

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

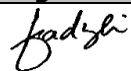
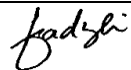
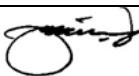
CERTIFICATION AUDIT REPORT


Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

Sime Darby Plantation Berhad
SOU 16 Kok Foh [Estates]

-Group Certification-

ANNUAL SURVEILLANCE AUDIT 2
07th October 2019 – 09th October 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	01/11/2019	Issued as Draft Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	29/11/2019	Issued as Final Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	20/12/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Sime Darby Plantation Berhad – SOU 16 Kok Foh [Estates]					
Rev	Date	Description	Management Representative	Role	Signature
B	20/12/2019	Acceptance of the contents	Abdul Halim Bin Shahor	SOU Chairman	

Declaration

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Note: Section II of this report contain confidential information and been protected from public disclosure.

SECTION I : PUBLIC SUMMARY REPORT**1.1 Certification Scope**

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of Sime Darby Plantation Berhad - SOU 16 Kok Foh [Estates]. During this Annual Surveillance Audit 2, the audit team were briefed by Estate Manager, of the supply base disposition. The group consists of 7 estates.

This assessment was conducted onsite on 07th October 2019 to 09th October 2019 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

1.2 Company details and Contact information

Company Name	Sime Darby Plantation Berhad
Business Address	Sustainability Unit, Group Sustainability & Quality Management, Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia.
Contact Person	Madam Shylaja Devi Vasudevan Nair
Office Telephone	+603 7848 4379
E-Mail	shylaja.vasudevan@simedarby.com

1.3 Certification Unit**Name of the Certification Unit**

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Kok Foh Estate	Kok Foh Estate, 72109 Bahau, Negeri Sembilan	E 102°30.25'	N 2°47.08'
2.	Sg. Senarut Estate	Sg. Senarut estate, 85100 Batu Anam, Johor	E 102°45.20'	N 2°34.16'
3.	Muar River Estate	Muar River estate, Locked Bag No.503, 85009 Segamat, Johor	E 102°45.08'	N 2°34.26'
4.	Pertang Estate	Pertang estate, 72300 Simpang Pertang, Negeri Sembilan	E 102°18.12'	N 2°57.25'



5.	Bukit Pilah Estate	Bkt Pilah estate, 73500 Rompin, Negeri Sembilan	E 102°55.91'	N 2°33.73'
6.	St. Helier Estate	St. Helier estate, 72100 Bahau, Negeri Sembilan	E 102°33.73'	N 2°33.72'
7.	Sg. Sabaling Estate	Sg. Sabaling estate, 72100 Bahau, Negeri Sembilan	E 102°29.03'	N 2°50.56'

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Kok Foh Estate	527424002000	29/02/2020	Menjual dan mengalih FFB
2.	Sg. Senarut Estate	571953011000	30/04/2020	
3.	Muar River Estate	518846002000	29/02/2020	
4.	Pertang Estate	528526002000	31/03/2020	
5.	Sg. Gemas Estate	525990102000	31/01/2020	
6.	Bukit Pilah Estate	524036002000	30/09/2020	
7.	St. Helier Estate	525550002000	31/12/2019	
8.	Sg. Sabaling Estate	531655002000	31/07/2020	

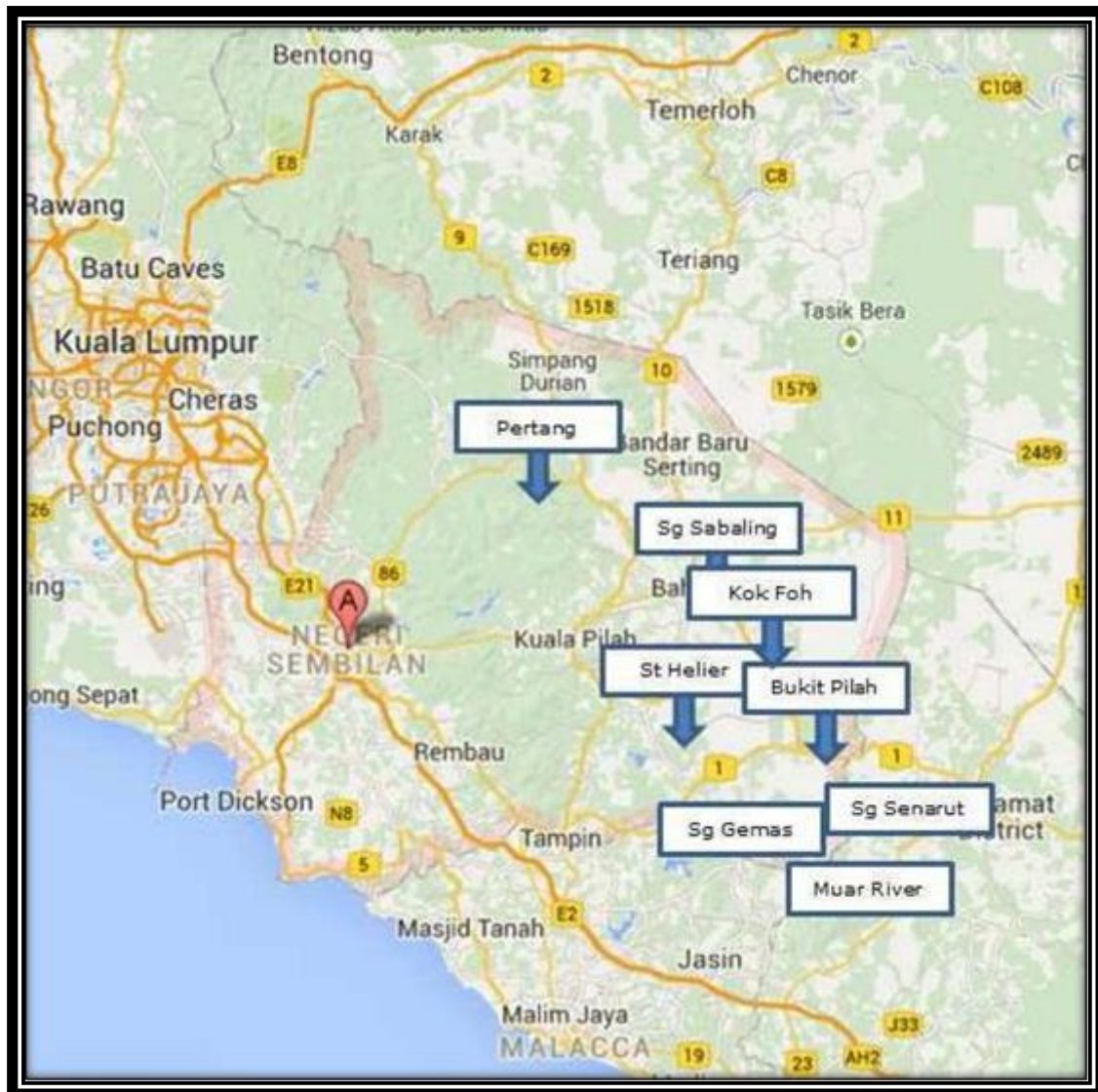
**Sg. Gemas Estate became a division under Sg. Senarut Estate*

Others Sustainability Certification

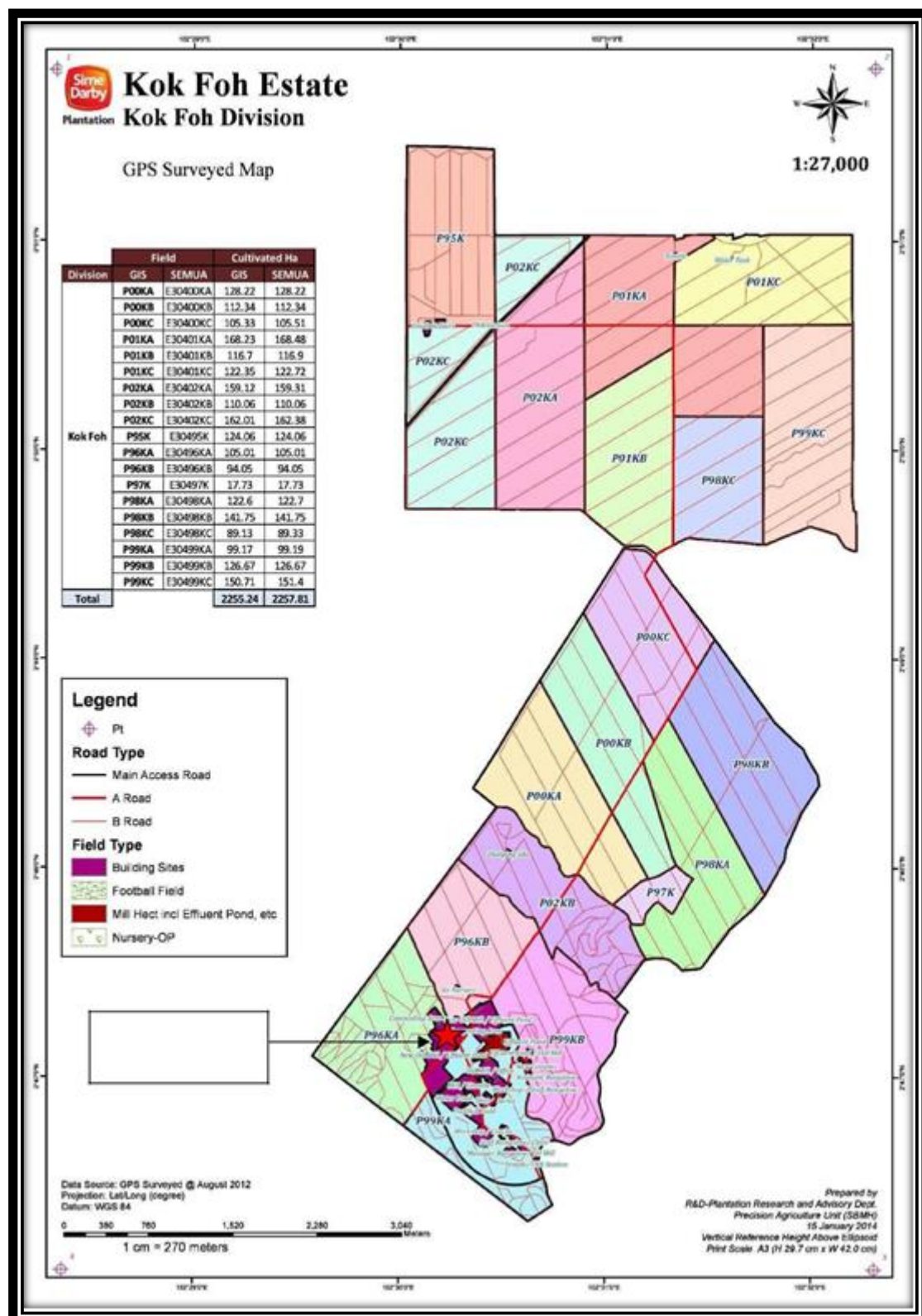
No	Name Of The Site	Others Sustainability Certifications
1.	Kok Foh Estate	RSPO
2.	Sg. Senarut Estate	
3.	Muar River Estate	
4.	Pertang Estate	
5.	Bukit Pilah Estate	
6.	St. Helier Estate	
7.	Sg. Sabaling Estate	

