

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

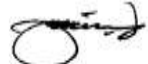


CERTIFICATION AUDIT REPORT


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 03
19th October 2020 – 21st October 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	18/11/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	10/12/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	20/12/2020	Final Report Approved	Md. Jefri bin Sharaai	Certifier	

Acknowledgment by Sime Darby Plantation Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	20/12/2020	Acceptance of the contents	Mr. 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 (ASA 3), the audit team briefed by sustainability member, of the supply base disposition. The source of FFB supplies to Kok Foh POM are from their own estates. Kok Foh POM also receiving certified FFB from other estates, out-growers and other smallholders.

This assessment was conducted onsite on 19th October 2020 – 21st October 2020 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
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Business Address	Sustainability Unit, Group Sustainability & Quality Management, Level 5, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia.
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Contact Person	Madam Shylaja Devi Vasudevan Nair
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Office Telephone	+603 7848 4379
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E-Mail	shylaja.vasudevan@simedarby.com
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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 102.50416	N 2.7846667
2.	Sg. Senarut Estate	Sg. Senarut Estate, 85100 Batu Anam, Johor.	E 102.69244	N 2.576198

3.	Muar River Estate	Muar River Estate, Locked Bag No.503, 85009 Segamat, Johor.	E 102.752252	N 2.574126
4.	Pertang Estate	Pertang Estate, 72300 Simpang Pertang, Negeri Sembilan.	E 102.256968	N 2.971376
5.	Bukit Pilah Estate	Bkt Pilah Estate, 73500 Rompin, Negeri Sembilan.	E 102.51075	N 2.72329
6.	St. Helier Estate	St. Helier Estate, 72100 Bahau, Negeri Sembilan.	E 102.44206	N 2.77562
7.	Sg. Sebalong Estate	Sg. Sebalong Estate, 72100 Bahau, Negeri Sembilan.	E 102.483447	N 2.848867

MPOB License Information

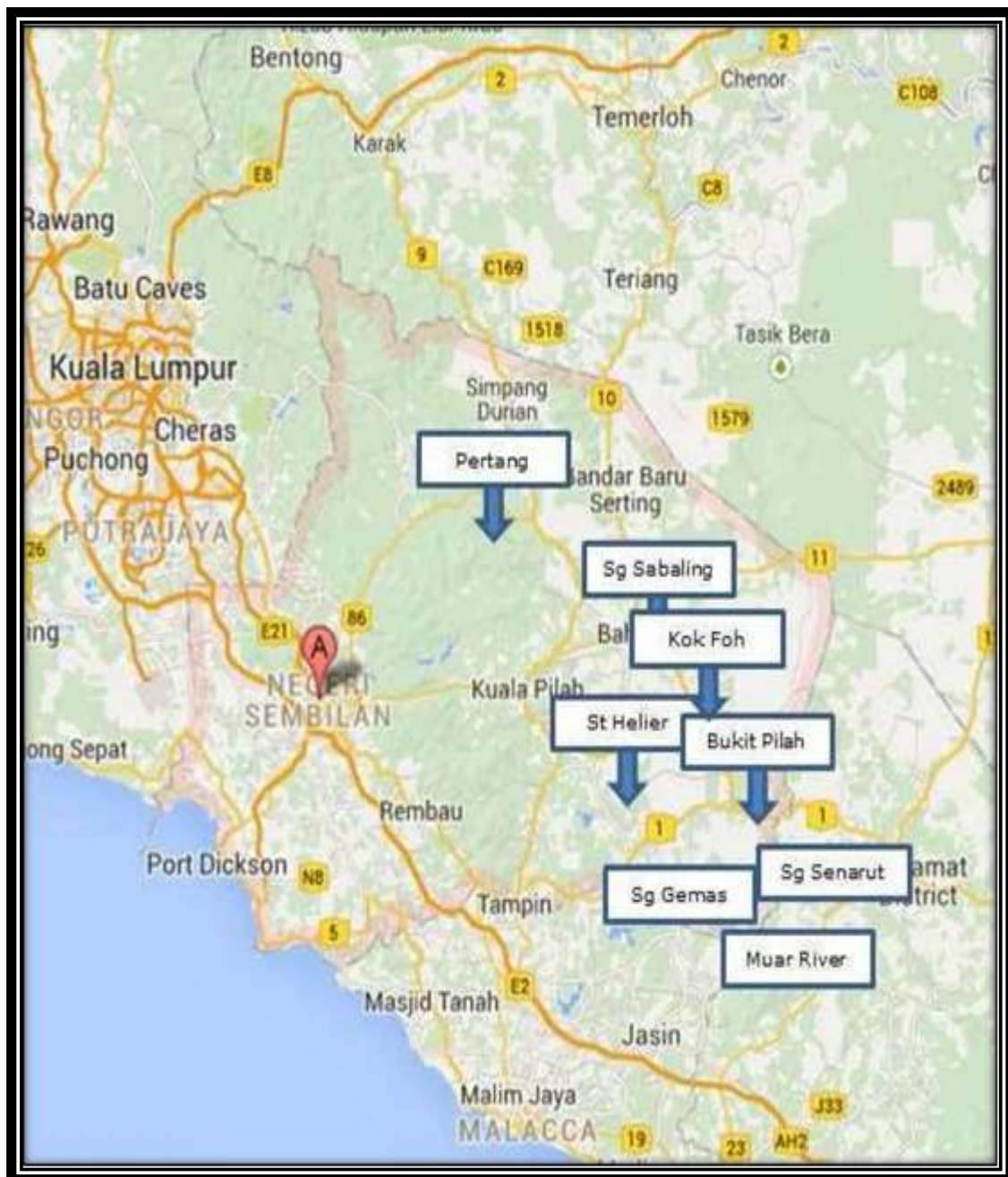
No	Name Of The Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Kok Foh Estate	527424002000	28/02/2021	"Menjual dan Mengalih FFB"
2.	Sg. Senarut Estate • Sg. Gemas Division	571953011000 525990102000	30/04/2021 31/01/2021	"Menjual dan Mengalih FFB"
3.	Muar River Estate	518846002000	28/02/2021	"Menjual dan Mengalih FFB"
4.	Pertang Estate	528526002000	31/03/2021	"Menjual dan Mengalih FFB"
5.	Bukit Pilah Estate	525990102000	31/01/2021	"Menjual dan Mengalih FFB"
6.	St. Helier Estate	524036002000	30/09/2021	"Menjual dan Mengalih FFB"
7.	Sg. Sebalong Estate	525550002000	31/12/2020	"Menjual dan Mengalih FFB"

Others Sustainability Certification

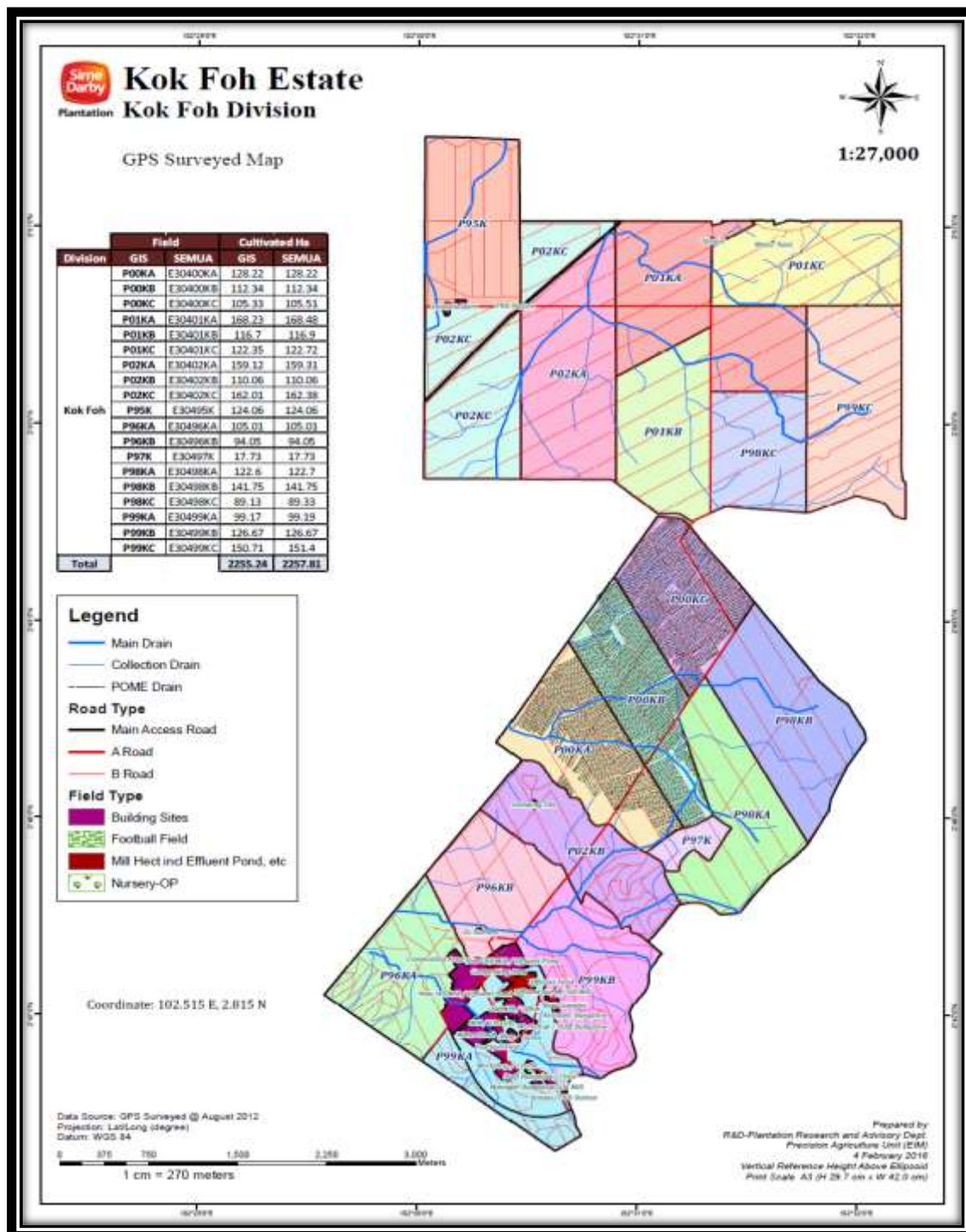
No	Name Of The Site	Others Sustainability Certifications
1.	Kok Foh Estate	Roundtable on Sustainable Palm Oil (RSPO)
2.	Sg. Senarut Estate	
3.	Muar River Estate	
4.	Pertang Estate	
5.	Bukit Pilah Estate	
6.	St. Helier Estate	
7.	Sg. Sebalong Estate	

1.4 Map Showing Geographical Location

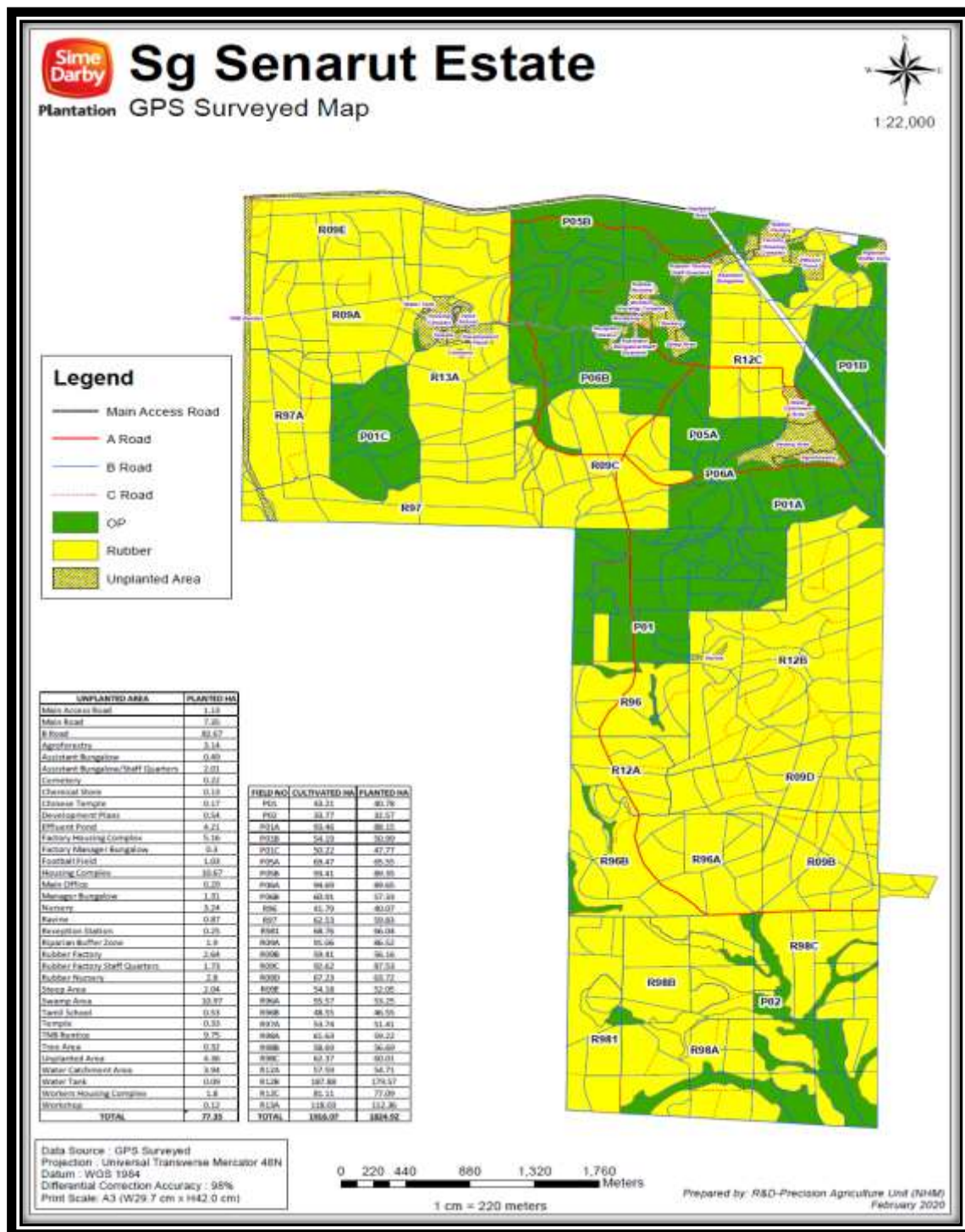
1) SOU 16 Kok Foh [Estates]



