

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

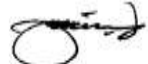


### CERTIFICATION AUDIT REPORT


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

Sime Darby Plantation Berhad  
SOU 21 Gunung Mas [Estates]

-Group Certification-

ANNUAL SURVEILLANCE AUDIT 03  
26<sup>th</sup> October 2020 – 27<sup>th</sup> October 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	08/12/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	20/12/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	09/01/2021	Final Report Approved	Md. Jefri bin Shara'ai	Certifier	

Acknowledgment by Sime Darby Plantation Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	09/01/2021	Acceptance of the contents	Mr. Saifullizan bin Kamaruddin	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 21 Gunung Mas [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 Gunung Mas POM are only from their own estates [Gunung Mas Estate, Kempas Klebang Estate, Bukit Paloh Estate and Yong Peng Estate].

This assessment was conducted onsite on 26<sup>th</sup> October 2020 – 27<sup>th</sup> 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**

<b>Company Name</b>	Sime Darby Plantation Berhad
<b>Business Address</b>	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.
<b>Contact Person</b>	Madam Shylaja Devi Vasudevan Nair
<b>Office Telephone</b>	+603 7848 4379
<b>E-Mail</b>	shylaja.vasudevan@simedarby.com

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

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Gunung Mas Estate	K/B No. 512, 86009 Kluang, Johor.	E 103.137352	N 2.254187
2.	Kempas Klebang Estate	K/B No. 105, 86009 Paloh, Johor.	E 103.173134	N 2.211847
3.	Bukit Paloh Estate	K/B No. 107, 86009 Paloh, Johor.	E 103.177856	N 2.140314



4.	Yong Peng Estate	Ladang Yong Peng, 83700 Yong Peng, Johor.	E 103.117490	N 2.043587
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#### MPOB License Information

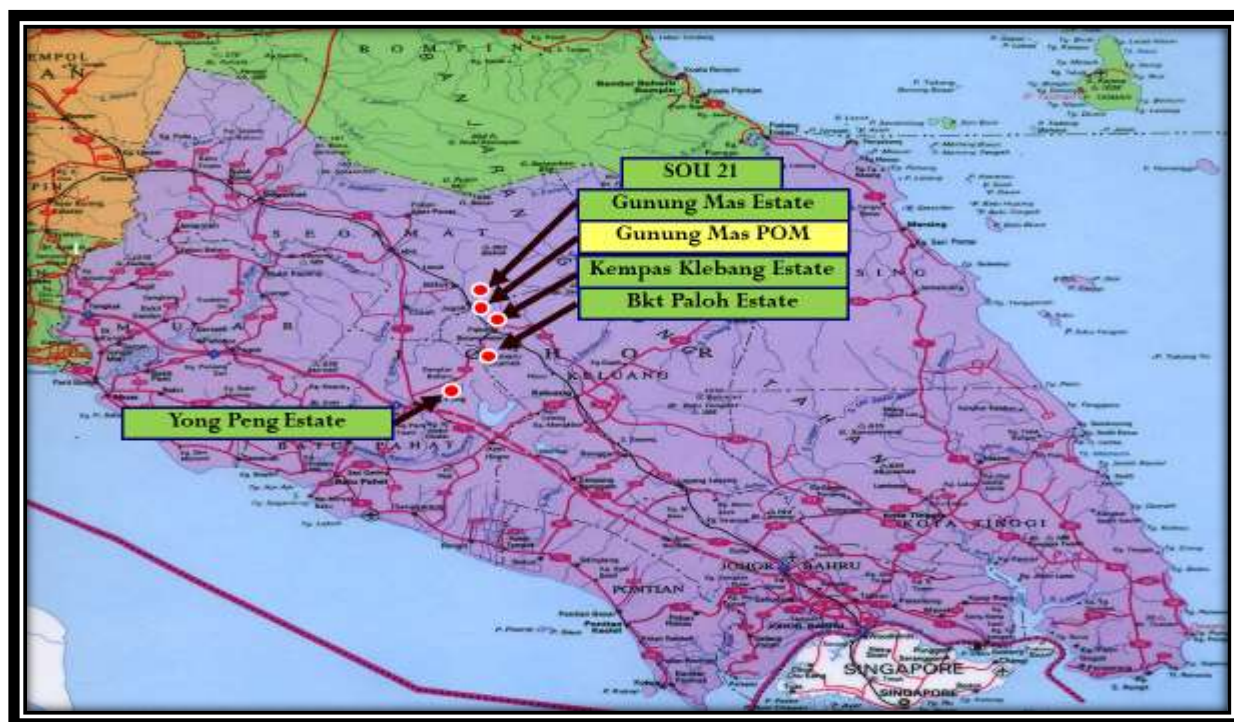
No	Name Of The Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Gunung Mas Estate	522683002000	31.07.2021	"Menjual dan Mengalih FFB"
2.	Kempas Klebang Estate	508446902000	31.03.2021	"Menjual dan Mengalih FFB"
3.	Bukit Paloh Estate	508447702000	31.03.2021	"Menjual dan Mengalih FFB"
4.	Yong Peng Estate	527973002000	28.02.2021	"Menjual dan Mengalih FFB"

#### Others Sustainability Certification

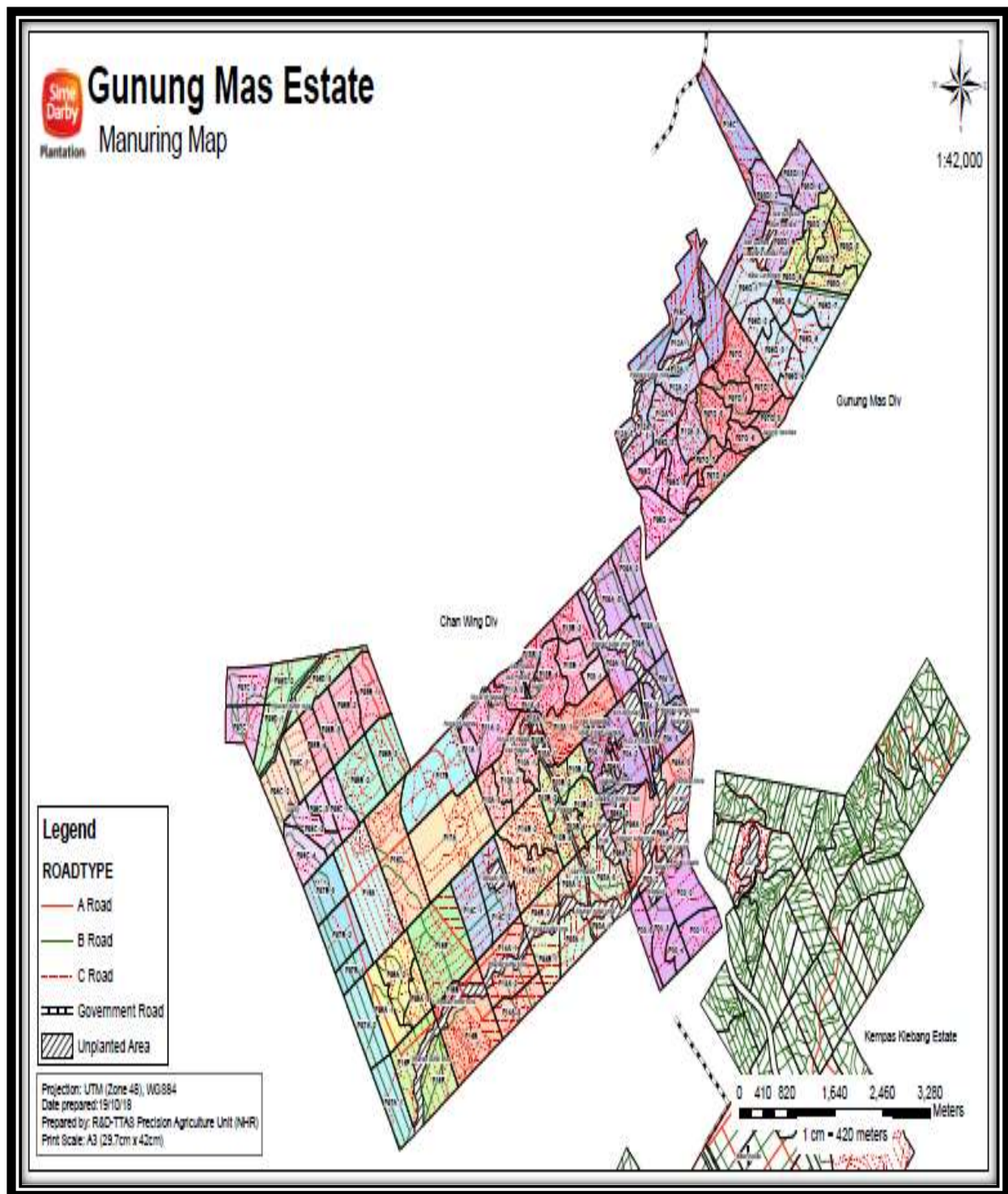
No	Name Of The Site	Others Sustainability Certifications
1.	Gunung Mas Estate	Roundtable on Sustainable Palm Oil (RSPO)
2.	Kempas Klebang Estate	
3.	Bukit Paloh Estate	
4.	Yong Peng Estate	