1.4 Map Showing Geographical Location

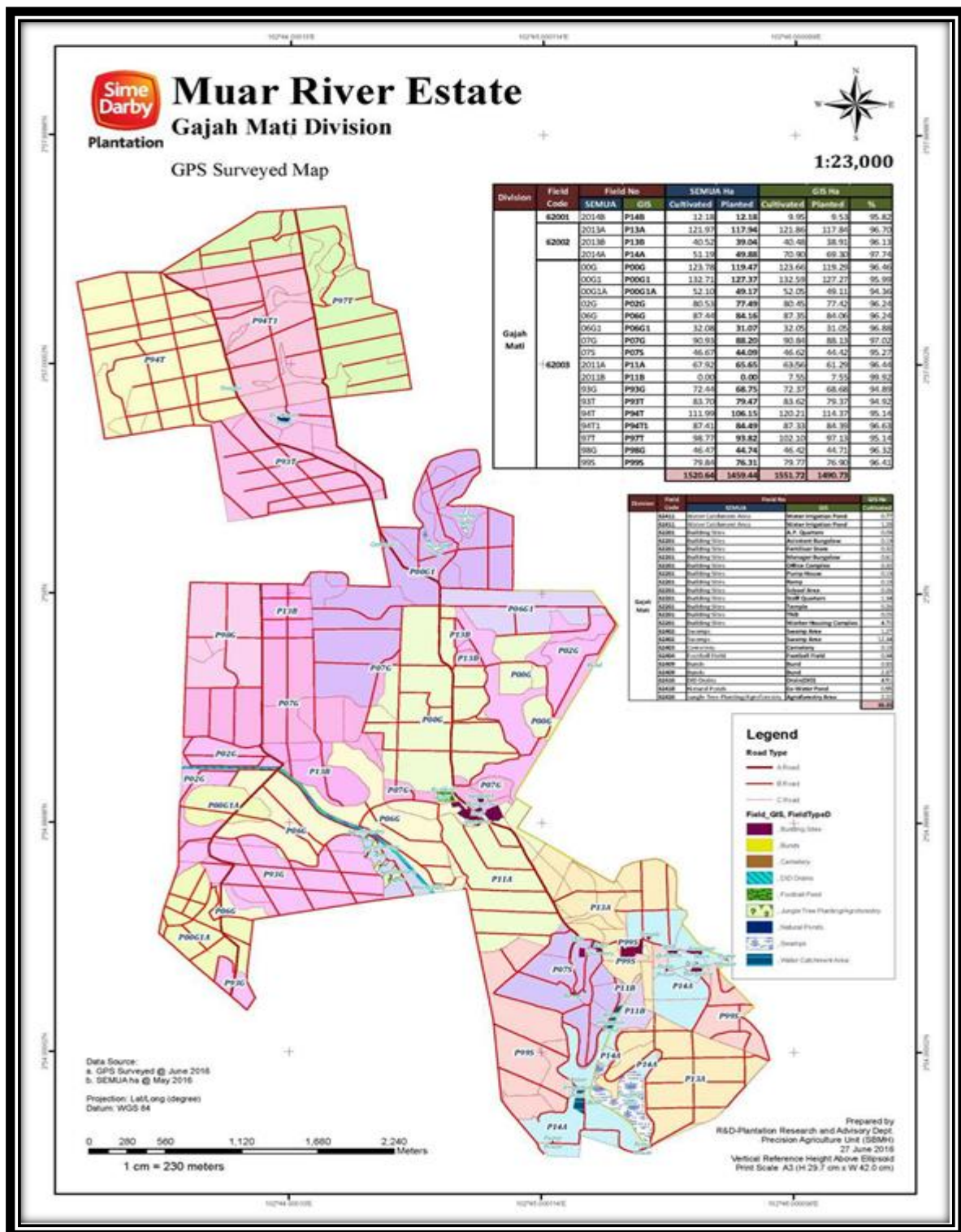
1) Location Map of SOU16 Kok Foh



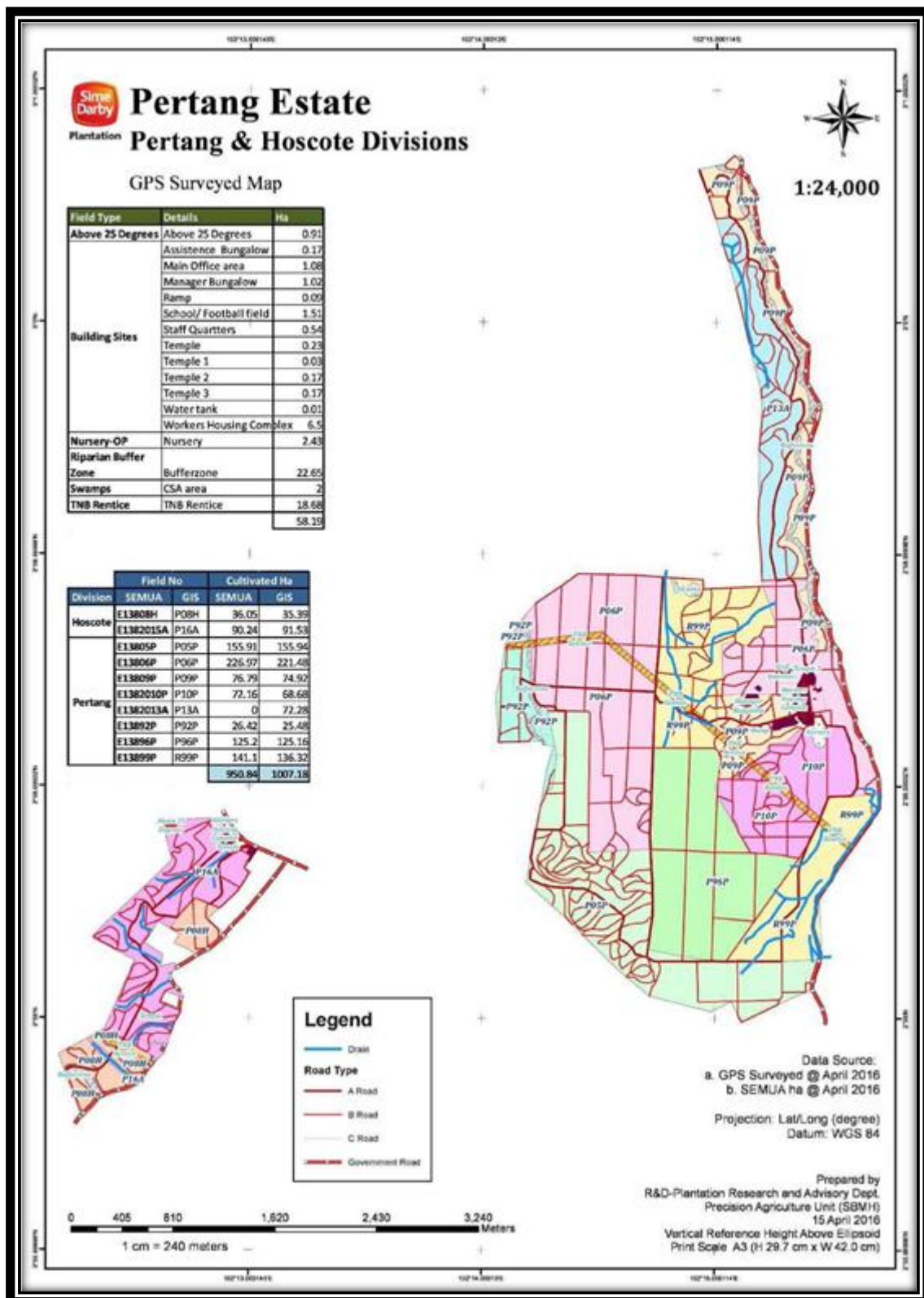
2) Operational Map of Kok Foh Estate

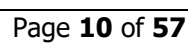


4) Operational Map of Muar River Estate



