management plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the management plan. Among the mitigation plan taken to reduce pollution are as follow:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Issues</th> <th>Mitigation Plan</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Leaking of pesticides during chemical mixing and washing into outside land.</td> <td>To recollect water used and recycled during next premixing. To maintain water pump in good condition.</td> <td>Recollection water used is ongoing. Regular maintenance on water pump.</td> </tr> <tr> <td>2</td> <td>Leaking of lubricant oil from servicing or parking tractor at workshop.</td> <td>To used oil tray to prevent</td> <td>Used of oil tray to prevent</td> </tr> </tbody> </table>							No	Issues	Mitigation Plan	Status	1	Leaking of pesticides during chemical mixing and washing into outside land.	To recollect water used and recycled during next premixing. To maintain water pump in good condition.	Recollection water used is ongoing. Regular maintenance on water pump.	2	Leaking of lubricant oil from servicing or parking tractor at workshop.	To used oil tray to prevent	Used of oil tray to prevent	Complied
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Criterion / Indicator		Assessment Findings				Compliance
				leakage of used oil.	leakage is ongoing.	
		3	Smoke from vehicle exhaust tractor.	Regular engine maintenance.	Regular engine maintenance.	
		4	Erosion during replanting work.	LCC sowing at terrace area. No replanting or land clearing for slope more than 25 degree.	Monitoring and demarcation of area in place.	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance –	The action plan to reduce the potential pollution was documented in the Pollution Prevention Plan and Waste Management Plan. Both plans were made available to the audit team and verified.				Complied
Criterion 4.5.5: Natural water resources						
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application,	The estates have established water management plan which focusing on the identification & management of wastewater, contingency plan during water shortage and action plan to reduce freshwater usage. The sources of water for both estates come from a water stream located on a hill nearby the estate compound. The estate abstract water from the river and distribute the water supply to the estate line site. <u>Sapong Estate</u> a) The management has no record on water usage. The water source of supply is from the Sungai Bunut by catching the water and construct the piping system using gravity flow direct to every each				Complied

Criterion / Indicator	Assessment Findings	Compliance												
<p>maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>house in the estate.</p> <p>b) Water quality analysis was conducted on the monthly basis to ensure it is safe to consume by the employees and all staffs that live in the estate.</p> <p>The water sample point at has been marked at 5 points.</p> <p>Point D1 – Water Sampling at block 03AA</p> <p>Point D2 - Water Sampling at block 02A1</p> <p>Point D3 – Water Sampling at block 02A</p> <p>Point D4 – Water Sampling at block 02AA – (line site)</p> <p>Point D5 – Water Sampling at block 02AA (nest aya)</p> <p>The sampling was sent to Sime Darby Research Sdn Bhd for further analysis. Verified from the latest sampling sent on 22/06/2022, test report no. IE198/2022. Date sampled: 23/05/2022, Date tested: 03/06/2022 and date issued: 22/06/2022.</p> <p>From the sampled sent, verified from the result report the water sampled sent for testing are meet the standard requirements.</p> <p>Test results for the following was sighted and verified.</p> <table border="1" data-bbox="1093 1098 1865 1201"> <thead> <tr> <th></th> <th>OU</th> <th>Date</th> <th>Ref</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sapong Estate</td> <td>22/6/22</td> <td>IE198/2022</td> </tr> <tr> <td>2</td> <td>Sapong Estate</td> <td>15/6/22</td> <td>SBT00629/22</td> </tr> </tbody> </table> <p>c) From the water management plan 2022, estate has initiatives to reduce usage of water by using water spillage form chemical mixing activities, washing PPE and etc for spraying.</p> <p>d) From the field visit to the field that remarked with HCV area, estate</p>		OU	Date	Ref	1	Sapong Estate	22/6/22	IE198/2022	2	Sapong Estate	15/6/22	SBT00629/22	
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Criterion / Indicator	Assessment Findings	Compliance
	<p>has initiatives put a signboard and marking on the buffer zone. Verified the signboard of the HCV at block 02AC.</p> <p>e) All the riparian has been maintained and for the replanting area the palm has been neglected as a buffer zone.</p> <p>f) There is no abstraction of water using tube well.</p> <p><u>Melalap Estate</u></p> <p>a) The management has no record on water usage. The water source of supply is from the Sungai Purolon, Kampung Makaniton by catching the water and construct the piping system using gravity flow direct to each house in the estate.</p> <p>b) Water quality analysis was conducted on the monthly basis to ensure it is safe to consume by the employees and all staffs that live in the estate.</p> <p>The water sample point at has been marked at 5 points.</p> <p>Point D1 – Water Sampling at block P01MA Point D2 - Water Sampling at block P01KA Point D3 – Water Sampling at block P02K Point D4 – Water Sampling at block P02KA Point D5 – Water Sampling at block P01K</p> <p>The sampling was sent to Sime Darby Research Sdn Bhd for further analysis. Verified from the latest sampling sent on 21/06/2022, test report no. ML379/2022. Date sampled: 23/05/2022, Date tested: 03/06/2022 and date issued: 22/06/2022.</p>	

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Criterion / Indicator		Assessment Findings	Compliance												
		<p>KKM was invited to do the sampling on 15/06/2022. The sampling reference S(BT)00629/22. 007- Ladang Melalap</p> <p>From the sampled sent, verified from the result report the water sampled sent for testing are meet the standard requirements.</p> <p>Test results for the following was sighted and verified.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>OU</th> <th>Date</th> <th>Ref</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Melalap Estate</td> <td>21/6/22</td> <td>ML379/2022</td> </tr> <tr> <td>2</td> <td>Melalap Estate</td> <td>15/6/22</td> <td>SBT00629/22</td> </tr> </tbody> </table> <p>c) From the water management plan 2022, estate has initiatives to reduce usage of water by using water spillage form chemical mixing activities, washing PPE and etc for spraying.</p> <p>d) From the field visit to the field that remarked with HCV area, estate has initiatives put a signboard and marking on the buffer zone. Verified the signboard of the HCV at block P01MA.</p> <p>e) All the riparian has been maintained and for the replanting area the palm has been neglected as a buffer zone.</p> <p>f) There is no abstraction of water using tube well.</p>		OU	Date	Ref	1	Melalap Estate	21/6/22	ML379/2022	2	Melalap Estate	15/6/22	SBT00629/22	
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4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Verified that both estates are using bunds system to retain or block the water and supply direct to line site.	Complied												
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Roadside drains been practice in the field especially on the hilly area. Water harvesting in the workshop and cemetery area was practices for daily outdoor usage.	Complied												

Criterion / Indicator	Assessment Findings	Compliance																																			
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																																					
<p>4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> 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. <p>- Major compliance -</p>	<p>The reassessment on the HCV area in SOU 27 has been conducted on 7 – 9/7/2015 and documented in HCV Re-Assessment for Strategic Operating Unit (SOU) 27 Melalap final Report Ver. III dated January 2016. 7 HCV were identified for identification (a) of high biodiversity value habits and Conservation status (b) in both estates as follows:</p> <table border="1" data-bbox="1048 671 1865 943"> <thead> <tr> <th>Estate</th> <th>No</th> <th>Assessment</th> <th>(Ha)</th> <th>Present HCV</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Melalap</td> <td>1</td> <td>Water catchment (P01KA)</td> <td>3.6700</td> <td>4</td> </tr> <tr> <td>2</td> <td>River reserve</td> <td>84.2500</td> <td>4</td> </tr> <tr> <td>3</td> <td>Aki Tampulan</td> <td>0.0045</td> <td>6</td> </tr> <tr> <td>4</td> <td>Stone Cemetery (P01MA)</td> <td>0.3700</td> <td>6</td> </tr> <tr> <td rowspan="3">Sapong</td> <td>5</td> <td>Stream buffer zone</td> <td>41.8900</td> <td>4</td> </tr> <tr> <td>6</td> <td>Slope area P03AA</td> <td>0.4000</td> <td>4</td> </tr> <tr> <td>7</td> <td>Cemetery (P02A & P02BA)</td> <td>3.4300</td> <td>6</td> </tr> </tbody> </table>	Estate	No	Assessment	(Ha)	Present HCV	Melalap	1	Water catchment (P01KA)	3.6700	4	2	River reserve	84.2500	4	3	Aki Tampulan	0.0045	6	4	Stone Cemetery (P01MA)	0.3700	6	Sapong	5	Stream buffer zone	41.8900	4	6	Slope area P03AA	0.4000	4	7	Cemetery (P02A & P02BA)	3.4300	6	<p>Complied</p>
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	6	Slope area P03AA	0.4000	4																																	
	7	Cemetery (P02A & P02BA)	3.4300	6																																	
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p>Though no RTE were identified, both estate management have taken necessary action to educate and spread awareness among the employees not to engage with the illegal hunting. Briefing was continuously given by the estate management during the morning muster.</p> <p>The audit findings have confirmed that there is no new HCVs, HCS forests peatland and other conservation areas been identified after 15 Nov 2018 in SOU 27 estates. Hence, the requirement under this indicator does not apply.</p>	<p>Complied</p>																																			
<p>4.5.6.3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>	<p>The estate management has developed HCV action plan year 2022 to ensure the environmental are well preserved. Sighted the plan as follow:</p>	<p>Complied</p>																																			

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Criterion / Indicator		Assessment Findings				Compliance
	- Major compliance -	No	Issues	Action by	Status	
		1	Maintain all remnant forest patches, area more than 25° slope. <ul style="list-style-type: none"> - To ensure no logging activities - To update all these area in the map - To allow vegetation to grow in all-natural area by no chemical spraying. - To inform and communicate to all employee, contractor, suppliers & neighbour that encroachment and hunting not allowed/permitted in the conservation area. - To ensure signage available. 	Ketua AP Assistant Manager All Assistant Div/All staff in charge.	Monthly As per AP Patrolling Book As and when Painted Red marker 2 palms from the river bank/riparian reserved area. As and when Signage available at 03A, housing complex area, jungle reserved area.	
		2	Identifications of riparian Reserved/buffer zone (Stream-Sungai Ampat, Bunut & Sungai Biah) <ul style="list-style-type: none"> - To maintain the buffer zone (width) as per company Policy. 	Assistant Manager All Assistant Div/All staff in charge.	As and when Painted Red marker 2 palms from the river bank/riparian reserved area.	