#### 1.4 Map Showing Geographical Location

##### 1) SOU 21 Gunung Mas [Mill & Estates]

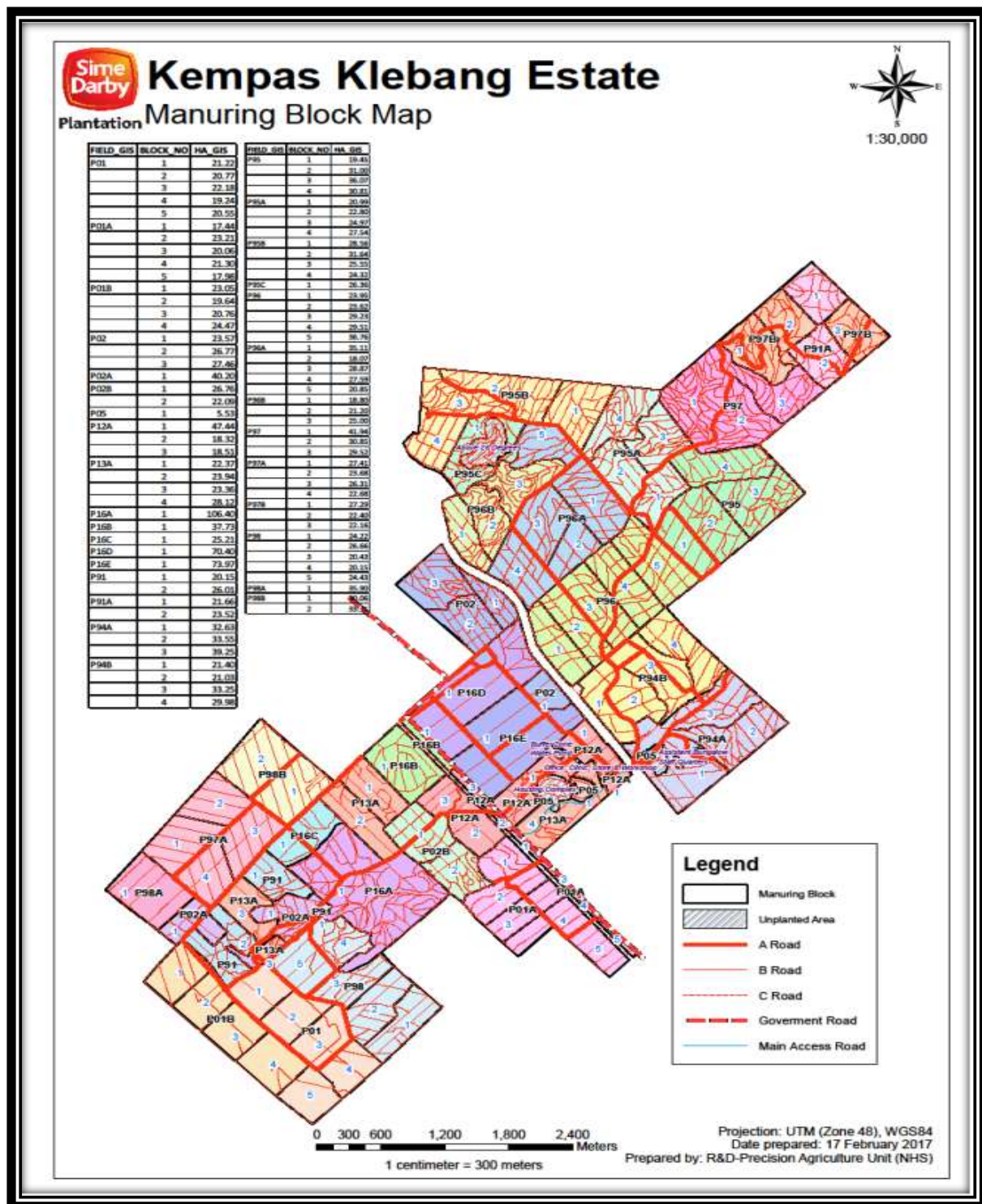


## 2) Gunung Mas Estate

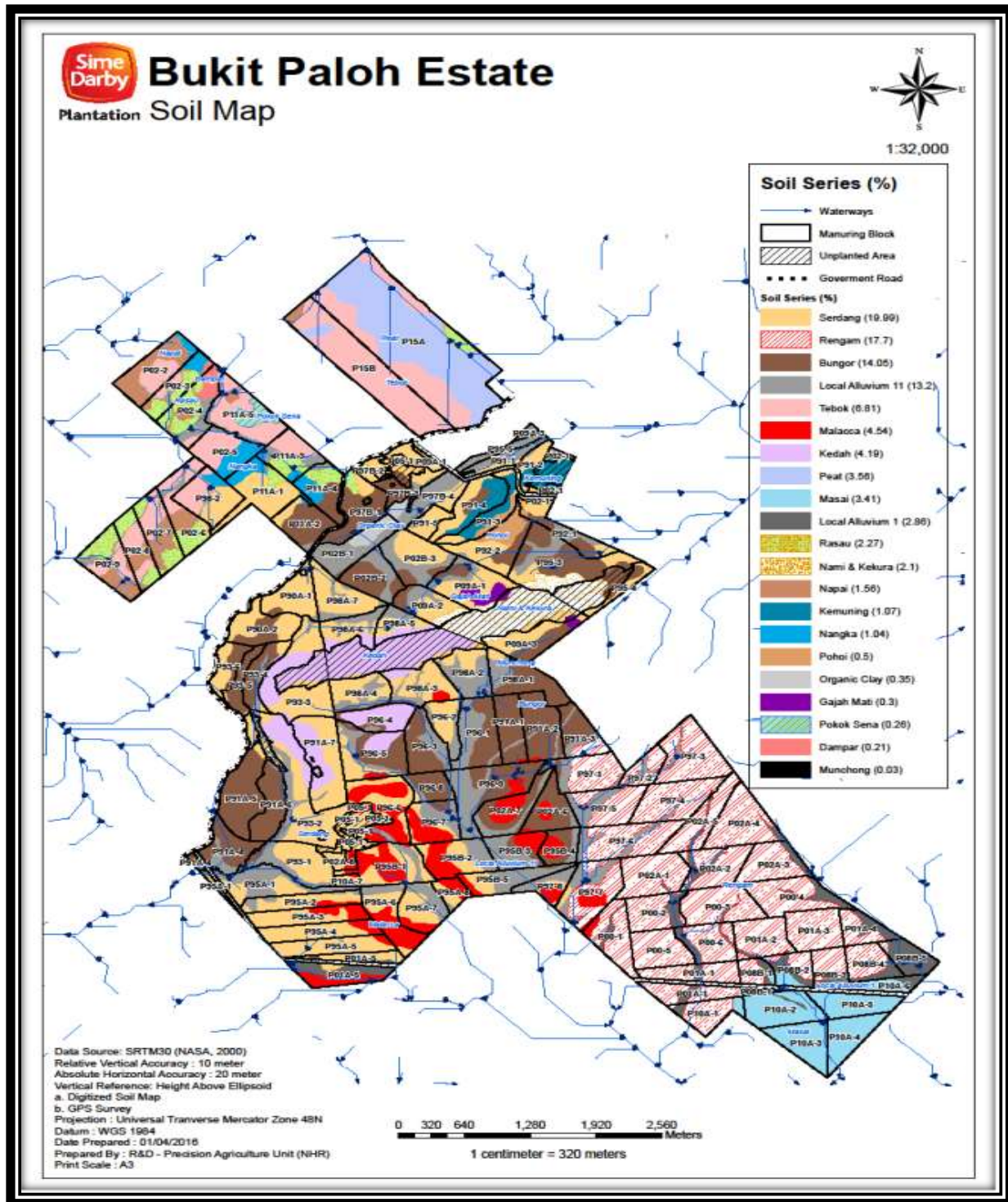




### 3) Kempas Klebang Estate

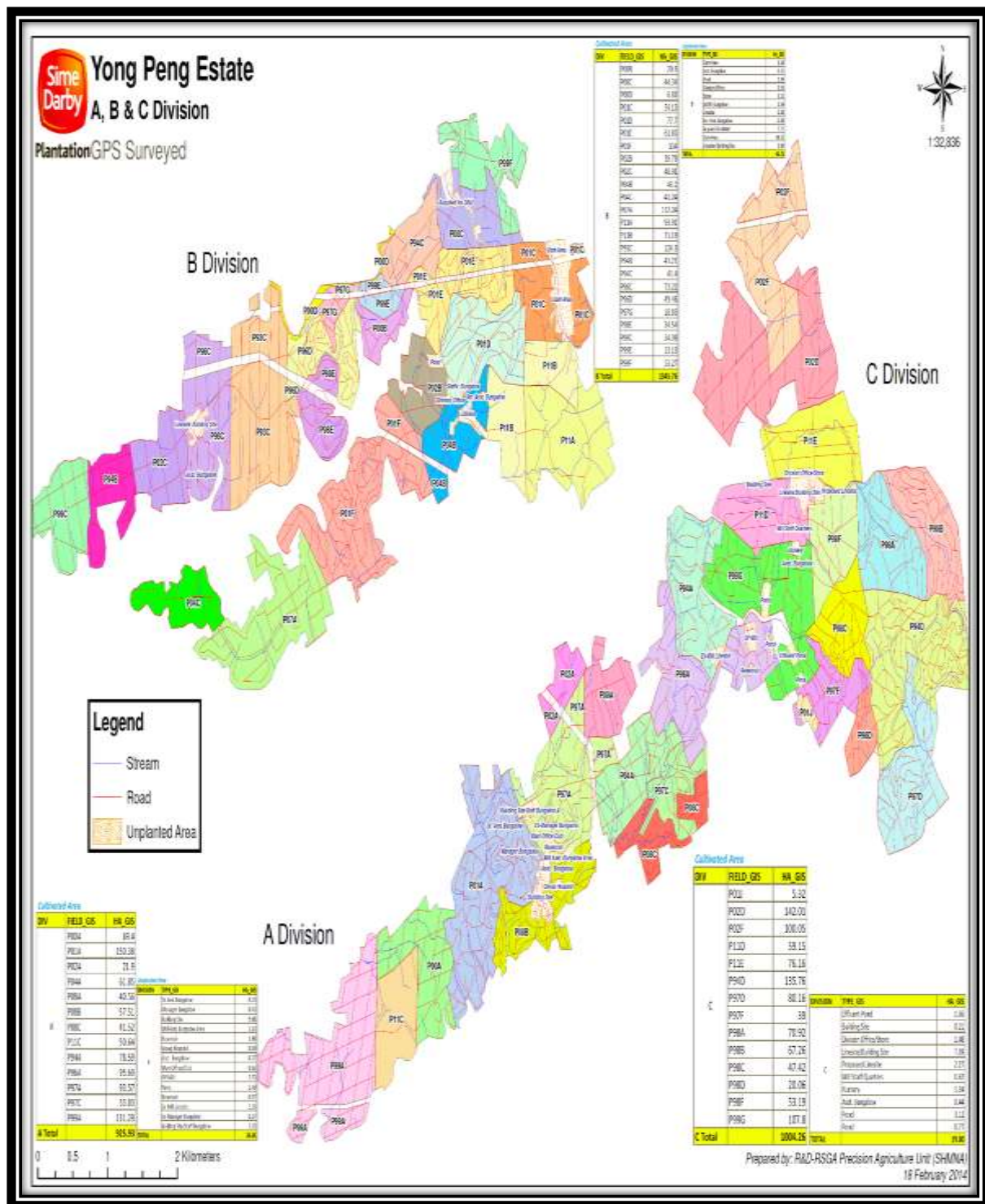


#### 4) Bukit Paloh Estate





## 5) Yong Peng 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
Gunung Mas Estate	3,485.51	3,136.49	2,463.80
Kempas Klebang Estate	2,486.86	2,263.43	1,877.33
Bukit Paloh Estate	3,416.74	3,049.57	2,255.29
Yong Peng Estate	3,381.23	2,413.93	2,239.09
<b>Total</b>	<b>12,770.34</b>	<b>10,863.42</b>	<b>8,835.51</b>

Name of the Certification Unit	Area Summary (HA)		
	Conservation Area	HCV	Others
Gunung Mas Estate	-	83.92	-
Kempas Klebang Estate	-	118.74	-
Bukit Paloh Estate	-	124.87	-
Yong Peng Estate	-	31.51	-
<b>Total</b>	-	<b>359.04</b>	-

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]
Gunung Mas Estate	53,794.00	44,882.64	57,070.52
Kempas Klebang Estate	50,181.14	45,740.37	46,980.01
Bukit Paloh Estate	55,215.88	53,511.86	54,812.20
Yong Peng Estate	46,830.96	48,029.63	48,767.56
<b>Total</b>	<b>206,021.98</b>	<b>192,164.50</b>	<b>207,630.29</b>

**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](http://www.ggc.my)

**Assessment standard**

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

**Certificate number**

GGC-SDP003-MSPO-02-2018

<b>Initial certificate issued date</b>	28 <sup>th</sup> December 2017
<b>Certificate expiry date</b>	27 <sup>th</sup> December 2022
<b>Stage 1 assessment date</b>	Not applicable as client certified for RSPO
<b>Stage 2 / Main Assessment</b>	16 <sup>th</sup> October 2017 – 17 <sup>th</sup> October 2017
<b>Annual Surveillance 1 [ASA 1]</b>	27 <sup>th</sup> November 2018 – 28 <sup>th</sup> November 2018
<b>Annual Surveillance 2 [ASA 2]</b>	22 <sup>nd</sup> October 2019 – 23 <sup>rd</sup> October 2019
<b>Annual Surveillance 3 [ASA 3]</b>	26 <sup>th</sup> October 2020 – 27 <sup>th</sup> October 2020
<b>Annual Surveillance 4 [ASA 4]</b>	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 (3<sup>rd</sup> Batch) held by MPOB.

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. Member of GGC MSPO audit team.

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:** **Tuan Amirudin bin Tuan Sulaiman**

Graduated from UiTM in Planting Industry Management. Have working experience several industries mostly on Plantation and consultancy services in sustainability such as MSPO and RSPO for more than two years. Attended and passed MSPO Auditor Training Course and MSPO Supply Chain Certification Auditor Training. HRDF Trainer Certified.

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:** **Ahmad bin Sukiman**

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd.

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 2 estates out of 4 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 31<sup>st</sup> August 2020 has been extended for a period of 01<sup>st</sup> September 2020 until 31<sup>st</sup> December 2020.

With reference to the Federal Government Gazette (9<sup>th</sup> 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 12<sup>th</sup> June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

## 1.9 Audit Plan Information

<b>Audit Date</b>	26 <sup>th</sup> October 2020 – 27 <sup>th</sup> October 2020
<b>Name of site(s) visited</b>	1) Gunung Mas Estate 2) Yong Peng Estate
<b>Total number of man-days spent</b>	6 man-days

## 1.10 Audit Result Summary Findings

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	0	No action requires

Minor Nonconformities	0	No action requires
Area of Concern	1	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, 01<sup>st</sup> 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"> <li>• They have good understanding about MSPO.</li> <li>• They have good understanding about complaint and grievance mechanism.</li> <li>• PPE given by company – free.</li> <li>• They were treated equally with no discrimination based on gender.</li> <li>• They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs.</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>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.</li> </ul>		
2.	Stakeholders B (Harvesting Gang)	<ul style="list-style-type: none"> <li>Good understanding about MSPO.</li> <li>They are very happy with the management and hopes to extend their contract.</li> <li>They have good understanding about complaint and grievance mechanism.</li> <li>PPE given by company – free.</li> <li>They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs.</li> <li>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.</li> </ul>	No action requires	Positive findings
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> <li>They have good understanding about MSPO.</li> <li>They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.</li> <li>They were aware that any complaints or suggestions could be forwarded to the mill/estate management.</li> <li>The company has good relation with supplier and there is no issue with company's performance.</li> </ul>	No action requires	Positive findings
4.	Stakeholders D (Suppliers)	<ul style="list-style-type: none"> <li>Informed that the payment was made promptly.</li> </ul>	No action requires	Positive findings



		<ul style="list-style-type: none"> <li>• The contract agreement with the management is fair and transparent.</li> <li>• The company has good relation with supplier and there is no issue with company's performance</li> <li>• He has good understanding about complaint and grievance mechanism.</li> </ul>		
5.	Stakeholders E (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> <li>• There was no discrimination, sexual harassment or violence case reported thus far.</li> <li>• The Management is quite supportive on the Committee activities.</li> </ul>	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 21 Gunung Mas [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 21 Gunung Mas [Estates].

### 1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 9-12 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 Plantation Berhad has established a sustainability policy in document "Group Sustainability & Quality Policy Statement" signed by Group Managing Director (Mr. Mohamad Helmy Othman Basha) on 2<sup>nd</sup> December 2019.

Sighted the training record "Town Hall" that mention about the policy. The record as per below:

Estate	Date	Participants
Gunung Mas	18/08/2020	58
Yong Peng	19/08/2020	168

During interview with the staff and workers, they are aware regarding the MSPO Policy and the implementation of the MSPO and able to answer the interviewer's question.

**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.

**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 procedure is available in Sime Darby Plantation; Plantation Sustainability and Quality Management (PSQM); No: SD/SDP/PSQM/IAP; Internal Audit Procedure; Rev 2; Date: 11<sup>th</sup> November 2017.

The internal audit has been conducted and the details as per below: -

Estate	Date	Results
Gunung Mas	07/10/20	3 major, 1 minor, 3 OFI
Yong Peng	06/10/20	7 major 1 minor, 6 OFI

The findings has been closed by the estate accordingly and acknowledge by the internal auditor on 20/10/2020 (Gunung Mas Estate) and 23/10/2020 (Yong Peng Estate).

**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 of the internal audit have been covered in management review. The status of the correction and preventive actions are being discuss and reviewed.

**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** Sime Darby Plantation Berhad has established management review procedure to ensure that the Operating Unit's Sustainability Management System and performance continue to meet the RSPO, MSPO or other sustainability requirements and needs of the company and interested parties.

The procedure is available in Sime Darby Plantation; Estate Quality Management System; Level 1-Quality Management Manual (QMM); Section 5; Management Responsibility; Version 1; Year 2008; Issue No: 1: Issue Date: 01/11/2018.

The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed.

Sighted management review meeting as per below: -

Estate	Date	Participation
Gunung Mas	10/10/2020	14
Yong Peng	19/10/2020	17

**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** sighted a continual improvement plan covering Environmental, Social, Best Practices, OSH and Others. The plan has been documented in Continuous Improvement Plan for year 2020.

As evidence in Yong Peng Estate:

- Sighted the evidence from the CIP – EFB application at field 2011A and 2011B. Total of EFB application as to date is 10260 mt. As the latest application was on 03/10/2020 amounting 206 mt at division C.

**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** For both estate on 2019, There is a new application of new technology implemented during the certification period. Namely, Semi-Mechanize Fertilizer Application (FM3). "Sejenis jentera yang digunakan di ladang-ladang untuk aplikasi baja".

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** Trainings on best practices and new technology were among the important elements included in the action plan.

For 2019 new technology, FM3 training has been conducted to the relevant personnel – 26/04/2018 (Gunung Mas Estate) 5 participants and 18/08/2018 (Yong Peng Estate) 5 participants. As for year 2020 no new technology has been implemented.

**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; 01<sup>st</sup> 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 15<sup>th</sup> August 2020 at Kempas Klebang Estate's Meeting Room, attended by 25 participated. The meeting was collaborated with Kempas Klebang Estate, Gunung Mas Estate and Gunung Mas POM. The meeting was chaired by Puan Noraziah binti Saari (Estate Manager).

There are a few Request/Consultation/Communication from the stakeholders. Among the request:

#### Smallholders

- Request
  - Memohon jasa baik pihak ladang untuk memperbaiki jalan yang berlubang di jalan utama Paloh-Bekok yang melalui jalan Ladang Gunung Mas.
- Response
  - Pihak Ladang telah berusaha untuk memastikan jalan utama Paloh-Bekok dibaik pilih setelah perbincangan dilakukan dengan kontraktor projek KTMB. Jalan tersebut telah dibaik pada bulan September 2020.