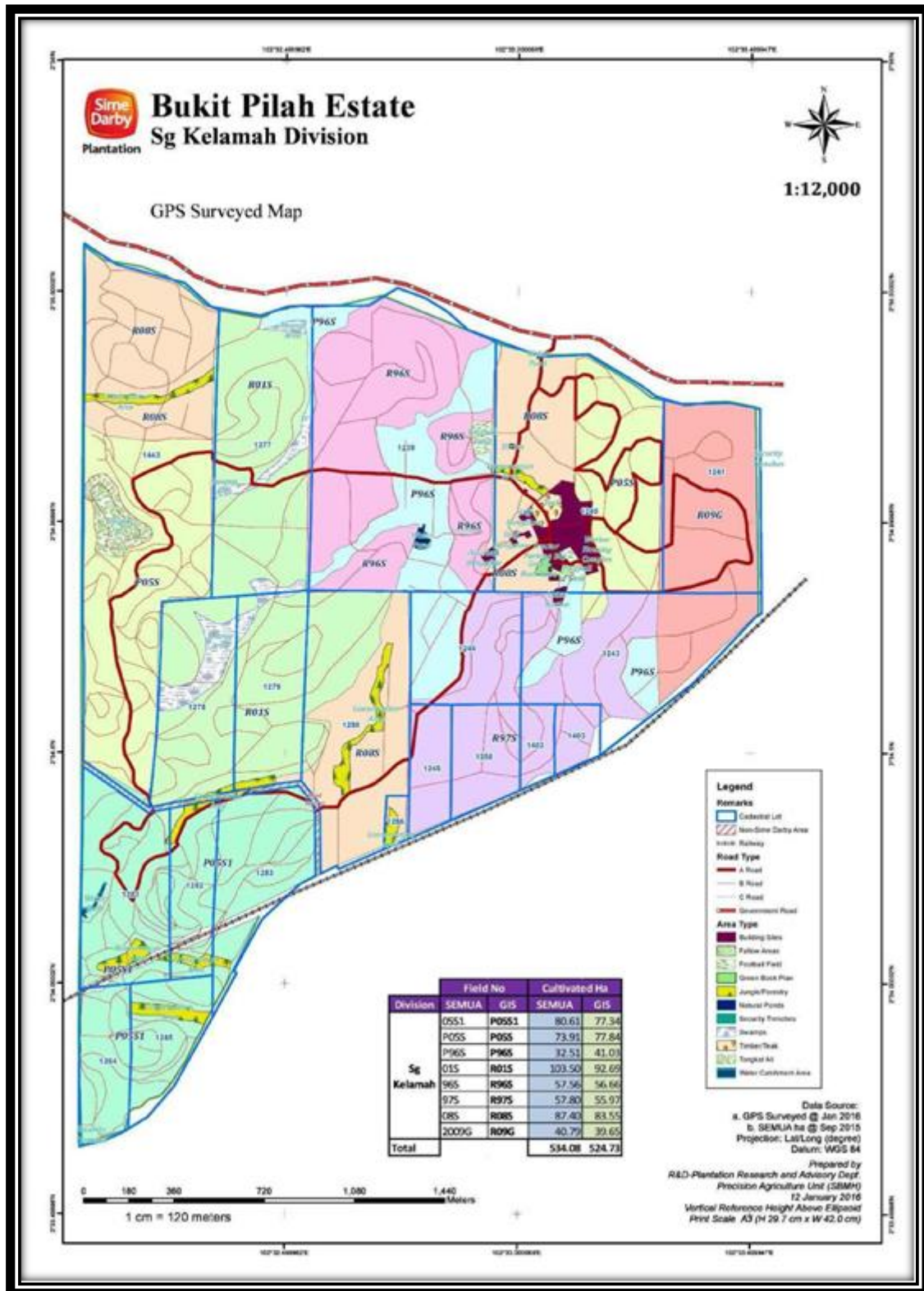
5) Operational Map of Pertang Estate



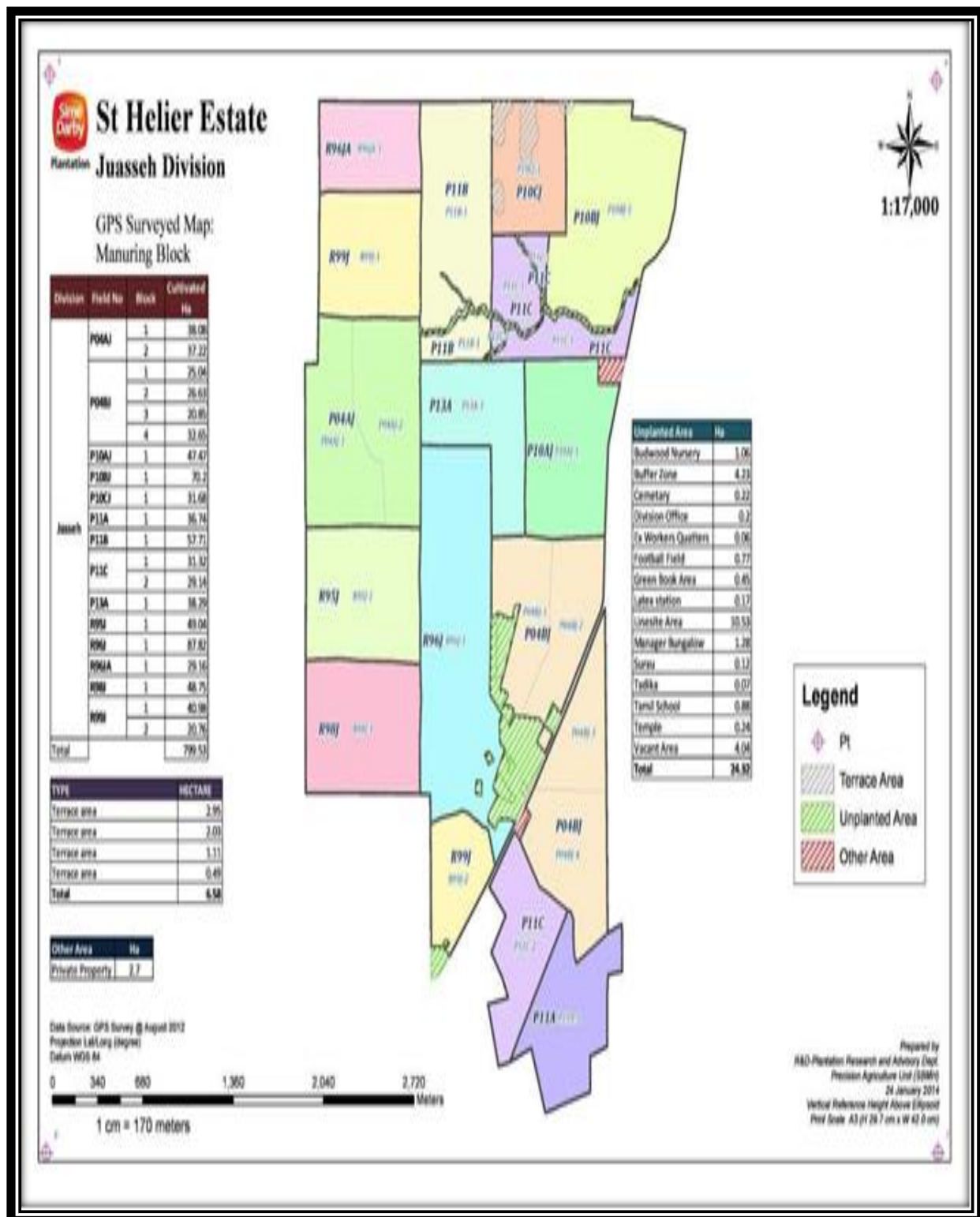


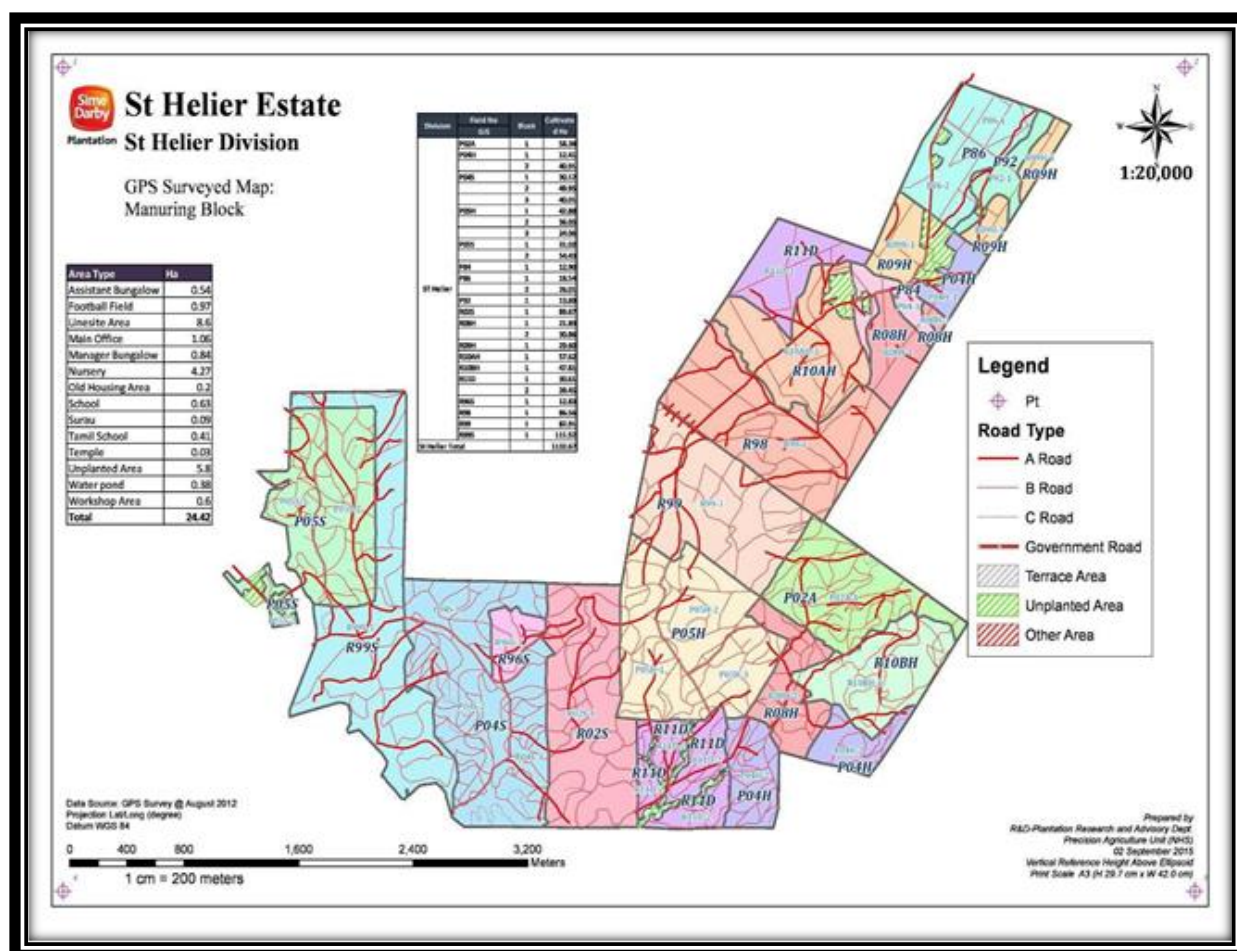
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7) Operational Map of Bukit Pilah Estate, Sg Kelamah Division



