

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



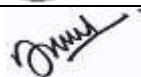
### CERTIFICATION AUDIT REPORT


#### Part 4 : General Principles for Palm Oil Mills

**Sime Darby Plantation Berhad  
Gunung Mas Palm Oil Mill**

**-Individual Certification-**

**ANNUAL SURVEILLANCE AUDIT 03  
28<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 – Gunung Mas Palm Oil Mill. During this Annual Surveillance Audit (ASA 3), the audit team were 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 28<sup>th</sup> October 2020 to assess the compliance of the certification unit against the "MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills". The scope of certification is "Production of Sustainable Crude Palm Oil and Palm Kernel".

**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**

<b>Name of the Certification Unit</b>	Gunung Mas Palm Oil Mill
<b>Mill Capacity (MT/HR)</b>	60
<b>Site Address</b>	P.O. Box 524, 86009 Kluang, Johor.
<b>GPS Reference of the site office</b>	<b>Longitude</b> E 103.138333 <b>Latitude</b> N 2.243645

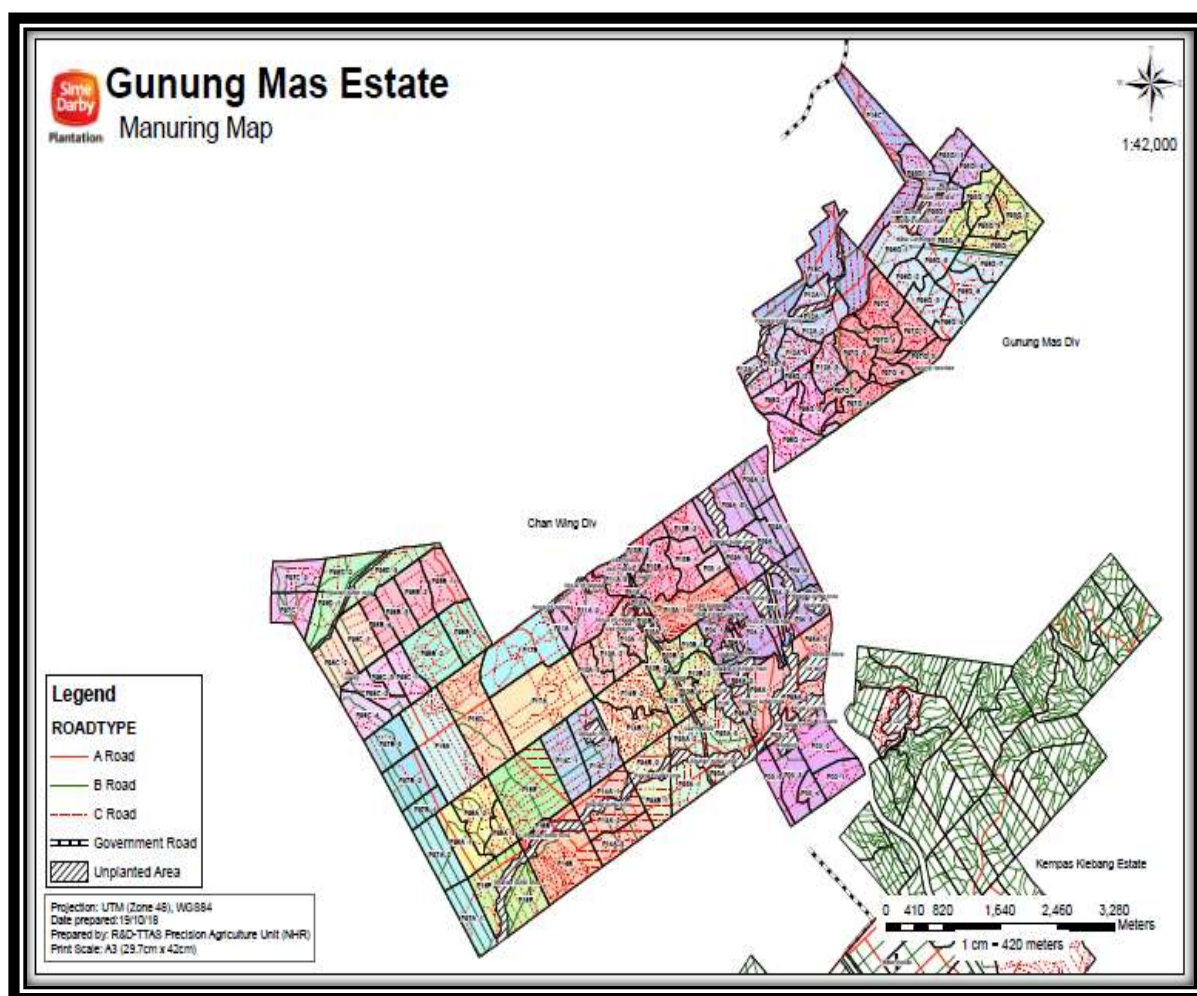
<b>MPOB License Information</b>	<b>License No.</b>	522682004000
	<b>Scope of Activity</b>	1. "Menjual dan Mengalih –PK, CPO, SPO" 2. "Membeli dan Mengalih – FFB" 3. "Menyimpan – PK, CPO, SPO" 4. "Mengilang FFB"
	<b>Expiry Date</b>	31 <sup>st</sup> July 2021
<b>Others Sustainability Certification</b>		RSPO (Roundtable on Sustainable Palm Oil)