#### Guru Besar SK Paloh II

- Request
  - Berterima kasih kepada pihak ladang Kempas Klebang kerana telah memberi bantuan jentera berat untuk membersihkan kawasan sekolah yang dipenuhi belukar pada 19.07.2020
- Response
  - Pengurus meminta sesiapa sahaja yang ingin memohon sebarang bantuan, memohon melalui proses yang sepatutnya dan akan di proses mengikut prosedur syarikat.



At Yong Peng Estate Estate, stakeholder Meeting was held on 2<sup>nd</sup> October 2020 at Yong Peng Estate Club House Room, attended by 16 participated. The meeting was chaired by Mr. Muhamad Azhan bin Zakaria (Estate Manager). There are a few Request/Consultation/Communication from the stakeholders. Among the request:

Mr. Jumadi – Smallholders

- Request
  - Meminta untuk membuat parit di laluan kebunnya untuk mengelakkan banjir di Divisyen B
- Response
  - Pengurus memaklumkan bahawa ianya akan dilaksana sekiranya termasuk di dalam kawasan ladang. Tindakan telah di ambil pada 21/10/2020 dengan membuat parit seperti yang di mohon.

**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; 01<sup>st</sup> 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) Gunung Mas Estate
  - The person in charge for consultation and communication agenda is led by Mr. Mohammad Faiz bin Nazri (Estate Sr. Assistant Manager) and appointed on 05<sup>th</sup> January 2020 by Mr. Saifullizan bin Kamaruddin (Estate Sr. Manager).
- 2) Yong Peng Estate
  - The person in charge for consultation and communication agenda is led by Mr. Khairul Anuar bin Samingon (Estate Sr. Assistant Manager) and appointed on 1<sup>st</sup> October 2018 by Mr. Mohd Amran bin Mohd Nor (Estate 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 updated on 07<sup>th</sup> October 2020. Prepared by Mr. Mohamad Azrol bin Ariffin (Chief Clerk) and approved by Mr. Saifullizan bin Kamaruddin (Estate Sr. 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 Kluang
  - Balai Polis Kluang
- b) Non-Governmental Organisation (NGO)
  - All Malayan Estates Staff Union (AMESU)
  - National Union of Plantation Workers (NUPW)
- c) Service Providers / Contractors / Suppliers
  - FOMEMA Sdn Bhd
  - Maybank
  - SS Setia Technology Enterprise
  - Kualiti Alam Sdn Bhd

- Sharps & Bins Sdn Bhd
- Low Siew San Construction
- Syarikat Sin Kim Huat
- K. Muthu A/L Rangasamy

d) Neighbouring Community /Plantation /Smallholders

- Ng Koon Sang
- Pek Ah Meng
- Fan Yong Fai
- Guok Ntsik Twn
- Hui Chee Keowng
- Chan Nam
- Yong Yoke Wah

e) Estate Community / Estate Representatives

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

For Yong Peng Estate, sighted latest stakeholder list updated on 1<sup>st</sup> January 2020. Prepared by Mr. Khairul Anuar bin Samingon (Estate Sr. Assistant Manager) and approved by Mr. Mohd Amran bin Mohd Nor (Estate Manager).

**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).
<b>Summary</b>	<p>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.</p> <p>Verified the implementation of this SOP as per Figure 1: Overview of Supply Chain of Upstream from product FFB to POM until downstream refiners/bulking installations. Sufficient information is stated on the weighbridge ticket or consignment note of all delivery of FFB including:</p> <ul style="list-style-type: none"> <li>• MSPO Certificate number</li> <li>• Estate name</li> <li>• Quantity</li> <li>• Vehicle number</li> <li>• Driver name</li> </ul>

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) Gunung Mas Estate
  - The person in charge for traceability agenda is led by Mr. Mohammad Faiz bin Nazri (Estate Sr. Assistant Manager) and appointed on 05<sup>th</sup> January 2020 by Mr. Saifullizan bin Kamaruddin (Estate Sr. Manager).
  - They are also responsible for all records of traceability for the respective division.
- 2) Yong Peng Estate
  - The person in charge for traceability agenda is led by Mr. Khairul Anuar bin Samingon (Estate Sr. Assistant Manager) and appointed on 1<sup>st</sup> October 2018 by Mr. Mohd Amran bin Mohd Nor (Estate Manager).

- They are also responsible for all records of traceability for the respective division.

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

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

**Summary** FFB being sell to Gunung Mas 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 in Gunung Mas Estate:

- Date Delivery: 22/10/2020
- FFB Consignment Note No: 43682
- Transporter: Gunung Mas Estate
- Driver name: Mahadir bin Mukdi
- Weight: 12.01 MT

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).

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

## 2.3 Principle 3 : Compliance to legal requirements

### Criterion 1 Regulatory requirements

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

**Summary** The Company has established the Standard Operation Manual (SOM) Sub-Section 5.2 Customer Focus, Appendix 5.2.4a – Procedure for Legal and Other Requirements prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.

The estates are operating in compliance with the applicable local, state, national and ratified international laws and regulations.

The Summary of Compliance includes;

1. Legal requirement
2. Occupational Safety and Health
3. Environmental
4. General



## 5. Other Requirement

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
Gunung Mas	09.06.2020	Mr Mohammad Faiz Bin Nazri (Sr Asst Manager)	Mr Saifullizam Bin Kamaruddin (Senior Manager)
Yong Peng	July 2020	Mr Khairul Anuar Bin Samingon (Sr Asst Manager)	Mr Muhamad Azhan Bin Zakaria (Manager)

The Legal and Requirement Register has column such as title, subject, Reference No. etc. requirements, Status of compliance, accountability & Responsibility and Enforcing Agency. The Legal and Requirement Register was last reviewed on 09.06.2020.

The list covers the requirements that related to MSPO compliance. These documents include information on legal requirements, environmental, general and other requirements. It includes the following:

1. Perintah Kawalan Pergerakan, 2020
2. Prevention and Control of Infectious Diseases Act 1988, Act 342
3. OSHA Act 1994 (Act 514)
4. Factories and Machinery Act 1967 (Act 139)
5. Uniform Building By Law, 1986
6. Pesticides Act 1974 (Act 149)
7. Electrical Supply Act, 1990
8. Petroleum (Safety Measures) Act, 1984
9. Fire Services Act, 1984
10. Code of Practice for Safe Working in a Confined Space, 2010
11. Environmental Quality Act, 1974
12. Local Government Act
13. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
14. Akta Kerja 1955
15. Employees Provident Fund 1991 (Act 452)
16. Employees Social Security Act 1969 (Act 4)
17. Akta Kesatuan Sekerja 1959
18. Minimum Retirement Age Act 2012
19. National Wage Consultative Council Act, 2011, Minimum Wages Order 2012
20. Weights and Measures Regulations 1981
21. Electricity Regulation 1994
22. Immigration Act 1959/63 (Act 155)
23. Holiday Act 1951
24. Passport Act 1966
25. Sime Darby Berhad, GPA October 2005
26. Sewerage Service Act 1993
27. Wildlife Conservation Act 2010
28. MPOB Act 1998 (Act 582)



29. Industrial Relations Act 1967 (Act 177)
30. Medical Assistant (Registration) Act 1977

The estates had implemented its Weekly Housing Complex/Nest/Community Hall Inspections Checklist, the linesite inspection was carried out by the PIC as follow;

Estate	Staff/ PIC Name	Date of Inspection
Gunung Mas	Miss Priya A/P Perumal (Medical Assistant)	23.10.2020
Yong Peng	Mr Mohamad Izwan Bin Irsap (Medical Assistant)	22.10.2020

The monthly Visiting Medical Officer visit is recorded in a VMO Visit Record;

Estate	VMO Name	Date of Visit
Gunung Mas	Dr Ling Kay Kwong (Klinik Segamat)	19.10.2020
Yong Peng	Dr Helen Tan Kwai (Klinik Rengam)	23.10.2020

The Visiting Medical Officer (VMO) visit by Dr Ling Kay Kwong (Klinik Segamat) is recorded in a VMO's Report. Report of VMO visit for the month of October 2020 (visited on 19.10.2020) stated the following;

1. Estate – overall OK
2. Linesite checked.
3. Creche closed.
4. Records signed

Due to pandemic Covid-19 and Federal Government Gazette, Peraturan-Peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Langkah-Langkah Di Dalam Kawasan Tempatan Jangkitan)(No. 8) 2020 bertarikh 1 September 2020 P.U.(A) 254, berkuatkuasa 1 September 2020 hingga 31 Disember 2020, the Company has established the management plan to prevent the spread of pandemic Covid-19, based on guidelines provided by Majlis Keselamatan Negara - Protocol for Agri-Commodity Sector. The Disinfection Exercise has been monitored by the following personnel;

Estate	Latest sanitization Date	PIC	Manager
Gunung Mas	20.10.2020	Mr Mohammad Faiz Bin Nazri (Sr Asst Manager)	Mr Saifullizam Bin Kamaruddin (Senior Manager)
Yong Peng	24.10.2020	Mr Mohamad Izwan Bin Irsap (Medical Assistant)	Mr Muhamad Azhan Bin Zakaria (Manager)

Sighted the checklist of Covid-19 Disinfection Schedule on the following premises;

1. Office

2. Clinic
3. Workshop
4. Final Point Entry
5. Linesite
6. Club House
7. AP Post

Sighted sample of evidence for the disinfection exercise as per Sanitization Record for Gunung Mas Estate. For the month of October 2020, the disinfection works has been carried out on 05.10.2020, 06.10.2020, 12.10.2020, 13.10.2020, 19.10.2020 and 20.10.2020.

Sighted sample evidence of daily workers "Pemeriksaan Suhu Badan Pekerja" on 26.10.2020 for Gunung Mas Estate and 27.10.2020 for Yong Peng Estate.

One area of concern has been raised to Gunung Mas Estate. Details as per below:

- Lot 138 with express condition of no oil palm, tapioca or pineapple shall be cultivated on this land. HQ has replied that the Land Management Department of Sime Darby Plantation Berhad will apply to change the express condition in FY2021.
- Annual medical surveillance for pesticide operators had been implemented in accordance with OSHA USECHH Regulations 2000. However, one of the worker (Rosnani binti Wahid) was supposed to have a repeat "Liver Function Test" after 1 month from the date of medical surveillance (12<sup>th</sup> February 2020 – 04<sup>th</sup> March 2020). As per interviewed, due to COVID 19 pandemic estate was not able to send within the period and target to send by end of October 2020.

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

<b>Indicator 2</b>	The management shall list all laws applicable to their operations in a legal requirement register.
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**Summary**                      The estate has listed licenses and permits held as per the License, Permit & Agreement Folder.

Gunung Mas Estate has listed licenses and permits such as;

1. Permit Barang kawalan berjadual (Peraturan-peraturan bekalan kawalan bekalan 1974), No Siri P: J001475 No Rujukan: JH(SGT)0106/83 PSK for (18,160liter diesel and 400liter petrol) untuk tempoh 05.03.2020 till 04.03.2021.
2. Permit Barang kawalan berjadual (Peraturan-peraturan bekalan kawalan bekalan 1974), No Siri P: J001476 No Rujukan: JH(SGT)0105/83 PSK for (13,500liter diesel) untuk tempoh 20.02.2020 till 22.02.2021.
3. Lesen MPOB for Ladang Gunung Mas (menjual dan mengalih FFB) for 3,472.70ha. No lesen 522683002000 for a period of 01.08.2020 till 31.07.2021.

4. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Permit No. Pendaftaran PMT-JH/20 117401 for Air Receiver, Kelumpang 1,130kilo pascal valid till 11.011.2021.
5. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Permit No. Pendaftaran PMT-JH/20 117400 for Portable Air Receiver, Kelumpang 1,034kilo pascal valid till 11.011.2021.
6. Perakuan Penentuan Timbang dan Sukat for 60,000kg, No Siri Alat: B435963341 carried out by Metrology Corporation Malaysia Sdn Bhd on 11.02.2020.
7. Perakuan Pembantu Perubatan for Miss Priya A/P Perumal, No.K/P 950914-05-5358, No Perakuan Pendaftaran 20280, valid till 31.12.2020.
8. Permit kebenaran untuk membuat potongan upah di bawah Seksyen 24 Akta Kerja 1955 for Sime Darby Plantation Sdn Bhd – bagi tujuan potongan bayaran bil elektrik from Ibu Pejabat Jabatan Tenaga Kerja Semenanjung Malaysia, Putrajaya No Rujukan: BHG.PU/9/129 JLD38(53) dated 06.07.2017. Potongan hendaklah atas permintaan bertulis pekerja.
9. Permit kebenaran untuk membuat potongan upah di bawah Seksyen 24 (4) (c) Akta Kerja 1955 for Ladang Gunung Mas Ref No: TK(NJ) U-22 bagi tujuan bayaran balik pinjaman pembelian motosikal. Kebenaran potongan gaji ini telah diperuntukkan di bawah Seksyen 24(2)© Akta Kerja 1955, dengan syarat tiada faedah dikenakan ke atas pendahuluan itu from Jabatan Tenaga Kerja Negeri Johor dated 22.11.2017.

Yong Peng Estate has listed licenses and permits such as;

1. Permit Barang kawalan berjadual (Peraturan-peraturan bekalan kawalan bekalan 1974), No Siri: J037399 No Rujukan: (13) PPDNKK/J/BP/PBK 0017 for (14,000liter diesel and 9,000liter petrol) for a period of 15.11.2019 till 14.11.2020.
2. Lesen MPOB for Ladang Yong Peng (menjual dan mengalih FFB) for 3,402.21ha. No lesen 527973002000 for a period of 01.03.2020 till 28.02.2021.
3. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Permit No. Pendaftaran PMT-JH/19 88081 for Air Compressor, Kelumpang 1,034kilo pascal valid till 06.11.2020.
4. Perakuan Kelayakan Pengandung Tekanan Tak Berapi Permit No. Pendaftaran PMT-JH/19 88080 for Air Compressor, Kelumpang 1,034kilo pascal valid till 06.11.2020.
5. Perakuan Penentuan Timbang dan Sukat for 60,000kg, No Siri Alat: B344935460 carried out by Metrology Corporation Malaysia Sdn Bhd on 05.06.2020.
6. Perakuan Pembantu Perubatan for Mr Mohamad Izwan Bin Irsap, No.K/P 910225-01-6525, No Perakuan Pendaftaran 23075, valid till 31.12.2020.
7. Lesen Bagi Mengutip Tol-Tol, Enakmen Mengutip Tol, 1974, No. Rujukan: SUKJ.BKP.700-21/24/13(2), No Lesen: 19/2020 effective 01.01.2020 till 31.12.2020
8. Permit kebenaran untuk membuat potongan upah di bawah Seksyen 24 Akta Kerja 1955 for Sime Darby Plantation Sdn Bhd – bagi tujuan potongan bayaran bil elektrik from Ibu Pejabat Jabatan Tenaga Kerja Semenanjung Malaysia, Putrajaya No Rujukan: BHG.PU/9/129 JLD38(53) dated 06.07.2017. Potongan hendaklah atas permintaan bertulis pekerja.