8) Operational Map of St. Helier Estate, Juasseh Division





1.5 Production Area, Actual and Projected FFB Production (MT)

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Kok Foh Estate	2,307.85	2,047.41	1,474.27
Sg. Senarut Estate	2,964.38	1,436.02	1,436.02
Muar River Estate	1,590.71	1,419.41	1,118.14
Pertang Estate	1,052.49	986.25	820.03
Bukit Pilah Estate	3,667.31	629.72	629.72
St. Helier Estate	1,992.65	712.38	754.60
Sg. Sabaling Estate	1,321.91	124.66	124.66
Total	14,897.30	7,355.85	6,357.44

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others

Kok Foh Estate	-	0.450	-
Sg. Senarut Estate	-	5.720	-
Muar River Estate	-	7.948	-
Pertang Estate	-	7.990	-
Bukit Pilah Estate	-	0.860	-
St. Helier Estate	-	2.560	-
Sg. Sabaling Estate	-	0.180	-
Total	NIL	25.708	NIL

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Oct 2018-Sept 2019]	Projected Production for next 12 Months [Oct 2019-Sept 2020]
Kok Foh Estate	41,767	42,209.32	31,164.32
Sg. Senarut Estate	32,061	37,667.89	34,582.95
Muar River Estate	27,442	29,491.97	28,870.07
Pertang Estate	18,150	18,824.85	19,531.86
Bukit Pilah Estate	9,397	13,133.59	12,518.95
St. Helier Estate	12,726	18,992.50	15,566.63
Sg. Sabaling Estate	2,467	3,942.77	2,883.74
Total	144,010	164,262.89	145,118.52

1.6 Certificate Details

Certification body

Global Gateway Certifications Sdn. Bhd.,
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,
68000 Ampang,
Selangor Darul Ehsan, Malaysia.
Tel.: +603 4256 2689; Fax: +603 4256 2687
Website: www.ggc.my

Assessment standard

(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

Certificate number

GGC-SDP001-MSPO-00-2018

Initial certificate issued date

20th December 2017

Certificate expiry date

19th December 2022

Stage 1 assessment date

Not applicable as client certified for RSPO

Stage 2 / Main Assessment	7 th November 2017 – 10 th November 2017
Annual Surveillance 1 [ASA 1]	19 th November 2018 – 22 nd November 2018
Annual Surveillance 2 [ASA 2]	07 th October 2019 – 09 th October 2019
Annual Surveillance 3 [ASA 3]	October 2020
Annual Surveillance 4 [ASA 4]	October 2021

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohd Fadzli bin Bistamam

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector.

Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs.

Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Able to write and speak in Bahasa Malaysia and English.

Auditor

Name: Baskaran Sankaran

Master of Occupational Safety & Health Risk Management from Open University Malaysia, Diploma in Mechanical Engineering and Management Programme. More than 20 years of working experience in various industries. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia and Indonesia. Completed ISO 9001:2008 and ISO 14001:2004 lead auditor course in 2006 & 2010. Also completed RSPO Lead Auditor training in December 2014. Qualified as Lead Auditor/Auditor in several certification programme such as RSPO, MSPO, ISO and etc. Member of GGC RSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor**Name:** Mahaswaran Maliyapan

Executive Master in Entrepreneurship Enhancement [Supply Chain Management], Professional Diploma in International Management Practices, Graduate Diploma in Business Administration and Diploma in Mechanical Engineering. Has vast exposure and experience in engineering, quality, 2nd & 3rd party auditing in various industries and owns proven track records of auditing various multinational companies both locally and internationally. Certified Lead Auditor for ISO 9001, 14001, OHSAS 18001, RSPO P&C, RSPO SCCS, RSPO Next and MSPO. Since 2012 trained in agriculture certification programs such as RSPO, MSPO and SCCS and holds role as lead auditor or auditor with several local and overseas certification bodies. He too in Quality Environmental Management System as well the Occupational, Health and Safety auditing. Member of GGC RSPO audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was based on total number of estates (7) with medium risk factor (1.0). Total estates selected for this audit were three (3).

The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment.

Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

1.9 Audit Plan Information

Audit Date	07 th October 2019 to 09 th October 2019
Name of site(s) visited	St. Helier Estate Bukit Pilah Estate Kok Foh Estate
Total number of man-days spent	9 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	0	No action requires
Area of Concern	0	No action requires
Noteworthy /Positive Comments	0	No action requires

1.11 Stakeholder Consultation

During this Annual Surveillance Audit, the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of estate management.

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Contractors)	<ul style="list-style-type: none"> They have good understanding about MSPO. He is clear that if he employs a worker, he has to officially inform estate management. He also knows the working hours, minimum salary, SOCSO & EPF (for local workers) that has to be paid as he has been briefed in the Stakeholders meeting. They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. 	No action requires	Positive findings

		<ul style="list-style-type: none"> • They were aware that any complaints or suggestions could be forwarded to the mill/estate management. • He is very happy with the management and hopes to continue his contract for a long time. • The company has good relation with supplier and there is no issue with company's performance. 		
2.	Stakeholders B (Contractors)	<ul style="list-style-type: none"> • Most of the stakeholders attended the meeting are aware about the MSPO. • Positive aspects of the company (SD) can be observed after initiating the MSPO certification process. 	No action requires	No action requires
3.	Stakeholder C (Estate workers)	<ul style="list-style-type: none"> • MSPO awareness, company policy and SOP are briefed among workers during muster call. • Personal Protective Equipment are distributed free of charged by management. • They have good understanding about complaint and grievance mechanism. • They are very happy with the management and hopes to continue their contract for a long time. • Company well managing the welfare, health and safety of their workers. • Housing facilities is provided with water and electrical supply. • They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018. 	No action requires	Positive findings

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Sime Darby Plantation Berhad, SOU 16 Kok Foh [Estates]. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Annual Surveillance Audit 2.

Since this is a surveillance audit, therefore this report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During this Annual Surveillance Audit [based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 3: General Principles for Oil Palm Plantations and Organized Smallholders), there was no non-conformity has been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of no NC raised. Therefore, the Lead Auditor recommends a certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" is awarded to Sime Darby Plantation Berhad – SOU 16 Kok Foh [Estates].

1.13 Date of Next Surveillance Audit

The third annual surveillance assessment visit will be scheduled after 12 months of the MSPO Certificate being issued.

1.14 Confidentiality

GGC auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication.

1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock

GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA**2.1 Principle 1 : Management commitment and responsibility****Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy****Indicator 1** A policy for the implementation of MSPO shall be established.

Summary The "Sustainable Plantation Management System" manual dated 01/11/08 seen incorporated with 16 /policies on various management systems such as Quality, Environment, OHS and other sustainability schemes with commitment towards No Child Labour, No Deforestation, No Forced Labour & Contract Substitution, Meeting the Minimum Wages Standard, etc. sighted the policies were signed by Datuk Franki Anthony Dass, Managing Director.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The policy shall also emphasize commitment to continual improvement.

Summary The sampled estates seen associated the content of Sustainability Policies into daily routine work. Example, randomly selected sustainability policy briefed during morning muster ground, zero burning policy being strictly enforced during replanting, domestic waste at worker's line site, no employment of child labour via tracking with "Employment Software" that automatically track minimum age and etc.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Internal audit**Indicator 1** Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary As per the internal SOP, the audit frequency stated in page 5 of SD/SDP/PSQM/IAP is either annually or as and when required or based on risk factors. For the SOU 16, Kok Foh Complex, the internal audit done from 04 - 08/2019. The audit team lead by Ms. Tharani Malar David who is the member of Group Sustainability Team.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary The internal audit procedure available in SOP titled SD/SDP/PSQM/IAP dated on 01/11/17 with Rev.02. For St. Helier Estate, The annual internal audit resulted with 1 observation with no non-conformities. The observation on which raised for not updating on legal references was done and closed effectively by Estate Asst.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable



Indicator 3 Report shall be made available to the management for their review.

Summary The annual internal audit finding in St. Helier Estate was discussed in the Management Review dated on 03/11/2018, point 4 – Sustainability Management. For Bukit Pilah Estate, since the management review for 2019 was held on 08/03/2019 which is the final day of annual internal audit exercise. However, the manager has conducted review session on 23/09/2019 together with OSH meeting.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Management review

Indicator 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.

Summary The management review procedure seen documented in the Sime Darby Plantation – Estate Quality Management System – Level 2 – Standard Operation Manual p- Section 05, Sub-Section 5.6 dated on 01/11/2008. In St. Helier Estate, the annually planned management review was done on 03/11/2018. The discussion listed in point 4 – Sustainability Management. The review output covers on water management plan, objectives & management programs for environment and waste management plan. Aside, the estate manager seen conducting monthly management review to discuss on financial status and estate operations.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 4 Continual improvement

Indicator 1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

Summary The whole Kok Foh complex seen applying Lean Six Sigma (LSS) approach for presenting continuous improvements. For Kok Foh Estate, the management established CIP for 2018/2019, among that LSS [Lean Six Sigma], to refurbish old passenger trailer y RM 5,182 from buying a new trailer at cost of RM 28,039. Aside there are also improvement plans available for refilling domestic gas from repatriate workers to new coming workers from RM 217.50/gas (1 domestic gas/4 workers) to RM 27.50/gas.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 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

Summary The SEMUA 2.0 is a mobile solution for data capture of Mandore and FFB recorder FFB count, utilizing digital technologies to digitize data at source and automate data flow. Furthermore, this allows easy access of operational information by authorized users via mobile devices.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.