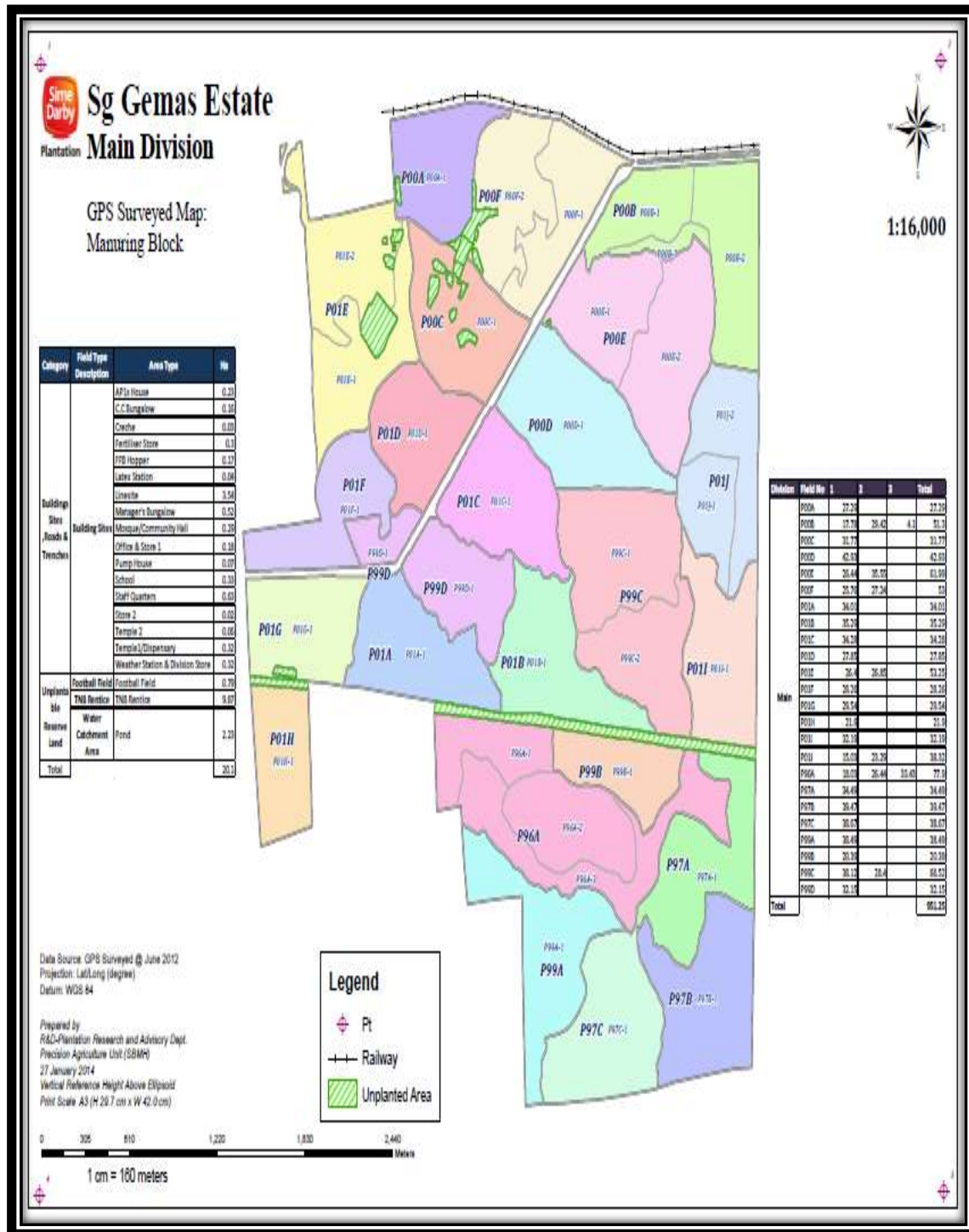
2) Kok Foh Estate



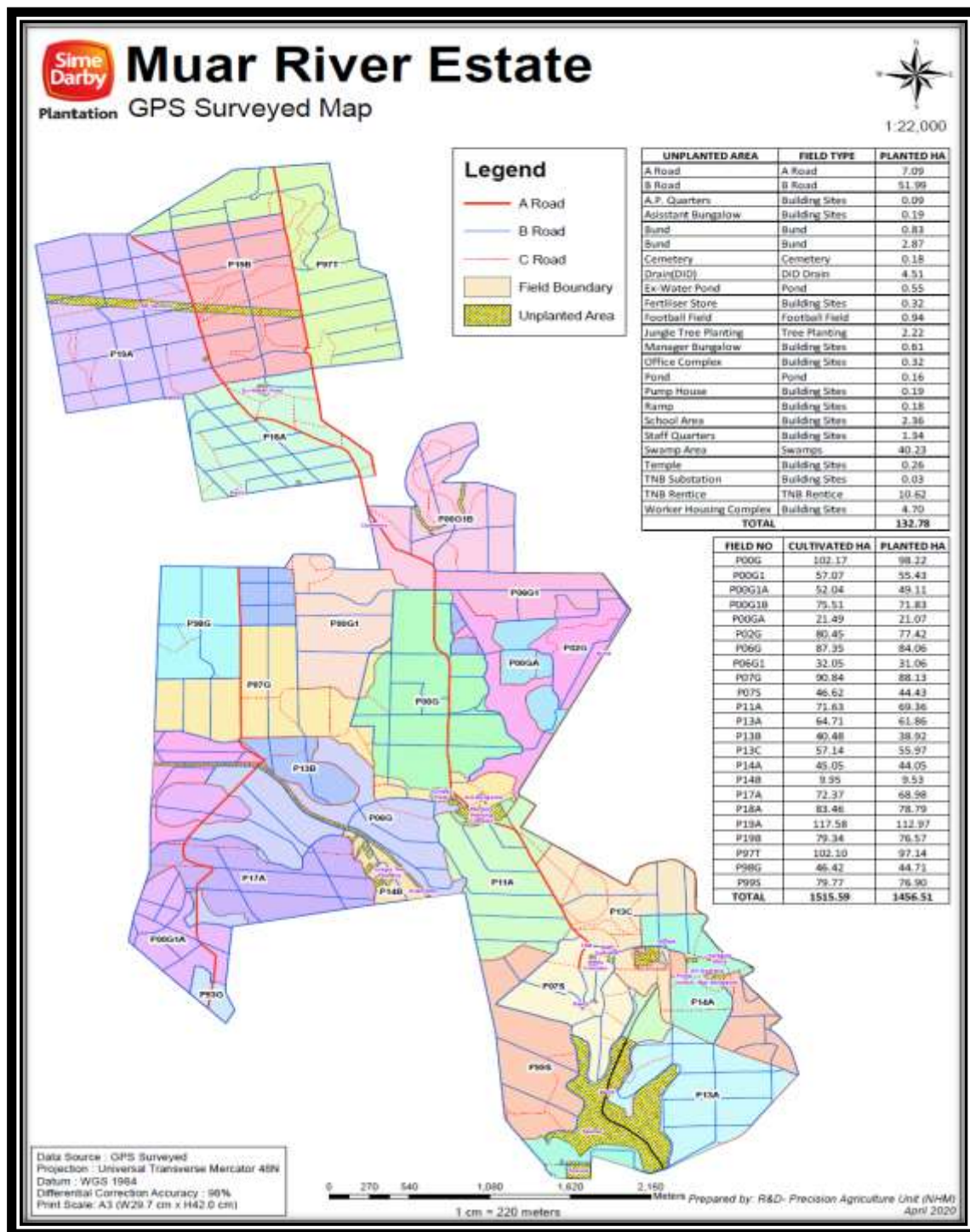
3) Sg. Senarut Estate



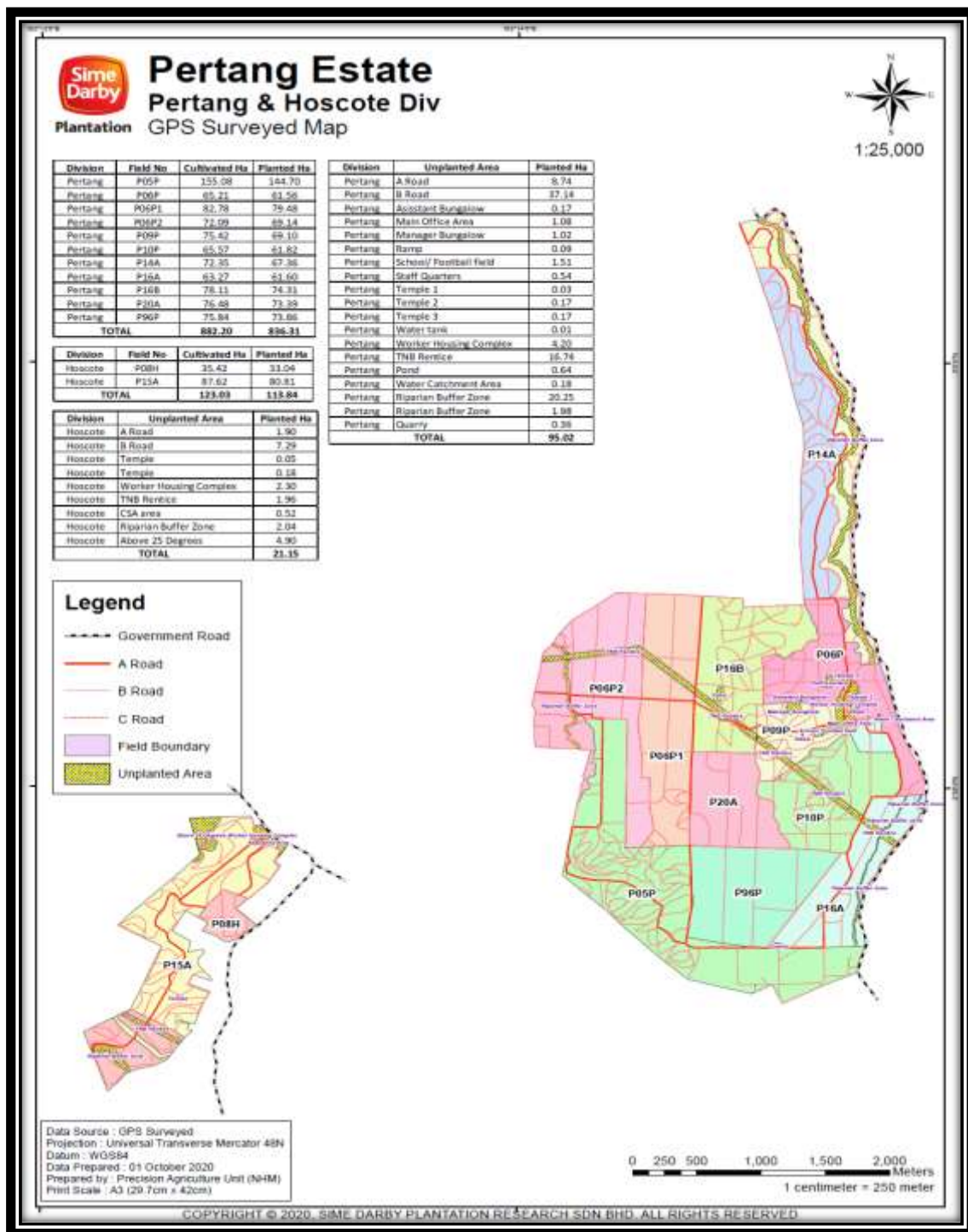
4) Sg. Senarut Estate (Sg. Gemas Division)



5) Muar River Estate



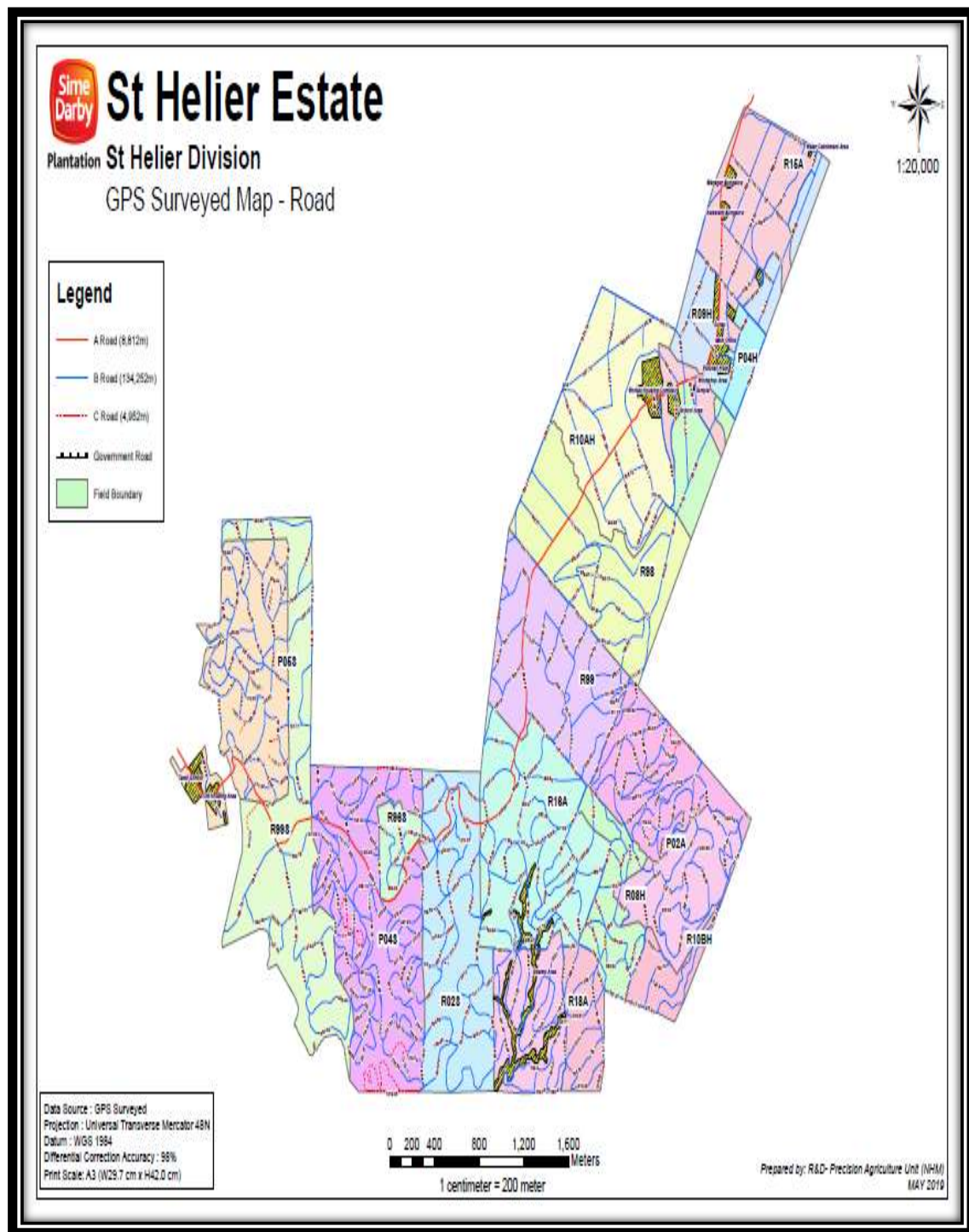
6) Pertang Estate



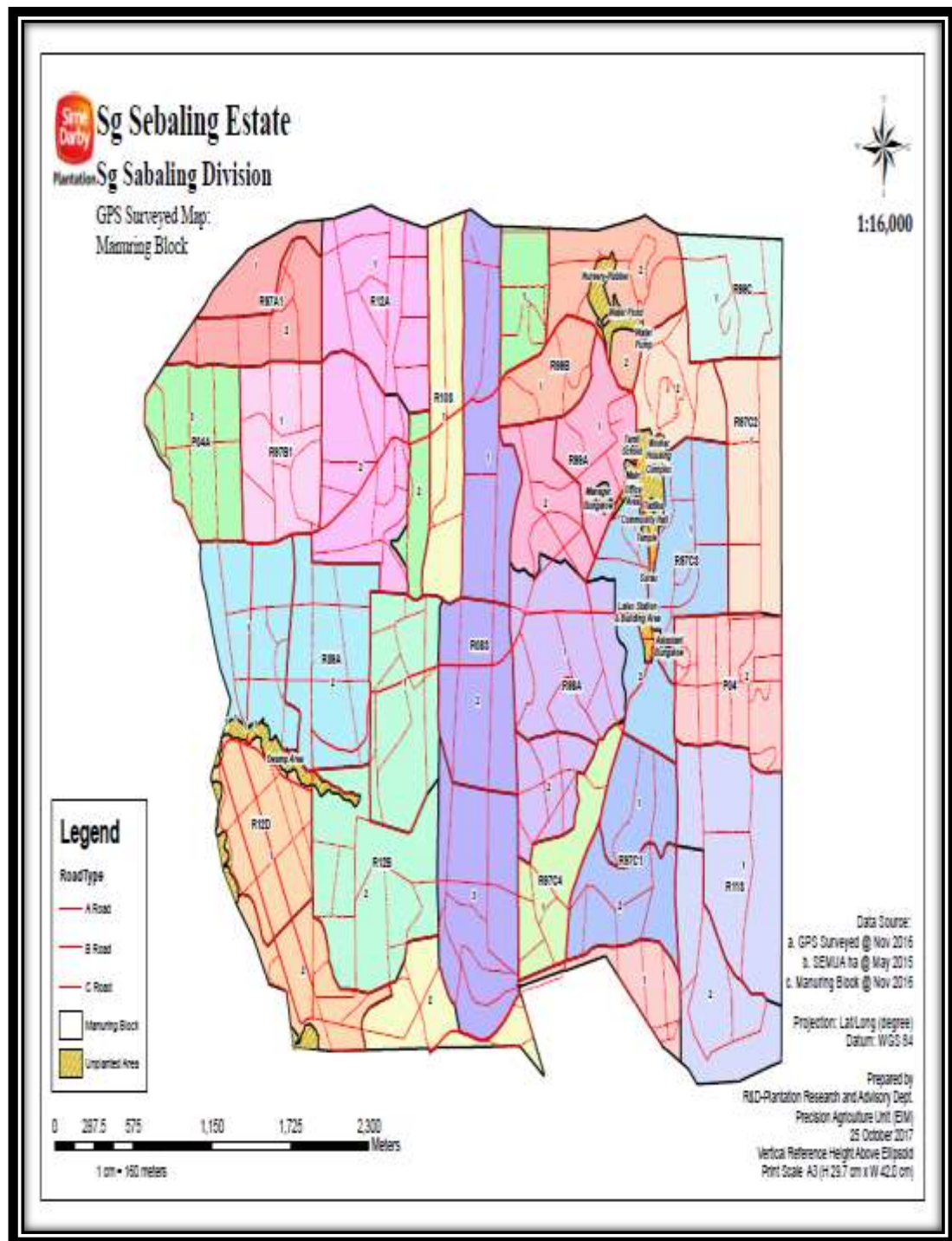
7) Bukit Pilah Estate



8) St. Helier Estate (Home Division)



10) Sg. Sebaling Estate



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	2,275.84	2,133.99	1599.56
Sg. Senarut Estate	2,958.38	1,440.47	1,440.47
Muar River Estate	1,584.62	1,453.55	1,180.45
Pertang Estate	1,053.60	957.43	885.36
Bukit Pilah Estate	3,667.31	629.72	629.72
St. Helier Estate	1,992.65	754.60	754.60
Sg. Sabaling Estate	1,321.40	124.66	124.66
Total	14,853.80	7,494.42	6,614.82
Notes: 1) Kok Foh : Land acquisition for TNB and JKR on Sept 2019 2) Pertang : Land re-survey due to replanting on October 2019 3) Muar River, Sg Senarut& Sg Sabaling: Incorrect declaration of total area of 2019. Above is correct figure extracted from internal system.			

Name of the Certification Unit	Area Summary (HA)		
	Conservation Area	HCV	Others
Kok Foh Estate	0	7.95	0
Sg. Senarut Estate	0	5.720	0
Muar River Estate	0	0.45	0
Pertang Estate	0	0.07	0
Bukit Pilah Estate	0	7.99	0
St. Helier Estate	0	0.86	0
Sg. Sebalang Estate	0	2.56	0
Total	0.00	25.60	0.00

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit [Oct 2019-Sep 2020]	Actual Production for 12 Months [Oct 2019-Sep 2020]	Projected Production for next 12 Months [Oct 2020-Sep 2021]
Kok Foh Estate	31,164.32	31,868.55	32,000
Sg. Senarut Estate	34,582.95	27,225.15	30,000
Muar River Estate	28,870.07	23,218.43	23,000
Pertang Estate	19,531.86	16,994.71	20,000
Bukit Pilah Estate	12,518.95	10,079.26	10,000
St. Helier Estate	15,566.63	17,585.00	19,000
Sg. Sebalang Estate	2,883.74	3,306.97	5,000
Total	145,118.52	130,278.10	139,000



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-02-2018
Initial certificate issued date	20 th December 2017
Certificate expiry date	19 th 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]	19 th October 2020 – 21 st October 2020
Annual Surveillance 4 [ASA 4]	October 2021

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

Graduate in plantation management with more than 7 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Lead Auditor/Auditor in several certification programme. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia, Indonesia, Australia, Pakistan, India, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3rd Batch) held by MPOB. Member of GGC MSPO audit team.