9. Permit Potongan Upah untuk bayaran Insurans Great Eastern sebanyak RM10.00 sebulan bagi pekerja yang memohon No Rujukan: TK(NJ) U-22 from Jabatan Tenaga Kerja Negeri Johor dated 03.07.2017.
10. Permit Potongan Upah untuk pembayaran simpanan Lembaga Tabung Haji berjumlah minimum RM200.00 sebulan bagi pekerja yang memohon No Rujukan: TK(NJ) U-22 from Jabatan Tenaga Kerja Negeri Johor dated 03.07.2017.
11. Permit Potongan Upah untuk yuran kesatuan sekerja iaitu National Union of Plantation Workers (NUPW) berjumlah RM8.00 sebulan No Rujukan: TK(NJ) U-22 from Jabatan Tenaga Kerja Negeri Johor dated 03.07.2017.
12. Permit kebenaran untuk membuat potongan upah di bawah Seksyen 24 (4) (c) Akta Kerja 1955 for Ladang Yong Peng, Ref No: TK(NJ) U-22 bagi tujuan bayaran balik pinjaman pembelian motosikal. Kebenaran potongan gaji ini telah diperuntukkan di bawah Seksyen 24(2)© Akta Kerja 1955, dengan syarat tiada faedah dikenakan ke atas pendahuluan itu from Jabatan Tenaga Kerja Negeri Johor dated 22.11.2017.

The Monthly Returns for year 2020 include the following;

1. MPOB – Penyata Bulanan Pengeluar Buah Kelapa Sawit (MPOB (EL) ET4)
2. Perkeso Borang 8A
3. KWSP – Borang A
4. Employee Insurance Scheme (EIS)

The list of Fire Extinguisher for the estates is tabulated below;

Estate	Expiring Date	No. of Unit	Type of Fire extinguisher
Gunung Mas	06.07.2021	41	Dry Powder (ABC)
Gunung Mas	21.05.2021	2	Dry Powder (ABC)
Yong Peng	Under service	15	Dry Powder (ABC)
Yong Peng	01.10.2021	9	Dry Powder (ABC)
Yong Peng	14.11.2020-11.11.2021	50	Dry Powder (ABC)

The “Ringkasan Bancian Penduduk” for the estates is tabulated below;

Estate	Gunung Mas	Yong Peng
No. of Houses	144	120
No. of Workers	182	260
Workers/House	1.26	2.17
No. of Dependent	51	108
Dependent/ House	0.35	0.90
Overall Ratio	1.62	3.07



The Gunung Mas Estate population census record for 2020 has a population rate of 1.26 workers per house and 0.35 dependents/house.

For Yong Peng Estate, population census record for 2020 has a population rate of 2.17 workers per house and 0.90 dependents/house.

**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** The periodic review and evaluation on the legal requirement register to ensure that any new/addition as well as changes and amendment are captured and update, through the following manner :

1. Plantation Sustainability and Quality Management Department
2. Enquiring the laws books publisher
3. Communication with law/enforcement officers
4. Website

**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	Signed by	Letter Date
Gunung Mas	Mr Mohammad Faiz Bin Nazri (Sr Asst Manager)	Mr Saifullizam Bin Kamaruddin (Senior Manager)	05.01.2020
Yong Peng	Mr Khairul Anuar Bin Samingon (Sr Asst Manager)	Mr Muhamad Azhan Bin Zakaria (Manager)	22.01.2020

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 Sime Darby HQ.

The land title details for Gunung Mas Estate as tabulated below;

Lot No	Land Title (Ha)	Quit Rent (Ha)	Quit Rent (RM)	Ownership
24	2.1018	2.1018	165.00	SDPSB
1003	13.4811	13.4811	980.00	SDPSB
2244	207.5022	207.5022	28,980.00	SDPSB
2344	53.1655	53.1655	5,022.00	SDPSB
2381	24.8755	24.8755	1,750.00	SDPSB
2382	47.2723	47.2723	4,464.00	SDPSB
2428	12.052	12.052	910.00	SDPSB
2445	99.6284	99.6284	9,300.00	SDPSB
3014	404.685	404.685	56,700.00	SDPSB
3016	4.7626	4.7626	295.00	SDPSB
6	66.8743	66.8743	16,750.00	SDPSB
138	121.4056	121.4056	27,750.00	SDPSB
229	1,095.887	1,095.887	152,320.00	SDPSB
230	871.2868	871.2868	121,240.00	SDPSB
462	460.5322	460.5322	64,540.00	SDPSB
Total	3,485.5123	3,485.5123	491,166.00	

Note: SDPSB - Sime Darby Plantation Sdn Bhd is a subsidiary company of Sime Darby Plantation Berhad via letter Ref No SVP/38/08/2017 dated 02.08.2017 on a subject matter of "Conversion of the Company Status from Private Sdn Bhd to Public Company (Berhad)".

Evidence of annual payment of Quit Rent 2020 for Gunung Mas Estate under Sime Darby Plantation Sdn Bhd has been paid to Kerajaan Negeri Johor Darul Ta'zim, Pentadbiran Tanah Johor, Daerah Labis amounted to RM491,166.00 is available in a form of receipts.

The land title details for Yong Peng Estate as tabulated below;

Lot No	Land Title (Ha)	Quit Rent (Ha)	Quit Rent (RM)	Ownership
81	388.1640	388.1640	69,368.00	SDPSB
381	56.5800	51.9490	6,890.00	SDPSB
382	132.4130	132.4130	19,790.00	SDPSB
383	61.1330	61.1330	8,693.00	SDPSB
384	139.8190	139.8190	26,651.00	SDPSB
385	119.8380	119.8380	22,852.00	SDPSB
448	5.8530	5.8530	707.00	SDPSB
449	34.4110	0.000	250.00	SDPSB
615	165.5160	165.5160	31,576.00	SDPSB

4015	0.7350	0.7350	46.00	SDPSB
4016	4.3960	4.3960	295.00	SDPSB
5085	5.9560	5.9560	670.00	SDPSB
5086	20.3660	20.3660	2,549.00	SDPSB
5087	8.3590	2.1500	676.00	SDPSB
5088	22.4900	21.0660	2,795.00	SDPSB
5089	3.0930	0.6600	139.00	SDPSB
5090	2.0890	2.0890	329.00	SDPSB
5091	2.2230	2.2230	336.00	SDPSB
2749	4.0300	1.4400	92.00	SDPSB
130	2.0740	2.0740	165.00	SDPSB
753	15.2900	15.2900	1,944.00	SDPSB
1325	5.3370	5.3370	354.00	SDPSB
5064	1.8790	1.8790	246.00	SDPSB
5065	3.1620	3.1620	438.00	SDPSB
5066	10.3570	10.3570	1,348.00	SDPSB
5067	28.8590	28.8590	3,520.00	SDPSB
5068	10.9140	10.9140	1,376.00	SDPSB
5070	3.5760	3.5760	459.00	SDPSB
5195	2.1270	2.1270	165.00	SDPSB
5196	4.0700	4.0700	295.00	SDPSB
5197	4.6410	4.6410	260.00	SDPSB
5490	2.1450	2.1450	165.00	SDPSB
5493	5.3170	5.3170	354.00	SDPSB
5494	2.4860	2.4860	165.00	SDPSB
6528	1.5730	1.5730	92.00	SDPSB
7242	234.9200	234.9200	44,706.00	SDPSB
7243	0.9740	0.9740	155.00	SDPSB
7244	193.8460	193.8460	36,912.00	SDPSB
7245	13.4560	13.4560	1,713.00	SDPSB
7246	131.7760	131.7760	25,129.00	SDPSB
7278	157.2200	157.2200	30,041.00	SDPSB
7387	1.8440	1.8440	92.00	SDPSB
7414	1.2070	1.2070	92.00	SDPSB
7445	230.3670	230.3670	43,918.00	SDPSB
7448	94.3930	94.3930	13,615.00	SDPSB
8501	212.6850	212.6850	40,315.00	SDPSB
8525	143.4610	143.4610	27,393.00	SDPSB
9925	5.1700	5.1700	312.00	SDPSB
9926	3.6750	3.6750	168.00	SDPSB
MLO7591	0.3090	0.3090	46.00	SDPSB
MLO7677	1.4440	1.4440	92.00	SDPSB
MLO7678	2.3570	2.3570	165.00	SDPSB
10171	3.6850	3.6850	295.00	SDPSB
10172	3.9080	3.9080	220.00	SDPSB
Sub-Total Oil Palm	2,717.9680	2,666.2700	471,429.00	



446	254.5780	254.5780	35,972.00	SDPSB
447	14.3160	14.3160	1,826.00	SDPSB
5069	5.1040	5.1040	669.00	SDPSB
5192	2.0010	2.0010	165.00	SDPSB
5193	4.0240	4.0240	295.00	SDPSB
5194	3.2730	3.2730	220.00	SDPSB
5573	2.6510	2.6510	165.00	SDPSB
5574	1.6690	1.6690	92.00	SDPSB
7446	427.3480	427.3480	47,137.00	SDPSB
Sub-Total Rubber	714.9640	714.9640	86,541.00	
Main Total	3,432.9320	3,381.2340	557,970.00	

Note: SDPSB - Sime Darby Plantation Sdn Bhd.

Evidence of annual payment of Quit Rent 2020 for Yong Peng Estate under Sime Darby Plantation Sdn Bhd has been paid to Kerajaan Negeri Johor Darul Ta'zim, Pentadbiran Tanah Johor Daerah Batu Pahat amounted to RM557,970.00 is available in a form of receipts.

Area statement for the estates are tabulated below;

Description	Hectare	
	Gunung Mas Estate	Yong Peng Estate
Mature area	2,527.59	2,239.09
Immature area	608.90	91.22
In-Course of Planting	0.00	0.00
Sub-Total Planted Area	3,136.49	2,330.31
Building, Roads	144.76	258.30
Nursery	9.08	5.09
Plantable Reserve	10.57	0.00
Unplantable Area	165.27	97.90
KTMB Double Track	26.5664	0.00
GPS Variance	-2.72	65.84
Rubber Immature	0.00	650.05
Sub-Total Other Areas	353.5264	1,077.18
Total	3,490.0164	3,407.49
Temporary Land Lease	-4.50	-5.28
Field transfer to group estate	0.00	-20.98
Main Total Estate (A)	3,485.5164	3,381.2300
Net land title (B)	3,485.5123	3,381.2340
Land Acquisition	0.0000	51.6980
Total as land titled	3,485.5123	3,432.9320
Discrepancy (B – A)	Negligible	Negligible

Note: Net land title derived from Total as land titled less Land Acquisition.

**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 estates had demonstrated legal ownership of its land by having legal land title to the land. The copy of land title is kept in the estate's office and was sighted during the audit.

The land ownership and actual used of land for Gunung Mas Estate is tabulated below:

Lot No	Ownership	Syarat Nyata	Actual Land Used
24	SDPSB	Kelapa Sawit	Oil Palm
1003	SDPSB	Tiada	Oil Palm
2244	SDPSB	Tiada	Oil Palm
2344	SDPSB	Tiada	Oil Palm
2381	SDPSB	Kelapa Sawit	Oil Palm
2382	SDPSB	Tiada	Oil Palm
2428	SDPSB	Tiada	Oil Palm
2445	SDPSB	Tiada	Oil Palm
3014	SDPSB	Tiada	Oil Palm
3016	SDPSB	Tiada	Oil Palm
6	SDPSB	Tiada	Oil Palm
138	SDPSB	No Oil Palm, Tapioca, Pineapple	Oil Palm
229	SDPSB	Tiada	Oil Palm
230	SDPSB	Tiada	Oil Palm
462	SDPSB	Tiada	Oil Palm

Sighted Syarat-Syarat Nyata for Lot No 138 stated that "No oil palm, tapioca or pineapple shall be cultivated on this land".

Sighted evidence of a correspondence through e-mail between the estate and the Land Management Department, Sime Darby HQ pertaining to the changes of express condition dated 26.03.2018. Thereafter, sighted follow-up letters from the estate to the HQ dated 29.10.2018, 08.10.2019 and 23.10.2020, however no evidence of the reply or progress being made by the HQ. The replied email dated 27.10.2020 stated "Lot 138 – need to change the express condition to OP. For this lot, we will apply to change the express condition in FY2021."