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Criterion / Indicator		Assessment Findings				Compliance
			<ul style="list-style-type: none"> - No chemical the hydrology map. - No chemical interventions be carried out in the reserved. Only manual weeding or slashing is allowed. 		As per HCV report.	
		3	Training	All assistant Division/ All staff in charge.	As & when As per training records for sprayers	
		4	Maintaining Fruits trees & Plant	All assistant Manager/All staff in charge.	As & when Estate's currently maintain fruit orchard located beside staff's bungalow.	
		5	Maintain the HCV areas (For cemetery – P02A & P02BA)	Team Management	As and when required.	
Criterion 4.5.7: Zero burning practices						
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law – EQA and Regulations 1974.				Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	Visit to the estate confirmed that no previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop hence, no special approval been obtained so far. Hence this requirement is not applicable.	N/A
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	Since no special approval been obtained so far for burning, hence this requirement is not applicable.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Estates has a SOP which is SOP EQMS, Pictorial safety Standard, Estate Quality Management System and Agricultural Manual reference. Manual that covered planting material, nursery technique, replanting and preparation, planting density, canopy management and etc. was available for verification. Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units as a guidance document to conduct estate operation. Sime Darby Plantation Berhad has established mechanism to monitor the implementation of their procedure by Internal Visit from HQ. The	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.</p> <p>For Sapong Estate, refer Performance Monitoring Visit Summary Report dated 15 & 16/03/2022 and also Estate Structured Crop Recovery Assessment Report (SCRA) dated 28/03/2022.</p> <p>For Melalap Estate, refer Performance Monitoring Visit Summary Report dated 15 & 16/03/2022 and also Estate Structured Crop Recovery Assessment Report (SCRA) dated 28/03/2022.</p> <p>Interview with workers and stakeholders confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly. All estates had complied with this policy to not plant on slopes above 25° and Buffer Zone.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>Estates audited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on signboards as sighted in the fields.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance																																											
Criterion 4.6.2: Economic and financial viability plan																																													
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2022 and business plan FY 2022 – FY 2026. In the 5 years business plan include items as follows:</p> <ul style="list-style-type: none"> a. Area statement. b. Crop (FFB) by year planting. c. Crop (FFB) monthly breakdown. d. 10 years replanting programs. e. Summary of replanting program by field. f. Detail of replanting by field. g. Executive/staff and workers requirement. h. Mature OP costing statement. i. General charges statement. j. Capital expenditure statement. k. Summary replanting cost to maturity. l. Replanting cost field by field. 	<p>Complied</p>																																										
4.6.2.2	<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>- Major compliance –</p>	<p><u>Sapong LRRP (Long Range Replanting Program)</u></p> <table border="1" data-bbox="1048 1173 1872 1375"> <thead> <tr> <th>Field</th> <th>Ha</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> </tr> </thead> <tbody> <tr> <td>02AC</td> <td>79.98</td> <td style="background-color: #92d050;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>02AB</td> <td>76.20</td> <td></td> <td style="background-color: #92d050;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>01P1</td> <td>86.40</td> <td></td> <td style="background-color: #92d050;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>01P1B</td> <td>88.48</td> <td></td> <td></td> <td style="background-color: #92d050;"></td> <td></td> <td></td> </tr> <tr> <td>01PA</td> <td>88.28</td> <td></td> <td></td> <td style="background-color: #92d050;"></td> <td></td> <td></td> </tr> </tbody> </table>	Field	Ha	2023	2024	2025	2026	2027	02AC	79.98						02AB	76.20						01P1	86.40						01P1B	88.48						01PA	88.28						<p>Complied</p>
Field	Ha	2023	2024	2025	2026	2027																																							
02AC	79.98																																												
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Criterion / Indicator		Assessment Findings								Compliance
		01P1A	91.39							
		00P	91.72							
		01P	83.04							
		03AA	68.55							
		Melalap LRRP (Long Range Replanting Program)								
		Field	Ha	2024	2025	2026	2027	2028	2029	
		P02M	90.65							
		P00PA	103.63							
		P02KB	77.86							
		P00P	86.05							
		P00K	26.45							
		P01K	73.50							
		P01KA	67.28							
		P00PC	89.79							
		P00PB	52.67							
		P00PD	24.92							
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance –</p>	<p>The business and management plans were available in the annual budget. The annual budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO & MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.</p>								Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The management received visit from the Performance Monitoring Unit and Agronomist in order to ensure the operation unit effectively implemented the good agricultural practices. Among the issues covered in the agronomist report was as follow; rainfall distribution & yield impact, yield & age profile distribution, palm nutritional status/observations, manuring history, field observations & agronomic matters.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance –	Sime Darby Plantation Berhad established generic contract documents template include with the provision for contractors to comply with all Sime Darby Plantation Berhad requirements including vendor integrity pledge where the contractor to adhere with integrity, transparency, responsibility, anti-bribery, etc. Pricing mechanism is stated in the appendix and agreed by both parties. Melalap Estate and Sapong Estate has engaged contractors for varieties of works such as FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below: Contractors: Pemborong Ajuta, Project: FFB Transportation, Validity from 03/01/2022 to 31/12/2022. Contractors: Entabuan Quarry, Project: Backhoe Rental, Validity from 01/03/2021 to 28/02/2022. Pricing of the works/ services and mechanism were clearly stated in the appendix of the agreement and agreed by the contractors. Payment term is outlined in the agreement where the payment shall be made within 30 days from the date of receipt of the invoice from Service Providers.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		For replanting contractor, the payment will be made within 45 days of the issue of Certificate of payment as mentioned in the Appendix 4 sighted by the contractor.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Melalap Estate and Sapong Estate has made payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records printed from system as below: Sapong Estate’s contractor - Pemborong Ajuta: INV# IV-00889 dated 01/09/2022. Melalap Estate’s contractor - T&F Enterprise: INV# IV-4300557257 dated 30/08/2022.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Melalap Estate and Sapong Estate engaged contractors engaged by the estates’ management has signed on a letter regarding the compliance of RSPO/ MSPO/ SCCS. All the contractors need to follow the RSPO/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system. Briefing of RSPO & MSPO was given to the contractors for SOU 27 on 25/08/2020. Seen the training attendance list and training materials. They have signed on the addendum as well on 25/08/2020.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Melalap Estate and Sapong Estate has engaged contractors with varieties of works such as replanting, FFB & EFB transporter and maintenance works. Sampled of the agreement between company and the contractors as below: Sapong Estate - contractor: Pemborong Ajuta, Project: FFB Transportation, Validity from 03/01/2022 to 31/12/2022.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Melalap Estate - contractor: T&F Enterprise, Project: Backhoe Rental, Validity from 01/03/2021 to 28/02/2022.	
4.6.4.3	The management shall accept MSP0 approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	As refer to the SDP Vendor COBC, Clause 4 – Responsibility and Compliance with the Vendor COBC, where rights to audit vendors to verify compliance of the COBC. Besides, an addendum signed by the contractors has clearly stated that all contractors shall ensure to reserve the right of the certification body to audit.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	Melalap Estate and Spong Estate monitor all contractors’ works performed and verified by the estates’ personnel. Projects where tenders are issued by headquarters are checked by representatives from headquarters usually from the Engineering Department.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no development of new planting at both visited estates.	N/A
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.	There is no development of new planting at both visited estates.	N/A

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

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

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners’ free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There is no development of new planting at both visited estates.	N/A
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at both visited estates.	N/A
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There is no development of new planting at both visited estates.	N/A
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There is no development of new planting at both visited estates.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	There is no development of new planting at both visited estates.	N/A