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur and Social Auditing Workshop on year 2019 in Melaka and conducted by Verite

During this assessment, he assessed on the aspect of Transparency, Compliance to Legal Requirements, Stakeholder's Consultation and Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Ismadi bin Hj Ismail**

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of compliance to Management Commitment and Responsibility, Social Responsibility, Health, Safety and Employment Condition. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Mohd Razin bin Bakal**

Graduate in Degree of Accountancy with University Putra Malaysia. Having 17 years of working experience in various field in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administrative, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013, ISO 14001:2015 and ISO 9001:2015 from Sirim Berhad. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Compliance to Legal Requirements, Environment, Natural Resources, Biodiversity and Ecosystem Services and Best Practices. 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). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was applied. Therefore, total numbers of supply based assessed in the audit are 3 estates out of 7 estates.

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.

The Prime Minister, Tan Sri Muhyiddin Yassin did announce that the Recovery Movement Control Order (RMCO) ended 31st August 2020 has been extended for a period of 01st September 2020 until 31st December 2020.

With reference to the Federal Government Gazette (9th June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities.

Majlis Keselamatan Negara (MKN) had issued a Standard Operating Procedure for "Persijilan bagi Agrokomoditi" dated 12th June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

1.9 Audit Plan Information

Audit Date	19 th October 2020 – 21 st October 2020
Name of site(s) visited	1) Muar River Estate 2) Sg. Senarut Estate 3) Sg. Sebalang
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	2	No action requires
Noteworthy /Positive Comments	6	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

During this Annual Surveillance Audit (ASA 3), 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 (Sprayers Gang)	<ul style="list-style-type: none"> They have good understanding about MSPO. They have good understanding about complaint and grievance mechanism. PPE given by company – free. 	No action requires	Positive findings

		<ul style="list-style-type: none"> • They were treated equally with no discrimination based on gender. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,200.00 per month and understand all the deductions being made. 		
2.	Stakeholders B (Harvesting Gang)	<ul style="list-style-type: none"> • Good understanding about MSPO. • They are very happy with the management and hopes to extend their contract. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,200.00 per month and no issue on wages received as well as the deductions made. 	No action requires	Positive findings
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. • They were aware that any complaints or suggestions could be forwarded to the mill/estate management. 	No action requires	Positive findings

		<ul style="list-style-type: none"> The company has good relation with supplier and there is no issue with company's performance. 		
4.	Stakeholders D (Suppliers)	<ul style="list-style-type: none"> Informed that the payment was made promptly. The contract agreement with the management is fair and transparent. The company has good relation with supplier and there is no issue with company's performance He has good understanding about complaint and grievance mechanism. 	No action requires	Positive findings
5.	Stakeholders E (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> There was no discrimination, sexual harassment or violence case reported thus far. The Management is quite supportive on the Committee activities. 	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 especially for SOU 16 Kok Foh [Estates]. All Estate Senior Manager/Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. These sites also assist by Sime Darby Plantation Sustainability and Quality Management (PSQM).

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 (ASA 3).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During Annual Surveillance Audit (ASA 3), 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 facilities that being audited.

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

1.13 Date of Next Surveillance Audit

The first 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 Procedure
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 Sime Darby commitments towards MSPO compliance being established through Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha, Group Managing Director dated 2nd December 2019.

As evidence, the policy was displayed and sighted on the notice board. Sighted training and briefing on the company's policies was conducted to the workers in year 2020.

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

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

Summary The sustainability goals are in line with United Nations Sustainable Development Goals (UNSDG) 2030, which committed to: -

1. Promoting good governance and transparency
2. Contributing to a better society
3. Minimizing environmental harm
4. Delivering sustainability quality

This policy being guided by the commitments spelt out in the Company's: -

1. Responsible Agriculture Charter (RAC)
2. Human Rights Charter (HRC)
3. Innovation and Productivity Charter (IPC)

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 Sime Darby Plantation, Plantation Sustainability and Quality Management (PSQM), Internal Audit Procedures, Doc No: SD/SDP/PSQM/IAP Revision 2 Date 1/11/2017. The internal audit being conducted annually to implement and maintain the respective standard requirements effectively within the Group.

The Management had drawn an Internal Audit Plan and it being carried out once a year to the Estate. The Internal audit conducted by SQM Malaysia & Central East RSQM. Sighted Internal Audit Plan and conducted as below: -

Estate	Date Planned	Date Audited
Muar River	5/3/2020	5/3/2020
Sg Senarut	3/3/2020	3/3/2020
Sg Sebalang	5/3/2020	5/3/2020

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 was planned to be conducted annually. The MSPO Internal Audit for Muar River Estate was conducted on 5th March 2020 by GSQM & RSQM. The team Lead Auditor is Mrs Tharani Malar David and assisted by Co- Auditor, Sharifah Sharina Sharif and Observer, Muhamad Affandi Azela.

For Sungei Senarut Estate, the MSPO Internal Audit was conducted on 3rd March 2020 by GSQM & RSQM. The team Lead Auditor is Mrs Tharani Malar David and assisted by Co- Auditor, Sharifah Sharina Sharif and Observer, Munirrah Majid.

The MSPO Internal Audit for Sg Sebalang Estate was conducted on 5th March 2020 by GSQM & RSQM. The team Lead Auditor is Miss Nadiyah Mohamed Nazri and assisted by Co- Auditor, Rafizamza Jamaluddin and Observer, Afif Adeena Kasim.

The NC's raised as follows: -

	Muar River Estate	Sungei Senarut Estate	Sungai Sebalang Estate
Date report send by GSQM	5/3/2020	3/3/2020	5/3/2020
Major	3	8	3
Minor	3	4	3
OFI	6	5	7
Date Response to GSQM	May 2020	19/3/2020	16/3/2020

All the findings were closed within stipulated timeframe of 2 weeks except in Muar River Estate due to computer system breakdown.

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

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

Summary The internal audit report was documented and made available for management review. As evidence, all findings from internal audit were responded by all estate's management within the acceptable timeframe.

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 procedure for Management Review, Standard Operation Manual, Sub-Section 5.6, dated: 25/5/2015 was established. The frequency for management review needs to be carried out at least once a year.

The Management Review meeting is on Operating Unit basis. The actual meeting date as below: -

Estate	Date of Meeting	No of Participants
Muar River	17/10/2020	10
Sg Senarut	30/06/2020	12
Sg Sebalang	31/1/2020	8

The agendas discussed in the meeting are the following:

- Review of last meeting and confirmation of the minutes.
- Review of status / issue of Input and Output
- Sustainability Management
- Resource evaluation, needs and plan
- Results from system audit
- Changes that could affect the Management Systems
- Recommendation for Improvement
- Other matters

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.

As evidence in Muar River Estate, estate has developed Continuous Improvement Plan year 2020. The plans are:

- 1) To reduce cost of buying new trailer by constructing new trailer by Estate Foreman.

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 As to the date of audit, there is no new technology identified or implemented in all Estates. The current practices continued followed by their own Good Agriculture Practice (GAP). However, Sime Darby has indicated their commitment to continuously improve or create new innovation to optimize field operation.

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 Training to workers in various aspects of plantation management were conducted throughout the year. As evidence, sighted the training programme for year 2020.

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 Sime Darby Plantation Berhad has established Standard Operation Manual (SOM); Sub Section 5.5 – Management Responsibility; Appendix 5.5.3.2 - Procedure for External Communication; Version: 1; Issue: 1; Issued Date; 01st November 2008. The procedure is to be activated when communicating and reporting on estate's quality, safety & health and environment (QSHE) issues with all internal and external interested parties.

Stakeholder Meeting was held on 16th October 2020 at Muar River Estate Meeting Room, attended by 8 participated. The meeting was chaired by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager). There are a few Request/Consultation/Communication from the stakeholders. Among the request:

Mr. Y – On behalf villagers of Taman Suria

- Request
 - "Memohon pihak ladang untuk membuka laluan motosikal di antara ladang dengan Kg. Payalang kerana laluan tersebut merupakan laluan yang digunakan oleh penduduk kampung untuk mencari pendapatan tambahan seperti mencari sayur-sayuran, laluan motorsikal dan lain-lain."
- Response
 - "Pengurus memaklumkan bahawa laluan tersebut akan dibuka untuk kegunaan penduduk kampung yang mencari pendapatan seperti yang dinyatakan dalam surat permohonan dari Ketua Kampung Payalang."

Mr. M – Ketua Kampung Kenangan

- Request
 - "Memaklumkan tiada sebarang masalah atau aduan yang timbul berkaitan dengan pihak ladang dan penduduk kampung. Beliau mengucapkan terima kasih atas jemputan kali ini."
- Response
 - "Pengurus mengucapkan terima kasih kerana dapat menghadiri pada hari ini dan amat berbesar hati supaya hubungan ini dapat diteruskan."

At Sungei Senarut Estate, stakeholder Meeting was held on 2nd July 2020 at Sg. Senarut Estate Meeting Room, attended by 29 participated. The meeting was chaired by Mr. Saiful Azrul bin Abdul Halim (Estate Manager). There are a few Request/Consultation/Communication from the stakeholders. Among the request:

Tentera Darat Malaysia (TDM)

- Communication
 - "Latihan pasukan tentera akan dijalankan dikawasan sempadan ladang dengan hutan simpan Jementah (Lapang Sasar Gemas – Jementah)."
- Response
 - "Pengurusan ladang ambil maklum."

Polis Diraja Malaysia (PDRM)

- Communication
 - "Memaklumkan bahawa Balai Polis Batu Anam bersedia memberi kerjasama untuk memastikan komuniti ladang bebas jenayah."
- Response
 - "Pengurusan ladang mengucapkan terima kasih di atas maklumbalas daripada pihak PDRM."

Meanwhile in Sungei Sebalang Estate, stakeholder Meeting was held on 23rd July 2020 at Sg. Sebalang Estate Meeting Room, attended by 21 participated. The meeting was chaired by Mr. Mohd Hairi bin Khalid (Estate Acting Manager). There are a few Request/Consultation/Communication from the stakeholders. Among the request:

Pengerusi MPKK Kg. Gaddes 8 –

- Request

- "Pembuangan sampah adalah dilarang sama sekali di buat di kawasan jalan utama antara Ladang Gaddes dan Ladang Sg Sebaling bagi menjaga alam sekitar."
- Response
- "Makluman akan disampaikan kepada semua staf dan pekerja ladang."

Balai Polis Ladang Gaddes (RK) –

- Request
- "Setiap pekerja asing yang keluar dari kawasan ladang hendaklah dipastikan mempunyai Salinan passport dan permit yang masih sah dan ditandatangani oleh pihak ladang sendiri. Ini adalah disebabkan, proses penangkapan pekerja tanpa izin sedang giat dijalankan oleh pihak yang berkenaan."
- Response
- "Makluman akan disampaikan kepada semua staf dan pekerja asing."

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.simedarby.com/> including all policies and statements by top management. Specific management document for respective management units 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.

All these documents were sighted in the estate office. Requests for official documents through the estate office will have to go through the Estate Manager.

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 Sime Darby Plantation Berhad has established Standard Operation Manual (SOM); Sub Section 5.5 – Management Responsibility; Appendix 5.5.3.2 - Procedure for External Communication; Version: 1; Issue: 1; Issued Date; 01st November 2008.

The procedure is to be activated when communicating and reporting on estate's quality, safety & health and environment (QSHE) issues with all internal and external interested parties.

Interview with the staff and estate workers confirmed they have been informed and updated during the stakeholder meeting and that they are aware of the above process.

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.

Summary Person in charge for consultation and communication is available. Sighted the appointment letter :

1) Muar River Estate

- The person in charge for consultation and communication agenda is led by Puan Munirrah binti Majid (Estate Assistant Manager) and appointed on 1st June 2020 by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager).

2) Sungei Senarut Estate

- The person in charge for consultation and communication agenda is led by Mr. Muhamad Affandi bin Azela (Estate Assistant Manager) and appointed on 1st January 2020 by Mr. Saiful Azrul bin Abdul Halim (Estate Manager).

3) Sungei Sebalang Estate

- The person in charge for consultation and communication agenda is led by Mr. Muhammad Afifi bin Abdul Wafi (Estate Assistant Manager) and appointed on 1st January 2020 by Mr. Mohd Hairi bin Khalid (Estate Acting Manager).

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.

Summary Sighted latest stakeholder list for Muar River Estate updated on 15th March 2020. Prepared by Puan Munirrah binti Majid (Estate Assistant Manager) and approved by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager).

a) Government / Statutory Bodies

- Malaysian Palm Oil Board (MPOB)
- Department of Safety and Health (DOSH)
- Department of Labour (JTK)
- Department of Environment (DOE)
- Department of Immigration Malaysia
- Social Security Organisation (Perkeso)
- Hospital Segamat
- Balai Polis Buloh Kasap
- SK Buloh Kasap
- SMK Buloh Kasap

b) Non-Governmental Organisation (NGO)

- All Malayan Estates Staff Union (AMESU)

- National Union of Plantation Workers (NUPW)
- c) Service Providers / Contractors / Suppliers
 - Cekap Sepakat Enterprise
 - Lim Beng Kiong
 - MTJJ Enterprise
 - Bayu Emas
 - Cheong Tong Motor
 - Sime Kubota Sdn Bhd
 - Hup Thye Hardware Sdn Bhd
- d) Neighbouring Community /Plantation /Smallholders
 - Kampung Paya Lang
 - Taman Suria Buloh Kasap
- e) Estate Community / Estate Representatives
 - NUPW Member
 - Women's Committee Chairman
 - Temple Committee Chairman
 - Surau Committee Chairman

For Sungei Senarut Estate, sighted latest stakeholder list updated on 01st October 2020. Prepared by Muhammad Syafiq bin Abu Bakar (Estate Assistant Manager) and approved by Mr. Saiful Azrul bin Abdul Halim (Estate Manager).

- a) Government / Statutory Bodies
 - Malaysian Palm Oil Board (MPOB)
 - Department of Safety and Health (DOSH)
 - Department of Labour (JTK)
 - Department of Environment (DOE)
 - Department of Immigration Malaysia
 - Social Security Organisation (Perkeso)
 - Pejabat Perhilitan Daerah Segamat
 - Lembaga Tabung Haji Segamat
 - Hospital Segamat
 - Balai Polis Buloh Kasap
 - SK Batu Anam
 - SMK Batu Anam
 - SRJK (T) Sg Senarut
- b) Non-Governmental Organisation (NGO)
 - All Malayan Estates Staff Union (AMESU)
 - National Union of Plantation Workers (NUPW)

c) Service Providers / Contractors / Suppliers

- Asnita Trading
- Jubimas Enterprise Sdn Bhd
- Saratah Enterprise
- Sime Darby Industrial Sdn Bhd
- Megajaya Engineering & Machinery
- Mycrop Sdn Bhd
- Hup Thye Hardware Sdn Bhd

d) Neighbouring Community /Plantation /Smallholders

- Penghulu Mukim Gemas
- Kampung Paya Lang
- Taman Mina
- Taman Desa India
- Taman Peumahan Rakyat
- Kampung Awat
- Kampung Merigi
- Kampung Lubok Kepong

e) Estate Community / Estate Representatives

- NUPW Member
- Women's Committee Chairman
- Temple Committee Chairman
- Surau Committee Chairman

For Sungei Sebalang Estate, sighted latest stakeholder list updated on 05th January 2020. Prepared by Muhammad Afifi bin Abd Wafi (Estate Assistant Manager) and approved by Mr. Mohd Hairi bin Khalid (Estate Acting Manager).

a) Government / Statutory Bodies

- Malaysian Palm Oil Board (MPOB)
- Department of Safety and Health (DOSH)
- Department of Labour (JTK)
- Department of Environment (DOE)
- Department of Immigration Malaysia
- Social Security Organisation (Perkeso)
- IPD Jempol
- Balai Polis Bahau
- Klinik Kesihatan Bahau
- SMK Tamil Ladang Sg Sebalang
- SMK Datuk Mansur

- b) Non-Governmental Organisation (NGO)
 - All Malayan Estates Staff Union (AMESU)
 - National Union of Plantation Workers (NUPW)
- c) Service Providers / Contractors / Suppliers
 - MLM Loganathan
 - Sri Harish Enterprise
 - MTJJ Enterprise
 - Hup Thye Hardware Sdn Bhd
 - Kee Cheong Hardware
 - Agrolite Sdn Bhd
- d) Neighbouring Community /Plantation /Smallholders
 - Kampung Gadddes
 - Ladang Bahau
 - Ladang Ayer Hitam
- e) Estate Community / Estate Representatives
 - NUPW Member
 - Women's Committee Chairman
 - Temple Committee Chairman
 - Surau Committee Chairman

The requests made will be processed / approved by Estate Sr Manager/Manager or Assistant Manager. Sighted the above request and others as stated in the log book effectively responded by estate management.

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 Sime Darby Plantation Berhad has established Standard Operating Procedure (SOP); Appendix 15 – SOP For Sustainable Supply Chain and Traceability; Version: 2; Issue: 2; Issued Date; April 2019.