The land ownership and actual used of land for Yong Peng Estate is tabulated below:



Lot No	Ownership	Syarat Nyata	Actual Land Used
81	SDPSB	Kelapa Sawit	Oil Palm
381	SDPSB	Kelapa Sawit	Oil Palm
382	SDPSB	Kelapa Sawit	Oil Palm
383	SDPSB	Kelapa Sawit	Oil Palm
384	SDPSB	Kelapa Sawit	Oil Palm
385	SDPSB	Kelapa Sawit	Oil Palm
448	SDPSB	Kelapa Sawit	Oil Palm
449	SDPSB	Kelapa Sawit	Oil Palm
615	SDPSB	Kelapa Sawit	Oil Palm
4015	SDPSB	Kelapa Sawit	Oil Palm
4016	SDPSB	Kelapa Sawit	Oil Palm
5085	SDPSB	Kelapa Sawit	Oil Palm
5086	SDPSB	Kelapa Sawit	Oil Palm
5087	SDPSB	Kelapa Sawit	Oil Palm
5088	SDPSB	Kelapa Sawit	Oil Palm
5089	SDPSB	Kelapa Sawit	Oil Palm
5090	SDPSB	Kelapa Sawit	Oil Palm
5091	SDPSB	Kelapa Sawit	Oil Palm
2749	SDPSB	Kelapa Sawit	Oil Palm
130	SDPSB	Kelapa Sawit	Oil Palm
753	SDPSB	Kelapa Sawit	Oil Palm
1325	SDPSB	Kelapa Sawit	Oil Palm
5064	SDPSB	Kelapa Sawit	Oil Palm
5065	SDPSB	Kelapa Sawit	Oil Palm
5066	SDPSB	Kelapa Sawit	Oil Palm
5067	SDPSB	Kelapa Sawit	Oil Palm
5068	SDPSB	Kelapa Sawit	Oil Palm
5070	SDPSB	Kelapa Sawit	Oil Palm
5195	SDPSB	Kelapa Sawit	Oil Palm
5196	SDPSB	Kelapa Sawit	Oil Palm
5197	SDPSB	Kelapa Sawit	Oil Palm
5490	SDPSB	Kelapa Sawit	Oil Palm
5493	SDPSB	Kelapa Sawit	Oil Palm
5494	SDPSB	Kelapa Sawit	Oil Palm
6528	SDPSB	Kelapa Sawit	Oil Palm
7242	SDPSB	Kelapa Sawit	Oil Palm
7243	SDPSB	Kelapa Sawit	Oil Palm
7244	SDPSB	Kelapa Sawit	Oil Palm
7245	SDPSB	Kelapa Sawit	Oil Palm
7246	SDPSB	Kelapa Sawit	Oil Palm
7278	SDPSB	Kelapa Sawit	Oil Palm
7387	SDPSB	Kelapa Sawit	Oil Palm
7414	SDPSB	Kelapa Sawit	Oil Palm



7445	SDPSB	Kelapa Sawit	Oil Palm
7448	SDPSB	Kelapa Sawit	Oil Palm
8501	SDPSB	Kelapa Sawit	Oil Palm
8525	SDPSB	Kelapa Sawit	Oil Palm
9925	SDPSB	Kelapa Sawit	Oil Palm
9926	SDPSB	Kelapa Sawit	Oil Palm
MLO7591	SDPSB	Kelapa Sawit	Oil Palm
MLO7677	SDPSB	Kelapa Sawit	Oil Palm
MLO7678	SDPSB	Kelapa Sawit	Oil Palm
10171	SDPSB	Kelapa Sawit	Oil Palm
10172	SDPSB	Kelapa Sawit	Oil Palm
446	SDPSB	Rubber	Rubber
447	SDPSB	Rubber	Rubber
5069	SDPSB	Rubber	Rubber
5192	SDPSB	Rubber	Rubber
5193	SDPSB	Rubber	Rubber
5194	SDPSB	Rubber	Rubber
5573	SDPSB	Rubber	Rubber
5574	SDPSB	Rubber	Rubber
7446	SDPSB	Rubber	Rubber

**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 estate boundary is well demarcated with boundary markers surrounding the land. The boundary markers clearly state the GPS coordinate of that particular point. Maps clearly showing the estate boundary were also sighted during the audit.

Gunung Mas Estate has established a Manuring Block Map furnished with GPS Coordinates for 2 Final Point Entry boundary stones.

As an evidence, the sample coordinates are tabulated below;

Boundary Stone ID	Longitude	Latitude
FPE Chaah	N2°15'41.5"	E103°05'59.7"
FPE Paloh	N2°13'50.6"	E103°08'47.7"

Yong Peng Estate has established a map of Boundary Stone GPS Coordinates indicating the boundary stones furnished with GPS coordinates

As an evidence, the sample coordinates are tabulated below;

Boundary Stone ID	Longitude	Latitude
Sample 1	N238.63	E2091300
Sample 2	N461.30	E1715930

During site verification, auditors also checked a few physical boundary stone and verify it with company's GPS coordinate and GGC own GPS coordinate. The coordinate checked by GGC unit are matched to the data that prepared by the estates.

**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 disputes or claims involving the estates. The company has proper legal land titles for the land ownership. Therefore, no maps for recognized customary rights is available..

**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** Initial SIA was conducted on 7 – 11 July 2014 by Social & Environment Projects Unit, PSQM Department for entire SOU 21 Complex consist of:

- Gunung Mas POM
- Gunung Mas Estate
- Kempas Klebang Estate
- Bukit Paloh Estate
- Yong Peng Estate

The main objective of this assessment are:

- i. To identify the existing social issue in study area.
- ii. To develop social management plan for respective study area that is agreed by both PSQM Department and Operating Unit management.

The assessment methodology include group interview (with union and workers representatives, community leaders, related government agencies and workers, one on one interviews with staff, contractors and suppliers. Other method includes site observation and verification to cater the issues raised by stakeholders and documentation review – secondary data, reports or related minutes of meeting.

SIA Summary Analysis includes:

Social Aspect	Social Impact	Remarks
<b>Social Demography</b> <ul style="list-style-type: none"> <li>• Consist of local Malaysian (Malay &amp; Indian), Indonesian, Bangladesh, India, Nepal, Sri Lanka workers)</li> </ul>	Co-existence of Malaysian and Indonesian would create any differential treatment or such.	A procedure for handling social issue, complaints and grievances is available Procedure shall be communicated to all
<b>Safety and health</b> <ul style="list-style-type: none"> <li>• Mill is sharing dispensary with estate</li> <li>• Medical care is provided</li> </ul>	Improved healthcare and medical standards at estate's dispensary.	Dispensary is operated daily and open to all mill and estates workers.
<b>Education</b> <ul style="list-style-type: none"> <li>• Primary schools and secondary schools located near to estate and mill</li> <li>• Transport facility for children to go to school</li> </ul>	Both primary and secondary	To improve the education of estate and mill children to avoid any social issue.

Social Management Plan is reviewed at least once a year to review social impact and implementation of the plans to mitigate the negative impacts and promote the positive ones.

Based on the Social Impact Assessment conducted, the management had come up with several measures to respond to complaints raised by stakeholders.

All the negative impact has been follow up accordingly and completed as documented. Positive impact is been maintained and promoted as sighted from yearly management plan for 2020.

For Gunung Mas Estate, management plan on social impact assessment year 2020:

Issue & Strategies	Action Plan	Time Frame
Road damage at field 2016D, 2017B, 2017A road, need to be repaired/maintained. They are concern on the safety of the user	Road repair and maintenance will carried out following yearly programme. Badly damage road will repair immediately	July 2020
To repair drain at worker housing complex	Repair in progress and extra budget was request to the region	On going
To repair road from the main road towards Paloh	Road repair and maintenance will carried out	On going

Repair drain evidence done on 11/08/2020

For Yong Peng Estate, management plan on social impact assessment year 2020:

Area of concerns / Key Findings	Action Plan	Completion Date
Staff concern about workers do not wearing crush helmet during riding motorcycle	Enforcement by auxiliary police at front gate estate to ensure workers follow the rule	On going
Motorcycle workers in bad condition such as no front and back lamp may cause accident in or outside estate area	Auxiliary police will do spot check on every single motorcycle either during pass front gate or in linesite are	On going
Asking for additional road to easiest them to their farm	This cannot be fulfill because all smallholders must use access road entrance only using front point entrance (FPE)	completed



**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** Procedure for External Communication – Appendix 5.5.3.2 Standard Operating Manual (SOM) Subsection 5.5 item 6.3 has stated on "Time Frame for External Communication" are:

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

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

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

**Summary** Procedure for External Communication – Appendix 5.5.3.2 Standard Operating Manual (SOM) Subsection 5.5 item 6.3 has stated on "Time Frame for External Communication" are:

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

As evidence:

- Gunung Mas Estate  
Complaint made on 10/10/2020 by Mr. Hanapi house no B38 about broken lamp. The issue had been resolved on 15/10/2020.
- Yong Peng Estate  
Complaint made on 06/05/2020 regarding leakage of pipe at house no. 32A. The issue had been resolved on the same day.

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

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

**Summary** Complaint Logbook is available that include information of date, name and the nature of communication or complaint. PIC, date complete, action taken and signature.

**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** This procedure is sighted been communicated during yearly stakeholder's meeting. As evidence latest stakeholders meeting minutes on 19/11/2018.

Further, sighted this complaint mechanism is being displayed at entrance gate of mill and estates for easy access.

As evidence:

- 15/08/2020 Stakeholder meeting at Gunung Mas Estate. Sighted in the minutes meeting briefing about complaint. "3.0 ISU-ISU YANG DIBINCANGKAN  
"- Pengerusi menjelaskan sekiranya ada sebarang aduan, pihak berkepentingan boleh menyalurkan secara bersurat atau terus ke pejabat ladang/kilang dan mengisi borang aduan untuk Tindakan selanjutnya daripada pihak ladang/kilang.""
- Stakeholder meeting for Yong Peng Estate was conducted on 02/10/2020 attended by 16 people. Sighted in the minutes "Mr. Khairul Anuar Samington (KAS) menerangkan prosedur aduan untuk membuat sebarang aduan kepada pihak ladang."

**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 procedure of document control stated records keeping for RSPO/MSPO are for 10 years.

Sighted at both estates record of complaint is available for more than 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:

- Gunung Mas Estate
  - 28/01/2020 – Sumbangan bagi minggu STEM SMK Paloh Tahun 2020 – donation RM 200

- 10/04/2019 – memohon kebenaran menggunakan kenderaan ke Segamat Central Shopping Mall, Segamat by Prasekolah SK Seri Bekok

2) Yong Peng Estate

- 27/05/2020 – Sumbangan PPE to Klinik Batu 6 Segamat
- Kebenaran untuk memasuki kawasan estate melalui 'Gate C Division' untuk upacara tahunan kuil – 26 – 27/09/2020

**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 20<sup>th</sup> August 2008 by Plantation Sustainability and Quality Management Department.

The Environment, Safety and Health Program for both estate FY 2020 consist of:

- ESH Risk Management
- ESH Structure
- Incident Reporting
- Emergency Preparedness & Response
- Chemical Safety Management
- Contractor Safety Management
- Vehicle & Machinery Safety Management
- Scheduled Waste Management
- Communication
- Inspection
- Health and Hygiene Monitoring Program
- Awareness & Competency Training
- Reporting / Licensing

The importance of OSH are:

- Ensure safety, health and welfare of workers and comply with legislation
- Saving lives
- Increasing morale of workers
- Increasing confidence of shareholders
- Avoiding lossess to the company and workers
- Uplifting company's image

- Ensuring company's sustainability

**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.

This policy is been communicated to the workers thru 'Town Hall' as sighted in the record below: -

Estate	Date	Participation
Gunung Mas	18/08/2020	58 workers
Yong Peng	19/08/2020	168 workers

In Gunung Mas estate, latest HIRARC is reviewed on 30/09/2020 with amendment on Badang maintenance and at Yong Peng estate 29/09/2020 amendment on Rat baiting. Among of the HIRARC available based on activity and verified such:

1. Spraying
2. Harvesting
3. Administration
4. Manuring
5. Re-planting
6. Workshop

HIRARC identified item such Job Step, Hazard, Effect of Hazard, Existing Control (Nature of Risk Control), Risk Assessment (Low, Medium & High) and Recommended Risk Control.

Hierarchy of Risk Control includes:

Category	Control Measures	Effectiveness
Remove	Elimination	Most effective
Reduce	Substitute	Fairly Effective
	Isolate	
	Engineering	
Control	Administrative	Least effective
	PPE	

Training program are available based on training need analysis. Example taken from the program as per below:-

Item	Plan	Actual
<b>Yong Peng Estate</b>		
Sime Darby Sustainability Policies	Oct '20	Aug '20
RSPO/MSPO training	June '20	Aug '20
Whistle blowing	June '20	Aug '20
Manuring training	Jan '20	Jan '20
IPM	June '20	June '20
Chemical & spraying SOP	July '20	In-progress
ERP – chemical spillage	Aug '20	In-progress

Gunung Mas Estate		
What is SDS	Jan '20	Done
Triple rinsing training & demo	Aug '20	Done
Manuring training	Feb '20	Done
P & D training	April '20	Done
ERP – fire	March '20	Done
ERP – chemical	Jan '20	Done
Sime Darby Sustainability Policy	Jan '20	Done
PPE training & demo	Jan'20	Done

Sighted training record for chemical handler. Record as per below: -

Item	Date	Participation
Gunung Mas		
Chemical handling Training for premix area	15/07/2020	12 workers
Yong Peng		
P & D training / RB Sraying method	06/03/2020	6 workers

CHRA report was done and the report is dated 18/06/2020. CHRA recommendation for Gunung Mas Estate

Work unit	Recommended PPE
Premix	Wear respirator with organic vapor cartridge
Workshop	Wear R95 respirator mask
Store, Diesel & Schedule Waste – Storekeeper	Wear R95 respirator mask

Sighted record of PPE issuance to the sprayers. Example as per below: -

Chakra Bahadur

- Apron – 02/04/2020
- Cotton glove – 02/04/2020
- Nitrilite glove – 02/04/2020
- Safety shoe – 19/09/2020
- 3M Mask – 02/04/2020



Medical surveillance was done to 38 workers including sprayer unit, Injector unit, Workshop unit and water treatment unit on 12/02/2020 – 04/03/2020. The test was done by Dr. Ling Kay Kwong (HQ/08/DOC/00/545).

CHRA report was done and the report is dated 19/06/2020. CHRA recommendation for Yong Peng Estate:

Work unit	Recommended PPE
Premix	Wear respirator with organic vapor cartridge
Workshop	Wear R95 respirator mask

Seen record of PPE issuance that recommended by CHRA assessor to the workers. Record as per below: -

#### PPE Record For Sprayer

Date	Name	Mask 3744K filter
01/07/2020	Kintan	✓
	Vijay	✓
	Munna	✓
	Ritesh	✓
	Zaharuddin	✓
	Abdullah	✓

#### PPE Record For Foreman

Date	Name	Mask R95
02/09/2020	Subramaniam	✓
09/09/2020	Suhaimi	✓
17/09/2020	Subramaniam	✓
23/09/2020	Suhaimi	✓
02/10/2020	Suhaimi	✓
15/10/2020	Subramaniam	✓

Medical surveillance was done to 36 workers including mandor sprayer, sprayer, foreman & fogger on 29/09/2020. The results not yet received as the latest email from Dr. Helen Tan Kwai (Klinik Rengam) on 23/10/2020 confirming all 36 workers had come for medial test.

Estate has provided appropriate PPE for all workers in their operations. Sighted, PPE Issuance and replacement record for:-

- Staff/AP
- Harvesters
- Field Workers

## d. General Workers

Example of the PPE record as per below: -

Date	Name	Shoe	Glove	Gogle	Mask 3M	Apro	Mask 3744K filter
01/07/2020	Kintan	✓	✓	✓	✓	✓	✓
	Vijay	✓	✓	✓	✓	✓	✓
	Munna	✓	✓	✓	✓	✓	✓
	RItesh	✓	✓	✓	✓	✓	✓
	Zaharuddin	✓	✓	✓	✓	✓	✓
	Abdullah	✓	✓	✓	✓	✓	✓

During field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.