Summary There is annual training calendar established as part of continuous improvement for OHS, environment and social. Sighted training records for estate workers on various topics that enhance continuous improvement of estate plantation performance. As mentioned in the 4.4.6.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 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.

Summary The company has established SOP for external communication as documented in EQMS Standard Operation Manual Sub-Section 5.5 Appendix 5.5.3.2. This document was issued on 01.11.2008. The Manager of the estates are to receive all external communications from external interested parties, review, and respond to them.

Sighted communication logbook (External complain book St. Helier Estate). As for visit from JKPP, the estate is maintaining a logbook to record all comments from JKPP officers during JKPP routine visit. Latest JKPP visit recorded was on 23.09.2019.

Besides that, on monthly basis the company is sending to MPOB the "Penyata Bulanan Pengeluar Buah Kelapa Sawit MPOB(EL)ET4" as required by the MPOB itself. The data sent to this department such as Planted hectare, FFB Production and Harvested hectare. Sighted latest report submitted from Bukit Pilah Estate via MPOB website on 04.10.2019.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 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.

Summary Management documents that publicly available is published in company's website <http://www.simedarbyplantation.com/> including all policies and statements by top management. Specific management document for respective management unit is available upon request and approval from MU's manager. This is to ensure the information would not being resulted any negative environmental or social outcomes.

As sighted from communication flow chart in the procedure, any request of documents will be evaluated prior to releasing them to the interested parties. For confidential documents request, the approval will be from Sime Darby HQ.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2	Transparent method of communication and consultation
Indicator 1	Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary Stakeholder consultation was conducted on 02.10.2019 (Bukit Pilah Estate) where all the company procedures explained to the attendees. The meeting was attended by 19 relevant stakeholders. During this meeting also, some issues and request related to estate and the surrounding have been raised for estate management attention. Example request made by representative from Kg. Sri Rompin was to increase job opportunities in the estate.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.
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Summary The estate managers are the person responsible in handling issues related to stakeholders as highlighted in EQMS Standard Operation Manual Sub-Section 5.5 Appendix 5.5.3.2 (Item No. 4: Responsibilities).

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 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.
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Summary List of stakeholders for St. Helier estate available during the audit. The list includes 12 Local communities' heads, 11 vendors/suppliers, 30 interested parties and Third parties. The requests were made and will be processed / approved by Estate Sr Manager/Manager or Assistant Manager. Sighted the above request and others as stated in the logbook effectively responded by estate management. Since the last audit, SOU 16 has not received any request for information on (environmental, social and/or legal) issues from stakeholders relevant to MSPO Criteria. Complaints received related to social and health issues such as:

Date: 11.06.2019

Stakeholder name: Fadzil Halim

Comment: Stray dogs in Taman Jaya disturbing the residents

Respond: The estate advised the representative to lodge report to Jabatan Veterinar.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Traceability	
Indicator 1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).
Summary	<p>The company has established Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability version 2 Issue # 5 dated April 2019. The objective of the SOP is to provide guidelines for estates and POM to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (FFB, CPO & PK).</p> <p>Verified the implementation of this SOP as per Figure 1: Overview of Supply Chain of Upstream from product FFB to POM until downstream refiners/bulking installations. Sufficient information is stated on the weighbridge ticket or consignment note of all delivery of FFB including:</p> <ul style="list-style-type: none"> • MSPO Certificate number • Estate name • Quantity • Vehicle number • Driver name <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 2	The management shall conduct regular inspections on compliance with the established traceability system.
Summary	<p>Internal audit is conducted on annual basis to check on implementation of Supply Chain Procedure.</p> <p>For daily operations, the estate is recording all deliveries of FFB to the mill. Sighted records such as FFB Despatch Advice and Estate Weighbridge Ticket. All the daily and monthly record of FFB deliveries kept in company SAP system which can be accessed in the estate and also from Sime Darby HQ.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 3	The management should identify and assign suitable employees to implement and maintain the traceability system.
Summary	<p>Manager of each operating units is responsible person assigned to implement and maintain the traceability system.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 4	Records of sales, delivery or transportation of FFB shall be maintained.
Summary	<p>Record of FFB delivery is available in estate SAP system. Daily and monthly FFB delivery to Kok Foh Mill sighted during the audit.</p>

Records such as weighbridge chit contains information such origin estate name, vehicle number, product, driver name, division code and net weight is well maintained. Verified during the audit:

FFB Despatch Advise No: 20351
Date: 11.09.2019
Quantity: 486 bunches
Seal No: 054721 – 054724 (4 seals)

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

Indicator 1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

Summary The company has established legal register identifying laws and regulations that applicable to estate operations. The legal register titled "St. Helier – Upstream Malaysia, Legal and Other requirement Register (LORR)" is been last updated by Group Sustainability & Quality Management (GSQM) in July 2019 while evaluation of legal compliance for the estate was last done on 01/07/2019 by Estate Assistant Mr Muhammad Syafiq Abdul Manap and approved by Estate Manager Mr Saful Azrul Abdul Halim. Summary of the evaluation of compliance shows 100 % compliance for criteria related to occupational safety and health, environment, water, human resources and other requirements.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The management shall list all laws applicable to their operations in a legal requirement register.

Summary The company has established legal register identifying laws and regulations that applicable to its operations Some of the laws and regulations identified in the estate's legal register includes:

- Occupational Safety & Health Act 1994 and 8 Regulations related to the act.
- Factory and Machinery Act 1967 and 11 Regulations related to the act.
- Fire Service Act 1988 (ACT 341) Amendment 2018 and 2 Regulations related to the act.
- Pesticide Act 1974 2 Regulations related to the act.
- Poisons Act 1952 (Revised 1989) and Poison Regulations 1952
- Environmental Quality Act 1974 (Act 127) and 10 Regulations and 2 Orders related to the act.
- Sewerage Service Act 1993
- Water Act 1920 (Act 418)

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

Summary Changes to legal requirements are monitored and updated by company's Group Sustainability & Quality Management (GSQM). The legal register titled "Estate/Mill – Upstream Malaysia, Legal and Other requirement Register (LORR)" was last updated by Group Sustainability & Quality Management (GSQM) in July 2019 for revocation of Noise Exposure 1989 and replace with Noise regulation 2019 while evaluation of legal compliance for Bukit Pilah estate was last done on 07/08/2019 by Estate Assistant Mr Mohd Hafizuuddin Hamdan and approved by Estate Senior Manager Mr Khairisyahrin Mukhtar on 10/08/2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

Summary Changes to legal requirements are monitored and updated by company's Group Sustainability & Quality Management (GSQM) while Estate Assistant for each operating unit been appointed as person in-charge for all legal register and amendments as per appointment letter sighted during the audit.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Land use rights

Indicator 1 The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.

Summary All the estates audited is having proper legal land documents. For example in St. Helier Estate, the land titles consist of 22 land titles totaling 1994.769 Ha of land. For Kok Foh Estate, its proper legal land documents consists of 9 land titles with total land size is of 2,307.85 Ha in which are planted with oil palm. Government has taken 28.7767 Ha of the estate land. Sighted following land titles for the estate (sampled):

- Land title No.: GRN 2148 (33.9936 Ha)
- Land title No.: GRN 2138 (63.131 Ha)
- Land title No.: GRN 2158 (815.0376 Ha)
- Land title No.: GRN 2159 (5.1739 Ha)

All the above land tiles have stated condition for the land use is for agriculture /oil palm planting. Land ownership stated as "The China Engineers (Malaysia) Sdn Bhd" which is subsidiary is a subsidiary of Sime Darby.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.

Summary All the above land tiles have stated condition for the land use is for agriculture / oil palm planting.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

Summary Bukit Pilah Estate has established boundary stone map identifying boundary stone location with GPS Coordinate details for New Rompin Division (5 stones), Bukit Pilah Division (9 stones), Kelpin Division (8 stones) and Sg. Kelamah Division (5 stones). During field visit sighted noted boundary stones are well maintained.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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).

Summary There is no land dispute for the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Customary rights

Indicator 1 Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

Summary There is no land dispute for the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Maps of an appropriate scale showing extent of recognized customary rights shall be made available.

Summary There is no land dispute for the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.

Summary There is no land dispute for the estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.4 Principle 4 : Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

Indicator 1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.

Summary SIA was conducted for the SOU 16 (Kok Foh Complex) which involved 9 operating units. The SIA were carried out from 1st – 13th February 2016 by Sustainability Strategy Unit, PSQM Department.

The sampled estates are not associated with any smallholder scheme. Sighted the SIA reports focus on live hoods that associated to the improvements of social wellbeing of the wider community.

The sampled estate able to show the minutes of meeting with stallholders during assessment:

- Kok Foh POM on 01 February 2016
- Kok Foh Estate on 02 February 2016
- Sungai Senarut Estate on 03 February 2016
- Muar River Estate on 04 February 2016

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Complaints and grievances

Indicator 1 A system for dealing with complaints and grievances shall be established and documented.

Summary Procedures for handling social issues explained in the Sustainable Plantation Management System document appendix 5.5.3.2 version 1, issue no.: 1 dated on 2008.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.

Summary Based on the Sustainable Plantation Management System document, complaints or disputes to be resolve within 14 days from date of reported.

The latest complaint received by St. Helier Estate was external complaint on 11/06/19 and responded on the same day. The issue was pertaining to wild dogs that used to chase motorbike riders. As for internal complaints seen for worker' quarters maintenance works such as repairing drain, broken windows and etc.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.