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:

- MSPO Certificate number
- Estate name
- Quantity
- Vehicle number
- Driver name

The purpose of this procedure is to establish a suitable identification and traceability of oil palm Fresh Fruit Bunch (FFB) production traceable from the plantation activities till dispatch of Palm Oil Mill.

Sighted FFB flow chart from harvesting designated block to mill weighbridge (tickets), FFB harvesting supervision report, Standard operating procedure, In-field checking, reception and FFB grading.

Verified bunch chit and weighbridge tickets that effectively carries the information of harvested Fresh Fruit Bunches (FFB).

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

Indicator 2 The management shall conduct regular inspections on compliance with the established traceability system.

Summary Estate conduct the inspection on traceability system by daily. After the bunch counter/mandore check FFB at the platform. They will issue the bunch ticket. Then the supervisor/staff in charge will verify all the FFB record.

The regular inspection on compliance with the established traceability through;

- 1) Random check conducted on platform/weighbridge tickets.
- 2) Internal Audit conducted by Sime Darby Plantation Berhad - Sustainability and Quality Management (PSQM).

As evidence, sighted the "Executive Override Staff Verification" for FFB ripeness % Summary May 2020 done by staffs and executives.

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

Indicator 3 The management should identify and assign suitable employees to implement and maintain the traceability system.

Summary Person in charge for traceability is available. Sighted the appointment letter:

- 1) Muar River Estate
 - The person in charge for traceability agenda is led by Puan Munirrah binti Majid (Estate Assistant Manager) and appointed on 1st June 2020 by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager).
- 2) Sungei Senarut Estate
 - The person in charge for consultation and communication agenda is led by Mr. Muhamad Affandi bin Azela (Estate Assistant Manager) and appointed on 1st January 2020 by Mr. Saiful Azrul bin Abdul Halim (Estate Manager).
- 3) Sungei Sebalang Estate

- The person in charge for consultation and communication agenda is led by Mr. Muhammad Afifi bin Abdul Wafi (Estate Assistant Manager) and appointed on 1st January 2020 by Mr. Mohd Hairi bin Khalid (Estate Acting Manager).

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

Indicator 4 Records of sales, delivery or transportation of FFB shall be maintained.

Summary FFB being sell to Kok Foh POM, own mill and being monitored by Marketing Department.

Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and mill).

As evidence:

1) Muar River Estate

- Date Delivery: 12/09/2020
- Weighbridge Ticket No: 15773
- Transporter: Cekap Sepakat Enterprise
- Driver name: Selamat bin Rahmat
- Weight: 10.90 MT

2) Sungei Senarut Estate

- Date Delivery: 16/10/2020
- DN No: 1852
- Driver name: Derakumar
- Weight: 33.00 MT

3) Sungei Sebalang Estate

- Date Delivery: 21/10/2020
- Weighbridge Ticket No: 4285
- Transporter: Sg. Sebalang Estate
- Driver name: Sandip Kumar
- Weight: 6.40 MT

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

List & summary of applicable laws and regulations that are applicable for Malaysia. The Legal Register has been revised and approved by the respective person-in-charge (PIC) and the Estate Manager for the following estates;

Estate	Revision Date	PIC	Manager
Muar River	08/06/2020	Mr. Mohd Nor Subhi bin Zainal Bidin	Mr. Syed Mohd Faezi bin Syed Ali
Sungei Senarut	03/02/2020	Mr. Muhamad Affandi bin Azela	Mr. Saiful Azrul bin Abdul Halim
Sungei Sebalang	01/06/2020	Mr. Muhammad Afifi bin Abdul Wafi	Mr. Mohd Hairi bin Khalid

The list of applicable laws and regulations which consist of documents/ laws that covers the requirements related to MSPO compliance include:

1. Prevention and Control of Infectious Diseases Act 1988, Act 342
2. Occupational Safety and Health Act 1994 (Act 514)
3. Environmental Quality Act 1974 (Act 127)
4. Factories and Machinery Act with regulations 1967 (Act 139)
5. Pesticides Act 1974 (Act 149)
6. MPOB Act 1998 (Act 582)
7. Road Transport Act 1987 (Act 333)
8. Employees Social Security Act 1969 (Act 4)
9. Food Act and Regulations Act 1983 (Act 281)
10. Industrial Relations Act 1967 (Act 177)
11. Trade Union Act 1959 (Act 262)
12. Employees Provident Fund 1991 (Act 452)
13. Human Rights Commission of Malaysia Act 1999 (Act 597)
14. Control of Supplies (Act 122)
15. Employment Act 1955 (Act 265)
16. Electricity Supply Act 1990 (Act 447)
17. Sales Tax Act 1972 (Act 64)
18. Medical Assistant Registration Act (Act 180)
19. Immigration Act 1959/1963 (Act 155)
20. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
21. Workman Compensation Act 1952 (Act 273)
22. Conservation of Environment Enactment 1996
23. Wetlands and Climate Change 1999
24. The UN Convention on Biological Diversity
25. Stockholm Convention on Persistent Organic Pollutants (2001)
26. Rotterdam Conventions on Prior and Informed Consent Procedure for certain Hazardous Chemicals and Pesticides in International Trade (1998)



27. International Labour Organization (ILO) Convention 98 (1949) Right to Organize and Collective Bargaining
28. Personal data Protection Act 2010 (Act 709)
29. Malaysian Anti-Corruption Commission 2009 (Act 694)
30. Whistle blower Protection Act 2010 (Act 711)
31. Environment Protection Enactment 2002
32. Environment Protection (Prescribed Activities) Order 2005
33. Environmental Impact Assessment Order 2005
34. Weights and Measures Act 1972 (Act 71)
35. Wetlands and Climate Change, 1999.
36. Employment Insurance System (EIS) 2017 (Act 800)
37. Minimum Retirement Age Act 2012 (Act 753)
38. Passport Act 1966
39. Children and Young Persons (Employment) Act 1966 + 2018 Amendment (Act 350)
40. Minimum Wages Order 2020
41. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit (Pengisytiharan Kawasan Tempatan Jangkitan) (Pelanjutan Kuat Kuasa) (No.2) 2020
42. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit (Pengisytiharan Kawasan Tempatan Berjangkit) (Pelanjutan Kuat Kuasa) (No. 5) 2020
43. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan – Peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Langkat – Langkah Di Dalam Kawasan Tempatan) (No.7) 2020
44. Perintah Pencegahan dan Pengawalan Penyakit Berjangkit Peraturan – Peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Pengkompaunan Kesalahan – Kesalahan) (Pindaan) (No.7) 2020

One area of concern has been raised. Details as per below:

- 1) Different in hectarage MPOB License against Area Statement and Monthly MPOB Submission.

Estate : Muar River Estate / Sungei Senarut Estate

The different in hectarage declared in the MPOB License against Area Statement and Monthly MPOB Submission as follow;

Estate	No. Lesen	Aktiviti Berlesen	Keluasan Estate – MPOB Lesen	Keluasan Estate – "Area Statement and Monthly MPOB Submission "
Muar River	518846002000	Menjual dan Mengalih	1,481.62 Ha	1,453.35 Ha

Sungei Senarut	522497002000	Menjual dan Mengalih	983.44 Ha	562.14 Ha
Sungei Senarut (Gemas Division)	525990102000	Menjual dan Mengalih	940.00 Ha	878.33 Ha

2) Schedule Waste (SW 404 – Clinical wastes / SW 404 - Clinical wastes (needle) was kept more than 180 days.

Estate : Sungei Senarut Estate

Estate already exceeding the validity period as stipulated in the Environment Quality Act 1974 (Act 127).

"Environmental Quality (Schedule Waste) Regulation 2005; PU(A) 294/2005; Regulation 9 – Storage of schedule waste; No. 5 – Any person may store schedule wastes generated by him for 180 days or less after its generation provided that :

Items SW	Date Generated	Date Disposed	Difference Days till 20 th October 2020
SW 404 – Clinical wastes	12 th March 2020	-	223
SW 404 – Clinical wastes (needle)	12 th March 2020	-	223

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

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

Summary Muar River Estate, the lists of permits / licenses which has to be monitored and updated periodically include;

1. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Perihal Air Compressor Receiver, No Pendaftaran: JH PMT 3068, untuk tekanan Kelumpang 1034.00 kilopascal, Ref No. PMT-JH/20 102772 expiry 03.05.2021.
2. MPOB License No. 518846002000 for Muar River Estate, untuk menjual dan mengalih FFB untuk keluasan 1,481.62 ha for a period of 01.03.2020 till 28.02.2021.
3. Permit Barang Kawalan Berjadual No Siri: J000175, No. Rujukan: JH (SGT)0139/08 PSK for 8190 liter diesel and 200 for petrol industry for a period of 26.02.2020 till 25.02.2021
4. Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 Bagi Tujuan bayaran bil elektrik.
5. Lesen bagi mengutip tol – tol, Rujukan : SUKJ. BKP.Bil 74/4/2 JLP 2 (53). For a period of 01.01.2020 till 31.12.2020

Sungei Senarut Estate, the lists of permits/licenses which has to be monitored and updated periodically include;

1. MPOB License No. 522497002000 for Sungei Senarut Estate, untuk menjual dan mengalih FFB untuk keluasan 983.44 ha for a period of 01.08.2020 till 31.07.2021.
2. MPOB License No. 525990102000 for Sungei Gemas Estate, untuk menjual dan mengalih FFB untuk keluasan 940.00 ha for a period of 01.02.2020 till 31.01.2021.
3. MPOB License No. 571953011000 for Sungei Senarut Estate, untuk menghasilkan dan menyimpan for a period of 01.05.2020 till 30.04.2021.
4. Permit Barang Kawalan Berjadual No. Rujukan: JH (SGT) 0009/99 PSK diesel and petrol industry for a period of 11.09.2020 till 11.08.2021
5. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Perihal Air Compressor Receiver, No Pendaftaran: JH PMT 10509

Sungei Sebalang Estate, the lists of permits / licenses which has to be monitored and updated periodically include;

1. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Perihal Air Compressor Receiver, No Pendaftaran: NS PMT 839, untuk tekanan Kelumpang 1034.00 kilopascal, Ref No. PMT-NS/20 30289 expiry 17.05.2021.
2. MPOB License No. 531655002000 for Sungei Sebalang Estate, untuk menjual dan mengalih FFB untuk keluasan 1,323.39 ha for a period of 01.08.2020 till 31.07.2021.
3. Permit Barang Kawalan Berjadual No Siri: P000446, No. Rujukan: KPDNHEP (KP)05/709/P1999/113 for 11,000 liter diesel for a period of 24.07.2020 till 23.07.2021
4. Lesen Abstraksi Air Permukaan. No. Lesen : BKSA-JPL/700-12/2/1-21/2017/0516 for period of 01.08.2016 – 31.12.2018.
Sighted the "Permohonan Pembaharuan Lesen Abstraksi Air Mentah (Air Permukaan) dated 05.08.2020
5. Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 Bagi Tujuan bayaran bil elektrik.

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 SOP 2.0 (Legal Compliance) has specified any changes to legal requirements are tracked by means of periodic review

and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:

1. Head Office Assignee to identify and register all applicable laws & regulations pertaining to estate / palm oil mill operation.
2. Head Office Assignee to arrange the purchase of the applicable laws & regulations books where possible. Otherwise, downloaded/ soft copy would be used.

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 The person in-charge responsible to monitor and track and update the changes in regulatory requirements stated below;

Estate	PIC	Approval by	Letter Date
Muar River	Mr. Mohd Nor Subhi bin Zainal Bidin	Mr. Syed Mohd Faezi bin Syed Ali	1 st June 2020
Sungei Senarut	Mr. Muhamad Affandi bin Azela	Mr. Saiful Azrul bin Abdul Halim	3 rd February 2020
Sungei Sebalang	Mr. Muhammad Afifi bin Abdul Wafi	Mr. Mohd Hairi bin Khalid	1 st June 2020

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 The copy of land titles is kept in the estate's office and were sighted during the audit, while the original copies were kept at the respective estates office.

For Muar River Estate, the land title details as tabulated below;

No Geren / Title No	Lot No	Title Area (Ha)	Land Acquisition (Ha)	New Land Title (Ha)	Status
GRN 81251	596	1.45		1.45	Freehold
GM 2131	1988	3.46		3.46	Leasehold

GRN 86353	1006	16.38		16.38	Freehold
GRN 96709	842	14.84		14.84	Freehold
GRN 359630	960	11.91		11.91	Freehold
GRN 359647	1645		8.42	344.26	Freehold
GRN 395722	550		3.43	98.34	Freehold
GRN 395723	551	16.54		16.54	Freehold
GM 401	3061	1.45		1.45	Freehold
GM 400	3060	1.44		1.44	Leasehold
GRN 37625	5886		2.29	6.57	Freehold
HSD 58684	1405		5.56	1,066.34	Freehold

Quit Rent – Sighted the Bayaran Cukai Tanah 2020 – Daerah : Segamat

No Resit	Lot	Amount (RM)	Cheque No
0317985	3061	78.00	MBB022017
0317986	19120	148,680.00	
0317983	1988	168.00	
0317984	3060	78.00	
0315109	960	1496.00	MBB022056
0315108	842	1,852.00	
0315107	551	2,077.00	
0315106	550	14,181.00	
0315111	1645	65,573.00	
0315110	1006	2,070.00	
0315112	5886	1,035.00	
0315146	596	225.00	

One area of concern has been raised. Details as per below:

Non-Compliance to National Land Code (Act 56 of 1965) – Section 123 – Imposition of express conditions on land becoming subject to a category under section 54 (1). The land used in the estate diverge from the express condition in the land title.

National Land Code (Act 56 of 1965) – Section 123 – Imposition of express conditions on land becoming subject to a category under section 54;

(1) The State Authority may, in any notification given under section 54 with respect to any area, direct that, as from the date on which any land in the area becomes subject by virtue of the notification to any category of land use specified in the direction, it shall be subject also to such express conditions as are so specified, being conditions relating to any of the matters mentioned in section 121, or as the case may be, 122.

Estate	Land Title No	Lot No	Express Condition	Actual Land Used
Muar River	GM 2131	1988	Cultivation of Rubber	Cultivation of Oil Palm
	GM 401	3061	Cultivation of Rubber	Cultivation of Oil Palm
	GM 400	3060	Cultivation of Rubber	Cultivation of Oil Palm
Sungei Senarut	PN 69899 (PN 14987)	7950	Cultivation of Rubber	Cultivation of Oil Palm
	PN 69900 (PN 14987)	7951	Cultivation of Rubber	Cultivation of Oil Palm

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 The land ownership and actual used of the land as tabulated below:

As evidence:

1) Estate: Muar River

No Geren	Lot NO	Syarat – Syarat Nyata	Owner
GRN 81251	596	Tiada	Sime Darby Plantation Sdn. Bhd.
GM 2131	1988	Tanah Getah	Sime Darby Plantation Sdn. Bhd.
GRN86353	1006	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN96709	842	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN359630	960	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN359647	1645	Tidaa	Sime Darby Plantation Sdn. Bhd.
GRB395722	550	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN395723	551	Tiada	Sime Darby Plantation Sdn. Bhd.
GM401	3061	Tanah Getah	Sime Darby Plantation Sdn. Bhd.
GM400	3060	Tanah Getah	Sime Darby Plantation Sdn. Bhd.
GRN37625	5886	Tiada	Sime Darby Plantation Sdn. Bhd.
HSD58684	1405	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.

2) Estate: Sungai Senarut & Sungai Senarut (Gemas Division)

Title No	Lot NO	Syarat – Syarat Nyata	Owner
PN 69899 (PN 14987)	7950	Getah	Sime Darby Plantation Sdn. Bhd.
PN 69900 (PN 14987)	7951	Getah	Sime Darby Plantation Sdn. Bhd.
GRN 120400	845	Tiada	Sime Darby Plantation Sdn. Bhd.
GM 519 (EMR 4)	1	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.

GM 520 (EMR 5)	2	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.
GM 521 (EMR 6)	42	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.
GRN 83030	374	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN132100 (GRN83033)	1148	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN82728 (GRN4205)	748	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN 81827 (GRN4255)	812	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN529843 (GRN101321)	7958 (952)	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN529842 (GRN101321)	7956 (952)	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN529841 (GRN101321)	7954 (952)	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN529839 (GRN81578)	7961 (1623)	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN529840 (GRN81578)	7962 (1623)	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN327232 (GRN6401)	27	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN134835 (GRN1625)	1625	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.
GRN529835 (GRN80955)	7959 (26)	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.
GRN529836 (GRN80955)	7960 (26)	Kelapa sawit	Sime Darby Plantation Sdn. Bhd.
GRN84667 (GRN14631)	71	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN100240 (GRN14655)	73	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN100241	72	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN82344	171	Tiada	Sime Darby Plantation Sdn. Bhd.

3) Estate: Sungei Sebalang

Title No	Lot NO	Syarat – Syarat Nyata	Owner
GRN 64923	116	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN 64924	117	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN 268986	19464 (LL84)	Tiada	Sime Darby Plantation Sdn. Bhd.
GRN 71595	187	Getah	Sime Darby Plantation Sdn. Bhd.
GRN 14786	445	Getah	Sime Darby Plantation Sdn. Bhd.
GRN 14787	446	Getah	Sime Darby Plantation Sdn. Bhd.
GRN 14788	447	Getah	Sime Darby Plantation Sdn. Bhd.
GRN 14789	448	Getah	Sime Darby Plantation Sdn. Bhd.
GRN 14790	449	Getah	Sime Darby Plantation Sdn. Bhd.

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 The estates boundary is well demarcated with boundary stones surrounding the land. The boundary stone clearly states the GPS coordinate of that particular point. Maps clearly showing the estates boundary were also sighted in the estates office.