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

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sighted Group Sustainability & Quality Policy Statement dated 02/12/2019 signed by Group Managing Director Mr. Mohamad Helmi Othman Basha.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The policy established mention that Sime Darby Plantation Berhad are committed to making: 1. Promoting Good Governance and Transparency 2. Contributing to a better society 3. Minimizing environmental harm 4. Delivering sustainability quality This policy shall be guided by the commitment spelt out in the company's: 1. Responsible Agriculture Charter (RAC) 2. Human Right Charter (HRC) 3. Innovation & Productivity Charter (IPC)	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Sime Darby Plantation Berhad's SQM headquarters has issued Internal audit schedule to the operating unit through email. Document review, internal audit plan for Melalap Palm Oil Mill is available and planned on 27/06/2022.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Sime Darby Plantation Berhad has established an Internal Audit Procedure (Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/11/2017) to ensure the process of system audit is carried out effectively. The frequency of the internal audit is on annually and as when required. Document review of MSPO & RSPO Internal Audit Report, Melalap Palm Oil Mill being scheduled for audit on 27/06/2022. Result of the audit for MSPO requirement, SQM has raised 4 major non-conformances, 0 minor non-conformance and 2 opportunities for improvements. Document review of corrective action plan, Melalap Palm Oil Mill has identified root cause of the non-conformance with correction & corrective action accordingly. All the non-conformances were closed on 04/08/2021 as accepted by the internal Lead Auditor.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Sime Darby Plantation Berhad's SQM Headquarter has issue internal audit report and distributed to the Melalap Palm Oil Mill 's management. Melalap Palm Oil Mill 's Management Representative has acknowledged on the acceptance of the Internal Audit Report on 27/06/2022. Management review meeting was conducted to review the findings of the internal audit.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Melalap Palm Oil Mill 's management has conducted management review meeting on 22/07/2022 – 23/07/2022 chaired by the Mill Manager and attended by 14 participants. Document review of the management review minutes of meeting, include with agenda	Complied

Criterion / Indicator		Assessment Findings	Compliance								
	- Major compliance -	discussed as below: 1. Opening by Chairman 2. Previous Meeting Minutes Review 3. Matters Arising from Previous Minutes of Meeting 4. Objective/ Management Program 5. Training Plan 6. Results from Internal Audits: RSPO & MSP0 7. Nonconformity, Corrective and Preventive Actions 9. Customers/ Stakeholders Feedback/ Complaints 10. Resource Needs 11. Changes that could affect the management systems 12. Recommendations for Improvement 13. Other matters 14. Conclusion									
Criterion 4.1.4 – Continual Improvement											
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Continuous improvement plan was integrated with the environmental and social management plan. Sighted some of the plan taken by the mill management as follow: <table border="1" data-bbox="1086 1173 1854 1402"> <thead> <tr> <th>Issues</th> <th>Action Plan</th> <th>PIC</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Reduce in diesel consumption including genset usage</td> <td>To use genset when required such as when no supply from SESB.</td> <td>Amirul Asyraf Jaini Muhamad Nazrin Barjok Ahmad Hussain Azzaky</td> <td>On Going</td> </tr> </tbody> </table>	Issues	Action Plan	PIC	Status	Reduce in diesel consumption including genset usage	To use genset when required such as when no supply from SESB.	Amirul Asyraf Jaini Muhamad Nazrin Barjok Ahmad Hussain Azzaky	On Going	Complied
Issues	Action Plan	PIC	Status								
Reduce in diesel consumption including genset usage	To use genset when required such as when no supply from SESB.	Amirul Asyraf Jaini Muhamad Nazrin Barjok Ahmad Hussain Azzaky	On Going								

Criterion / Indicator		Assessment Findings				Compliance
			To monitor diesel consumption in mill			
		Reduce smoke emission to the air.	To monitor and control smoke emission to the air using continuous emission monitoring systems as per required by DOE. To reduce use of wet fuel such as wet shell, wet EFB and wet fibre as wet fuel contribute to formation dark smoke.	Amirul Asyraf Jaini Muhamad Nazrin Barjok Ahmad Hussain Azzaky	In progress	
		Reduce electricity usage	To use timer for lighting at mill to reduce electrical usage consumption on. Change lighting system in mill from ordinary bulb to LED bulb which are less use of electricity kilowatt.	Amirul Asyraf Jaini Muhamad Nazrin Barjok Ahmad Hussain Azzaky	In planning and in progress	

Criterion / Indicator		Assessment Findings			Compliance
			To reduce electricity during process by running process using single load turbine. To add more lighting system using solar supply based.		
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	The mill management has established an annual training program for the purpose of improving the competency of their employees and to disseminating information. The management has listed and provide 28 various kinds of training to be completed for the year 2022. Sample of training Briefing Contractor Pemborong Am (Refurbish Sterilizer Platform) on 21/01/2022. The training was held by Mill Assistant Manager and attend by 4 participants. Verified the attendance.			Complied
4.2 Principle 2: Transparency					
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements					
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Sime Darby Plantation Berhad established Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication			Complied

Criterion / Indicator		Assessment Findings	Compliance
		requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Melalap Palm Oil Mill 's management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website to obtain information such as policies, annual report and complaint procedures.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/11/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of Melalap Palm Oil Mill . Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Besides, Sime Darby Plantation Berhad has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailed the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Melalap Palm Oil Mill 's Manager has appointed Mill Assistant II as Social Officer to handle any issue related to social in the mill. Seen the appointment letter dated 24/01/2022. Role and responsibility were outlined in the appointment letter.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Melalap Palm Oil Mill has conducted stakeholder meeting on 07/07/2022 and attended by stakeholders such as local communities, contractors and government authorities. Document review on meeting minutes, participant has discussed issues raised and were responded immediately by the management. The issues were incorporated into the Action Plan for SIA dated 07/01/2022. Onsite interviewed with the local communities informed action has been taken accordingly to resolve the issues as per discussed during the meeting.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Sustainability Supply Chain and Traceability Procedure has been established with reference number SD/SDP/GSD/SCCS/0522/01 dated 01/06/2022. The weighbridge ticket provided the following details: <ul style="list-style-type: none"> - Supplied from which estate - Product (FFB or Loose fruit) - Delivery notes from estates stating the weight and fruit grade (A or B). - D.O Number - Weight of the shipment 	Complied

Criterion / Indicator		Assessment Findings	Compliance						
		<ul style="list-style-type: none"> - Date of the shipment <p>For despatch of CPO & PK, the weighbridge ticket includes the following information to enable the customer to trace the CPO source: -</p> <ul style="list-style-type: none"> - Customer Name - Destination of the CPO - Product - DO number - PO number - Weight of the product. 							
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System.	Complied						
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	Based on the company's traceability procedure, the overall personal in charge for the traceability is the Mill Manager. The responsibility is stated in the job description. For daily monitoring, mill has assigned person in charge for Environmental / Quality Management System to Mr Ahmad Hussain Azzaky Zulhan dated 01/06/2022.	Complied						
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	<p>Records of CPO & PK sales & delivery including Weighbridge Tickets together with sales Delivery Note (DO Chit) and Daily Record (Daily CPO/PK Despatch Summary Logbook) were maintained based on Standard Operating Procedure. Sample of ticket as below: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">CPO</td> <td style="width: 33%;">Sample 1</td> <td style="width: 33%;">Sample 2</td> </tr> <tr> <td>Date</td> <td>29/03/2022</td> <td>19/07/2022</td> </tr> </table>	CPO	Sample 1	Sample 2	Date	29/03/2022	19/07/2022	Complied
CPO	Sample 1	Sample 2							
Date	29/03/2022	19/07/2022							

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Criterion / Indicator		Assessment Findings			Compliance	
		Chit No.	007434	007540		
		Lorry No.	NDS8168	NDS8168		
		Weight, MT	37.76	37.90		
		PK	Sample 1	Sample 2		
		Date	23/03/2022	20/07/2022		
		Chit No.	007429	007541		
		Lorry No.	FA8138	JTF8138		
		Weight, MT	32.27	32.72		
4.3 Principle 3: Compliance to legal requirements						
Criterion 4.3.1 – Regulatory requirements						
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	<p>Melalap Palm Oil Mill had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team. Mill had obtained and renewed license and permits as required by the law. Last update on 20/07/2022. Among others the licenses/permit viewed were: -</p> <ol style="list-style-type: none"> 1. MPOB License #535146004000 valid from 01/01/2022 to 31/12/2022 2. Energy Commission Permit #005006/2021 dated 24/06/2022 3. DOE License #003562 valid until 30/06/2023 4. Jadual Pematuhan #003562 valid until 30/06/2023 5. Boiler #SB PMD 2092 valid until 28/06/2023 6. Air Receiver #SB PMT 14946 valid until 21/02/2023 			Complied	