Summary The form titled "Borang Laporan Kerosakan Bangunan" is used for complaints received on house maintenance. As for the external stakeholders, they can register the complaints in a logbook provided or in written form either by email or letter.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

Summary Sighted the external stakeholder meeting minutes dated on 03/05/19, where the estate assistant of St. Helier Estate has briefed on the complaint mechanism. Training to estate workers in both Bukit Pilah and Kok Foh Estate being brief on Sustainability Policies in the muster ground. Training records are available.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 5 Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.

Summary Compliant logbook available but the informations are more to request and response from the workers and external stakeholders.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Commitment to contribute to local sustainable development

Indicator 1 Growers should contribute to local development in consultation with the local communities.

Summary Sighted the recent stakeholder meeting meeting in St. Helier Estate dated on 03/05/19, whereby no request was made by external stakeholder in regard to CSR. However, as part of neighborhood best practices seen the estate management has responded to request from SJK(Tamil) Ladang St. Helier to clean-up drainage within school perimeter.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Employees safety and health

Indicator 1 An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.

Summary The Sime Darby Plantation has established the OSH policy which issued on Jan 2015 approved by Managing Director (Datuk Franki Anthony Dass).

The estates are committed to providing and maintaining a safe and healthy working environment as well as preventing injury and ill health of its employees, contractors and visitors by practicing effective management.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The occupational safety and health plan shall cover the following:

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
 - i) all employees involved shall be adequately trained on safe working practices; and
 - ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- 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.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Summary

The St. Helier estate seen has posted the sustainability policies that includes of OSH policy at the entrance of Estate Office. Example, training on chemical spraying dated on 01/03/19. The management has carried out HIRARC for estate operations such as administration, receiving and refill diesel, FFB harvesting and manuring. The HIRARC was prepared by Nor Azlan Abu Bakar (OSH Coordinator) and approved by Khairisyahrin (Estate Manager) on 02/12/18.

The estate has established an annual training plan for 2019 that consisting of awareness on OSH and environment. Example of trainings in St. Helier Estate are chemical safety management, incident reporting, water quality monitoring and etc. CHRA assessment sighted, (HQ/03/ASS/00160-2017/027/XII) dated on 01/06 – 08/10/2017 by Global Safe-T Sdn. Bhd. Site visit to the chemical store, pesticide store, workshop and fertilizer store found with adequate signages.

Bukit Pilah Estate is maintaining list of PPE issuance and inventory (Bin Card) for available PPEs. Sampled, the PPE issuance list for Kelpin Div. workers, sprayers and harvesters. Found the list well managed and cross verified with Harvesting worker, the PPEs are given free of charge.

All the estates have established SOP for chemical handling as per document quality management system section VII version 1-2008, issued on 1 Nov 2008. The estate is also maintaining a list of chemicals (total 13) hazardous to health dated on 27/02/19 as required by DOSH. According to the SOP for chemical handling, the authorized personal to handle chemicals are store clerk and field supervisors.

OSH Committee chart seen display at various locations such as in chemical store, line-site, main office and schedule waste store. Management of Bukit Pilah estate effectively maintaining quarterly meeting minutes. Sample the 3rd meeting minutes for 2019 dated on 23/09/19. Among the discussed topics were "Kick-Off Meeting" for contractors, the main door at fertilizer store is heavy, availability of street lamp and etc.

Record of accident for all estates are recorded in JKKP8 form. Bukit Pilah estate has submitted JKKP 8 for calendar year 2018 via MYKKP in Jan'19. There were 14 cases reported but none related to oil palm workers.

First aid kits are available in strategic locations in all the estates audited. The management of St. Helier Estate has provided 18 first aid kits at various locations such as harvester and field up keeping. The HA has a list of recommended contents of First Aid Box as per Guidance on First Aid in The Workplace (2nd Edition) 2004. Sighted the refreshment training of "Basic Occupational First Aid, CPR and AED dated on 16-17/07/18, sampled the attendance certificate of Nor Azlan Bin Abu Bakar.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5 Employment conditions

Indicator 1 The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.

Summary Sighted the Social and Humanity Management Policy at all sampled estates. The policy stated that the company will protect the sense of humanity while ensuring that they are socially beneficial and do not infringe on basic human rights.

"As Such we recognize the rights of our employees, protects the children rights and acknowledge gender privileges as well as the rights of indigenous people, local community and other stakeholders affected by our presence".

There are various training records available to demonstrate the estate workers were briefed on Sustainability Policies which the Human Right Policy communicated.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Based on the interview on site, sighted that the workers are not discriminated between the foreign workers and local workers.

Sighted the policy sounds "all the employees should be treated fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and/or age.

The policy also stated that the policy will ensure that any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Sighted the pay slip for month Aug & July 2019. The pay slip for of 6 workers from St. Helier estate observed and the estate had given the pay slip to all the workers every month. Based on the sampling taken, the estate had given more than RM 1100.00 as per Minimum Wage Order Amendment 2018 [RM 1100.00] effective from 01/01/2019. or each of employee. Total of 6 samples for General Workers who are multi-tasking (rubber and oil palm) shown that all the workers received salary with amount of more than RM,100.00.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Contractor's worker's wages in St. Helier Estate to be observed from time to time. The auditor has verified the RSKP Brothers (FFB contractors) payment vouchers for Oct'19 at which the salary seen above RM 1100.00. As for Bukit Pilah Estate, the estate on ad hoc basis engaged FFB Transportation from estate to mill. The contractor and his workers are local receives payment timely.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary The workers list had been divided into worker's ID no, name, date joining the company, nationality, date of birth every worker, work permit expiry, job description and etc. Based on the list of workers in Bukit Pilah Estate, it was verified that the workers are more than 18 years old (youngest, born in 1998). The worker's database stated the Offered Position, Personal Details, Date Employed, Educational background and Family Data.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Agreement contract for all the estate workers employed available in estate office as sighted during the audit. Auditor has taken samples contract agreement for Indonesian and Indian workers and no non-conformities were found. The minimum wages rate is Rm 1100.00 (6 days' work = RM 42.31) which hourly to RM 5.29.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

Summary Sighted the evidence of the overtime pay and how it being recorded. There is evidence of 'working overtime' normal days and 'working overtime' rest day stated in the pay slip.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 8 The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.

Summary Working hours related to all employees has been recorded in the pay slip of workers. Sighted also the overtime books and filing system that record all the workers name that involved in the estate in monthly basis.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

Summary Sighted the rest day payment made at a rate which is not less than two times of the worker's hourly rate of pay, and public holiday paid at a rate of not less than three times worker's hourly rate of pay. Sighted the pay slip of workers available and documented pay slip is following the regulations and collective agreement as per sighted in MAPA / NUPW agreement.

Deduction is done for Socso, normal advance, NUPW and insurance. Based on the pay slip verified that the breakdown of each workers has been clearly shown as followings:

- Overtime – normal
- Overtime – rest day
- Public holiday – work

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 10 Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.

Summary Based on the interview with the management, the workers given defray expenses that include phone reimbursement every month of RM 5, and bus fare to hospital had been covered. Sighted also the attendance incentive / outturn incentive for the workers.

The company also provides Socso for the foreign workers, price bonus from working in holidays and weekend, water supply to the housing area, medical for the workers [include medical examination at qualified hospital or medical assistant made by the company. Seen the estate provides free accommodation for the workers, festival token for the workers (Hari Raya, Deepavali), RM 100.00 per employee and etc.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

Summary Based on the site verification conducted in all the estates, sighted the housing area including the worker's courtyard for activities available. The worker's house sighted with 3 bedrooms, a bathroom and a kitchen. Based on the foreign worker's employment contract they are eligible for accommodation with basic necessities upon arrival.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.

Summary Sighted in the minutes meeting of gender dated on 25/07/19 conducted in St. Helier Estate. There were 13 attendees including the chairman, secretary, and members of the committee. Sighted from the meeting minutes, there was no any sexual harassment, domestic violence and grievances by female workers. Interview with female staff at Kok Foh Estate office, found the estate management encourage the female workers participate in the gender activities.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

Summary The estate management in Sime Darby Plantation encouraged their workers to exercise their freedom to join trade union. Sampled the workers payslip (Bukit Pilah Estate) of Amir Seikh (J1014012), Hendri (AT944238) and Karan Singh (M7845407) deducted of RM 11.00 monthly for NUPW. Sighted the minutes of meeting of Union dated on 08/08/19 which was attended by Secretary, IRO and President of NUPW Negeri Sembilan.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

Summary There are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 6 Training and competency

Indicator 1 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.

Summary The management of St. Helier Estate has established an annual training plan for 2019 that consisting of awareness on OSH and environment. Example of trainings are chemical safety management, incident reporting, water quality monitoring and etc.

There are no smallholders associated to this estate. As for the contractors, it is based on the work or service required. Sampled a training / briefing record dated on 20/06/19 to EL Regena Enterprise who been appointed to upgrade of worker's quarters.

Training records also sighted for chemical spillage & emergency evacuation on 26/06/19 attended by 80 workers. Aside, seen training record for refreshment of first aid and basic CPR dated on 04/10/19 attended by 15 workers and staff.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

Summary The training needs are normally based on the needs by workers, legal requirement or new recruitment. Example, for OSH a basic training needed for new employee, PPE training is being internalized as part of work and regular awareness trainings are provided.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Competence, Awareness and Training seen documented in Estate Quality Management System Manual page 2, Section 6, sub-section 6.2 issued on 01/11/08.

The management of St. Helier Estate has established an annual training plan for 2019 that consisting of awareness on OSH and environment. Example of trainings are chemical safety management, incident reporting, water quality monitoring and etc.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

Indicator 1 An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

Summary The company has established "Environmental Management Policy" which last updated on January 2015 and signed by company Managing Director Datuk Franki Anthony Dass. The policy has statement on its commitment to complying with statutory, legal and regulatory requirements. Sime Darby Plantation policies are publicly assessable from its website <http://www.simedarbyplantation.com/sustainability/beliefs-progress/governance/sustainability-policies>.