As a sample evidence, some of the identification of Boundary markers/stones c/w coordinates determined by the estates are;

Estates	No of boundary Stone	Coordinate
Sungei Senarut	7	BS 1 – 2.55994 / 102.70624 BS 2 – 2.55942 / 102.70600 BS 3 – 2.55880 / 102.70607 BS 4 – 2.55850 / 102.70613 BS 5 – 2.54587 / 102.70613 BS 6 – 2.54214 / 102.70594 BS 7 – 2.53688 / 102.70891
Sungei Sebalang	8	BS 1 – 2.49438' / 102.27421 BS 2 – 2.49426 / 102.29359 BS 3 – 2.50391 / 102.29355 BS 4 – 2.51278 / 102.29358 BS 5 – 2.51284 / 102.29115 BS 6 – 2.51293 / 102.28297 BS 7 – 2.51218 / 102.27225 BS 8 – 2.51119 / 102.27107

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 No disputes have been recorded in all sample estates area. There is no evidence of conflict present in this estate. There is no violence on instigated violence in maintaining peace because company has clear procedures for land conflict.

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 customary land within or surrounding the estates. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.

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 customary land within or surrounding the estates. There are also no land conflict or disputes recorded by the estate. The estate land titles and ownerships are legally identified and documented.

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 conflict or disputes recorded by the estate. The estate land titles and ownerships are legally identified and documented.

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 Sighted main template of Social Impact Assessment for SOU 16 being established on 1st February 2016 – 13th February 2016. The SIA will be reviewed every 5 years.

The SIA analyst of the impact on the following practices:

- 1) Safety and Health,
- 2) Payment procedures to contractors and suppliers,
- 3) Working environment,
- 4) Religious activities,
- 5) Housing complex
- 6) Complaint and Grievances.

No issues raised by stakeholders. The action plan being established based on the identified SIA analysis conducted.

Yearly, the SIA being reviewed on the following issues: -

- 1) To maintain good housing conditions and amenities for employee.
- 2) To maintain good relationship between Management and workers.
- 3) To maintain good relationship between Management and External stakeholders.

The latest review was on 16th October 2020. Seen all the action taken to mitigate the issues highlighted. Person in- charge and records of monitoring also well recorded in the Review Report.

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 Sime Darby has established Plantation Quality Management System, Level 2, Standard Operation Manual Sub –Section 5.5 Management Responsibility Appendix 5.5.3.2 Procedure for External communication, version 1 Year 2008, Issue No 1 dated 1st Nov 2008.

The procedure for handling internal social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.

The mechanism is to enable effective and timely communication with employees and external interested parties.

Under Group policies and authority's GPA No 85 Whistleblowing channels are established to help all stakeholders raise concerns, without fear or retaliation, on any wrongdoing that they may observe in the Sime Darby Group. The statement can be viewed through <http://www.simedarbyplantation.com/>

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.
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Summary The Standard operation Manual under clause 6.3 Timeframe for External Communication has stated: -

1. Within 2 weeks of the date of receipt for communication requiring direct feedback.
2. Within 1 week of the completion of the investigation for communication requiring investigation.

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.
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Summary Muar River Estate has established 3 type of complaints medium: -

1. Complaint Book -Electricity.
2. Complaint Book – Housing Repairs
3. Letter by complainant

Detail of No of Complaints as below: =

	Housing - Repairs	Housing - Electricity	Ketter by Ext. S/H
2019	77	10	0
2020	35	27	0

Sample at Muar River Estate on internal complaint by Sentu No 62 dated 12th September 20108 on faulty fluorescens lamp at hall and room. Seen, the complaint and action being responded within 5 working days on 17^h October 2020.

At Sungei Senarut Estate, detail of no of Complaints as below: =

	Housing - Repairs	Letter by Ext or Internal S/H
2019	13	6
2020	10	11

Sample at Sungei Senarut Estate on internal complaint by Santha a/p Perumal No 298A dated 15th April 2020 on broken monsoon drain and broken door. Seen, the complaint and action being responded within 14 working days on 2nd May 2020.

For Sg Sebalang Estate, detail of No of Complaints as below: =

	Housing - Repairs	Letter by Ext or Internal S/H
2019	10	5
2020	5	5

Sample at Sebalang Estate on External complaint by En. Vallavan dated 10th March 2020 on access through IOI hill is slippery. Seen, the complaint and action being responded within 9 working days on 19th March 2020.

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 For external communication, the management provide the information and the implementation takes place during the stakeholder meetings. At this moment, no negative complaints made by internal/external stakeholders.

As evidence:

- 1) Muar River Estate
 - Seen, Townhall 8.0 session being conducted to all Staffs and workers on 5th September 2020 attended by 140 participants. The briefing was

conducted by Tuan Mohd Syed Faezi bin Syed Ali, The Estate Manager.

- Sighted, the latest stakeholder meeting conducted on 16th October 2020 attended by 8 participants. The meeting chaired by Tuan Mohd Syed Faezi bin Syed Ali, The Estate Manager.
- External Stakeholder Meeting comprising all Estates & Mill under SOU 16 was scheduled in March 2020, however being postponed to November 2020 due to COVID 19 pandemic outbreak.

2) Sungei Senarut Estate

- Seen, Townhall 8.0 session being conducted to all Staffs and workers on 10th September 2020 attended by 56 participants. The briefing was conducted by Tuan Saiful Azrul bin Abdul Halim, The Estate Manager
- Sighted, the latest external stakeholder meeting on Estate Basis conducted on 2nd July 2020 attended by 29 participants. The meeting chaired by Tuan Saiful Azrul bin Abdul Halim, The Estate Manager.
- External Stakeholder Meeting comprising all Estates & Mill under SOU 16 was scheduled in March 2020, however being postponed to November 2020 due to COVID 19 pandemic outbreak.

3) Sg Sebalang Estate

- Seen, Townhall 8.0 session being conducted to all Staffs and workers on 27th August 2020 attended by 246 participants. The briefing was conducted by Tuan Mohd Hairi bin Khalid, The Estate Manager.
- Sighted, the latest external stakeholder meeting on Estate Basis conducted on 12th February 2020 attended by 26 participants. The meeting chaired by Tuan Mohd Hairi bin Khalid, The Estate Manager.

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 Sighted all internal and external complaints filled, responded and the records being maintained for the last 24 months.

No negative complaints made by internal/external stakeholders within last 24 months.

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 All estates are committed and have contributed to the communities. As evidence:

1) Muar River Estate



- Request by SJKT Ladang Muar River dated 8th July 2020 to supply Top Soil for landscaping. The material being supplied on 10th July 2020.
- Donate 30 bottles hand sanitizer and 1500 pcs face mask to Klinik Kesihatan Buloh Kasap in related to Covid 19 Pandemic Outbreak dated 29th April 2020.

2) Sungei Senarut Estate

- Sighted, a donation to Pondok Inabah on repair to Surau roofing and another requirement by the Pondok Inabah dated 29th September 2020.

3) Sg Sebalang Estate

- The estate has celebrated with SRJK (T) Ladang Sg Sebalang on Sambutan 1 Malaysia dated 15th September 2020.
- The estate has donated 3-liter sanitizer and 3 boxes of face mask to Geddes Estate Police Station dated 11th April 2020.

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 group has established Group Sustainability & Quality Policy Statement signed by Mohamad Helmy Othman Basha, Pengarah Urusan Kumpulan on 02.12.2019.

For upstream operation, safety policy as per document "Upstream Malaysia – Health, Safety & Environment (HSE) Policy Statement" signed by Roslin Azmy Hassan, CEO Upstream Malaysia on 01.06.2020.

Sighted, Sime Darby Plantation Berhad has developed Occupational Safety and Health Manual dated 20th August 2008 by Plantation Sustainability and Quality Management Department.

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 group has established Group Sustainability & Quality Policy Statement signed by Mohamad Helmy Othman Basha, Pengarah Urusan Kumpulan on 02.12.2019.

For upstream operation, safety policy as per document "Upstream Malaysia – Health, Safety & Environment (HSE) Policy Statement" signed by Roslin Azmy Hassan, CEO Upstream Malaysia on 01.06.2020.

Sighted, Sime Darby Plantation Berhad has developed Occupational Safety and Health Manual dated 20th August 2008 by Plantation Sustainability and Quality Management Department.

Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC sighted for the followings work operation: -

1. Emergency Response Plan
2. Boundary
3. Census
4. Collection
5. Confine Specification
6. Emergency, Preparedness and response
7. General Work
8. Harvesting
9. Manuring
10. Office operation

11. Pest & Diseases
12. Pruning
13. Emergency, Preparedness and Response
14. Road, Bridge and Culverts
15. Security
16. Supervision
17. Store
18. Transporting workers
19. Waste
20. Weeding
21. Workshop
22. Replanting

The estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes:

As evidence in Muar River Estate:

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Chemical Management	10/2020	10/10/2020
2	Harvesting Competency	8/2020	26/8/2020
3	Defensive Driving Technique	10/2020	13/10/2020
4	PPE Training	1/2020	7/1/2020
5	Trunk Injection	1/2020 & 10/2020	21/1/2020 8/10/2020
6	Noise Regulation	6/2020	29/6/2020
7	HIRARC	1/2020	6/2020
8	Emergency Response Plan	10/2020	10/2020
9	First Aid Training	10/2020	17/10/2020
10	Triple Rinse Training	10/2020	10/10/2020

For Sungei Senarut Estate:

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Chemical Management	1/2020	10/2020
2	Harvesting Competency	3/2020	10/2020
3	Defensive Driving Technique	9/2020	9/2020
4	Trunk Injection	10/2020	10/2020
5	Noise Regulation	2/2020	6/2020 9/2020
6	1 st Aid	10/2020	10/2020

Sungei Sebalang Estate:

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Chemical Management	1/2020	1/2020
2	Harvesting Competency	3/2020	5/2020
3	Manuring Training	6/2020	7/2020
4	Noise Regulation	2/2020	9/2020

During field visit to the Spraying

activity area, sighted the workers have been trained with safety and the workers wear the PPE required by their works.

Sighted records on PPE provided to the workers in the PPE Issuance record for Weeders, Harvester and sprayers. PPE are provided as recommended in the HIRARC available

PPE Issuance and replacement record is made available. As interviewed workers, PPE will be provided by the estate management. Sighted the PPE issuing records for

- a. Sprayer
- b. Manuring operator
- c. Harvester

Seen, Standard Operating Procedure for Chemical Safety Management under Sime Darby Plantation Sustainability and Quality Management (PSQM), Operational Control Procedure, Doc No: SD/SDP/PSQM(ESH)202-OH4 Revision 0, Dated 26th February 2015.

Sighted latest CHRA was conducted for:

1) Muar River Estate

- Sighted, CHRA report dated 1st June 2015 and additional CHRA report dated 1st June to 8th October 2017 reported by Mr. Tan Tiong Ping HQ/03/ASS/00 (160).
- The new CHRA was conducted on 9th June 2020 by En. Nor Khairunnisa Liyana binti Ahmad, HQ/15/ASS/00/363-2020-055., however yet to obtained the result.
- Sighted latest medical surveillance done at Dr. Ling Kay Kwong for Sprayer, Workshop Attendant, Driver, Workshop Attendant and Store Clerk which examined on 10th July 2020.
- Based on remarks, a total of 27 workers have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray. All the workers are fit for works.

2) Sg. Senarut Estate

- Sighted, CHRA report dated 3rd July 2015 and additional CHRA report dated October to 8th October 2017 reported by Mr. Tan Tiong Ping HQ/03/ASS/00 (160).
- The new CHRA was conducted on 9th June 2020 by En. Nor Khairunnisa Liyana binti Ahmad, HQ/15/ASS/00/363-2020-055. However, yet to obtain the result.
- Sighted latest medical surveillance done at Dr. Ling Kay Kwong for Sprayer, Workshop Attendant, Driver, Workshop Attendant and Store Clerk which examined on 18th Feb 2020.
- Based on remarks, a total of 12 workers have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray. All the workers are fit for works.

3) Sg. Sebalang Estate

- Sighted, CHRA report dated 1st June 2015 and additional CHRA report dated 1st June to 8th October 2017 reported by Mr. Tan Tiong Ping HQ/03/ASS/00 (160).
- The new CHRA was conducted on 27th July 2020 by En. Nor Khairunnisa Liyana binti Ahmad, HQ/15/ASS/00/363-2020-055., however yet to obtained the result.
- Sighted latest medical surveillance done at KLINIK Raja and Surgeri for Sprayer, Workshop Attendant and which examined on 22nd July 2020.
- Based on remarks, a total of 8 workers have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray. All the workers are fit for works.

OSH Committee Chart 2020 sighted. Seen, letter of appointment for committee members in the file. Estate Manager is the Chairman of OSH Committee. As evidence:

1) Muar River Estate

- Person in-charge of OSH is Mr. Syed Mohd Faezi bin Syed Ali, the Manager appointed on 1st November 2018 signed by Tuan Zulkifli Md Isa.

2) Sg. Senarut Estate

- Person in-charge of OSH is Mr. Saiful Azrul Abdul Halim, the Manager appointed on 1st January 2010 signed by RCEO, Mr. Rozli Alwi

3) Sg. Sebalang Estate

- Person in-charge of OSH is Mr. Mohd Hairi bin Khalid, the Manager appointed on 2nd January 2020 signed by Tuan Zulkifli Md Isa.

Sighted an OSH Meeting minutes are recorded. The meeting to discuss all issues regarding worker's safety and health. As evidence in Sg Senarut Estate, the committee meeting has been conducted as follows: -

1) 4th September 2020

- 2) 9th June 2020
- 3) 11th March 2020

Accident reports for 2019 has been discussed in OSH Meeting. Two majors' accidents recorded in 2019. Evidence an accident investigation report during harvesting operation for both cases. Seen, the root cause analysis, review of HIRARC and recommendation for action plan being discussed in the Investigation Report.

Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.

The first aider for the Sg Sebalang Estate is En. Mohd Yunus bin Rajab. He has attended the training on Lembaga Pendaftaran Pembantu-pembantu Hospital Estate, Registered No Q 1913 dated 3rd August 2006. Estate did establish List of First Aid Kit (Distribution List of First-Aid Kits). Each 1st Aid Kit is handled by a respective appointed person.

No expired item nor oral medication was found in the first aid box.

Records of all accidents are available and discussed quarterly during OSH Meeting., accident is handled according to the national OSH department (JKKP) includes reporting any accident case, investigation and calculation of LTA.

Estate has submitted JKKP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. As evidence:

- 1) Muar River Estate - JKKP 8 was submitted on 21st January 2020
- 2) Sg. Senarut Estate - JKKP 8 was submitted o 8th January 2020
- 3) Sg. Sebalang Estate - JKKP 8 was submitted on 24th January 2020

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	<p>Sime Darby has established Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha; Group Managing Director dated 2nd December 2019.</p> <p>Human rights element being spelt out under the followings: -</p> <ol style="list-style-type: none"> i. Human Rights Charter – Clause 3.2, We respect the rights of our employees, our workers in our operations and our communities through our commitments which include, but are not limited to: <ul style="list-style-type: none"> • Providing equal opportunities • Respecting freedom of association • Eradicating any form of exploitation • Ensuring favorable working conditions

- Enhancing safety and health
 - Respecting community rights and the rights of indigenous people
 - Protecting the Rights of vulnerable people
 - Protecting the rights of children
 - Eliminating violence and sexual harassment
- ii. Responsible Agriculture Charter – Human Rights and Social Development Commitments Clause 2.1, Respect Human Rights & empower communities and Clause 2.2 Protect Labor standards and enhance employment conditions.
- iii. Sime Darby Plantation Group, Vendor COBC dated 30th May 2018 under Clause 5, Labor and Human Rights.

Communication of all the policies to workforce is through Town hall, training and during muster call. Seen, the communication to External Stakeholders through the Stakeholder Meeting.

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 Sime Darby has established Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha; Group Managing Director dated 2nd December 2019.

Human rights element on discriminatory practices and equal opportunity being spelt out under the followings: -

- 1) Human Rights Charter
- 2) Responsible Agriculture Charter
- 3) Responsible Agriculture Charter

Sime Darby Plantation Berhad, Non-Discrimination And Equal Opportunity Policy stated in Sime Darby Plantation Human Rights Charter under 3.2 Respect and Uphold Labour Rights, 3.2.5 Promoting diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.

Based on worker employment master record, there are mixed of India, Nepal, Bangladesh and Indonesia foreign workers lives and work with local employees. Interview with office staff and general workers whom mentioned their job selection process was fair and transparent.

This policy is available in English and Malay displayed at the mill and estate office wall and notice boards.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in both Estates.

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 Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2020 (Act 732) Malaysian minimum salary is RM 1,200.00 as stated in the guidelines.

Rate of pay is based on MAPA / NUPW Agreement Salary Scale as seen in the Contract Agreement and pay-slip. All the workers are under Estate pay-roll system. Sample taken on the workers below: -

- 1) Muar River Estate.
 - Sainur – C7117255 – Indonesian
 - Hasbulloh – AT 975816 – Indonesian
 - Lukman Hakim – C4613394 – Indonesian
 - Mohammad Shabuj – BN0011717 – Nepalese
 - Miya Sentu – BP0912383 – Nepalese
 - Jeevan Kumal – 08390214 – Indian
 - Nemaï Das – N2657728 – Bangladeshi
 - Pramod Kumar – P7983476 – Bangladeshi
- 2) Sungei Senarut Estate.
 - Nalam – C 1195975 – Indonesia
 - Fajer Ali Mondal – N 2653885 – Bangladesh
 - Mohammad Sajib Kazi – BN 0602344 – Bangladeshi
 - Zaileha Bt Awang – 660521-01-6002 – Malaysia
 - Hadi – C 5743128 – Indonesian
 - Habibul Mondal – N 0476267 – Bangladesh
 - Imran ali – P 3333003 – Indonesia

Evidence of workers salary as listed herein:

- Nalam
- Passport Number: C1195975
- Payslip July 2020
- Harvesting Wages (25days) = RM 1,754.41
- Price Bonus = RM107.50
- Holiday Pay = RM 84.00
- Productivity Incentive = RM 85.00

- SGP Normal Days = RM192.25
- Monthly Earnings = RM 2,223.16
- Allowance
- Yearly Harvester Incentive = RM400.00
- Phone reimbursement – RM5.00
- Total Nett Salary – RM 2,628.16

3) Sg. Sebalang Estate.