Criterion / Indicator		Assessment Findings	Compliance
		7. Horizontal Air Receiver Tank #SB PMT 14574 valid until 21/02/2023 8. Back Pressure Vessel #SB PMT 6247 valid until 21/02/2023 9. Measurement & Weighing Certificate #D097187 inspected on 27/07/2022 10. Measurement & Weighing Certificate #D097530 inspected on 03/02/2022	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008. The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list was updated on annually basis or new updates on the register. Latest updated in June 2022. Among the new LRR were: <ol style="list-style-type: none"> 1. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan-Peraturan Pencegahan Pengawalan Penyakit berjangkit (Pindaan 2020) 2. Workers Minimum Standard of Housing and Amenities (Amendment) Act 2019 3. Minimum Wages Order (Amendment 2022) 4. Occupational Safety and Health (Noise Exposure) Regulation 2019 5. Pesticide (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.	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate &	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU27. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10/12/2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Management has assigned person responsible to compliance of Law and Regulation. Refer appointment letter person in charge for Environmental / Quality Management System to Mr Ahmad Hussain Azzaky Zulhan dated 01/06/2022.</p>	Complied.
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill is located inside of the land of Melalap Estate. The land is belonging to Sime Darby Plantation Berhad. Sighted the copy of the land title and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Melalap Palm Oil Mill is located inside of the land of Melalap Estate. The land is belonging to Sime Darby Plantation Berhad. Sighted the copy of the land title and the original keep at the headquarters. There is no issue on land use claims evidence during the audit.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Melalap Palm Oil Mill located in Melalap Estate under land title no. Country Lease 165314643. The mill boundary was clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the Melalap Palm Oil Mill at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	There is no evidence that the land on which the Mill is situated is encumbered by customary rights.	N/A

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sime Darby Plantation Berhad’s SQM headquarters has conducted Social Impact Assessment (SIA) on 19 – 21/05/2015 for SOU 27 Melalap. There is no new SIA was conducted since last assessment. The methodology of the assessment was through field interview, site observation and documentation review.</p> <p>Document review, Melalap Palm Oil Mill has developed Management Plan for year 2022 based on SIA report dated 01/07/2022 includes issues raised during stakeholder meeting and SPIEU meeting. Details consists of:</p> <ol style="list-style-type: none"> 1. Issue raised / Areas of concern 2. Action plan 3. PIC 4. Completion date 5. Remarks. <p>Document reviewed, verified that all issue raised by stakeholders has been acknowledge and action taken were recorded. There is no outstanding issue found.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	Sime Darby Plantation Berhad’s SQM headquarter has established procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1,	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	dated 01/11/2008. The procedure has detailed the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner. Sime Darby Plantation Berhad's SQM headquarters has established Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Melalap Palm Oil Mill implemented Complaint Form and Complaint Book to record any grievances from Internal or External Stakeholder (OCP/ Supplier/ Contractor). Document reviewed, verified Melalap Palm Oil Mill has no official external complaint received since July 2020. Document reviewed on Internal and External Complaint Form, verified Melalap Palm Oil Mill recorded common grievances were related to the housing repair. The complainants have acknowledged on the complaint form after actions have been taken to rectify the issue.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Melalap Palm Oil Mill implemented Complaint Form and Complaint Book to record any grievances from Internal or External Stakeholder (OCP/ Supplier/ Contractor). Sampled of the complaints as below:	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> (Worker House - Riddle dated 27/07/2022), Issue: Siling fan malfunction. Action: The management acknowledge the complaint on 27/07/2022 and has instructed the carpenter to repair the fan and completed on 04/08/2022. The complainant was acknowledged after work completed. (Worker House – Razali Artimin dated 24/04/2022), Issue: Lamps and electrical plug sockets malfunction. Action: The management acknowledge the complaint on 24/04/2022 and has instructed the carpenter to replace the lamp and repair the electrical plug sockets. The repaired completed on 11/05/2022. The complainant was acknowledged after work completed. 	
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	Melalap Palm Oil Mill 's stakeholders been briefed on the flowchart for handling social issues and whistleblowing policy during stakeholders meeting dated 07/07/2022.	Complied
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	Document reviewed, verified Melalap Palm Oil Mill has kept and maintain the previous complaints and requests from Year 2020.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	Melalap Palm Oil Mill 's received application of contribution from stakeholders as sighted in CSR record for the year 2022 as below: `Permohonan bantuan sumbangan baja kompos for Kampung Makaniton dated 19/09/2022.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Melalap Palm Oil Mill has established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2022. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring and Health monitoring.</p>	<p>Complied</p>
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; 	<p>The occupational safety and health plan cover the following:</p> <ul style="list-style-type: none"> a) Sime Darby Plantation Berhad have established the Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 01/06/2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The policy has been briefed to all workers on 08/07/2022. b) OSH Risk Management Procedure has been established with reference number UM/HSE/SP/01 dated 09/03/2021. HIRARC was available for all operations within the Mill to identify the hazards, assess and recommended control measures to 	<p>Minor Non-Conformities</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 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 and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>minimize the risks. Among the HIRARC sampled were EFB Disposal dated 30/04/2022, FFB Conveyer dated 04/07/2022 and Kernel Plant dated 04/07/2022.</p> <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 12/08/2019 by DOSH Registered Assessor, Imelda Marazing (HQ/10/ASS/00/277) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/10/ASS/00/277 – 2019/39) was available for verification.</p> <p>Medical Surveillance was conducted as per recommendation by the CHRA Assessor Refer Medical Surveillance Report dated 18/04/2022 conducted by Klinik Mansor Sdn Bhd.</p> <p>Noise Risk Assessment was conducted by Mabello Group of Clinics on 08/07/2020 for Melalap Palm Oil Mill by a Noise Risk Assessor, Mr Balamuralli A/L Raman (NRA Reg: HQ/18/PEB/00/00028). Report was available for verification and further action (Audiometric Test) is required as per Section 9.0 Conclusion.</p> <p>Annual & Baseline Audiometric Testing was conducted for all workers exposed to excessive noise in the mill by Klinik Mansor Sdn Bhd. Refer Baseline and Annual Audiometric Testing with reference number SD/MLM/ATP/V.1 – 156/04 dated 16/05/2022. 57 workers were examined, and result indicates that 52 workers have normal result, 4 workers fall under hearing impairment and noise induced hearing loss and 1 worker fall under Standard Threshold Shift. JKPP 7 report has been submitted and available for verification. Medical</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>examination and retest have been conducted on 07/07/2022 and report was available for verification.</p> <p>c) The mill has established a training and awareness program for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators.</p> <p>d) The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17/03/2008. Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation. Refer inventory of Safety Equipment as June 2022.</p> <p>The use of PPE was not effectively implemented. During site visit at Decanter Station, it was observed that Welder with Employee No: 34777 was conduct welding operation for leaking at Heavy Face Decanter overhead pipe while standing on the steel chair. PPE worn were Face Shield, Leather Gloves and Safety Shoes. However, it was observed that the welder does not wear welding apron. In addition, during interview with foreman at Workshop (Welding Area), there is no evidence that Welding Apron has been provided for welding works. Verification of PPE Issuance record, there is no evidence that welding apron has been issued for him (Employee No: 34777) as per record from 03/01/2022 to 13/09/2022. It was not in line with SOP Station 16: Workshop Issue No:1 Ver. No:1 dated 01/11/2008 Section 16.3.1.2 (e)</p>	

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Criterion / Indicator		Assessment Findings	Compliance								
		<p>When performing extensive welding works, use welding apron and HIRARC Workshop dated 30/04/2022 (1) "Operasi Kimpalan; Hazard: Percikan Kimpalan, Kesan: Cedera,Melecur, Kawalan Risiko: SOP, PPE, PWI, Safety Training". Thus, Minor NC was raised.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26/02/2015. SDS were placed at the chemical store.</p> <p>f) The Mill Manager, Pn Nor Azian Anuar was appointed to be the Chairman of OSH Committee at the Mill as stated in the appointment letter dated 05/09/2022 undersigned by the Regional Chief Executive Officer Sabah North. Mill management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>g) The Mill Management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees' safety, health, and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Refer OSH Minutes of as below:</p> <table border="1"> <thead> <tr> <th>OSH Meeting</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>3rd Quarter 2022</td> <td>29/06/2022</td> </tr> <tr> <td>2nd Quarter 2022</td> <td>29/06/2022</td> </tr> <tr> <td>1st Quarter 2022</td> <td>07/03/2022</td> </tr> </tbody> </table>	OSH Meeting	Date	3 rd Quarter 2022	29/06/2022	2 nd Quarter 2022	29/06/2022	1 st Quarter 2022	07/03/2022	
OSH Meeting	Date										
3 rd Quarter 2022	29/06/2022										
2 nd Quarter 2022	29/06/2022										
1 st Quarter 2022	07/03/2022										