The company has established environmental movement system and plan based on ISO 14001:2004 as sighted from "Sustainable Plantation Management System" manual version 1, 2008. The manual covers both palm oil operation and as well as rubber plantation. St. Helier estate has conducted environmental aspect and impact (EAI) assessment for its activities as sighted from the latest EIA register. The EIA register was last reviewed on 10/07/2019 by the Estate Assistant and Manager. The EIA has covered all key operations with 67 breakdown activities of the estate. Key process (area) assessed are main entrance, estate compound, petrol/diesel, store, schedule waste, workshop, weeding/spraying, FFB Transportations, manuring, harvesting and collecting, etc.



In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The environmental management plan shall cover the following:
a) An environmental policy and objectives;
b) The aspects and impacts analysis of all operations.

Summary For Bukit Pilah Estate, environmental objectives for estates on following areas:

- Biodiversity & Conservation: Zero encroachment
- Waste generation: Waste Recycling program + Baseline data development for 2020

The assessment of estate's environmental aspect and impact are recorded in "Environmental aspect and Impact Form". For each of the activity identified the estate has stated its Environmental load item (environmental aspect), environmental impact numbering and classification and legislation impact.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

Summary The company has established Environmental Impact Evaluation (EIE) to evaluate environmental impact that been identified in the "Environmental aspect and Impact Form". the environmental impact evaluation consists of rating selected criteria.

The management of Bukit Pilah estate has established pollution prevention plan to mitigate negative impacts as sighted from "Pollution Prevention Plan 2018/2019". The plan has identified type of pollution, source of pollution, action to be taken person in charge and status. Example sighted as follow:

- Type of pollution: Air
- Source of pollution: Pesticide spraying
- Action to be taken: 1. Adjustment of direct spraying, 2. Avoid spraying operation on windy days
- Person in-charge: Asst. Manager, Mr Prasad

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 A programme to promote the positive impacts should be included in the continual improvement plan.

Summary The management of St. Helier estate has established continual improvement plan which includes environmental improvement. One of the environmental improvement plans identified by the estate is water reduction plan dated 09/02/2019 prepared by estate assistant and verified by estate manager. The plan includes rainwater harvesting, water sump at chemical premix area and self-awareness to workers water usage.

As for Bukit Pilah Estate, the management has established continual improvement plan which specified in estate's environmental management programme for year 2018/2019.

The continual improvement includes Objective, Action plan, PIC and record of monitoring. Example sighted includes:

- Objective: Maintain good buffer zone
- Action Plan: 1. To train /retrain sprayers and manurers not to do any chemical related activities works at the area. 2. Ensure signage and demarcation are clear. 3. Monitor the area for bare/eroded bank.
- PIC: Mr Affendi & Mr Megalan

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 5 An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives of the environmental management and improvement management plans and are working towards achieving the objectives.

Summary Environmental awareness training are conducted by St. Helier Management together with environmental policy briefing as sighted records of policy briefing given to estate employees on 02/01/2019 attended by 69 workers and on 07/01/2019 attended by 33 workers. As for Bukit Pilah Estate, policy briefing given to estate employees on 05/10/2019 attended by 75 workers.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 6 Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

Summary The management of Kok Foh Estate has quarterly meeting where safety and environmental subjects are discussed. Sighted latest meeting minutes dated 22/08/2019 where discussion details on the subject "Environmental Issues" stated in item no.7 of the report.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2 Efficiency of energy use and use of renewable energy

Indicator 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.

Summary All the estates audited monitor and record its diesel usage for its estate vehicles. Sighted diesel usage record for year 2019 in St. Helier Estate. It has established baseline of 1.35 l/FFB mt. Following are some of the record sighted:

	Diesel (l)	FFB (mt)	l/mt FFB
July '19	1,975	1,533.96	1.29
Aug '19	2,072	1,681.79	1.23
Sept '19	2,032	1,561.45	1.30

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable 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.

Summary All the estates have included diesel usage in its annual budget. For year 2019 Bukit Pilah Estate has been estimated RM 157, 048.15, while for Kok Foh Estate it has been estimated RM 320,721.35.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The use of renewable energy should be applied where possible.

Summary There is no renewable energy application for the estate.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Waste management and disposal

Indicator 1 All waste products and sources of pollution shall be identified and documented.

Summary

- All the estate managements have established waste management programme identifying wastes generated from the estate. It has classified into Scheduled Waste, Recycle Waste, Domestic Waste and Clinical Waste. Sample of are the waste management plan sighted include:

Type of waste: Schedule waste:

- Waste description: Used Lubricant
- Location: Workshop
- Action Plan: Collect and send back to Service Provider

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:
a) Identifying and monitoring sources of waste and pollution.
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary The estate management has established waste management programme identifying wastes generated from the estate. It has classified into Scheduled Waste, Recycle Waste, Domestic Waste and Clinical Waste. Sample of are the waste management plan sighted include:

Type of waste: Schedule waste:

- Waste description: Used Lubricant
- Location: Workshop
- Action Plan: Collect and send back to Service Provider

Type of waste: Recycle waste:

- Waste description: Empty pesticide container
- Location: Divisional store
- Triple rinsing & dispose through appointed contractor

Site visit to estate shows disposal are wastes are done as per the waste management plan.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

Summary The company has established SOP for handling used chemicals at estate. The SOP titled "Schedule Wastes (Hazardous Waste) Management, Document No. SD/SDP/PSQM/(ESH)-ENI dated 26/02/2015. The SOP which is in line schedule waste regulation has specified schedule waste identification, notification, records, inventory, handling of schedule waste at site, SW Store, consignment note, etc.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.

Summary The estate triple rinse empty pesticide containers and dispose them to recycling contractor approved by Ministry of agriculture. Sighted receipt no. 13 for selling empty pesticide container from Bukit Pilah Estate to authorized buyer 'SS Setia Teknologi Enterprise' on 07/05/2019 for disposing 64 pcs empty pesticide containers. Also sighted authorization letter from Ministry of Agriculture dated 07/12/2015, Reference No.JP KRP 207/12/471 JLD VI, which authorizing 'SS Setia Teknologi Enterprise' to collect, store and process empty pesticide containers.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 5 Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.

Summary Domestic waste from St. Helier Estate and Bukit Pilah Estate are disposed by contractor 'BL Balakrishnan Enterprise' as sighted from contract rubbish collection dated 01/09/2019. Domestic wastes are collected 3 times a week from line site, staff bungalow and general building.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Reduction of pollution and emission including greenhouse gas

Indicator 1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

Summary Estates polluting activities are identified and evaluated in its EIA and EIE and pollution prevention plans are in place. (Refer to 4.5.1.1 to 4.5.1.3). Sighted palm GHG Kok Foh Report 2018 prepared using RSPO GHG calculator version 3.01 by company's sustainability department. The calculation involves the mill and all its supply bases. Land conversion, CO2 emission from fertilizer, N2O emission, fuel consumption, crop sequestration, etc. The final emission is stated as 0.2 tCO2e/t FFB.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.

Summary Estate's environmental pollutant identified and assessed using environmental aspect and impact assessment (EIA) and its significant pollutant pollutants are determined using Environmental Impact Evaluation (EIE). Action plan to reduce identified pollutants and emission are specified in respective units pollution prevention plan and waste management plan. (Refer to 4.5.1.3, 4.5.3.1 and 4.5.3.2).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5 Natural water resources

Indicator 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, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary The management of St. Helier Estate has established water management plan titled "Water Management for Year 2018/2019" prepared by estate assistant Mr Ahmad Khairul and approved by Saful Azrul. The plan was last reviewed on 01/07/2019. The water management plan has identified water sources, usage, monitoring and measuring method and frequency, PIC and review status.

In Kok Foh Estate. following record of water analysis done estates river water quality by Sime Darby Research Sdn Bhd.; Test report ref. no. IE862/2019 issued on 20/08/2019. The result shows there is no significant pollution to the river water from inlet to outlet caused by the estate operation.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

Summary During site visit, no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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).

Summary Water harvesting practices are being implemented at terrace planting area where road side pits are constructed to trap surface runoffs during raining.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 6 Status of rare, threatened, or endangered species and high biodiversity value area

Indicator 1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:
a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Summary High Biodiversity Assessment (HBV) for the estate been conducted based on High Conservation Value (HCV) principles using Global HCV Toolkit. The HCV assessment which was conducted from 28/03/2016 to 01/04/2016 has covered the entire Kok Foh Complex including Kok Foh Oil Mill, KOK Foh Estate, Sg. Sabaling Estate, Muar River Estate, Sg. Senarut Estate, Sg. Gemas Estate, St. Hhelier Estate, Bukit Pillah Estate and Pertang Estate. The assessment was carried out by company's PSQM Team from HQ.

The HCV assessment report has identified presence HCV 4 for St. Heilier Estate which is Sg. Muar river reserve area (0.56 Ha) and water catchment area 0.30 ha). For Bukit Pilah Estate, the HCV assessment report has identified presence HCV 4 for its water catchment area at Bukit Pilah Division (4.88 Ha), water catchment area at Kelpin Division (0.80 Ha), water catchment area Sg. Kelamah division (0.26 Ha) and water catchment area at New Rompin Division (2.05 Ha).

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:
a) Ensuring that any legal requirements relating to the protection of the species are met.
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

Summary There is no RTE species identified with the estate.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.

Summary The HCV Assessment report has identified management and monitoring plan for the HCV 4 area identified within the estate which includes following:

- Education and awareness for workers
- Monitoring of water sampling results (Where applicable)
- Ensure no agrochemical are carried out at bordering the water bodies
- Cover any bare soil with planting of vetiver grasses, ground covers,
- Monitoring by photos

All the estate has erected sufficient sign boards near the river riparian zone. During filed visit to Muar River riparian sighted sign board for indicating riparian zone and prohibition of chemical spraying.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 7 Zero burning practices

Indicator 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.