- Molla Akasuddin – M 4658506 – India
- Shibsankar Roy – R 5503043 – India
- Yadav Rambriksh – L 3107380 – India
- Abdul Rasid Seikh – M 5109028 – India
- Abdul Karim Mondal – K 5214006 – India
- Jamsed Mandal – K 1487298 – India
- Tota Mondal – M4315821 – India
- Munahar – AT 911326 – Indonesia
- Saharudin – AU001752 – Indonesia

All the salary being paid through bank.

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 The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2020'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,200.00 as stated in the guidelines.

As evidence:

1) Muar River Estate:

Sighted the Contract Agreement between Ladang Muar River and Cekap Sepakat Enterprise for transporting FFB signed on 01.03.2020 valid until 30.6.2020 and Adhoc FFB Transport Contract from 1/7/2020 until 30/9/2020.

Seen, Agreement between the Contractor and his workers, Mr. Kaliappan a/l Ramasamy– 690105-01-6123 and Mr. Zambre bin Samsi – 660225-01-6171. Salary being paid in timely manner. The salary voucher for July, August, September were well documented in the Estate office

Sighted, contribution of EPF, SOCSO and SIP being paid on monthly basis

2) Sungei Senarut Estate

Sighted the Contract Agreement between Ladang Sungei Senarut and Rajnikanth a/l Parasuraman, Mahin Vaarma Enterprise for transporting FFB, signed on 01.7.2020 valid until 30. 09.2020

Evidence, the Invoice No 4300517745 dated 3rd October 2020 on Transport of FFB to Mill for September 2020 amounting RM 19,586.05. Payment being made through HQ dated 3rd October 2020.

Seen, Agreement between the Contractor and his workers, Mr. Deviakumar a/l S. Chenderen– 831227-05-5573. Salary being paid in timely manner. The salary voucher for July, August, September were well documented in the Estate office.

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 Sime darby has established Check-roll Employee Listing system for all data of their workers.

Sighted at Sg Sebalang , Sungei Senarut and Muar River Estate the Personal Particulars data for all the workers in The Check-roll Employee Listing. The report 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 Employment contract stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. The contract is in their origin country languages or English. as it is easy to be understood by workers.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of Malaysian, Bangladeshi, Indian, Nepal and Indonesian. Sample taken on the workers below: -

- 1) Muar River Estate.
 - Sainur – C7117255 – Indonesian
 - Hasbulloh – AT 975816 – Indonesian
 - Lukman Hakim – C4613394 – Indonesian
 - Mohammad Shabuj – BN0011717 – Nepalese
 - Miya Sentu – BP0912383 – Nepalese
 - Jeevan Kumal – 08390214 – Indian

- Nemai Das – N2657728 – Bangladeshi
- Pramod Kumar – P7983476 – Bangladeshi

2) Sungei Senarut Estate.

- Nalam – C 1195975 – Indonesia
- Fajer Ali Mondal – N 2653885 – Bangladesh
- Mohammad Sajib Kazi – BN 0602344 – Bangladeshi
- Zaileha Bt Awang – 660521-01-6002 – Malaysia
- Hadi – C 5743128 – Indonesian
- Habibul Mondal – N 0476267 – Bangladesh
- Imran ali – P 3333003 – Indonesia

3) Sg. Sebalang Estate.

- Molla Akasuddin – M 4658506 – India
- Shibsankar Roy – R 5503043 – India
- Yadav Rambriksh – L 3107380 – India
- Abdul Rasid Seikh – M 5109028 – India
- Abdul Karim Mondal – K 5214006 – India
- Jamsed Mandal – K 1487298 – India
- Tota Mondal – M4315821 – India
- Munahar – AT 911326 – Indonesia
- Saharudin – AU001752 – Indonesia

All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed through interview with workers from the estate and also through verification of contracts of service and pay slips of workers.

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 Working hours is 8 hours. From Monday to Saturday. The overtime maximum is 104 hours according to Malaysian Law.

Seen the working hours being displayed at the notice board. The office will be working from 8.00 am to 5.00pm and break time at 1.00 pm to 3.00 pm. The workers are from 6.30 am to 2.30pm.

Estate has used pocket check roll as a working time recording system.

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 The working hour and break time has been clearly stated in the Employment Contract.

Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

There is no complaint received regarding payment or are forced to work overtime during site interview.

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 Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.

Documented payslip was distributed to individual workers on the day of payment.

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 All workers have been provided with medical and accident insurance.

With regards to local and foreign workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

All workers are provided with housing facilities at workers linesite. Medical Assistant is responsible to carry out the monitoring at workers quarters.

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 All workers are provided with housing facilities at workers linesite. Water is provided free and electricity is borne by workers. Sanitary and waste disposal is managed by estate.

Welfare Amenities: Surau, School, Temple, Football Field, Clinic and Community Hall.

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 Sime Darby Plantation Human Rights Charter under 3.2 Respect and Uphold Labour Rights clause: -

- 3.2.5 We will facilitate opportunities for advancement for our employees, especially women, by removing barriers to progress and respecting reproductive and maternal rights.

- 3.2.6 Creating a working environment with zero tolerance for sexual harassment and abuse, and in which violence is never used to resolve issues or conflict.

All the Estates have formed Gender Committee. Sighted the Gender Committee Handbook (First Edition) in English details out specifically on establishing & managing gender committee and complaints and grievance procedures to address gender-based issues.

There is also a specific procedure (in the form of a flowchart) in both English and Malay namely Sexual Harassment Procedure which outlines the basic framework for handling of sexual harassment complaints.

There is no sexual harassment case reported through interview and document reviewed in Estate.

Evidence at Muar River Estate: -

- Chairwoman – Puan Prema a/p Kannan
- Secretary – Puan Nor Azlinda bt Md Diah
- Committee member – 7 representatives

The last meeting was on 6th August 2020 and the meeting discussed on the followings:

- Committee's issues
- Monitoring on gender cases, reproductive right and others related issues.
- Committee's activities
- Health and safety
- Covid 19 Pandemic Outbreak

Other activities are Gotong – royong and Badminton game.

As for Sungei Senarut Estate,

- Chairwoman – Puan Rosliza binti Ghazali
- Secretary – Puan Geeta Kumari a/p Gorgadas
- Committee member – 17 representatives

Meeting being held quarterly and the last meeting was on 11th July 2020. Other activities organized are Zumba dancing and gotong -royong.

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 Sighted in Sime Darby Plantation Human Rights Charter under 3.2 Respect and Uphold Labour Rights clause: -

3.2.4 Respecting Freedom of Association by respecting the rights of employees to form and join unions and bargain collectively. In jurisdictions where this right is limited, we will provide alternative means of employee engagement and grievance redressal.

Workers interview found they are aware on their rights to voice out any issues and they are allowed to join the Union.

The policy being briefed to all workers during Town Hall Session and Stakeholder Meeting either at Estates or Mill.

The documented social policy as specified above outlined the company's commitment to allow the workers to join and formed union among the workers.

The audit team observed that in general all employees are a member to NUPW which is the organization that representing the workers.

The NUPW is also a mechanism for the workers to voice their concerns pertaining to the working conditions and welfare.

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 Based on the employee's record compiled in Check-roll Employee Listing, sighted that there is no child labour employed by the Estate.

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

Sime Darby has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1st Nov 2008.

Under 6.2.2 stated the Competency, Awareness and Training procedures. The process of training includes:

- Determining competency requirements of each function.
- Identify training needs and provide appropriate trainings
- Evaluating the effectiveness of training at defined intervals
- Maintaining appropriate records of employees' training, skills and experience

Evidence at Muar River Estate: -

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
Occupational Safety and Health			
1	Chemical Management	10/2020	10/10/2020
2	Harvesting Competency	8/2020	26/8/2020
3	Defensive Driving Technique	10/2020	13/10/2020
4	PPE Training	1/2020	7/1/2020
5	Trunk Injection	1/2020 & 10/2020	21/1/2020 8/10/2020
6	Noise Regulation	6/2020	29/6/2020
7	HIRARC	1/2020	6/2020
8	Emergency Response Plan	10/2020	10/2020
9	First Aid Training	10/2020	17/10/2020
10	Triple Rinse Training	10/2020	10/10/2020
Environmental			
1	Scheduled Waste Management	10/2020	15/10/2020
2	Chemical & Spraying Safety Operating Procedures	2/2020	24/2/2020
3	High Conservation Value	3/2020	
4	Integrated Pest Management	12/2020	

Training to harvesters on System Earning, OHPL and HCTP dated 26th August 2020 to all 30 harvesters. The meeting chaired by the Manager.

Evidence at Sungei Senarut Estate: -

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
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Occupational Safety and Health			
1	Chemical Management	1/2020	10/2020
2	Harvesting Competency	3/2020	10/2020
3	Defensive Driving Technique	9/2020	9/2020
4	Trunk Injection	10/2020	10/2020
5	Noise Regulation	2/2020	6/2020 9/2020
6	1 st Aid	10/2020	10/2020
Environmental			
1	EQA, 1974	/2020	1/2020
2	Scheduled Waste	9/2020	3/2020

Training to New Holland Operators to SSE & SGE Tractor Drivers dated 15th September 2020 to all 30 harvesters. The meeting chaired by the Manager.

Evidence at Sg Sebalang Estate: -

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
Occupational Safety and Health			
1	Chemical Management	1/2020	1/2020
2	Harvesting Competency	3/2020	5/2020
3	Defensive Driving Technique	12/2020	
4	Manuring Training	6/2020	7/2020
5	Noise Regulation	2/2020	9/2020
Environmental			
1	Scheduled Waste	7/2020	1/2020
2	EQA 1974	6/2020	7/2020

Training on Scheduled Waste dated 29th August 2020 to 3 workers. The meeting chaired by En. Zamidi Bin Johari.

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 Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.

Sighted the Training Need Analysis of all workers which are based on their competencies and job description.

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 All workers involved in the operations have been adequately trained in safe working practice.

The estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

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 policy is express the commitment in sustaining the environment and biodiversity as follows;

- i. Complying with statutory, legal and other regulatory requirements.
- ii. Establishing, maintaining and continually improving sustainable plantation management.
- iii. Elimination or minimizing any potential adverse effect on the environment arising from our plantation activities.
- iv. Applying Best Agriculture Practices and adhering to the standard land management and the new planting policy
- v. Value the importance of river and ecosystem functions
- vi. Promote, educate and encourage stakeholders in maintaining and enhancing the quality of the environment

To complement the above statements, our Operation Policies on Environment & Biodiversity, Slope & River Protection, Saving the Orang Utan and Carbon emission have been established to guide our operations.

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 The objective of Environment Management Plan is Planning, Organizing and Implementation the systematic ESH activities as a safeguard of the estates environment and our employees with an adequate training to be provided to all level of employees.

To systematically identify significant environments aspects and theirs impacts within the control and the physical boundary of the estate as well as from future activities which may result from plant modification, expansion, increase in capacity etc., with the objective of improving on operational control and / or as basis for setting environmental objective and targets. Environment management programs are then formulated to achieve those objectives.

The company has established Environmental Impact Evaluation (EIE) and Environmental Aspect Impact (EAI) to evaluate the "Environmental aspect and Impact Form". the environmental impact evaluation consists of rating selected criteria.

Muar River Estate. Sighted the Environment Aspect Impact for year 2020, Prepared by Puan Munirah Majid (OSH Coordinator) and Acknowledge by Mr. Syed Mohd Faezi Syed Ali (Estate Manager)

Sungei Senarut Estate. Sighted the Environment Aspect Impact for year 2018, Prepared by Mr. Mohammad Norsastria bin Abdul Halim (Assistant Manager) and Acknowledge by Mr. Amizul Abdul Rahman (Estate Manager). Due to no change of assessment therefore the environment assessment and impact remain same.

Sungei Sebalang Estate. Sighted the Environment Aspect Impact for year 2020, Prepared by by Mr. Muhammad Afifi bin Abdul Wafi (Assistant Manager) and verified by Mr. Mohd Hairi bin Khalid (Estate Manager)

The Environment Assessment is consist of Environment Aspect, Environment Load Items and Environment Impact. 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.

Environmental Impact :

- 1 – Ozone Layer Depletion
- 2 – Global Warming
- 3 – Air Pollution
- 4 – Water Pollution
- 5 – Land Contamination
- 6 – Unpleasant working Environment
- 7 – Depletion of Natural Resources
- 8 – Community Impact



9 – Business 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) and Environmental Aspect Impact (EAI) to evaluate the "Environmental aspect and Impact Form". the environmental impact evaluation consists of rating selected criteria.

Muar River Estate. Sighted the Environment Aspect Impact for year 2020, Prepared by Puan Munirah Majid (OSH Coordinator) and Acknowledge by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager).

Sungei Senarut Estate. Sighted the Environment Aspect Impact for year 2018, Prepared by Mr. Mohammad Norsastria bin Abdul Halim (Assistant Manager) and Acknowledge by Mr. Amizul Abdul Rahman (Estate Manager). Due to no change of assessment therefore the environment assessment and impact remain same.

Sungei Sebalang Estate. Sighted the Environment Aspect Impact for year 2018, Prepared by Ms. Suzila Sulong (Clerk) and Acknowledge by Mr. Mohd Hairi bin Khalid (Estate Manager). No change on the environment assessment and impact.

Sighted the Environment Improvement plan and mitigation the negative impact, Action taken by and Time Frame as follows;

- 1) Estate: Muar River Estate
 - Environment Issue: Leakage Pesticide during chemical mixing and washing into outside land.
 - Mitigating Measure / Action Plan:
 - To recollect water used at chemical mixing area to be recycle during mixing
 - To construct containment sum at chemical mixing area to contain any leakages.
 - To place all chemical containers on metal trays
 - Action by: Assistant Manager / Staff
 - Time Frame: As when necessary
- 2) Estate: Sungei Senarut Estate
 - Environment Issue: Leakage of lubricant & oil from the tractor
 - Mitigating Measure / Action Plan:
 - To place metal tray or plastic tray under the vehicle
 - All leakage should be collected and put in the drum labeled before send to schedule waste
 - Action by: Assistant Manager / Staff
 - Time Frame: As when necessary
- 3) Estate: Sungei Sebalang Estate
 - Environment Issue: Leakage chemical from Schedule Waste Store



- Mitigating Measure / Action Plan:
 - To used spill kit "habuk kayu" to cleaning
 - Spill kit after used declare as schedule waste
 - To be disposed to approved contractor
- Action by: Assistant Manager / Staff
- Time Frame: As when necessary

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 program of Continuous Improvement Plan (Environmental) for all sample estates have been prepared by the respective Assistant Manager and approved Estate Manager. The plan as bellows;

1. Replacement of damaged & missing riparian signboard after flooding– scheduled as continuous practice.
2. Replanting jungle tree along the riparian buffer zone– scheduled as continuous practice.
3. Water quality monitoring – scheduled as continuous practice.
4. Disposal of scrap iron– scheduled as continuous practice.
5. Disposal of empty pesticides – scheduled as continuous practice.
6. Disposal of Schedule Waste (engine oil, filter, spent batteries & hydraulic oil) – scheduled as continuous practice.
7. Environmental training

The CIP (Environment) for Muar River Estate has been prepared by Mr. Mohd Nor Subhi bin Zainal Bidin (Assistant Manager) and Approved by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager) dated February 2020.

The CIP (Environment) for Sungei Senarut Estate has been prepared by Mr. Muhamad Affandi bin Azela (Assistant Manager) and Approved by Mr. Saiful Azrul bin Abdul Halim (Estate Manager) dated 4th February 2020.

The CIP (Environment) for Sungei Sebaling Estate has been prepared by Ms. Suzila Sulong and Approved by Mr. Mohd Hairi bin Khalid (Estate Manager) dated February 2020.

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 Sighted training program for year 2020 that included with environment training as below: -

- 1) Estate: Muar River



Environment Training Program as follows;

- Environmental Quality Act and Regulations 1974
- Scheduled Waste Management
- RSPO / MSPO / SCCS Training
- Chemical & Spraying Safety Operating Procedures
- High Conservation Value (HCV)
- Guideline (Highly Toxic Pesticides) Reg 1996
- Integrated Pest Management (IPM)

2) Estate: Sungei Senarut

Environment Training Program as follows;

- Environmental Quality Act and Regulations 1974
- Scheduled Waste Management
- RSPO / MSPO / SCCS Training

3) Estate: Sungei Sebalang

Environment Training Program as follows;

- Environmental Quality Act and Regulations 1974
- Scheduled Waste Management
- RSPO / MSPO / SCCS Training
- Chemical & Spraying Safety Operating Procedures
- High Conservation Value (HCV)
- Guideline (Highly Toxic Pesticides) Reg 1996
- Integrated Pest Management (IPM)

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 Sime Darby Plantation Berhad has conducted the Centralize Environmental Regulatory Compliance Monitoring Committee – SOU 16 – Central West Region.