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Criterion / Indicator		Assessment Findings		Compliance
		4 th Quarter 2021	10/12/2021	
		<p>h) Accident and emergency procedures are available in the ESH Management System Manual; Emergency Preparedness & Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision: 0; Date 01/07/2012. The mill has established Emergency Response Team lead by the Mill Engineer. ERP Training has been conducted on 08/08/2022.</p> <p>i) First aiders were present at various workstations at the mill such as ramp, boiler station and workshop. The first aiders were responsible for first aid box at each workstation assigned to them by the management. The first aid box was recently replenished with records of monthly monitoring available for verification. The latest First Aid Training was conducted on 21/07/2022.</p> <p>j) Accident records are recorded and maintained in the mill and discussed during the quarterly held JKPP Meetings. There were 4 reported accidents for the year 2021 in the workplace without LTA. The accident investigation report was available for verification. Sighted the JKPP 8 form submission to JKPP for the year 2021 as well, submitted on 07/01/2022 with reference number JKPP8/96102/2021. The JKPP6 forms have been submitted to DOSH accordingly and were available for verification. There was 1 accident recorded for the year 2022 as per date of audit.</p>		
Criterion 4.4.5: Employment conditions				
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy	Sime Darby Plantation Berhad established Group Sustainability & Quality Policy Statement and signed by Group Managing Director		Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>dated 2/12/2019.</p> <p>The policy describes company commitment on respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/3/2020. Sime Darby Plantation Berhad respect and safeguard human rights, notion of democracy and its institution.</p> <p>They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, and business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>Document review on briefing record, verified Melalap Palm Oil Mill has communicate the policies to employees during induction for new employees and morning muster dated on 04/01/2022.</p>	
<p>4.4.5.2 The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy could be downloaded from http://www.simedarbyplantation.com/sustainability/human-rights-charter</p> <p>Melalap Palm Oil Mill has communicate the policy to all the employees on 04/01/2022 and stakeholders on 07/07/2022.</p>	
<p>4.4.5.3</p> <p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad established employment contracts for staffs and workers which is in line with latest Minimum Wage Order.</p> <p>Document review of sampled employment contracts verified terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker.</p> <p>Sampled Melalap Palm Oil Mill ‘s worker employment contracts and pay slips for December 2021, June 2022 and August 2022 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 00034752 2. Employee ID: 00082940 3. Employee ID: 00134050 4. Employee ID: 00034766 5. Employee ID: 00159416 6. Employee ID: 00034780 7. Employee ID: 00165459 8. Employee ID: 00122606 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The mill management has engaged contractor for maintenance activity.</p> <p>The contractor made incorrect amount deduction for EPF. Sampled the payslip August 2022 found one of contractor's worker (Sairin Bin Kahar NRIC 900805-XX-XXXX) of a contractor United Machinery Parts Supply was deduct with incorrect amount of EPF which is not in accordance to Employees Provident Fund (EPF) Act 1991. The deduction stated in his payslip was RM99.00 which is supposed to be RM121.00, according to Third Schedule of EPF Act 1991, Section 43 & 44A. Thus, Minor NC was raised.</p>	Minor Non-Conformities
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation, and wages were recorded.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill has employed local and foreign workers from Indonesia. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.</p> <p>Sampled of Melalap Palm Oil Mill 's worker employment contracts and pay slips for December 2021, June 2022 and August 2022 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 00034752 2. Employee ID: 00082940 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		3. Employee ID: 00134050 4. Employee ID: 00034766 5. Employee ID: 00159416 6. Employee ID: 00034780 7. Employee ID: 00165459 8. Employee ID: 00122606 Onsite interviewed with the foreign workers informed they have freedom to go out from the compound during off day. They kept their own passport in special locker install in the housing and locked for safety reason as they worried the passport will be lost. They will give a copy of passport to office for keeping in the office for hiring process.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Melalap Palm Oil Mill has monitor workers attendance through Mill Daily Attendance Report by monthly basis. The record consists of number of days work and hours of overtime work; transferred from punch card into the SAP system.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Onsite interviewed with Melalap Palm Oil Mill 's workers informed working hours and breaks were according with their employment contract, collective agreements and legal regulations. Document reviewed, Melalap Palm Oil Mill 's check roll records, overtime and breaks were recorded and consistent with the sampled pay slip. No overtime was recorded exceeded 104 hours as per Employment (Limitation of Overtime Work) Regulations 1980.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Melalap Palm Oil Mill 's worker wages and overtime were paid according to the Mill Daily Attendance Report. Total hours of	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>overtime and daily attendance has recorded in the SAP system and the payslips.</p> <p>Sampled of Melalap Palm Oil Mill 's worker employment contracts and pay slips for December 2021, June 2022 and August 2022 as below:</p> <ol style="list-style-type: none"> 1. Employee ID: 00034752 2. Employee ID: 00082940 3. Employee ID: 00134050 4. Employee ID: 00034766 5. Employee ID: 00159416 6. Employee ID: 00034780 7. Employee ID: 00165459 8. Employee ID: 00122606 	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Melalap Palm Oil Mill 's worker been provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month. Free housing facilities were provided to all the workers and their families with subsidized water supply.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill 's management provide free housing facilities to all workers. Basic amenities such as water and electricity were provided to the workers. The mill workers are using treated water.</p> <p>Document reivew, Melalap Palm Oil Mill s has conduct linesite inspection carried out on weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections checklist.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The last inspection for 15/09/2022, 08/09/2022, 02/09/2022 and 25/08/2022 in Melalap Palm Oil Mill.	
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sime Darby Plantation Berhad’s established Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Latest Policy Briefing was conducted at Melalap Palm Oil Mill on 04/01/2022. Melalap Palm Oil Mill established Gender Committee to monitor reported case related to sexual harassment. Document review, Melalap Palm Oil Mill Gender Committee has conduct meeting with latest on 12/09/2022. Issues reported were recorded in the minutes. Onsite interviewed with the female workers informed no sexual harassment or violence case reported so far.	Complied
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	Sime Darby Plantation Berhad established Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively. Latest Policy Briefing was conducted at Melalap Palm Oil Mill on	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	04/01/2022. Melalap Palm Oil Mill has established (Sabah Plantation Industry Employee Union) SPIEU Committee. Document review, Melalap Palm Oil Mill 's SPIEU committee has conduct latest meeting to discuss on workers issues attended by management representatives and workers representative dated 14/09/2022.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Sime Darby Plantation Berhad established 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 underage of 18 years. Onsite visit and interview with workers informed no employees below the age of 18 were allowed to work in fields. Document reviewed on Employee Master Listing verified no underage workers hired in Melalap Palm Oil Mill. Document review, Melalap Palm Oil Mill conduct the latest Company Policy on 04/01/2022.	Complied
Criterion 4.4.6: Training and competency			

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Criterion / Indicator		Assessment Findings	Compliance																								
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill has established a training program for all workers based on the training need analysis conducted on a yearly basis. Records of trainings were maintained by the estates as below: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Training</th> <th style="text-align: left;">Date</th> </tr> </thead> <tbody> <tr> <td>Safety Harness</td> <td>22/04/2022</td> </tr> <tr> <td>HIRARC, Incident & Investigation</td> <td>30/04/2022</td> </tr> <tr> <td>MSPO Training with Contractor</td> <td>05/05/2022</td> </tr> <tr> <td>Webinar Boiler</td> <td>18/12/2021</td> </tr> <tr> <td>Chemical Handling</td> <td>20/07/2022</td> </tr> <tr> <td>Health & Safety Alert</td> <td>10/08/2022</td> </tr> <tr> <td>NRA Awareness</td> <td>24/08/2022</td> </tr> <tr> <td>Policies Briefing</td> <td>08/07/2022</td> </tr> <tr> <td>SOP on Safety Work Procedure</td> <td>12/07/2022</td> </tr> <tr> <td>First Aid Training</td> <td>21/07/2022</td> </tr> <tr> <td>ERP Training</td> <td>08/08/2022</td> </tr> </tbody> </table>	Training	Date	Safety Harness	22/04/2022	HIRARC, Incident & Investigation	30/04/2022	MSPO Training with Contractor	05/05/2022	Webinar Boiler	18/12/2021	Chemical Handling	20/07/2022	Health & Safety Alert	10/08/2022	NRA Awareness	24/08/2022	Policies Briefing	08/07/2022	SOP on Safety Work Procedure	12/07/2022	First Aid Training	21/07/2022	ERP Training	08/08/2022	Complied
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4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Requirement for Strategic Operating Units Melalap Palm Oil Mill for the year 2022 for verification.</p>	Complied																								
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A training programme has been developed and available in the Training Requirement for Melalap Palm Oil Mill ESH Activities for 2022. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers, and contractors.</p>	Complied																								

Criterion / Indicator	Assessment Findings	Compliance	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</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"> • Protecting and enhancing biodiversity and ecosystem • No deforestation and no new development on peat land • Enhancing resilience against climate change impact • Adopting responsible consumption and production <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>
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ol style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill has established the Environmental Policy latest version on 01/06/2020 and endorsed by Chief Officer. The objectives are among the environmental objectives in the policy is to protect and enhanced biodiversity & the ecosystem, no deforestation & no new development on peat land, enhancing resilience against climate change impact and to adopt responsible consumption & production. The mill has conducted environmental aspect & impact identification which is done annually. Latest was conducted on 01/03/2022.</p>	<p>Minor Non-Conformities</p>

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Criterion / Indicator		Assessment Findings				Compliance
		Activity	Env. Aspect	Env. Impact	Action Plan	
		ESP operation	Smoke emission Ash disposal	Global warming Air pollution Ozone layer depleting	To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler	
		Desludging	Leakage Electric power consumption Spillages	Land contamination Unpleasant working environment.	To reduce further pH level at pond no. 5,6 & 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond no 5 & 6. To install 2 units of surface aerator at ETP pond.	
		<p>The legal references in environmental aspect and impact identification form were not updated. Sighted the Environmental Aspect Impact Identification Form (Serial No: EAI/2018/XX/XXX. Verification of activities has been listed, environmental aspect and load item as well as environmental impact has been identified. However, the legal made references to and outdated version EQ (Clean Air) Reg 78 and EQ (Scheduled Waste) Reg 1989 which is presently revised to EQ (Clean Air) Reg 2014 and EQ (Schedule Waste) Reg 2005 respectively. Thus, Minor NC was raised.</p>				