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

Sime Darby's Estates has maintained "Safety Operating Procedure (SSE/SOP/003)" – Do's & Don't Penggunaan Racun and Pictorial Safety Standard – 8.6 "Kemudahan Penyembur" which specified 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.

Responsible person for worker's OSH for both estate is appointed by manager. For Gunung Mas estate (Mr. Mohammad Faiz) and for Yong Peng Estate (Mr. Khairul Anuar Samingon) yhey both also act as OSH Committee member. Both of them able to demonstrate knowledge and access to latest national regulations and collective agreements.

The management has conducted regular two-way communication with their employees through OSH Meeting will be held once in every 3 months. The agenda includes new appointed committee members, work station inspection review, record of accident/near miss, legal requirement, HIRARC review, GCAD – ESH audit result, medical surveillance and audiometric etc.

Sighted record of minutes meeting as per below for both estates: -

Gunung Mas Estate	Yong Peng Estate
10/09/2020	11/08/2020
15/06/2020	13/05/2020
26/03/2020	27/02/2020

Accident and emergency procedure is available in ESH Management System Manual Emergency Preparedness & Response (SD/SDP/SQM(ESH)/001-2-6 date 01/07/2012 based on different situation and nature of emergencies such as:

- Emergency Procedure for wild animal attacks such snake, wild boar, and stray dogs.
- Emergency Procedure for fire
- Emergency Procedure for explosion
- Emergency Procedure for accident

Sighted Emergency Preparedness & Response (EPR) Team for Gunung Mas Estate. The member of the as follow:-

Emergency Commander/ Manager	Saifullizan bin Kamaruddin
Operation controller	Muhamad Faiz bin Nazri
Fire	Leader: Fatin Farhanah bt Mohd Naim
Chemical spillage	Leader: Fikri bin Baharudin
Accident & Trauma	Leader: Priya Perumal

For Yong Peng Estate, the chairman of the ERT is Mr. Muhamad Azhan bin Zakaria and the team divided into 3 teams which is Firefighting, First aid and Investigation.

Workers who trained on first aid available at each workplace i.e. Mandore at spraying, harvesting was trained for first aid and provided with first aid kit at field. Sampled name workers who trained in first aid kit as per below: -

Gunung Mas Estate	Yong Peng Estate
1. Lis Suryani	1. Hisam Kaim
2. Jogan mandol	2. Norsiah sapari
3. Aushad	3. Kintan Kesan
4. Ram Kishon	4. Hasnah hashim
5. Habibur	5. Rukiah samad
First Aid training (Complex) done on 05/10/2020 with 14 workers are the representative from gunung Mas estate	First aid training were conducted on 27/02/2020.

JKKP 8 submission has been accepted by DOSH on 30/01/2020, JKKP8/58683/2020 (Gunung Mas Estate) and JKKP8/49480/2019 dated 21/01/2020 (Yong Peng Estate)

Sighted record of JKKP 6 at Yong Peng Estate. The accident of Mr. Ahmad b. Resan at replant area where his leg enter the hole during rat baiting. Accident occurred on 26/09/2020 and reporting to DOSH on 29/09/2020. The hirarc has been reviewed and updated.

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

Criterion 5	Employment conditions
<b>Indicator 1</b>	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** Sime Darby has established Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha; Group Managing Director dated 2<sup>nd</sup> December 2019.

Human rights element being spelt out under the followings: -

- 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:
  - 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 30<sup>th</sup> 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**

<b>Indicator 2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.
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**Summary** Sime Darby has established Group Sustainability and Quality Policy Statement signed by Mohamad Helmy Othman Basha; Group Managing Director dated 2<sup>nd</sup> 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: -

Gunung Mas Estate

Mr. Md S P – 01/10/2020

Jenis Pendapatan	RM
Pendapatan	
Piece rate wages (8.00 days)	537.50
Daily rate wages (17.00 days)	719.27
Price bonus – normal days	40.80
Holiday pay	59.95

Attendance incentive	15.38
SGP – normal days	61.52
Jumlah jenis pendapatan	1,434.42
Jenis pendapatan lebih masa	
Afternoon/casual work	397.00
Tanggungan perbelanjaan	
Phone reimbursement	5.00
Potongan	
Electricity deduction	9.13
Mid Month Pay	200.00
Caruman majikan PERKESO	23.10
Gaji Bersih	1,627.29

Yong Peng Estate

Mr. I A – 02/10/2020

Earnings	RM
Monthly Earnings	
Piece rate wages (23.00 days)	1,769.50
Price bonus – normal days	117.30
Holiday pay	70.93
Sick pay	70.93
Attendance incentive	48.08
SGP – normal days	176.87
Total monthly earnings	2,253.61
Defray Expenses	
Phone reimbursement	5.00
Govt Hospital Charges	86.00
Insurance reimbursement	3.00
Deductions	
NUPW	11.00
Mid Month Pay	300.00
Caruman majikan PERKESO	28.10
Gaji Bersih	2,036.61

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) Yong Peng Estate

CVM Transport, September 2020/07/10/2020

Mr. J

Earnings	Basic Pay	1,500.00
	Overtime	724.56
	Gross Pay	2,224.56
Deductions	EPF	165.00
	Socso	11.25
	Advance	1,000.00
	SIP	4.50
	Total Deduction	1,180.75
Net Pay		1,043.81

2) Gunung Mas Estate

Low Siew San CONSTRUCTION dated 06/08/2020 to Mr. S amounting RM 2,183.82 for excavator driver and Mr. S Namounting RM 1,254.32 for tractor driver.

**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 Gunung Mas & Yong Peng 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. Sample taken as per below: -

Gunung Mas Estate

Name	Rosli bin Wahid	Samsudin	Jayed Ali Mondal
Gender	Male	Male	Male
Date of Birth	16/02/64	13/12/84	10/04/86
Date of Entry	24/09/93	07/12/12	01/02/20

Job Description	Driver	Harvester	General Worker
Wages	Daily rate	Piece rate	Daily rate
Period of employment	27 years	8 years	8 months

## Yong Peng Estate

Name	Asmat bin Mayayah	Imtiyaj Ahmad	Siswono
Gender	Male	Male	Male
Date of Birth	25/04/88	07/01/81	09/12/77
Date of Entry	08/10/18	08/04/17	26/03/19
Job Description	General worker	General worker	General worker
Wages	Piece rate	Piece rate	Daily rate
Period of employment	2 years	3 years	1 year

**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) Gunung Mas Estate
  - Jayed Ali Mondal – N1037479
  - Md Sohag Patwary – BQ0666189
  - Ram Kishor Kumar – 9838670
- 2) Yong Peng Estate
  - Asmat bin Mayayah - 146203
  - Imtiyaj Ahmad - 132585
  - Siswono - 149482

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.

The Gender Committee meeting discussed on the followings:

- Tahap kesihatan & keselamatan & kemudahan-kemudahan untuk mendapatkan rawatan
- Jenayah/ganguan seksual
- Kebajikan/aktiviti yang dijalankan

Sighted the latest gender community meeting for both estates. The record as per below: -

Estate	Date	Participation
Gunung Mas	13/06/2020	5 people
Yong Peng	23/09/2020	15 people

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.

**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. Sighted the latest union meeting conducted by both Gunung Mas & Yong Peng estates. The record as per below: -

Estate	Date	Participation
Gunung Mas	11/03/2020	13 people
Yong Peng	27/02/2020	23 people

**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.

During field verification, all the workers sighted is engaged legally and no sign of under age 18 years old person is working in field.

**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 1<sup>st</sup> 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 Gunung Mas Estate: -

<b>Item</b>	<b>Plan</b>	<b>Actual</b>
What is SDS	Jan '20	Done
Triple rinsing training & demo	Aug '20	Done
Manuring training	Feb '20	Done
P & D training	April '20	Done
ERP – fire	March '20	Done
ERP – chemical	Jan '20	Done
Sime Darby Sustainability Policy	Jan '20	Done
PPE training & demo	Jan'20	Done



Evidence at Yong Peng Estate: -

Item	Plan	Actual
Sime Darby Sustainability Policies	Oct '20	Aug '20
RSPO/MSPO training	June '20	Aug '20
Whistle blowing	June '20	Aug '20
Manuring training	Jan '20	Jan '20
IPM	June '20	June'20
Chemical & spraying SOP	July '20	In-Progress
ERP – chemical spillage	Aug '20	In-Progress

**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** 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 1<sup>st</sup> 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

Sighted matrix of 'Training Requirement for Operating Units (Estates)' for SOU 21. There is 40 training (Gunung Mas Estate) and 33 training (Yong Peng Estate) is been identified by management. TNA Matrix then further been adapted into annual training programme for both estate. Sample training analysis taken as below:

Gunung Mas Estate

Type of training	Senior Asst	Asst	QA/MA	Field staff	Store Clerk
Use & Standard Exposure of Chemical Hazardous to Health 2000	✓	✓	✓	✓	✓
What is SDS		✓	✓		✓

PPE training & Demonstration		✓		✓	
Maintenance of spray equipment & Calibration	✓	✓		✓	✓

## Yong Peng Estate

Type of training	Senior Asst	Asst	QA/MA	Field staff	Store Clerk
Harvesting induction training		✓	✓	✓	
Trunk injection training	✓	✓	✓	✓	✓
Safe driving technique		✓	✓	✓	
Preventive maintenance vehicle training	✓	✓	✓	✓	✓

**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 the "HULUAN MALAYSIA – Kenyataan Dasar Kesihatan, Keselamatan & Alam Sekitar (KKAS)", signed by the Ketua Pegawai Eksekutif, Hulan Malaysia on 1 Jun 2020.

In protecting the environment & conserving biodiversity, the Company committed to;

1. Patuh kepada Piawaian Pelepasan Udara & Effluen
2. Penggunaan air dan tenaga yang cekap
3. Mengurangkan jejak gas rumah hijau
4. Meminima bahan buangan
5. Melindungi ekosistem & kepelbagaian biologi

For Gunung Mas Estate, the Environmental Management Plan is reviewed and updated by Mr Mohammad Faiz Bin Nazri (Senior Asst Manager) for the year 2020.

For Yong Peng Estate, the Environmental Management Plan (Action plan) is reviewed and updated by Mr Khairul Anuar Bin Samingon (Senior Asst Manager) for the year 2020.

The activities that fall into environmental aspects includes;

1. Proper disposal of waste
2. Waste utilization
3. Monitor quality of main water inlet
4. Manage human-wildlife conflict
5. Optimizing the use of non-renewable energy

**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 Company has established the Standard Operation Manual (SOM) Sub-Section 5.4 Planning, Appendix 5.4.1b - Environmental Aspect/Impacts Evaluation Procedure prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.

The estates had conducted environmental aspect and impact identification (EAII) and environmental impact evaluation (EIE) for all its' activities in financial year 2020. The environmental assessment findings are recorded in document titled "Environmental Aspect & Impact Identification Form", prepared and approved by the following personnel;

Estate	Revision Date	PIC	Manager
Gunung Mas	02.01.2020	Mr Mohammad Faiz Bin Nazri (Sr Asst Manager)	Mr Saifullizam Bin Kamaruddin (Senior Manager)
Yong Peng	29.01.2020	Mr Khairul Anuar Bin Samingon (Sr Asst Manager)	Mr Muhamad Azhan Bin Zakaria (Manager)

The environmental aspect & impact identification (EAII) register has identified columns for Activity, Environmental Aspect, Environmental Load Item, Environmental Impact, Legislation. EAII is being reviewed on annual basis.

The EAII Risk Matrix Table have been established and classified into 9 Environmental Impact and 3 Classification.

The environmental impact for each activity is classified into 9 impact categories such as ozone layer depletion (1), global warming (2), air pollution (3), water pollution (4), land contamination (5), unpleasant working environment (6), depletion of natural resources (7), community impact (8) and business impact (9).

The Classification includes Create Impact (C), Reduce Impact (R) and Not Applicable.

The environmental impact assessment has covered 14 keys activities of the plantation such as

1. Field – FFB Transportation
2. Road
3. Nursery (Oil Palm)
4. Replanting
5. Compound
6. Pest & Disease Control
7. Harvesting & Collection
8. Creche
9. Store
10. Main Entrance
11. Schedule waste store
12. Petrol/ Diesoline
13. Dispensary
14. Workshop

Sample evidence of EAII established by the estates includes;

Activities	Aspect	Load Item	Impact	Potential of Non-Compliance environmental regulations

Dispensary – cleaning instruments	Discharge to water	Chemical mix water	Water pollution	No
Dispensary – discharge of clinical items	Discharge to land	Used clinical items	Land contamination, community impact	Yes
Store – receiving/ storage/issuing of fertilizer/ chemical	Spillage	Chemical	Air, water pollution and land contamination	No
SW Store – receiving, storage & disposal	Discharge to land	Spillage waste item (lubricant)	Water pollution, land contamination, business impact	Yes

**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** For Gunung Mas Estate, the Environmental Improvement Plan for FY 2020 which has been incorporated in Environmental Management Plan has been reviewed and updated by Mr Mohammad Faiz Bin Nazri (Senior Asst Manager).

Sample evidences of Environmental Improvement Plan (EIP) established by the estates include;

Environment Issue	Mitigation measures	Time frame
Waste management – disposal of domestic waste	To collect the recyclable materials and dispose off through recycle collectors	As and when required
Waste management – disposal of scheduled wastes – clinical waste	Storage of items in the clinic, dispose off through recycle collectors, return expired drugs to respective suppliers	As and when required
Water management – reuse/recycle wastewater – pre-mixing area	To collect wastewater in sump for re-use for pre-mixing	As and when required
HCV Area/ Biodiversity – manage human wildlife conflict and enhance biodiversity in the estates	Warning signage prohibiting illegal activities such as hunting, fishing, cutting trees.	As and when needed.

Energy management – efficiency usage of non-renewable and renewable energy – diesel for transport and machineries	Preventive maintenance program for estates vehicles, educate workers on fuel savings practices	Daily/ annually
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**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

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

**Summary** For Gunung Mas Estate, the Continuous Improvement Plan (CIP) for FY 2020 which has been incorporated in Environmental Management Plan has been reviewed and updated by Mr Mohammad Faiz Bin Nazri (Senior Asst Manager). The CIP program including to reduce raking cost by using Zenoah blower – on-going process.

For Yong Peng Estate, the Continuous Improvement Plan for FY 2020 on the aspect of environment has been reviewed and updated by Mr Mohd Izzuddin Bin Hamzah (Asst Manager) which include EFB Application at Field 2011A and 2011B with the objective to increase yield of oil palm at mature area.