Sighted latest meeting minutes 01/2020 dated 14th February 2020 at Meeting Room, Pertang Estate which involve all Executive in SOU 16 with total of 24 person. The agenda of meeting as follows;

- 1) Welcome speech and introduction to EPMC and ERCMC function to all committee members
- 2) Confirmation of minutes
- 3) Presentation of Data Analysis of schedule waste from from May 2020 until August 2020
- 4) Discussion on estate managing the SW (our practices)
- 5) Discussion on previous meeting
- 6) Discussion new issue regarding SW.

In summary, Environmental requirement compliance monitoring committee (ERCMC) for SOU16 is well maintained and updated accordingly. The committee will continue to monitor on the performance and highlighted if any matters arise.

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 sample estates have used the monitor chart and record its all-non-renewable energy usage in the estates as follows;

Description	January to September 2020		
	Muar River	Sungei Senarut	Sungei Sebalang
FFB,(MT)	17,868.14	10,004.35	2,903.91
Electricity, kWH	226,150.00	366,365.00	138,471.00
Water (L)	65,098.00	83,351.00	76,444.00
Diesel, (L)	25,551.00	28,850.00	7,558.00
Average, Electricity kWH / FFB (MT)	12.656	36.620	47.684
Average, Water Liter / FFB (MT)	3.643	8.331	26.325
Average, Diesel Liter/ FFB (MT)	1.429	2.883	2.6027

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

Sighted the plan for improving efficiency of the use of fossil fuels and to optimize renewable which incorporated in the Environmental Management Plan in the respective estates. Monthly record of energy consumption for non-renewable and sources were kept and documented. It is monitored to optimize use of renewable energy.

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 all sample estates.

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 Sighted the waste management plan year 2020 incorporated in the Environment Management Plan prepared by the respective estates as follows;

- 1) Muar River Estate prepared by Mr. Koncanard A/L En Put (Medical Assistant) and verified by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager)
- 2) Sungei Senarut Estate prepared by Mr. Muhamad Affandi bin Azela (Assistant Manager) and verified by Mr. Saiful Azrul bin Abdul Halim (Estate Manager)
- 3) Sungei Sebalang prepared by Mr. Muhammad Afifi bin Abdul Wafi (Assistant Manager) and verified by Mr. Mohd Hairi bin Khalid (Estate Manager)

Sources of pollution and waste have been adequately identified by all sample estates. Generally, the wastes identified were of Domestic waste, Industrial waste, Schedule waste and Recycle Waste. Sighted Inventory of Scheduled Wastes, Fifth Schedule (Regulation 11) for all sample estates as the following;

1. SW 404 – Clinical Wastes
2. SW 404 – Clinical Wastes (Needle)

It had listed the waste product, sources of pollution, mitigation measures, target, and person responsible. Among the wastes that were identified include domestic wastes from household, scrap iron, empty chemical containers, scheduled wastes as listed below;

Objective	Category	Type / Location	Actions	Frequency
Proper disposal of waste in accordance to SOP and legal requirement	Domestic waste	Rubbish (Workers housing complex, Office, Workshop, Store and Shop)	Collection for all domestic waste from office and worker housing complex by contractor MTJJ (Third Party)	Three time per week
			Create further awareness on recycling among workers through training and	As and when needed

			recycling campaigns	
			Monitoring of estate quarters	Weekly
		sewage (Septic tank at workers housing complex & office)	To monitor during housing inspection / from residents' complaints	Weekly / As and when necessary
			To engagement with licensed contractor for sewage management	As and when necessary
	Industry Waste	Scrap Metal	Labelling permanent signage Proper storage of scrap yards before tendering out	As and when necessary
	Schedule Waste	Used lubricant container / pesticide / chemical container (SW409) Spent oil (SW305)	To maintain inventory for storage of SW	Monthly
			To record of disposal to appointed contractors	20 MT / 180 days
			To record inventory in e-swiss	Monthly

		Contaminated rags & PPE (SW410) / fertilizer bag (inner)	To dispose through licensed vendor and to check validity of license	As and when necessary
		Clinical waste (SW404)	To disposed the item to licensed contractor (including VMO with approval letter)	As and when needed
Towards waste utilization (where possible)	Recyclable waste	Empty pesticide container Re-use empty container	Store items under lock and key	As and when necessary
			Dispose through registered purchaser and check frequently	As and when necessary
			Labelling of re use empty container with "SKULL"	As and when necessary
		EFB	Monitoring and collection of EFB	Daily

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

1) Estate : Muar River Estate

- Type of waste: Schedule waste:
- Waste description: Used Lubricant (SW 305)
- Location: Workshop
- Action Plan: All used lubricant oil will disposed / bring back by SDI

- Type of waste: Schedule waste:
- Waste description: Used Pesticide Container (SW409)
- Location: Empty pesticide container store
- Action Plan:
 - Monitor / record inventory
 - Store items under lock and key
 - Disposal with registered vendor / purchaser
 - Update to Eswiss
 - Establish SOP on Triple rinsing / monitoring

2) Estate : Sungei Senarut Estate

- Type of waste: Domestic waste
- Waste description: Rubbish (Workers housing complex, Office, Workshop, Store and Shop)
- Location: Worker housing
- Action Plan:
 - Collection recyclable materials and call recycle collectors
 - Collection for all domestic waste from office and worker housing
- complex by contractor MTJJ
 - Create further awareness on recycling among workers through
- training / recycling campaign / Gotong royong
 - Monitor of estate quarters
- Type of waste: Recycle waste:
- Waste description: Empty pesticide container
- Location: Divisional store
- Action Plan:
 - Triple rinsing & dispose through appointed contractor
 - To store items under lock and key
 - To do labelling of re-use empty container with "X"

3) Estate : Sungei Sebalang Estate

- Type of waste: Schedule waste:
- Waste description: Used Pesticide Container (SW409)
- Location: Empty pesticide container store
- Action Plan:
 - Monitor / record inventory
 - Store items under lock and key
 - Disposal with registered vendor / purchaser
 - Update to Eswiss
 - Establish SOP on Triple rinsing / monitoring

- Type of waste: Recycle waste:
- Waste description: Empty pesticide container
- Location: Divisional store
- Action Plan:
 - Triple rinsing & dispose through appointed contractor
 - To store items under lock and key
 - To do labelling of re-use empty container with "X"

Sighted the Fifth Schedule (Regulation 11) Inventory of Scheduled waste, all the sample estates have shown their compliance toward the Environmental Quality Act 1974 (Schedule Wastes) Regulations 2005.

Summary record of the waste dispose as below: -

1. Estate : Muar River

SW Code	SW Items	Date Generated	Quantity	Date Disposed
404	Clinical Wastes	10.09.2020	0.0001	-

2. Estate : Sungei Senarut

SW Code	SW Items	Date Generated	Quantity	Date Disposed
404	Clinical Wastes	12.03.2020	0.018	March 2020
404	Clinical Wastes - Needle	12.03.2020	0.007	March 2020

3. Estate : Sungei Sebalang

SW Code	SW Items	Date Generated	Quantity	Date Disposed
404	Clinical Wastes	02.09.2020	0.0001	-

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 the estate. The SOP titled "Chemical Safety Management" Document ID SD/SDP/PSQM (ESH)/202-OH4 dated 26th February 2015. The procedure is a guideline to define the requirement for the procurement, transportation, receiving, handling, storage, disposal and training on the handling / use of chemicals. The scope of procedure shall apply to all chemicals

(hazardous and non – hazardous) procured and used by operating unit that have related activities and facilities.

Requirement and procedure covers :

- Procurement of chemicals
- Transport of chemicals
- Receiving of chemicals
- Storage of chemical
- Handling of chemicals
- Disposal of chemicals wastes
- Training
- Maintenance of equipment

Pesticides were handled, used or applied by trained Agrochemical Sprayers, Pre-Mixer and Mandore's. The Pesticide operators were given training on the safe handling and application of the pesticides as per the SDS of the pesticide.

Pesticides operators have been provided with proper PPE. Observed during the site visit the PPE usage by the operators such as google, half face respirator, nitrile hand glove, rubber boot and apron were in place.

The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. All sample Estates having adequate facilities for mixing of pesticides and the emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE. cleaning up after work. There are suitable storage areas for PPE in the facility.

All precautions attached to the products were explained to the operators. All sample estates have conducted training to staffs and workers particularly on the subject of chemical handling. The training was recorded in the various trainings record, complete with attendance records, training materials and photographs of the training. The record of training provided to the sprayer as below;

1) Muar River Estate

- Training on Latihan Keselamatan dan Latihan Meracun by Mohd Syawalludin Zulkifli (Field Staff) on 24th February 2020 attended by 12 including store keeper and sprayer. Sighted the training material with attendance.
- Training on Chemical Spillage Training (ERP + PPE) by Mr. Rafi Zamza (SQM) on 10th October 2020 attended by 10 ERT Team Members. Sighted the training material with attendance.
- Training on EQA & Schedule Waste Management Training by Mr. Koncanard A/L Eh Put (Medical Assistant) on 15th October 2020 attended by Staff / Mandore and Workers. Sighted the training material with attendance.
- Training on Latihan keselamatan dan penggunaan PPE and Latihan Penyelenggaraan Interpump by Mr. Mohd Hafidz Shamsudin (MYcrop Supplier) on 7th January 2020 attended by Staff / Mandore and Sprayer. Sighted the training material with attendance.

2) Sungei Senarut Estate

- Training on Latihan keselamatan dan penggunaan PPE and Latihan Penyelenggaraan Interpump by Mr. Mohd Hafidz Shamsudin (MYcrop Supplier) on 8th January 2020 attended by Staff / Mandore and Sprayer. Sighted the training material with attendance.
- Training on Latihan keselamatan dan penggunaan PPE and Latihan Penyelenggaraan Interpump by ICP Agro Solution Sdn. Bhd on 6th October 2020 attended by Staff / Mandore and Sprayer. Sighted the training material with attendance.

3) Sungei Sebalang Estate

- Training on Latihan keselamatan dan penggunaan PPE and Latihan Penyelenggaraan Interpump by Mr. Muhammad Afifi bin Abdul Wafi (Assistant Manager) on 10th June 2020 attended by Staff / Mandore and Sprayer. Sighted the training material with attendance.
- Training on HCV on 28th January 2020 at HCV area attended by Executive, Staff and Workers. Sighted the training material with attendance.

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 Sighted the unused empty chemical containers that were triple rinsed and pierced 3 holes at the bottom and kept at Empty Chemical Container Store in the respective estates. The empty pesticide container has been used for premix of chemical or disposed as Recycle waste to third party as listed below;

No	Estate	Quantity Disposed	Disposed Item	Date Collected	Collector
1	Muar River	278 pc	Empty Pesticide Container (20 liter)	5 th June 2020	SS Setia Technology Enterprise
		170 pc	Botol pesticide (500g)	5 th June 2020	
2	Sungei Senarut	292pcs	Empty Pesticide Container (20 liter)	17 th October 2020 21 st February 2020	SS Setia Technology Enterprise
		63 pc	Empty Pesticide	17 th October 2020	

			Container (Kenlon)	21 st February 2020	
		100 kg	Botol pesticide (Ally)	17 th October 2020 21 st February 2020	
3	Sungei Sebalang	286 pcs	Empty Pesticide Container	6 th April 2019	SS Setia Technology Enterprise
		108 pcs	Empty Pesticide Container (Kenlon)	Disposal of empty pesticide container for year 2020 will be scheduled by end 2020	
		50 kg	Botol pesticide (Ally / Galon / Basta)		

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 Muar River Estate, Sungei Senarut Estate and Sungei Sebalang Estate have been collected by Disposal Contractor appointed by Sime Darby Plantation Berhad namely MTJJ Company (Third Party). Collection three time a week and being disposed to Government Land fill area.

It was confirmed through site visit at housing complex, that no use of fire for domestic waste disposal. The domestic waste generated at worker housing has been collected by the contractor and disposed at the Landfill under Local Government Council.

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. Sighted palm GHG Kok Foh Report 2019 prepared using GHG calculator version 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.

Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. Land conversion, Emissions from Fertilizer, Emissions from peat, Fuel Consumption, and crop sequestration. Their usage have been recorded and documented at each of the operating units. Approved GHG calculator, Palm GHG was used for the calculation during implementation period.

Identification of significant pollutants and greenhouse gas (GHG) emissions has been conducted for the followings;

1. Land conversion,
2. CO₂ Emissions from Fertilizer,
3. N₂O Emissions from peat,
4. N₂O Emissions from Fertilizer
5. Fuel Consumption
6. Peat Oxidation
7. Crop sequestration.

Summary Emission in 2020 for SOU 16 Kok Foh Palm Oil Mill as below: -

Product	tCO ₂ e / t Product
CPO	1.15
PK	1.15
PKO	0.00
PKE	0.00

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

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

Summary

The significant pollutants and greenhouse gas (GHG) emissions had been identified and documented and plans to reduce or minimize were being implemented.

All the sample estates and POM have been identify all the process / area of activity in the estates and documented the other significant pollutants in Environmental Management Plan Year 2020. The plan has been prepared by respective Assistant Manager and by Estate Manager. The Environmental Management Plan include:

- Environmental Risk Management Plan
- Waste Management Plan
- Water Management Plan
- HCV Management Plan

- Pollution Prevention Plan
- Chemical Reduction Plan
- Energy Management Plan

Objective	Category	Types / Location	Actions
Efficiency the usage of non-renewable and renewable energy	Electricity	Workers housing complex, office, mill compound	Worker housing inspection to ensure no illegal wiring To educate on electricity saving practices
	Diesel	Transport Machineries	Preventive maintenance program for estate / mill vehicle Educate workers on fuel saving practices To reduce / minimize of diesel used

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:

- Assessment of water usage and sources of supply.
- Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- 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.).
- 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.
- Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
- Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary Sighted the water management plan year 2020 incorporated in the Environment Management Plan prepared by Mr. Koncanard A/L Eh Put (Medical Assistant) and verified by Mr. Syed Mohd Faezi bin Syed Ali (Estate Manager) updated October 2020. Muar River Estate has established the Water Management Plan to monitor the source of water, description, management and monitoring plan to ensure the water are safe and protected. The source of water for domestic used in Muar River Estate is from

Government water (SAJ – Syarikat Air Johor). Other than domestic used, estate is using rain water for chemical premix and general cleaning.

Water Management Plan for Muar River Estate as below;

Objective	Category	Type / Location	Action	Frequency
To monitor the quality of main water inlet / outlet from estate operation pollution	River / Stream	-	Quarterly. Every 3 months water sampling will sent to R & D	Quarterly
Contingency during water shortage	Water shortage Dry spell Severe water pollution	-	Purchasing water from vendor License for obtaining from river	As and when needed Annually
To monitor the usage of treated water in monthly basis	Daily consumption	SAJ	Awareness to workers on water consumption with care	As and when necessary
	Pond/Reservoir/Wetland	Rain water	To use for general cleaning, operation, gardening and etc	As and when necessary
Protection of watercourse and pond	Pond/Reservoir/Wetland	Replanting pond / Processing water for POM	Water analysis result by R & D	Quarterly

Sighted Industrial Effluent (Water) Analysis sent to R & D Department on quarterly basis. Sample taken as follow;

Test Number : IE565/2020

Client : Sime Darby Plantation Sdn. Bhd. – Muar River Estate

Sample area : DID

Date received : 23rd July 2020

Date Sampled : 21st July 2020

Date Tested : 27th July 2020

Date issued : 4th August 2020

Sample Ref	pH	BOD (mg/l)	COD (mg/l)	SS (mg/l)	AN (mg/l)	DO (mg/l)	P (mg/l)
Sample A - Upstream	6.3	7	72	60	< 1	3.56	0.414
Sample B - Middlestream	6.1	9	80	42	< 1	3.57	0.131
Sample C - Downstream	6.0	5	40	34	1	3.52	0.121

Sighted the action plan for non-conformance of water analysis test;

Issue	: Result from water sampling taken on 21 st July 2020 has shown high COD level (72mg/l, 80mg/l, 40mg/l) compare to standard 25mg/l
Reason	: High COD reading due to storm water runoff has polluted water in the drain
Action Plan	: To do resampling during low rain period and continue monitoring
Action By	: Assistant / Staff in charge
Remarks / Status	: In progress

For Sungei Senarut Estate, sighted the water management plan year 2020 incorporated in the Environment Management Plan prepared by Mr. Muhamad Affandi bin Azela (Assistant Manager) and verified by Mr. Saiful Azrul bin Abdul Halim (Estate Manager) updated October 2020. Sungei Senarut Estate has established the Water Management Plan to monitor the source of water, description, management and monitoring plan to ensure the water are safe and protected. The source of water for domestic used in Sungei Senarut Estate is from Government water (SAJ – Syarikat Air Johor). Other than domestic used, estate is using rain water for chemical premix and general cleaning.

Water Management Plan for Sungei Senarut Estate as below;

Objective	Category	Type / Location	Action	Frequency
Contingency during water shortage	Water shortage	-	Purchasing water from vendor	As and when needed
	Dry spell Severe water pollution		License for obtaining from river	Annually
To monitor the usage of treated water in	Daily consumption	SAJ	Awareness to workers on water consumption with care	As and when necessary

monthly basis	Pond/Reservoir/Wetland	Rain water	To use for general cleaning, operation, gardening and etc	As and when necessary
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For Sungei Sebalang Estate, sighted the water management plan year 2020 incorporated in the Environment Management Plan prepared by Mr. Muhammad Afifi bin Abdul Wafi (Assistant Manager) and verified by Mr. Mohd Hairi bin Khalid (Estate Manager) updated October 2020. Sungei Sebalang Estate has established the Water Management Plan to monitor the source of water, description, management and monitoring plan to ensure the water are safe and protected. The source of water for domestic used in Sungei Sebalang Estate is from Government water (SAINS – Syarikat Air Negeri Sembilan).