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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, implemented and monitored. - Major compliance -	The mill management has developed environmental improvement plan which covers the EAI/EIE plan, pollution prevention plan, waste management plan and wastewater management plan. The monitoring was conducted on regular basis and issues pertaining the environmental will be discussed in the Environmental Performance Monitoring Committee meeting. Latest meeting was conducted on 24/07/2021.	Complied								
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	<p>The program to promote positive impacts were included in the Continuous Improvement Management Action Plan for year 2022. The plan covers 3 main issues as follow:</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>To comply with Clean Air Regulation 2014.</td> <td>To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler.</td> </tr> <tr> <td>High EFB stockpile at composting plant.</td> <td>To liaise with estate management to clear out EFB at composting plant daily.</td> </tr> <tr> <td>To manage wastewater as and land irrigation as guided by the compliance schedule.</td> <td>To reduce further pH level at pond 5, 6 and 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond 5 & 6.</td> </tr> </tbody> </table>	Issues	Action Plan	To comply with Clean Air Regulation 2014.	To improve boiler air emission monitoring by equip with CEMS & ESP system at boiler.	High EFB stockpile at composting plant.	To liaise with estate management to clear out EFB at composting plant daily.	To manage wastewater as and land irrigation as guided by the compliance schedule.	To reduce further pH level at pond 5, 6 and 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond 5 & 6.	Complied
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To manage wastewater as and land irrigation as guided by the compliance schedule.	To reduce further pH level at pond 5, 6 and 7 by transfer water from pond no 7 to furrow periodically. To increase retention time by recycling within pond 5 & 6.										
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.	The mill management continue to provide related training to the employees which can be seen in their annual training program. The training program cover the environmental awareness & compliance related trainings to the executives and workers.	Complied								

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The meeting related to the environment (which is called Environment Performance Monitoring Committee meeting) between the employer and employees were conducted on regular basis. They would all issues pertaining to the environment. Latest meeting was conducted on 24/07/2021, attended by 5 participants. Among agendas discussed during the meeting were:</p> <ul style="list-style-type: none"> • Competency of employees: ESP and ETP courses. • Performance monitoring facilities & instruments • Record keeping • Data analysis & interpretation • Reporting & communications • Future development • Others. 	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>The mill management established their annual budget and estimated the consumption of diesel and electricity including the fuel use by the contractors. The budget was made available to the audit team and verified.</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This</p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	contractors, including all transport and machinery operations was determined based on previous year fuel consumption. The energy estimate figure is available in the budget book at Melalap Palm Oil Mill. The estimation of the energy consumption is through the budgeted FFB Process. The mill budgeted the energy consumption through the production of electricity from Diesel Genset, Turbine, and from Government (National Provider).	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Melalap Palm Oil Mill main electric is from the turbine, which get the steam from the boiler where the fuel is fibre, and shell. The mill operation is self-sustain and will only use the electric from TNB when they are not process. At the moment, there is no big scale renewable energy is applied, however there are a facility to convert the biogas to electricity is set up by Sime Darby and TNB, that are planned to run in the future.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	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.	Complied

Criterion / Indicator		Assessment Findings	Compliance						
		<p>Waste management plan was made available to the audit team. the mill had classified the waste into 3 categories which are schedule waste, domestic waste and recycled waste.</p> <p>The mill management has identified the scheduled waste generated in their premises such as; SW103 (battery use for diesel engine), SW110 (used fluorescent tube), SW305 (vehicle, gearbox maintenance), SW322 (lab analysis), SW409 (empty chemical container), SW410 (rags use for cleaning), and SW417 (mill workshop). For domestic waste, the mill recorded the source comes from line site and office which produced rubbish and sewage.</p>							
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The waste management plan was sighted as follow:</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Item</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Schedule waste</td> <td>Used batteries Spent lubricant oil Spent hydraulic oil Rags, plastic, papers or filters contaminated with scheduled waste. Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste.</td> <td>Collect and record listed scheduled waste. Scheduled wastes were placed in the scheduled waste store. Monitor of scheduled waste inventory. Disposed the scheduled waste to the licensed contractors.</td> </tr> </tbody> </table>	Type of waste	Item	Action Plan	Schedule waste	Used batteries Spent lubricant oil Spent hydraulic oil Rags, plastic, papers or filters contaminated with scheduled waste. Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste.	Collect and record listed scheduled waste. Scheduled wastes were placed in the scheduled waste store. Monitor of scheduled waste inventory. Disposed the scheduled waste to the licensed contractors.	Complied
Type of waste	Item	Action Plan							
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Criterion / Indicator		Assessment Findings			Compliance
		Domestic waste	Rubbish Sewage	Arrangement of domestic waste disposal is under Estate. Domestic waste to be disposed at landfill. Established collection schedule and person in charge. Create awareness on hygiene.	
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Chemical Safety Management with the objective to define the requirement for the procurement, transportation, receiving, handling, storage, disposal and training on the handling or use of chemicals.</p> <p>The chemical containers will be tripled rinse and punctured to prevent contamination of water source or to human health and stored at the scheduled waste store. Some of it will be used as a pre-mix container. Others, Lagenda Bumimas Sdn Bhd, a licensed contractor will collect empty containers and used engine oil/lubricant and other scheduled wastes for disposal. Consignment notes: A 045682, waste category SW 109 at 0.00321mt. The delivery date on 02/09/2022.</p> <p>From the previous report verified the last consignment note A 04342 was on 07/02/2022 for schedule waste SW 305 at 117 liters. Noted that for March and April 2022, there was no production of waste in the mill.</p> <p>Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were</p>			Complied

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Criterion / Indicator		Assessment Findings	Compliance																								
		<p>washed at washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal. The CU scheduled waste is disposed to the following vendors registered with DOE.</p> <table border="1"> <tr> <td>Date</td> <td>SW312</td> <td>SW323</td> <td>SW410</td> <td>SW305</td> <td>SW109</td> </tr> <tr> <td>02/9/22</td> <td>0.004</td> <td>0.057</td> <td>0.171</td> <td>0.010</td> <td>0.032</td> </tr> <tr> <td>Date</td> <td>SW312</td> <td>SW409</td> <td>SW306</td> <td>SW305</td> <td>SW109</td> </tr> <tr> <td>07/2/22</td> <td>0.038</td> <td>0.081</td> <td>0.186</td> <td>0.117</td> <td>0.072</td> </tr> </table>	Date	SW312	SW323	SW410	SW305	SW109	02/9/22	0.004	0.057	0.171	0.010	0.032	Date	SW312	SW409	SW306	SW305	SW109	07/2/22	0.038	0.081	0.186	0.117	0.072	
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07/2/22	0.038	0.081	0.186	0.117	0.072																						
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>The domestic waste disposed at the municipal Majlis Daerah Keningau, Sabah dumpsite. The collection was done twice a week (Tuesday and Thursday). All the arrangement done by Melalap Estate. Records of domestic waste disposal to MD Keningau located at Pekan Sook were sighted and verified. Collection dates dated 21/08/22 on average 2 times to 3 times per week.</p>	Complied																								
Criterion 4.5.4: Reduction of pollution and emission																											
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Assessment of all pollution activities were documented in the Pollution Prevention Plan which combined together the following area environmental issues, plan to reduce freshwater usage, identification & management of wastewater, environmental continuous improvement management and waste management plan.</p>	Complied																								
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The mill management has developed action plan to reduce identified waste and identified significant pollutant and emission from mill processed. Mill has conducted Environmental Impact Evaluation Form and Environmental Aspect & Impact</p>	Complied																								