**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** In Gunung Mas Estate, the training programme and implementation on Environmental aspects for year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
3R Training & Oil Sump Spillage	March 2020	12.10.2020	2 executives, 5 staff & 219workers
Environmental Responsibility & Biodiversity – Environmental Aspect Impact Assessment, HCV	HCV Training - July 2020	15.04.2020	1 executive, 1staff & 14 workers
Environmental Responsibility & Biodiversity – Environmental Aspect	HCV Training - July 2020	22.10.2020	1 executive, 1staff & 8 workers



Impact Assessment, HCV			
Waste Management 3R	March 2020	15.10.2020	5 executives & 12 workers

In Yong Peng Estate, the training programme and implementation on Environmental aspects for year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
HCV training	April 2020	19.08.2020	5 executives, 9 staff & 154 workers

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

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

**Summary** Gunung Mas Estate has conducted "Mesyuarat Bersama Pihak Berkepentingan Tahun 2020" held on 15.08.2020 (attended by 25 executives/staff and external Stakeholders) has also discussed matters related to environment include;

1. MSPO
2. Pembersihan Kawasan Sekolah SK Paloh II.

Yong Peng Estate has conducted Management Review Meeting 2020 held on 19.10.2020 attended by 5 executives, 2 staff discussed the following environmental agenda;

1. Plan and carry out continuous training for all employees
2. Plan and perform maintenance of all machines/machinery on a regular basis.
3. Performance review on water management plan
4. Performance review on electricity usage
5. Performance review on diesel usage
6. Performance review on waste management
7. Performance review on renewable energy use
8. Performance review on EAI/EIE, environmental management programme
9. Performance review on Biodiversity/HCV Management
10. Performance review on Water management plan

**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** Monitoring of Diesel, Electricity and Water Usage is conducted as per tabulated data;

Description/ Estate	Actual January to September 2020	
	Gunung Mas	Yong Peng
FFB,mt	29,734.15	29,963.21
Diesel, liter	85,961	44,689
Average, Liter/mt FFB	2.89	1.49
Diesel baseline value	2.84	2.84
Electricity, kWH	308,896	177,634
Average, kWH/mt FFB	10.39	5.93
Electricity baseline value	9.93	9.93
Water Usage, m <sup>3</sup>	Nil	27,450
Average, m <sup>3</sup> /mt FFB	Nil	0.92

**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** The estimate of direct usage of Non-renewable Energy, Electricity and Water Consumption for their operations in 2020 as tabulated below;

Description/ Estate	Estimated January to December 2020	
	Gunung Mas	Yong Peng
FFB,mt	40,680	43,441.54
Diesel, liter	196,560	90,600
Average, Liter/mt FFB	4.83	2.09
Electricity, kWH	99,766.89	209,503.20
Average, kWH/mt FFB	2.45	4.82
Water Usage, m <sup>3</sup>	Nil	38,794.32
Average, m <sup>3</sup> /mt FFB	Nil	0.89

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

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

**Summary** There was no opportunity to use renewable energy in all estates. Operation of vehicle is fully dependent on fossil fuel.

Gunung Mas/Yong Peng Estates has applied By-products from the Mill as organic fertilizers in a form of Empty Fruit Bunch mulching.

The status of Empty Fresh Bunch (EFB) mulching in the field as tabulated in the record of EFB Application 2020 (January to September 2020);

Estate/ Field	Todate Transported (mt)	Actual Applied (Ha)	EFB Applied (mt/ha)
Gunung Mas/ Field 97, 98, 00, 04, 09, 10, 11, 18, 19	31,069.55	499.28	62.23
Yong Peng/ Field 2011A, 2011B	2,624.60	88.67	29.60

**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**

The Company has established Waste Management Plan which has been prepared and approved by the respective personnel.

The estates had identified all waste products and operational plan to reduce pollution include;

1. SW305 – Spent lubricating oil from workshop
2. SW306 – Spent hydraulic oil from workshop
3. SW408 – contaminated soil, debris or matter resulting from clean-up of a spill of chemical, mineral oil or scheduled wastes from workshop
4. SW409 – Disposed containers, bags or equipment contaminated with chemical, pesticides, mineral oil from SW
5. SW410 – Rags, Plastics, papers or filters contaminated with scheduled wastes from workshop
6. SW404 - Clinical wastes i.e. syringe, alcohol, pred, gauze, glove, mask generated from estate's clinic.
7. Domestic waste – rubbish from linesite, office, workshop, store
8. Industrial waste – scrap iron from scrap iron dumping site

The Scheduled Waste Inventory and disposal for Gunung Mas Estate includes;

SW Code	410	305	306
Previous Disposal Date	23.09.2019	23.09.2019	23.09.2019
Quantity Disposed (Unit)	10kg (Balance 30kg)	100lit	100lit
Generated Date after Disposal	10.05.2020 (5kg)	18.10.2019 (14lit)	18.10.2019 (14lit)

Recent Disposal Date	20.05.2020	20.05.2020	20.05.2020
Quantity Disposed (Unit)	10kg (balance 25kg)	100lit	100lit
Generated Date after Disposal	30.09.2020 (5kg)	12.06.2020 (14lit)	12.06.2020 (14lit)
Licensed Contractor	Perniagaan Saudara Baru	Perniagaan Saudara Baru	Perniagaan Saudara Baru
Remarks	< 180 days	215 days	215 days

Chronology of the delayed in SW 305 and SW 306 disposal as follow;

1. On 15.03.2020 – letter “Memohon untuk mengambil sisa buangan lebih awal (SW305, SW306, SW410)” from Gunung Mas Estate addressed to SW Collector, Perniagaan Saudara Baru.
2. On 20.03.2020 - letter “Permohonan untuk melanjutkan tempoh untuk menyimpan bahan buangan terjadual (Scheduled Waste) di Ladang Gunung Mas disebabkan tempoh perintah kawalan pergerakan” from Gunung Mas Estate addressed to Ketua Cawangan, Jabatan Alam Sekitar, Cawangan Kluang 86000 Kluang, Johor.

The Scheduled Waste Inventory for Gunung Mas Estate (Contd....) includes;

SW Code	404
Previous Disposal Date	22.02.2020
Quantity Disposed (Unit)	7kgs
Generated Date after Disposal	23.02.2020 (agreed)
Recent Disposal Date	09.09.2020
Quantity Disposed (Unit)	10kg
Generated Date after Disposal	10.09.2020 (effective day after disposal)
Licensed Contractor	Kualiti Alam Sdn Bhd
Remarks	199 days

Chronology of the delayed in SW 404 disposal as follow;

1. On 06.07.2020 – letter “Request for clinical waste collection (SW404)” from Gunung Mas Estate addressed to SW Collector, Kualiti Alam Sdn Bhd.
2. On 23.08.2020 - letter “Extension for clinical waste collection” from Gunung Mas Estate addressed to Ketua Cawangan, Jabatan Alam Sekitar, Cawangan Kluang 86000 Kluang, Johor.
3. On 11.06.2020 – email “request for clinical waste collection” from Miss Priya Perumal (Medical Assistant) addressed to Mr Suresh [kumar@cenviro.com](mailto:kumar@cenviro.com).
4. On 24.08.2020 – replied email for “request for clinical waste collection” from Mr Suresh [kumar@cenviro.com](mailto:kumar@cenviro.com) mentioned that “the collection schedule is on the 15<sup>th</sup> September 2020 for the collection of clinical waste”

The Scheduled Waste Inventory and disposal for Yong Peng Estate includes;

SW Code	410	305	404
Previous Disposal Date	25.02.2020	25.02.2020	25.09.2019
Quantity Disposed (Unit)	30kg	500lit	1.4kg
Generated Date after Disposal	28.05.2020 (4pcs)	06.03.2020 (10lit)	24.10.2019
Recent Disposal Date	18.08.2020	18.08.2020	15.04.2020
Quantity Disposed (Unit)	30kg	400lit	1.3kg
Generated Date after Disposal	Nil	03.09.2020 (20lit)	05.05.2020 (negligible)
Licensed Contractor	Perniagaan Saudara Baru	Perniagaan Saudara Baru	Kualiti Alam Sdn Bhd
Remarks	82 days	165 days	174 days

**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 Waste Management Plan (WMP) has been established by Sime Darby Plantation Berhad with the objective to maximize recycling and minimize pollution.

The Waste Management Plan has identified the following;

1. Scheduled waste – empty pesticide containers/rags, used lubricant/filters
2. Domestic waste – rubbish
3. Clinical waste – syringe & soil cotton
4. Industrial waste – scrap iron

As a sample evidence, the Waste Management Action Plan 2020 describes the measurement to control for Scheduled Waste are as follow;

1. Type of waste: Scheduled waste
2. Item Description: SW305 (spent lubricating oil)
3. Location: Workshop
4. Action to be taken: Collect and record used lubricants, store items under lock and key, put up "used lubricant" signage, dispose off the item through registered purchaser
5. Person-In-Charge: Workshop operator

**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 the Standard Operation Manual (SOM) Chapter 9 on Chemical Safety Management Issue No. 1, prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 20.08.2008. The SOM covers the following;

1. Procedures for receiving
2. Procedures for handling
3. Procedures for storage
4. Procedures for disposal
5. etc

Sighted the Register of Chemicals Hazardous to Health (contain 21 hazardous chemical) reviewed and prepared by Pn Siti Zulizza Binti Azman (Store Clerk) and approved by the Estate Manager, Mr Mohd Amran Bin Mohd Nor on 01.01.2020, covers the following activities;

1. Weeding control
2. Pest & diseases
3. Fertilizer
4. Fuel & Lubricant

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

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

**Summary** The Waste Management Action Plan 2020 of empty pesticide containers for Gunung Mas/Yong Peng Estates stated the following;

1. Management Plan: Waste Management
2. Objective: Proper disposal of waste in accordance to SOP and legal requirement
3. Category: Industrial waste
4. Type/Location: Recycled plastics from triple-rinsed and punctured pesticide containers
5. Action: Triple rinsing, punctured and dispose off the item
6. Frequency: As and when required
7. Person-In-Charge: Assistant Manager/Store Keeper.

During site visit it has been sighted that the chemical containers are punctured and disposed in an environmentally and socially responsible way to prevent contamination of water source or to human health. Sighted SDS/CSDS for all chemicals are up to date.

The empty pesticide containers for Yong Peng Estate are disposed through S.S. Setia Teknologi Enterprise on 19.08.2020 for the following items;

1. Tong racun – 352pcs
2. Kotak kertas – 870kg
3. Tong Kenlon – 29pcs
4. Botol Ally/Basta/Garlon – 44kg

**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** For Gunung Mas Estate domestic waste from the housing area is well managed and all domestic wastes are disposed to the designated landfill located at Block P15B-4, i.e. about 2km away from the housing complex. Based on the Gunung Mas Estate Schedule of Rubbish Collection, the estate to collect rubbish from its housing complex on every Tuesday and Friday, twice a week.

For Yong Peng Estate, the landfill is at field 01A (DivA) & 01F (Div B) located about 4km away from housing areas. Based on the Yong Peng Estate "Buku Angkat Sampah", the estate to collect rubbish from its housing complex once 1 week.

**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** The polluting activities has been assessed during environmental aspect and impact identification (EAII). The EAII assessment findings including list of polluting sources are recorded. Mitigation measures are identified for in the aspect & impact register to prevent or minimize pollution.

Gunung Mas/Yong Peng Estates has using its GHG Calculator to calculate the following emissions parameters in 2019;

Description	Total emission (tCO <sub>2</sub> e)	
Estate	Gunung Mas	Yong Peng
Land conversion	30,977.95	22,990.42
Crop Sequestration	-29,362.96	-21,071.85
CO <sub>2</sub> emissions from Fertilizer	2,869.05	2,743.03
N <sub>2</sub> O Emissions	1,674.62	1,650.22
Fuel consumption	245.75	193.38
Total	6,404.39	6,505.20
tCO <sub>2</sub> e/t FFB	0.16	0.15



The total emissions generated in Gunung Mas Estate in 2019 is 6,404.39tCO<sub>2</sub> equivalent or 0.16tCO<sub>2</sub> equivalent/t FFB.

The total emissions generated in Yong Peng Estate in 2019 is 6,505.20tCO<sub>2</sub> equivalent or 0.15tCO<sub>2</sub> equivalent/t FFB.

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

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

**Summary** Estates has identified its significant pollutant and emissions generated from the estate's activity as incorporated in the EAI documents.

The action plan to reduce pollutant from the activity of its store operation which may cause river pollution and disturb ecosystem of the river has been incorporated in EAI such as;

1. Activity: Schedule Waste store – Receiving, storage & disposal
2. Environmental Aspect: Discharge to water
3. Environmental Load Item: Spillage
4. Environmental Impact: Water & land contamination
5. Legislation Impact: Yes

The action plan to reduce emission from the work activity at Workshop where the use of chemicals which will cause global warming has been incorporated in EAI such as;

1. Activity: Workshop – Spraying/painting
2. Environmental Aspect: Discharge to air
3. Environmental Load Item: Gases
4. Environmental Impact: Air pollution, land contamination
5. Legislation Impact: Yes

Zero burning technique was established by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation as stated in the Standard Operation Manual (SOM) Section 5 – Planning, issue No. 1, dated 01.11.2008. The SOM covers the following subject matters;

1. Replanting areas – the old and uneconomical stands of oil palm and other tree crops are felled and shredded and left to decompose *in situ*.
2. Domestic waste.

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

**Criterion 5 Natural water resources**

**Indicator 1** The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).  
The water management plan may include:  
a) Assessment of water usage and sources of supply.  
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.

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

### Summary

The Estates has developed its Water Management Plan FY2020 which has been incorporated in Environmental Management Plan prepared and monitored by the respective personnel. The objectives of the plan include;

1. To monitor the quality of main water inlet/outlet for pollutants from estate's operations.
2. Contingency during water shortage
3. To monitor the usage of treated water on monthly basis.
4. To reuse/recycle wastewater.