Water Management Plan for Sungei Sebalang Estate as below;

Objective	Category	Type / Location	Action	Frequency
Contingency during water shortage	Water shortage	-	Purchasing water from vendor	As and when needed
	Dry spell		License for obtaining from river	Annually
To monitor the usage of treated water in monthly basis	Daily consumption	SAINS	Awareness to workers on water consumption with care	As and when necessary
	Pond/Reservoir/Wetland	Rain water	To use for general cleaning, operation, gardening and etc	As and when necessary

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 all sample estates.

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).
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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
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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.
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Summary High Biodiversity Assessment (HBV) for the sample 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. Sebalang Estate, Muar River Estate, Sg. Senarut Estate, Sg. Gemas Estate, St. Helier 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).

For all sample estates, Sustainability Department is in-charge on HCV Assessment. The Sime Darby Plantation Berhad is periodically reviews HCV re-assessments and the last HCV review was conducted in May 2016 as outlined in the In House High Conservation Value Area Assessment document.

Based on document verification, the identification of RTE species has taken into consideration on the IUCN Red List, CITES and the Red List of Mammals for Peninsular Malaysia published by the Department of Wildlife and National Park Peninsular Malaysia (DWNP), 2010. In-House HCV Assessment is carried out by a Team that has the competency of identifying HCV. The team member has been exposed to the external HCV assessment.

The Methodology and participatory used in the assessment process comprise of the following steps:

- 1) Team formation and briefing on project scope.
- 2) Compilation of secondary and available primary data, including preliminary stakeholders consultation.
- 3) Fieldwork and primary data collection – physical inspection, site observation, internal and external stakeholder consultation.
- 4) Data analysis and interpretation.
- 5) Preparation of full report and maps
- 6) Critical review of draft report between team members
- 7) Revise report and finalise (final)

Sighted the In – House High Conservation Value Assessment Re assessment for SOU 16 Kok Foh Palm Oil Mill prepared by PSQM Department, Sime Darby Plantation Sdn. Bhd., dated March 2016. The HCV as follows;

Estate	Assessment Area	Ha	Present HCV
Muar River Estate	Water Catchment	0.45	HCV 4
Sg. Senarut Estate	Water Catchment	3.94	HCV 4
Sg. Gemas Estate	Water Catchment	1.28	HCV 4
	Pond	0.50	HCV 4
Kok Foh Estate	Water Catchment	7.5	HCV 4
	River Reserve (Sg. Tebu)	0.448	HCV 4
Bukit Pilah Estate	Water Catchment	4.88	HCV 4
	Water Catchment	0.80	HCV 4
	Water Catchment	2.05	HCV 4
	Water Catchment	0.26	HCV 4
St. Helier Estate	River Reserve (Sg. Muar)	0.56	HCV 4
	Water Catchment	0.30	HCV 4
Sg. Sebalang Estate	Water Catchment	2.56	HCV 4
Pertang Estate	Water Catchment	0.07	HCV 4
Total of HCV for SOU 16		25.598	

The HCV report for SOU 16 Kok Foh Palm Oil certification unit has been conducted by Ms Nur Aida Ab. Gani (Field Assessor / Report Writer) and Norsyamimi Saifullizam (Field Assessor).

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 in all the sample estates.

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 sample estates 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

Sighted the HCV management plan year 2020 incorporated in the Environment Management Plan prepared by respective Assistant Manager and verified by Estate Manager.

HCV Management Plan for year 2020 for Muar River Estate / Sungei Senarut Estate / Sungei Sebalang Estate as below;

No	Issues & Strategies	Action By	Time Frame
1	<p>Water Catchment Buffer Zone</p> <ul style="list-style-type: none"> i. To identified the water inlet and outlet ii. To mark all these area in the map iii. No chemical interventions and manuring shall be carried out in the riparian reserve. Only manual weeding or slashing is allowed iv. To mark identified areas with signage's v. To inform and communicate to all employees to make sure no activity conducted near the buffer zone 	Executive Staff	On going

Sungei Senarut Estate. The location of Estate (Sungei Senarut Estate & Gemas Division) is border with Hutan Pelajaran. Previously border to Jementah Forest Reserve. Consultation with Segamat District Forest Officer verified and confirmed that the area is no longer a forest reserve and has been gazetted out in 2004 to state (Pusat Latihan Gabungan Pasukan Tempur Tentera Darat). An awareness signage was available along the borders. Sighted long tailed macaque around.

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 Group Sustainability & Quality Policy Statement signed by Mohamad Helmy Othman Bash, Group Managing Director dated 2nd December 2019.

We recognize the inherent value of forests and the ecosystem services they provide as well as the scarcity of natural resources and threats from climate change. All our activities will be guided by a precautionary approach and a no deforestation objective. We recognize the limitation of individual company commitments in this area and seek to work with all stakeholders including competitors in delivering positive long term conservation results.

(ix) Zero tolerance of the use of fire within our land boundaries and conservation area and the establishment of effective monitoring and prevention systems as well as proactive firefighting measure in and around our operations.

It was confirmed through site visit, there is no use of fire for for waste disposal and for preparing land for oil palm cultivation or replanting control in all sample estates.

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 all sample estates 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 In order to prevent and minimize erosion from planting and replanting activities in slopes, the followings practices have been drawn-up:

1. Minimize use of heavy machinery particularly during wet weather to avoid soil compaction.
2. Construct contour terraces for slopes > 15 degrees (especially in steep area) and platform in undulating areas.
3. Construct adequate under-passes, hump & silt pits.
4. To ensure that leguminous covers crop are established promptly after the land preparation work has been completed.
5. During replanting on slopes, windrow old tree trunks along contours.

Felled palm trees are chipped / shredded and spread to decompose in situ. It allows all plant tissues to be recycled while enhancing the soil organic matter and improves the physical and chemical properties of the soil.

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 estate has implemented Good Agriculture Practice (GAP) as seen from visit to the estate and seen from the document and also interviewing the workers.

Sime Darby Plantation Berhad has established a few numbers of SOP's as sighted during the audit. Among the documents:-

- Estate Quality Management System (EQMS) Manual
- Standard of Procedure (Plantation)
- Agricultural Reference Manual
- Sustainable Plantation Management System (SPMS) Manual
- Occupational Safety and Health Manual
- ESH Management System Manual
- Pictorial Safety System Standards
- Security Guidelines

In addition to the EQMS, technical guidelines as listed in the Agricultural Reference Manual (ARM) were also used. Contents of the Manual were disseminated to the workers through morning roll call.

In all estates best agricultural practices, had been implemented and monitored via work programs, visits by General Managers, Plantation Advisors and Agronomist.

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.

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 block number/ year of planting & hectare only.

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 Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2020 - 2025 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO/MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.

As evidence in Sungei Sebalang Estate, sighted the 3 years business plan for the estate.

FY	2021	2022	2023
Total crop	3,365.82	2,929.51	2,904.58
MT/HA	27.00	23.50	23.30
Estimate OER %	21.00	21.00	21.00
KER	5.00	5.00	5.00
FFB Price	600	600	600

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 Sime Darby Plantation has established Long Range Replanting Program (LRRP) for all estates. The replanting programme was review yearly at the head office level and participated by the Regional General Manager and Sr. Estate Manager/Estate Manager.

Sighted Replanting proramme for 2021 to 2025 for Muar River Estate. Data as per below:

Financial Year	Field /Clone	Total Ha	Progeny/Clone proposed
2021	E14997T 1997	93.82	Sime Darby Premium @ Calix 600
2022	E1491999S 1999	73.32	Sime Darby Premium @ Calix 600
2023	E14900G 2000	98.32	Sime Darby Premium @ Calix 600
	E14900G1 2000	66.76	
2024	E14900G1A 2000	55.81	Sime Darby Premium @ Calix 600
	E14900G1B 2000	60.61	
2025	E14900GA 2000	21.15	Sime Darby Premium @ Calix 600
	E14900G1B 2002	77.49	

As per interviewed with Estate Assistant Manager (Sungei Senarut Estate/ Sungei Sabaling Estate), there is no replanting programme at estate in next 5 years.

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

Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2020 - 2025 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO/MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.

As evidence in Sungei Sebalang Estate, sighted the 3 years business plan for the estate.

FY	2021	2022	2023
Total crop	3,365.82	2,929.51	2,904.58
MT/HA	27.00	23.50	23.30
Estimate OER %	21.00	21.00	21.00
KER	5.00	5.00	5.00
FFB Price	600	600	600

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 estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. FFB production, capital expenditure, production cost and revenue & profit account are shown therein.

All estates in Southern Region's performances were reviewed during Regional Meeting on monthly basis. The meeting are attended by the manager, senior assistant and general manager from all the estate in South Region.

In addition, there are audits by Plantation Advisor, Plantation Sustainability Quality Management and Group Corporate Assurance Department. This is to ensure compliance to company policies, procedures in relation estate operations, financial, OSH etc.

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 of FFB is done by Marketing Department at HQ based on monthly MPOB pricing. The determination of FFB pricing for the estate will be based on the %OER and %KER achieved for the month less MPOB Cess, Transport Cost of CPO and Mill Processing Cost.

For others, pricing mechanism is set thru open tender process. Announcement will be made available to all contractors and they will deliver their quotation to the estate. Sime Darby Plantations management will decide the contractors.

The contractors have signed an agreement with the estate to provide services. The agreement has detailed the pricing mechanism for the service offered.

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 Sighted the Contract Agreement between estates and the contractors. As per interviewed, the payment was made by estate after the estate received the invoice tax from the contractors. Before the payment release, estate will check all the job done by the contractors.

As evidence, sampled (Sg Sebalang Estate):

- Sighted the Contract Agreement between estate with Sri Harish Enterprise (JCB Rental) sealed in year 2020.

Payment will be paid 30 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by Sri Harish Enterprise (JCB Rental) to estate on 31st August 2020. Estate paid to the contractor on 08th September 2020.; Doc No: 1600036439; RM 2,540.40.

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 contractors have been informed that the estate is certified under the MSPO certification process. The contractor has been briefed by the estate management to comply with the MSPO standard requirements.

As evidence, sighted the contract agreement/payment slip for their workers (contractors). Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker.

Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.

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

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

Summary All the contractors are aware that estate certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement.

All contractors appointed by Sime Darby Plantations have signed an agreement. The agreement contains information of details job /service to be delivered.

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 estates were audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 19th October 2020 – 21st October 2020. Sighted audit plan dated 25th November 2018 (6th Revised) which have been accepted address to Madam Shylaja Devi Vasudevan Nair. All the auditors are qualified MSPO auditor. As per agreed, the Sime Darby Plantation Berhad accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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 All estates verified the work done by the contractors before all the payment paid to the contractors. Estate also inspect the contractor's workers. As per interviewed and also during site visit, the workers aware with OSH requirement. As example, the workers wear the PPE during the work task that given to them.

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].
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	At this moment, there were no new plantings involving peat area. Thus, it is not applicable for SOU 16 Kok Foh [Estates].
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 SOU 16 Kok Foh [Estates].
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 SOU 16 Kok Foh [Estates].
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 SOU 16 Kok Foh [Estates].
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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 16 Kok Foh [Estates].
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 16 Kok Foh [Estates].
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 16 Kok Foh [Estates].
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 16 Kok Foh [Estates].
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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 SOU 16 Kok Foh [Estates].

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) The estate management has demonstrated fully commitment during the entire audit process.
- 2) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 3) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 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
18 th October 2020	TBA	➤ Travelling to Segamat, Johor.	MS	IBI MRB
19 th October 2020	08:00 – 09:00	➤ Centralize Opening Meeting at Muar River 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).	MS	IBI MRB
	09:00 – 13:00	Muar River 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. 	MS	IBI MRB
	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. 	MS	IBI MRB
	13:00 – 14:00	➤ Lunch/Rest	MS	IBI MRB
	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. 	MS	IBI MRB
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	IBI MRB

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
	08:00 – 13:00	Sg. Senarut Estate <ul style="list-style-type: none"> ➤ Document Audit: 	MS	IBI MRB



20 th October 2020		<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. 		
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: 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. 	MS	IBI MRB
	13:00 – 14:00	➤ Lunch/Rest	MS	IBI MRB
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review 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. 	MS	IBI MRB
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	MS	IBI MRB

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
21 st October 2020	08:00 – 13:00	Sg Sebalang Estate <ul style="list-style-type: none"> ➤ Document Audit: 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. 	MS	IBI MRB
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: 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. 	MS	IBI MRB
	13:00 – 14:00	➤ Lunch/Rest	MS	IBI MRB
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and 	MS	IBI MRB

		records, payment records, complaint records, workers records, training records, permits, CIP, etc.		
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 3.	MS	IBI MRB

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
22 nd October 2020	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. 	MS	IBI MRB
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Mill Inspection: <ul style="list-style-type: none"> Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Biogas System, WWTP, Schedule Waste, POME. 	MS	IBI MRB
	13:00 – 14:00	➤ Lunch/Rest	MS	IBI MRB
	14:00 – 15:30	<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. 	MS	IBI MRB
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MS	IBI MRB
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ 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 	MS	IBI MRB

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit

Major Nonconformities:	Non-were raised during this audit.
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Minor Nonconformities:	Non-were raised during this audit.
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Area of Concern:	The following AOC's were raised for this audit.
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Company Name		Sime Darby Plantation Berhad – SOU 16 Koh Foh Complex					
Stage of Audit		Initial Stage 1		<input type="checkbox"/>	Initial Stage 2		<input type="checkbox"/>
		Surveillance 3		<input checked="" type="checkbox"/>	Recertification		<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organised Smallholder					
Client Number		GGC-J1-MSPO-2018					
NC No. / Ref.	J1/MSPO/AOC/01			Date Detected		22 nd October 2020	
Site(s) concern	Muar River Estate Sungei Senarut Estate			Target Completion		-	
Normative Reference and Requirement	4.3.1.2 – Area of Concern The management shall list all laws applicable to their operations in a legal requirement register.						
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern						
Description of Non-Conformity	1) Different in hectarage MPOB License against Area Statement and Monthly MPOB Submission. 2) Schedule Waste (SW 404 – Clinical wastes / SW 404 - Clinical wastes (needle) was kept more than 180 days.						

NC Objective Evidence:

1) Estate : Muar River Estate / Sungei Senarut Estate

The different in hectareage declared in the MPOB License against Area Statement and Monthly MPOB Submission as follow;

Estate	No. Lesen	Aktiviti Berlesen	Keluasan Estate – MPOB Lesen	Keluasan Estate – “Area Statement and Monthly MPOB Submission “
Muar River	518846002000	Menjual dan Mengalih	1,481.62 Ha	1,453.35 Ha
Sungei Senarut	522497002000	Menjual dan Mengalih	983.44 Ha	562.14 Ha
Sungei Senarut (Gemas Division)	525990102000	Menjual dan Mengalih	940.00 Ha	878.33 Ha

2) Estate : Sungei Senarut Estate

Estate already exceeding the validity period as stipulated in the Environment Quality Act 1974 (Act 127).



“Environmental Quality (Schedule Waste) Regulation 2005; PU(A) 294/2005; Regulation 9 – Storage of schedule waste; No. 5 – Any person may store schedule wastes generated by him for 180 days or less after its generation provided that :

Items SW	Date Generated	Date Disposed	Difference Days till 20 th October 2020
SW 404 – Clinical wastes	12 th March 2020	-	223
SW 404 – Clinical wastes (needle)	12 th March 2020	-	223

Lead Auditor Signature:

Client Signature:


Company Name	Sime Darby Plantation Berhad – SOU 16 Koh Foh Complex			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 3	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organised Smallholder			
Client Number	GGC-J1-MSPO-2018			
NC No. / Ref.	J1/MSPO/AOC/02	Date Detected	22 nd October 2020	
Site(s) concern	Muar River Estate Sungei Senarut Estate	Target Completion	-	

Normative Reference and Requirement	4.3.2.1 – Area of Concern The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Non-Compliance to National Land Code (Act 56 of 1965) – Section 123 – Imposition of express conditions on land becoming subject to a category under section 54 (1)			
NC Objective Evidence: The land used in the estate diverge from the express condition in the land title. National Land Code (Act 56 of 1965) – Section 123 – Imposition of express conditions on land becoming subject to a category under section 54; (1) The State Authority may, in any notification given under section 54 with respect to any area, direct that, as from the date on which any land in the area becomes subject by virtue of the notification to any category of land use specified in the direction, it shall be subject also to such express conditions as are so specified, being conditions relating to any of the matters mentioned in section 121, or as the case may be, 122.				
Estate	Land Title No	Lot No	Express Condition	Actual Land Used
Muar River	GM 2131	1988	Cultivation of Rubber	Cultivation of Oil Palm
	GM 401	3061	Cultivation of Rubber	Cultivation of Oil Palm
	GM 400	3060	Cultivation of Rubber	Cultivation of Oil Palm
Sungei Senarut	PN 69899 (PN 14987)	7950	Cultivation of Rubber	Cultivation of Oil Palm
	PN 69900 (PN 14987)	7951	Cultivation of Rubber	Cultivation of Oil Palm
Lead Auditor Signature: 			Client Signature: 	

Non-Conformities Identified During Previous Audit [ASA2]

Major Nonconformities:	Non-were raised during this audit.
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Minor Nonconformities:	Non-were raised during this audit.
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Area of Concern:	Non-were raised during this audit.
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Appendix C : List of Stakeholders Contacted

Attendance List
Internal Stakeholders
1) Estates management team and staff
2) Gender Committee Representatives
3) Male and Female workers
4) Workers Representatives
5) Foreign Workers Representatives
External Stakeholders
1) Contractors
2) Suppliers