Criterion / Indicator		Assessment Findings	Compliance																																																																								
		<p>Identification Form assessment for all its' activities as prepared by QA coordinator on 03/01/2022 respectively. It includes the following process/activities:</p> <ul style="list-style-type: none"> a. ESP operation b. ETP desludging c. Final discharged. 																																																																									
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The mill management gradually phase it out in accordance with the applicable state or national regulations. Effluent samples were sent to Sime Darby Research Sdn Bhd for further analysis. Sighted the POME sampling result dated on 06/09/2022 as below (sampled):</p> <table border="1"> <thead> <tr> <th>Sample</th> <th>pH</th> <th>BOD (mg/L)</th> <th>SS (mg/L)</th> <th>TN (mg/L)</th> <th>AN (mg/L)</th> </tr> </thead> <tbody> <tr><td>Pond 1</td><td>8.0</td><td>1120</td><td>29784</td><td>254</td><td>108</td></tr> <tr><td>Pond 2</td><td>8.9</td><td>25</td><td>206</td><td>245</td><td>104</td></tr> <tr><td>Pond 3</td><td>8.8</td><td>20</td><td>176</td><td>242</td><td>109</td></tr> <tr><td>Pond 4</td><td>9.0</td><td>29</td><td>230</td><td>266</td><td>111</td></tr> <tr><td>Pond 5</td><td>9.0</td><td>14</td><td>98</td><td>248</td><td>112</td></tr> <tr><td>Pond 6</td><td>9.1</td><td>14</td><td>96</td><td>239</td><td>102</td></tr> <tr><td>Pond 7</td><td>9.1</td><td>13</td><td>68</td><td>191</td><td>102</td></tr> <tr><td>Raw effluent</td><td>4.5</td><td>12100</td><td>3565</td><td>575</td><td>372</td></tr> <tr><td>Belt press inlet</td><td>8.0</td><td>1220</td><td>21105</td><td>251</td><td>109</td></tr> <tr><td>Belt press outlet</td><td>8.2</td><td>16</td><td>115</td><td>251</td><td>106</td></tr> <tr><td>X point</td><td>9.0</td><td>16</td><td>67</td><td>191</td><td>104</td></tr> </tbody> </table>	Sample	pH	BOD (mg/L)	SS (mg/L)	TN (mg/L)	AN (mg/L)	Pond 1	8.0	1120	29784	254	108	Pond 2	8.9	25	206	245	104	Pond 3	8.8	20	176	242	109	Pond 4	9.0	29	230	266	111	Pond 5	9.0	14	98	248	112	Pond 6	9.1	14	96	239	102	Pond 7	9.1	13	68	191	102	Raw effluent	4.5	12100	3565	575	372	Belt press inlet	8.0	1220	21105	251	109	Belt press outlet	8.2	16	115	251	106	X point	9.0	16	67	191	104	Complied
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<p>4.5.5.1 The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The mill management has established Water Management Plan which focusing on the reducing freshwater usage for mill operation. The plan was prepared by mill assistant manager on 20/02/2021. Sources of water comes from a river and the mill has taken necessary action to provide free water supply to all residents in the Melalap Complex.</p> <p>a) The management has no record on water usage. The water source of supply is from the Sungai Melutut, Kampung Pagansangon by catching the water and construct the piping system using gravity flow direct to each house in the estate.</p> <table border="1" data-bbox="1128 775 1845 1214"> <thead> <tr> <th>Month</th> <th>Water Used (l)</th> <th>FFB Production</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr><td>Jan-21</td><td>2,894.30</td><td>4,264.17</td><td>0.68</td></tr> <tr><td>Feb-21</td><td>5,639.80</td><td>3,824.44</td><td>1.47</td></tr> <tr><td>Mar-21</td><td>6,203.46</td><td>4,413.76</td><td>1.41</td></tr> <tr><td>Apr-21</td><td>5,184.00</td><td>4,107.35</td><td>1.26</td></tr> <tr><td>May-21</td><td>2,042.80</td><td>3,764.35</td><td>0.54</td></tr> <tr><td>Jun-21</td><td>4,825.30</td><td>5,917.27</td><td>0.82</td></tr> <tr><td>Jul-21</td><td>10,525.30</td><td>4,319.06</td><td>2.44</td></tr> <tr><td>Aug-21</td><td>7,902.10</td><td>4,072.13</td><td>1.94</td></tr> <tr><td>Sept-21</td><td>10,374.00</td><td>4,698.57</td><td>2.21</td></tr> <tr><td>Oct-21</td><td>10,803.10</td><td>4,207.41</td><td>2.57</td></tr> <tr><td>Nov-21</td><td>11,638.20</td><td>4,094.83</td><td>2.84</td></tr> <tr><td>Dec-21</td><td>9,538.10</td><td>3,458.64</td><td>2.76</td></tr> </tbody> </table> <table border="1" data-bbox="1128 1262 1845 1390"> <thead> <tr> <th>Month</th> <th>Water Used (l)</th> <th>FFB Production</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr><td>Jan-22</td><td>10,112.00</td><td>4,382.55</td><td>2.31</td></tr> <tr><td>Feb-22</td><td>9,685.00</td><td>3,798.93</td><td>2.55</td></tr> <tr><td>Mar-22</td><td>9,505.70</td><td>4,367.52</td><td>2.18</td></tr> </tbody> </table>	Month	Water Used (l)	FFB Production	Water/FFB	Jan-21	2,894.30	4,264.17	0.68	Feb-21	5,639.80	3,824.44	1.47	Mar-21	6,203.46	4,413.76	1.41	Apr-21	5,184.00	4,107.35	1.26	May-21	2,042.80	3,764.35	0.54	Jun-21	4,825.30	5,917.27	0.82	Jul-21	10,525.30	4,319.06	2.44	Aug-21	7,902.10	4,072.13	1.94	Sept-21	10,374.00	4,698.57	2.21	Oct-21	10,803.10	4,207.41	2.57	Nov-21	11,638.20	4,094.83	2.84	Dec-21	9,538.10	3,458.64	2.76	Month	Water Used (l)	FFB Production	Water/FFB	Jan-22	10,112.00	4,382.55	2.31	Feb-22	9,685.00	3,798.93	2.55	Mar-22	9,505.70	4,367.52	2.18	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		Apr-22	10,021.90	4,873.71	2.06	
		May-22	8,083.00	3,719.51	2.17	
		Jun-22	9,286.70	4,261.26	2.18	
		Jul-22	7,894.80	4,392.21	1.80	
		Aug-22	10,605.30	5,232.85	2.03	
		<p>b) For Melalap Palm Oil Mill have two water sources. For drinking water, the source is same and managed by Melalap Estate. For process water, the source is from Sg. Melutut and the water quality analysis was conducted on the monthly basis to ensure it is safe to consume by the employees and all staffs that live in the estate.</p> <p>The water sample point at has been marked at 4 points.</p> <p>Point D1 – Water Sampling at 5°13'59.2" N 115° 59'38.2" E</p> <p>Point D2 - Water Sampling at 5°13'47.3" N 115° 59'36.4" E</p> <p>Point D3 – Water Sampling at 5°13'41.8" N 115° 59'43.7" E</p> <p>Point D4 – Water Sampling at 5°12'38.9" N 115° 59'23.0" E</p> <p>The sampling was sent to Sime Darby Research Sdn Bhd for further analysis. Verified from the latest sampling sent on 22/06/2022, test report no. IE198/2022. Date sampled: 23/05/2022, Date tested: 03/06/2022 and date issued: 22/06/2022.</p> <p>From the sampled sent, verified from the result report the water sampled sent for testing are meet the standard requirements.</p>				
		<p>c) From the water management plan 2022, mill has initiatives to reduce usage of water by using water spillage form</p>				

Criterion / Indicator		Assessment Findings				Compliance																
		chemical mixing activities, washing PPE and etc for spraying. <table border="1"> <thead> <tr> <th>Issue</th> <th>Action to reduce freshwater usage</th> <th>PIC</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Overflow water from hot water tank press station</td> <td>To ensure float valve in working condition.</td> <td>Ammirul</td> <td>In progress.</td> </tr> <tr> <td>Wet cleaning at process area.</td> <td>To ensure wet cleaning using water jet.</td> <td>Process supervisor.</td> <td>Ongoing.</td> </tr> <tr> <td>Dilution water at press.</td> <td>To control dilution rate during process.</td> <td>Process supervisor.</td> <td>Ongoing.</td> </tr> </tbody> </table> <p>Water sample analysis for microbiology testing was made available to the audit team. The analysis was conducted on 22/06/2022. The result shows that bacteria E. coli was not detected in the water samples, thus safe to consume.</p>				Issue	Action to reduce freshwater usage	PIC	Status	Overflow water from hot water tank press station	To ensure float valve in working condition.	Ammirul	In progress.	Wet cleaning at process area.	To ensure wet cleaning using water jet.	Process supervisor.	Ongoing.	Dilution water at press.	To control dilution rate during process.	Process supervisor.	Ongoing.	
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4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Melalap Palm Oil Mill has treated POME (Palm Oil Mill Effluent) in accordance with the DOE (Department of Environment) limits for final discharge into land application. POME discharge records were made available to the audit team and verified. The record of POME discharge using Mist Blower for year 2022 as below: <table border="1"> <thead> <tr> <th>Month</th> <th>POME Discharged (m3)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.56</td> </tr> <tr> <td>Feb</td> <td>0.539</td> </tr> <tr> <td>Mar</td> <td>0.114</td> </tr> </tbody> </table>				Month	POME Discharged (m3)	Jan	0.56	Feb	0.539	Mar	0.114	Complied								
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Criterion / Indicator		Assessment Findings				Compliance																																									
		Apr	0.016																																												
		May	0.014																																												
		Jun	0.02																																												
		Jul	0.012																																												
		Aug	0.02																																												
		<p>Based on Jadual Pematuhan Melalap Palm Oil Mill disposed effluent on land application in P01KA Melalap Estate. Sighted quarterly report has been submitted to DOE (license no 001870) 01/07/2022 - 30/06/2023) by quarterly basis. Latest submission for to DOE on 15/07/22 for period April to June 2022. Among others the indicators were:</p> <table border="1"> <thead> <tr> <th></th> <th>April– June 22</th> <th>STD</th> <th>12/4/22</th> <th>17/5/22</th> <th>05/6/22</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>pH</td> <td>5-9</td> <td>9.00</td> <td>8.00</td> <td>9.00</td> </tr> <tr> <td>2</td> <td>BOD mg/l</td> <td>20</td> <td>15.00</td> <td>16.00</td> <td>19.00</td> </tr> <tr> <td>3</td> <td>A Nitrogen</td> <td>150</td> <td>103</td> <td>103</td> <td>112</td> </tr> <tr> <td>4</td> <td>Total N</td> <td>200</td> <td>191</td> <td>181</td> <td>191</td> </tr> <tr> <td>5</td> <td>Oil & Grease</td> <td>150</td> <td>4.00</td> <td>5.00</td> <td>4.00</td> </tr> <tr> <td>6</td> <td>S Solids</td> <td>200</td> <td>106</td> <td>115</td> <td>86</td> </tr> </tbody> </table> <p>All parameters tested complied with regulatory standards.</p>					April– June 22	STD	12/4/22	17/5/22	05/6/22	1	pH	5-9	9.00	8.00	9.00	2	BOD mg/l	20	15.00	16.00	19.00	3	A Nitrogen	150	103	103	112	4	Total N	200	191	181	191	5	Oil & Grease	150	4.00	5.00	4.00	6	S Solids	200	106	115	86
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4.6 Principle 6: Best Practices																																															
Criterion 4.6.1: Mill Management																																															
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Melalap Palm Oil Mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These				Complied																																									