#### 1.4 Map Showing Geographical Location

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



## 2) Gunung Mas POM (Share with Gunung Mas Estate Land Title)



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

#### Production for Certified Unit

Gunung Mas POM	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]
FFB Summary (MT)	263,200.350	199,179.20	257,929.72
CPO Summary (MT)	56,350.170	41,955.52	55,491.18
PK Summary (MT)	14,476.280	11,537.88	14,178.43

# FFB's Own Estate & Certified Estates

**Production for Uncertified Unit**

<b>Gunung Mas POM</b>	<b>Projected from last audit [Oct 2019-Sep 2020]</b>	<b>Actual Production for 12 Months [Oct 2019-Sep 2020]</b>	<b>Projected Production for next 12 Months [Oct 2020-Sep 2021]</b>
FFB Summary (MT)	Nil	Nil	Nil
CPO Summary (MT)	Nil	Nil	Nil
PK Summary (MT)	Nil	Nil	Nil

**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 4: General Principles for Palm Oil Mills

**Certificate number**

GGC-SDP004-MSPO-02-2018

**Initial certificate issued date**

28<sup>th</sup> December 2017

**Certificate expiry date**

27<sup>th</sup> December 2022

**Stage 1 assessment date**

Not Applicable as client certified for RSPO.

**Stage 2 / Main Assessment**

19<sup>th</sup> October 2017

**Annual Surveillance 1 [ASA 1]**

26<sup>th</sup> November 2018

**Annual Surveillance 2 [ASA 2]**

21<sup>st</sup> October 2019

**Annual Surveillance 3 [ASA 3]**

28<sup>th</sup> October 2020

**Annual Surveillance 4 [ASA 4]**

October 2021



## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** **Muhammad Syafiq bin Abd Razak**

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

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

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

### Auditor

**Name:** **Ismadi bin Hj Ismail**

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

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

### Auditor

**Name:** **Mohd Razin bin Bakal**

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

During this assessment, he assessed on the aspect of Compliance to Legal Requirements, Environment, Natural Resources, Biodiversity and Ecosystem Services and Best Practices. Able to speak and understand Bahasa Malaysia and English.

## 1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was not applied as there is only one palm oil mill, namely “Gunung Mas POM”.

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>	28 <sup>th</sup> October 2020
<b>Name of site(s) visited</b>	Gunung Mas POM
<b>Total number of man-days spent</b>	3 man-days



**1.10 Audit Result Summary Findings**

Findings category		
Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	0	No action requires
Area of Concern	0	No action requires
Noteworthy /Positive Comments	7	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 mill 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 mill 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.	Stakeholder A (Mill workers)	<ul style="list-style-type: none"> <li>They aware and have good understanding about MSPO.</li> <li>They have good understanding about complaint and grievance mechanism.</li> <li>Personal Protective Equipment are distributed</li> </ul>	No action requires	Positive findings

		free of charged by management. <ul style="list-style-type: none"> <li>• Company well managing the welfare, health and safety of their workers.</li> <li>• They are very happy with the management and hopes to continue their contract for a long time.</li> <li>• They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2020.</li> <li>• MSPO awareness, company policy and SOP are briefed among workers during muster call.</li> </ul>		
2.	Stakeholders B (Mill - Gender Committee Representatives)	<ul style="list-style-type: none"> <li>• They aware and have good understanding about MSPO.</li> <li>• They have been treated equally without any discrimination.</li> <li>• No sexual harassment reported.</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>• The company has good relation with supplier and there is no issue with company's performance.</li> <li>• They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.</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 Gunung Mas POM. Sr. Mill Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. The site also assists 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 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 4: General Principles For Palm Oil Mills, there was no non-conformity has been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was no major non-conformity findings. Therefore, the Lead Auditor recommends to continuing a certificate of compliance "MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles For Palm Oil Mills" to Sime Darby Plantation Berhad – Gunung Mas Palm Oil Mill.