Summary The company commitment zero practices is evident from the adoption of zero burning replanting technique in its Standard Operation Manual. Sighted "Zero burning technique established in the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation. It has stated in the Standard Operation Manual (SOM) Section 5 – Planning, issue No. 1, dated 01.11.2008. It has specified for Replanting areas – the old and uneconomical stands of oil palm and other tree crops are felled and

shredded and left to decompose in situ. During site visit, noted there is no evidence of open burning in estate area as well as at linesite.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary As per interview with Estate Managers, open burning is not the practice by the company. All replanting activities are using the felling and chipping method. The practice is observed during field assessment.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Not applicable as there is no fire been used by the estate for replanting as the company uses method of felling and shredding and left to decompose in situ for clearing old crops.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.

Summary Last replanting for Kok Foh estate was done 2019. The replanting contract was offered to Gunalabor Sdn Bhd (M) in year 2018 with term and condition to clear the land using felling, de-boling, chipping and staking method. During the field visit to replanting area sighted no evidence of fire been used for clearing the land.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.6 Principle 6 : Best practices

Criterion 1 Site management

Indicator 1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

Summary The company has established several numbers of SOPs as sighted during the audit such as:

1. Sustainable Plantation Management System
2. Estate Quality Management System
3. Occupational Safety and Health Manual
4. Standard Operating Procedure

For estate daily operations, the estate is referring to Standard Operating Procedure (Issue No. 1, date 01.11.2018) and Sime Darby Agricultural Reference Manual (Issue: 2011/1). The SOP includes:

1. Planting Material
2. Nursery Techniques
3. Replanting
4. Land Preparation
5. Planting Density
6. Maturity Age
7. Field Upkeep
8. Manuring
9. Canopy Management
10. Water Management in coastal/ peat plantings

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Summary Sime Darby Plantation Berhad has established Slope & River Protection Policy. Approved by Datuk Franki Anthony Dass (Managing Director). Sime Darby Plantation is committed to protecting slope and rivers, emphasized as follows: Slope Protection

- Slopes of >25, must be excluded from any new plantation development and replanting programme.
- For slopes of <25, the existing crop and vegetation shall be maintained accordingly.
- Planting of forest trees for enrichment of the species is recommended.

For area in the estate with slope from 6° to 24°, the company is constructing terrace for oil palm planting. Stop bunds will be constructed (20-meter interval) on the terraces to conserve rainwater and to avoid terrace erosion during raining. As evident in estate Slope Map, there are no areas with slope more than 25°.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 A visual identification or reference system shall be established for each field.

Summary The estate has a visual reference system to identify each field or block. Each field has the signboard with field number, hectarage, Stand per hectare (SPH) and clone type.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2 Economic and financial viability plan

Indicator 1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

Summary Estate business plan sighted during the audit. The budget includes expenditure on OP Mature Upkeep, OP Manuring, OP Harvesting & Collection and Oil Palm Transport. The business plan also includes expenditure for Admin cost, Labour overheads and maintenance of road & bridges. For St. Helier Estate, data sighted:

Year: 2020
 OP Mature area: 754.60 Ha
 FFB: 18,916.16 MT
 Manuring Cost/Unit: RM 1,778.46/ha
 Upkeep cost/unit: RM 373.25/ha
 OP Transport cost/unit: RM 15.73/mt
 Harvesting cost/unit: RM 43.85/mt

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.

Summary Annual replanting program for St. Helier estate documented in Long Range Replanting Program (LRRP) from FY 2019 until FY 2043. For this estate, nearest replanting (Rubber to Oil Palm) will be in FY 67.03 Ha. For Bukit Pilah Estate, no Oil Palm replant planned for the next 5 years. The estate is only going for rubber replanting.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The business or management plan may contain:
 a) Attention to quality of planting materials and FFB.
 b) Crop projection: site yield potential, age profile, FFB yield trends.
 c) Cost of production: cost per tonne of FFB.
 d) Price forecast.
 e) Financial indicators: cost benefit, discounted cash flow, return on investment.

Summary The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.

Summary The cost management is monitored thoroughly by the estate and also by the HQ. All managers are attending Monthly Managers Meeting chaired by CEO (Merlimau Office) to discuss on cost and operational issues. Monthly cost monitoring sighted as per document Cost Variance Report where the estate will have to comment on the

expenditure variance compared to estate monthly and yearly target. Example for over expenditure and comment from St. Helier Estate:

1. Oil Palm Transport (Due to WB service and stamping)
2. Surplus FFB production

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Transparent and fair price dealing

Indicator 1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.

Summary The pricing mechanism for selling of FFB is set by Procurement Department. The estate is only delivering FFB to Kok Foh Mill, own mill.

Sighted latest memo dated 28th January 2019 from Head of Procurement Sime Darby Plantation Sdn Bhd to the FFB Transporter, RSKP Brothers. The memo mentioned on the latest FFB Transportation Rates from St. Helier Estate to Kok Foh Mill. The rates given has been agreed by the contractor. In Kok Foh Estate, sighted copy of Ad-Hoc contract for FFB Transport between the company and Mahin Varrmaa Enterprise (Ref: T/SDPSB/PEN/FFB/0815/007) dated 15.04.2019. The contract period is for 3 months from 01.06.2019 to 31.08.2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.

Summary Payment records from estate to FFB transporter sighted during the audit. The quantity of work done by the contractor is recorded in Contract Form, Document No: 4300480901 dated 01.10.2019. Total amount paid for the FFB Transporter in September 2019 was RM 51,586.46. The payment to contractor released by Sime Darby HQ within 7 days from date of closing of monthly contract.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Contractor

Indicator 1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Summary The MSPO Compliance statement by contractors have been included in Estate Monthly Contract Form. The clause stated that the contractor shall comply with OSHA, EQA, RSPO/MSPO and any other relevant enactment or byelaws pertaining to occupational safety, health and environment or any other subsequent modification or reenactment thereof. This document is signed by contractor on monthly basis.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall provide evidence of agreed contracts with the contractor.

Summary Contract agreement between management of St. Helier Estate and contractor sighted in Agreement on the Transportation of FFB in Peninsular Malaysia between Sime Darby Sdn Bhd and RSKP Brothers dated 01.09.2016. The company later appointed the same company as the ad-hoc FFB Transporter commencing from 1st September 2019 to 28th February 2020.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.

Summary The management agreed and approved with the MSPO auditor by accepting the audit plan which was sent to the person in charge on 25th September 2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 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.

Summary Monitoring of FFB harvested by contractors / gangs are done on daily basis. Sighted daily record of FFB Logbook. Records are based on FFB delivery notes to Kok Foh Palm Oil Mill. Invoices from FFB transport contractor is submitted to estate representative to be verified prior to approval by the estate Manager, thus continue with the payment as agreed.

In Kok Foh Estate, the management will issue "Work Completion Certificate" to the FFB transporter to certify the work has been satisfactorily completed. Sighted the latest issuance dated 30.09.2019 to contractor Mahin Varrmaa Enterprise for transporting 3,215.34 MT of FFB, verified by the Estate Manager.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.7 Principle 7 : Development of new planting

Criterion 1 Oil palm shall not be planted on land with a high biodiversity value

Indicator 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.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 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.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 2	Peat land
Indicator 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.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 3	Social and Environmental Impact Assessment (SEIA)
Indicator 1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 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.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be

managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 4 Soil and topographic information

Indicator 1 Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2 Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

Indicator 1 Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 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.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 3 Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 6	Customary land
Indicator 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.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 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.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 4	The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 7 The process and outcome of any compensation claims shall be documented and made publicly available.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Indicator 8 Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kok Foh Complex.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 2) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 3) The estate management has demonstrated fully commitment during the entire audit process.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 5) Good relationship being maintained with surrounding smallholders and villages.
- 6) Good positive feedback received from internal and external stakeholders.

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
06 th October 2019	TBA	➤ Travelling from Ampang, Selangor to – Bahau, Negeri Sembilan	FB	BS/MM
07 th October 2019	08:00 – 09:00	➤ Centralize Opening Meeting at St. Helier Estate: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	FB	BS/MM
	09:00 – 13:00	St. Helier Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	FB	BS/MM
	13:00 – 14:00	➤ Lunch/Rest	FB	BS/MM
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	FB	BS/MM

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
08 th October 2019	08:00 – 13:00	Bukit Pilah Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, 	FB	BS/MM



		workshop, agriculture best practices, chemical store, and pre-mixing, etc.		
	13:00 – 14:00	➤ Lunch/Rest	FB	BS/MM
	14:00 – 16:00	➤ Continue document review <ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	FB	BS/MM

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
09 th October 2019	08:00 – 13:00	Kok Foh Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	10:30 – 12:30	➤ Estate inspection: <ul style="list-style-type: none"> Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	FB	BS/MM
	13:00 – 14:00	➤ Lunch/Rest	FB	BS/MM
	14:00 – 16:00	➤ Continue document review <ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 3.	FB	BS/MM

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
10 th October 2019	08:00 – 13:00	SOU 16 Kok Foh POM <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	10:30 – 12:30	➤ Mill Inspection: <ul style="list-style-type: none"> Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, 	FB	BS/MM

		Mill Housing, Biogas System, WWTP, Schedule Waste, POME.		
	13:00 – 14:00	➤ Lunch/Rest	FB	BS/MM
	14:00 – 15:30	➤ Continue document review <ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	BS/MM
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	FB	BS/MM
	16:00 – 17:00	➤ Centralize Closing Meeting at SOU 16 Kok Foh POM: <ul style="list-style-type: none"> Chaired by the audit Lead Auditor Welcome and introduction by the Lead Auditor Presentation of findings by the audit team Questions & answers and Final summary by Lead Auditor ➤ End of assessment	FB	BS/MM

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit	
Major Nonconformities:	Non-were raised during this audit.
Minor Nonconformities:	Non-were raised during this audit.
Area of Concern:	Non-were raised during this audit.

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Amir Sekh – Harvester
- 2) Muhamad Arifin – Harvester
- 3) Salamudin – Harvester
- 4) Syukri Yayadi – Harvester
- 5) Safikul Alam – Mandore
- 6) Ehsan - Harvester

External Stakeholders

- 1) FFB Transport contractor
- 2) Lorry Drivers