Estates has identified sources of water includes;

1. River/stream – water sampling point
2. Water shortage, dry spell and severe water pollution
3. Syarikat Air Johor (SAJ) - Daily consumption of treated water
4. Rainwater harvesting for workshop, store, office, nursery uses
5. Wastewater from pre-mixing area

The Water Management Plan outlined by the Gunung Mas/ Yong Peng Estates include;

Source of Water	Possible Threat	Action Taken
River/stream	Pollution	Water analysis by R&D
Syarikat Air Johor (SAJ)	Shortage of water during dry spell	Purchasing water from vendor/ sister estates, license for obtaining from River (BAKAJ)
Rainwater harvesting	Not safe for consumption	To use for general cleaning, operation.
Wastewater	Pollution	To collect wastewater in sump for re-use for pre-mixing

The water quality analysis report for Gunung Mas Estate, as per report published by Messrs. Sime Darby Research Sdn Bhd, Carry Island for sample taken on 14.09.2020 as tabulated below;

Parameter	Treated Water – water pump	Domestic Water – end user office	Standard Quality
pH at 25°C	6.4	6.5	6.6 – 9.0
TDS, mg/L	156	112	5

Turbidity, NTU	3.6	0.4	1,000
Chloride, mg/L	10	8	250
Al, mg/L	0.093	0.111	0.20

The water quality analysis report for Sungai Bekok at Gunung Mas Estate, as per report published by Messrs. Sime Darby Research Sdn Bhd, Carry Island for sample taken on 14.09.2020 as tabulated below;

Parameter	Raw Water - River	Standard Quality
pH at 25°C	5.3	6.6 – 9.0
TDS, mg/L	3.4	5
Turbidity, NTU	44.3	1,000
Chloride, mg/L	5	250
Al, mg/L	2.812	0.20

The water quality analysis report for Yong Peng Estate, as per report published by Messrs. Sime Darby Research Sdn Bhd, Carry Island for sample received on 12.10.2020 as tabulated below;

Parameter	Lake	Water Treatment	House	Standard Quality
E.Coli, MPN/100mL	ND(<2)	ND(<2)	ND(<2)	Not detected in any 100mL sample
Total Coliform, MPN/100mL	ND(<2)	ND(<2)	ND(<2)	Absent in 100mL sample

**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** For Gunung Mas Estate there is a river i.e. Sungai Bekok flowing through the estate's land.

The estate has set aside a minimum of 30 feet riparian zone on each side of the river. No bunds or dams being constructed across the river.

For Yong Peng Estate there is a river i.e. Sungai Merbuk flowing through the estate's land. No bunds or dams being constructed across the river.

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

**Indicator 3** Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

**Summary** There were road side drains constructed along the main roads of both estates to divert and conserve water at designated points.

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

<b>Criterion 6</b>	<b>Status of rare, threatened, or endangered species and high biodiversity value area</b>
<b>Indicator 1</b>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>

**Summary** The HCV Re-Assessment for Strategic Operating Unit (SOU) 21 – Gunung Mas Estate was carried out on 7<sup>th</sup> to 11<sup>th</sup> July 2014 at the following assessment area;

1. Bird sanctuary/ ex-effluent pond
2. River reserve
3. Isolated remnant forest
4. Water pond

For Yong Peng Estate, the location was at;

1. Ponds & Reservoirs at Division A and B
2. River Reserve

A National Guide of HCVF Toolkit for Malaysia has been used as a point of reference in determining the key data for each HCV location.

The summary of HCV findings tabulated below;

HCV	Task	Remarks
HCV1.1	Determine if forest area is adjacent to a legally gazette protected area listed in the Protected Areas Master List	SOU21 estates are bordering to Labis Tengah Permanent Forest Reserve (PRF)
HCV1.2	Determine if forest area contains any species of flora and/or fauna categorized by IUCN as CR, EN or VU or any species protected under Malaysian Legislation. Carry out baseline survey to confirm the presence/absence of identified CR, EN or VU flora and fauna in forest area. This should include consultation with local	Consultation has been done with Johor Bahru, Kulai and Seri Pulai District Forest Officer/Ranger on 16.12.2013. There are presence of flora/ fauna which protected under

	communities for traditional ecological knowledge	Malaysian legislation. SOU21 to continue good rapport with enforcement bodies of any illegal activities along the forest border.
HCV1.3	Determine if forest area contains endemic species of flora or fauna	
HCV1.4	Determine if forest area is used by endangered wildlife as critical feeding, nesting/roosting sites, pathways or contains saltlicks.	
HCV 3	Determine if forest area contains or is part of a threatened or endangered ecosystem	Along the assessment, no threatened or endangered ecosystem found in SOU21 and surroundings
HCV4.1	Determine if forest area has been legally gazette as; <ol style="list-style-type: none"> <li>1. Protection area under the National Forestry Act,</li> <li>2. For watershed protection under any other federal or state legislation,</li> <li>3. Is a dam catchment area</li> </ol>	Within SOU21, there are; <ol style="list-style-type: none"> <li>1. Water catchment</li> <li>2. Ponds</li> <li>3. Reservoir</li> <li>4. River reserves</li> </ol>
HCV4.2	Determine if forest area contains riparian area covered under DID guidelines, determine if steep forest area has been officially classified as soil protection forest	Gunung Mas Estate, Bukit Paloh Estate and Yong Peng Estate have steep areas that are not more than 25 degrees.

For Gunung Mas/Yong Peng Estates, several species of bird and other mammals has been found and recorded at study area;

Description of species	WCA 2010 (Act 716)	IUCN Conservation Status
White-throated king fisher	TPW	LC
Common myna	Not listed	LC
Crested serpent eagle	TPW	LC
Edible-nest swiftlet	Protected	LC
Barn owl	TPW	LC
Intermediate Egret	TPW	LC
Wild boar	Protected wildlife (hunted species)	LC
Long-tailed Macaque	Protected wildlife (Other)	LC
Leopard Cat	TPW	LC
Plantain Squirrel	Not listed	LC
Common Palm Civet	Protected wildlife (hunted species)	LC

Malay Civet	Protected wildlife (hunted species)	LC
Monitor Lizard	Protected wildlife (Other)	LC
Butterflies, Dragonflies, Moths, Beetles	Insects	

Note: LC – Least Concern, TPW – Totally Protected Wildlife

**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** The strategies of “HCV Action Plan” for both estates to protect and conserve the HCV area includes;

Description	Action	Completion date
HCV Awareness	To educate workers on HCV awareness	Completed
Bird Sanctuary/ ex-effluent pond	To install signboard at the designated area, to monitor twice a month for any sighting of wildlife will be recorded	On-going
River Reserve	Demarcation of the area and ensure no agrochemical activities carry out at the area, to monitor the area condition twice a month. Any sighting of wildlife will be recorded.	On-going
Isolated Remnant Forest	To install signboard at the designated area, to ensure no trespassing activity, to monitor the area condition twice a month. Any sighting of wildlife will be recorded	On-going
Water Pond	To ensure no agrochemical activities carry out at the area, to install signboard at the designated area, to monitor the area condition twice a month. Any sighting of wildlife will be recorded	On-going

Note: It was reported by Puan Fatin Farhanah Binti Mohd Naim (Assistant Manager), elephant intrusion in the estate has occurred this year on 25.10.2020 where the damage assessment to be carried out soon. The elephant herd has damaged 100 palms on 29.09.2020 and promptly reported to the Jabatan Perhilitan Segamat Johor. Officers from Perhilitan came down to site and discussed with the management on the related

issues. The report on the intrusion has been recorded and the damage done by the elephant has been documented and furnished together with pictorial evidence.

Among the Human-Elephant Conflict Plan outlined by the estate are;

1. Installation of electrical fencing – patrolling along electric fencing area to monitor the condition.
2. Monitoring of elephant intrusions – to record numbers of elephant sighting/intrusion in estate area, to record palm damage caused by elephant (if any).

**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** Estates had conducted the Monitoring of HCV & Conservation Areas checklist on;

1. 11.09.2020 for Gunung Mas Estate
2. 01.10.2020, 03.10.2020, 05.10.2020, 28.10.2020 for Yong Peng Estate

The monitoring parameters observed during the monthly inspection are;

1. Encroachment/ sign of trespassing
2. Wildlife issues/conflicts/sightings
3. Pollution/erosion issues
4. Others
5. Remarks (Maintenance of signage, fence, etc.)

**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** Zero burning technique was established by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation as stated in the Standard Operation Manual (SOM) Section 5 – Planning, issue No. 1, dated 01.11.2008. The SOM covers the following subject matters;

1. Replanting areas – the old and uneconomical stands of oil palm and other tree crops are felled and shredded and left to decompose *in situ*.
2. Domestic waste.

During site visit, no evidence of open burning in estate area either in the plantation or in linesite area. Sighted signage of zero burning being erected by the estate at the strategic locations.

**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, Estate replanting programme has been based on estate operation policies and agronomic practices.

No significant risk of diseased palm was reported in the estate. Open burning during new plantings and re-plantings is not allowed.

**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 Gunung Mas Estate, sighted the 3 years business plan for the estate.

FY	2020	2021	2022
FFB	57,043.50	59,091.43	61,416.73
Estimate OER %	21.50	21.50	21.50
FFB Price	500	500	500
KER	5.00	5.00	5.00
Cost/Ha	480.00	501.00	508.00

**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 Gunung Mas Estate. Data as per below:

Financial Year	Field /Clone	Total Ha	Progeny/Clone proposed
2021	PM 1997 PM 1997	61.78 72.25	Sime Darby Premium @ Calix 600

2022	PM 1996 PM 1998 PM 1998	57.35 76.65 83.04	Sime Darby Premium @ Calix 600
2023	PM 1997 PM 1997 PM 1997	78.12 50.30 89.72	Sime Darby Premium @ Calix 600
2024	PM 1998 PM 2004 PM 1998	77.70 70.92 77.14	Sime Darby Premium @ Calix 600
2025	PM 2000 PM 2000	55.18 55.19	Sime Darby Premium @ Calix 600

**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 Gunung Mas Estate, sighted the 3 years business plan for the estate.

FY	2020	2021	2022
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Estimate OER %	21.50	21.50	21.50
FFB Price	500	500	500
KER	5.00	5.00	5.00
Cost/Ha	480.00	501.00	508.00

**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 (Gunung Mas Estate):

- Sighted the Contract Agreement between estate with Low Siew San Construction (Hiring of Machinery) sealed on 01st January 2020.

- Sighted the Contract Agreement between estate with Low Siew San Construction (Transporting and Supplying of EFB) sealed on 01st January 2020.

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

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

Criterion 4	Contractor
<b>Indicator 1</b>	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**

<b>Indicator 2</b>	The management shall provide evidence of agreed contracts with the contractor.
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**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**

<b>Indicator 3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.
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**Summary** The estates were audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 26<sup>th</sup> October 2020 – 28<sup>th</sup> October 2020. Sighted audit plan dated 23<sup>rd</sup> October 2020 (5<sup>th</sup> 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 21 Gunung Mas [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 21 Gunung Mas [Estates].

**In Compliance** ☐ **Yes** ☐ **No** ☒ **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 21 Gunung Mas [Estates].

**In Compliance** ☐ **Yes** ☐ **No** ☒ **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 21 Gunung Mas [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **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 21 Gunung Mas [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **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 21 Gunung Mas [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **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 21 Gunung Mas [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 21 Gunung Mas [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 21 Gunung Mas [Estates].

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

<b>Criterion 5</b>	<b>Planting on steep terrain, marginal and fragile soils</b>
<b>Indicator 1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Criterion 6</b>	<b>Customary land</b>
<b>Indicator 1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 3</b>	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].

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

**Indicator 4** The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **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 21 Gunung Mas [Estates].

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

**Indicator 6** A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SOU 21 Gunung Mas [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 21 Gunung Mas [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 21 Gunung Mas [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

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
25 <sup>th</sup> October 2020	TBA	➤ <b>Travelling to Kluang, Johor</b>	MS	ABS TA
26 <sup>th</sup> October 2020	08:00 – 09:00	➤ <b>Centralize Opening Meeting at Gunung Mas POM:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	MS	ABS TA
	09:00 – 13:00	<b>Gunung Mas Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	ABS TA
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	MS	ABS TA
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	ABS TA
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	ABS TA
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	ABS TA

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
	08:00 – 13:00	<b>Yong Peng Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b></li> </ul>	MS	ABS TA



27 <sup>th</sup> October 2020		<ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>		
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b></li> <li>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.</li> </ul>	MS	ABS TA
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	ABS TA
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b></li> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	ABS TA
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	MS	ABS TA

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
28 <sup>th</sup> October 2020	08:00 – 13:00	<b>SOU 21 Gunung Mas POM</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b></li> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	ABS TA
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Mill Inspection:</b></li> <li>Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Biogas System, WWTP, Schedule Waste, POME.</li> </ul>	MS	ABS TA
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	ABS TA
	14:00 – 15:30	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b></li> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint</li> </ul>	MS	ABS TA



		records, workers records, training records, permits, CIP, etc.		
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MS	ABS TA
	16:00 – 17:00	➤ <b>Centralize Closing Meeting at SOU 21 Gunung Mas POM:</b> ➤ 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 ➤ <b>End of assessment</b>	MS	ABS TA
29 <sup>th</sup> October 2020	TBA	➤ <b>Travelling back</b>	MS	ABS TA



## Appendix B : Non-Conformity details


### Non-Conformities Identified During This Audit

<b>Major Nonconformities:</b>	Non-were raised during this audit.
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<b>Minor Nonconformities:</b>	Non-were raised during this audit.
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<b>Area of Concern:</b>	The following AOC's were raised for this audit.
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<b>Company Name</b>	Sime Darby Plantation Berhad – SOU 21 Gunung Mas Complex			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 3	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organised Smallholder			
<b>Client Number</b>	GGC-J2-MSPO-2018			
<b>NC No. / Ref.</b>	J2/MSPO/AOC/01	<b>Date Detected</b>	28 <sup>th</sup> October 2020	
<b>Site(s) concern</b>	Gunung Mas Estate	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	4.3.1.1 – Area of Concern  All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.			
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	<ul style="list-style-type: none"> <li>Not in compliance with Section 124 of National Land Code (Act 56)</li> <li>Non-compliance to OSHA USECHH Regulations 2000</li> </ul>			
<b>NC Objective Evidence:</b>				
<ul style="list-style-type: none"> <li>Lot 138 with express condition of no oil palm, tapioca or pineapple shall be cultivated on this land. HQ has replied that the Land Management Department of Sime Darby Plantation Berhad will apply to change the express condition in FY2021.</li> <li>Annual medical surveillance for pesticide operators had been implemented in accordance with OSHA USECHH Regulations 2000. However, one of the worker (Rosnani binti Wahid) was supposed to have a repeat "Liver Function Test" after 1 month from the date of medical surveillance (12<sup>th</sup> February 2020 – 04<sup>th</sup> March 2020). As per interviewed, due to COVID 19 pandemic estate was not able to send within the period and target to send by end of October 2020.</li> </ul>				

<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b>
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<b>Non-Conformities Identified During Previous Audit [ASA2]</b>
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<b>Major Nonconformities:</b>	Non-were raised during this audit.
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<b>Minor Nonconformities:</b>	Non-were raised during this audit.
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<b>Area of Concern:</b>	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