Criterion / Indicator		Assessment Findings	Compliance												
		documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.													
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. Internal Visit Report has been conducted for monitoring mill performance. Refer Report Structured Oil Recovery Assessment (SORA) dated 08/04/2022. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.	Complied												
Criterion 4.6.2: Economic and financial viability plan															
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	<p>The mill management has established a documented business plan for 5 years from 2022 until 2027. The plan covers the capital and operation expenditure which includes the following: mill maintenance, consumable items, rehabilitation cost, admin cost, security, training etc. The details of the Business Plan for year 2022 as below:</p> <table border="1"> <tbody> <tr> <td>Total Crop (mt)</td> <td>68,205.51mt</td> </tr> <tr> <td>CPO (mt)</td> <td>13,729.35mt</td> </tr> <tr> <td>PK (mt)</td> <td>2,985.06mt</td> </tr> <tr> <td>Plam Product (mt)</td> <td>16,714.41mt</td> </tr> <tr> <td>OER (%)</td> <td>20.36%</td> </tr> <tr> <td>KER (%)</td> <td>4.05%</td> </tr> </tbody> </table>	Total Crop (mt)	68,205.51mt	CPO (mt)	13,729.35mt	PK (mt)	2,985.06mt	Plam Product (mt)	16,714.41mt	OER (%)	20.36%	KER (%)	4.05%	Complied
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Criterion / Indicator		Assessment Findings		Compliance
		Total processing cost	RM3,289,956.32	
		Total Mill cost	RM4,972,104.52	
		Price CPO Forecast	RM3,000.00	
Criterion 4.6.3: Transparent and fair price dealing				
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad established generic contract documents template includes with the provision for contractors to comply with all Sime Darby Plantation Berhad requirements including vendor integrity pledge where the contractor to adhere with integrity, transparency, responsibility, anti-bribery, etc. Pricing mechanism is stated in the appendix and agreed by both parties.</p> <p>Melalap Palm Oil Mill engaged contractors for activity such as transporters and maintenance work. Sampled of the agreement between Sime Darby Plantation Berhad and the contractor as below:</p> <p>Contractor: Pengangkutan Dagang Tera Sdn Bhd, Contract No. T/SDPSSB/SABAH/CPOPK/0328 dated 31/10/2021 until 31/10/2022, Project: Transportation of CPO and PK.</p> <p>Pricing of the works/ services and mechanism were clearly stated in the appendix of the agreement and agreed by the contractors. Payment term is outlined in the agreement where the payment shall be made within 30 days from the date of receipt of the invoice from Service Providers.</p>		Complied
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill has made payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records as below:</p> <p>Contractor: Pengangkutan Dagang Tera Sdn Bhd: Doc No.</p>		Complied

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Criterion / Indicator		Assessment Findings	Compliance
		1600000580 dated 31/10/2021 Onsite interviewed with contractors informed they agreed the payment was made promptly.	
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Melalap Palm Oil Mill engaged contractors with agreed to sign in a Vendor Integrity Pledge (VIP). Contractors were briefed on the SDP Vendor COBC and RSPO & MSPO requirement dated 23/01/2022. Melalap Palm Oil Mill has made an addendum on the agreement and signed by the contractors dated 03/02/2022. The agreement includes with the requirement of RSPO/ MSPO/ SCCS requirements. Document review, Melalap Palm Oil Mill conduct awareness training related MSPO to contractors dated 16/08/2022 with evidence of training materials, attendance, and photos were available.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Melalap Palm Oil Mill engaged contractor for activity such as transporters and maintenance work. Sampled of the agreement between Sime Darby Plantation Berhad and the contractors as below: Contractor: Pengangkutan Dagang Tera Sdn Bhd, Contract No. T/SDPSSB/SABAH/CPOPK/0328 dated 31/10/2021 until 31/10/2022, Project: Transportation of CPO and PK.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	As refer to the SDP Vendor COBC, Clause 4 – Responsibility and Compliance with the Vendor COBC, where rights to audit vendors to verify compliance of the COBC. Besides, an addendum signed	Complied

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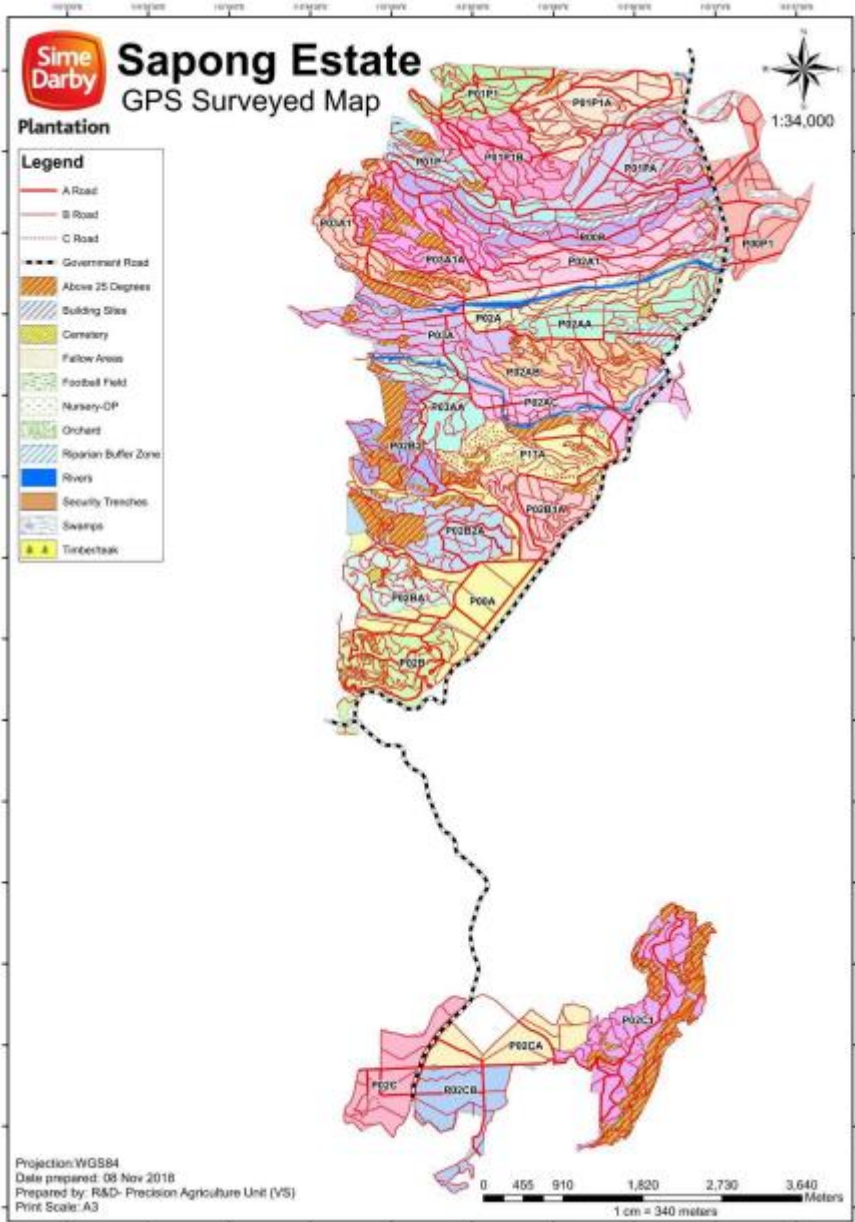
Criterion / Indicator	Assessment Findings	Compliance
	by the contractors has clearly stated that all contractors shall ensure to reserve the right of the certification body to audit.	

Appendix C: Location and Field Map

Melalap Palm Oil Mill



Sapong 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