### 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
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** 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 02/12/2019

Sighted the training record "Town Hall" latest on 21/08/2020. Attended by 76 Staffs and workers.

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 on the commitment to continual improvement with the objective of improving the milling operation.

**Summary** Stated in the Group sustainability & Quality Policy statement "continuously delivering value through innovation and operational excellence. The commitments are made by Mohamad Helmy Othman Basha Group Managing Director of Sime Darby Plantations Berhad on 02/12/2019.

**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** The internal audit for each certification shall be carried out at least once a year. Where possible, a combined audit may be performed for OUs within more than one certification (Page 9: 6.14)

Internal audit was conducted on 12/10/2020 at Gunung Mas Palm Oil Mill. The internal auditor are Ms. Fatini Abd Wahid, Mr. Zawawi Sahit and Mr. Umeshnath Ragupathy. 3 major and 6 OFI were raised during the internal audit. Sighted evidence of NC closure was verified by lead internal audit on 22/10/2020.

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

**Indicator 2** The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.

**Summary** The 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.

Internal audit was conducted on 12/10/2020 at Gunung Mas Palm Oil Mill. The internal auditor are Ms. Fatini Abd Wahid, Mr. Zawawi Sahit and Mr. Umeshnath Ragupathy. 3 major and 6 OFI were raised during the internal audit. Sighted evidence of NC closure was verified by lead internal audit on 22/10/2020.

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

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

**Summary** Internal audit was conducted on 12/10/2020 at Gunung Mas Palm Oil Mill. The internal auditor are Ms. Fatini Abd Wahid, Mr. Zawawi Sahit and Mr. Umeshnath Ragupathy. 3 major and 6 OFI were raised during the internal audit. Sighted evidence of NC closure was verified by lead internal audit on 22/10/2020.

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; Mill 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 was done by Gunung Mas POM. Meeting for Management Review conducted on 22/10/2020 were discussing on the NC's issued in the Internal Audit Report. Attended by 9 participants.



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

#### **Criterion 4 Continual improvement**

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

**Summary** As evidence in mill, 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. Prepared by Mr. Mohd Al Bukhari bin Mohamad Suyuti (Senior Assistant) and verified by Mill Manager Mr. Mohd Nazir bin Pazal Karim.

Sighted evidence from the CIP, Sunle EB replacement done by Sri Sinaco Engineering Works Sdn Bhd. Sighted evidence of the receipt P/O no. 4300515339 date 23/09/2020 amounting RM 18,000.00 description: Contract, supply, deliver, install, test & commission one unit EFB press c/w auxiliary work and maintenance work at Kilang Kelapa Sawit Gunong Mas.

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

**Indicator 2** The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.

**Summary** There is no new application of new technology implemented during the certification period. The current practices continued and guide by Mill Advisor.

**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 adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.

**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 membaiki 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 dibaiki 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.

**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 Mill 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 Mill 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 mill'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** The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).

**Summary** The person in charge for consultation and communication agenda is led by Mr. Mohd Al Bukhari Bin Mohamad Suyuti (Mill Sr. Assistant Manager) and appointed on 23<sup>rd</sup> July 2020 by Mr. Mohd Nazir Bin Pazal Karim (Mill Manager).

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

**Indicator 3** A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.

**Summary** Sighted latest stakeholder list for Gunung Mas POM updated on 11<sup>th</sup> June 2020. Prepared by Mr. Mohd Al Bukhari Bin Mohamad Suyuti (Mill Sr. Assistant Manager) and approved by Mr. Mohd Nazir Bin Pazal Karim (Mill 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
  - Kualiti Alam Sdn Bhd
  - Metrology Corporation Sdn Bhd
- d) Approved Certified Supplier List
  - Gunung Mas Estate
  - Kempas Klebang Estate
  - Bukit Paloh Estate
  - Yong Peng Estate

- e) Mill Community / Mill Representatives
- NUPW Chairman
  - Women's Committee Chairman
  - Temple Committee Chairman
  - Surau Committee Chairman

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

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

### Criterion 3 Traceability

**Indicator 1** The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.

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

Verified the implementation of this SOP as per Figure 1: Overview of Supply Chain of Upstream from product FFB to POM until downstream refiners/bulking installations. Sufficient information is stated on the weighbridge ticket or consignment note of all delivery of FFB including:

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

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

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

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

**Summary** A regular inspection on compliance with the established traceability system is through the daily summary of incoming FFB records and will be verified in internal audit. Sighted last internal audit report is covering Traceability elements.

During mill visit, sighted the weighbridge operator able to demonstrate on how the system tracks the FFB input from own estates and also from external suppliers.

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

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

**Summary** The person in charge for traceability agenda is led by Mr. Mohd Al Bukhari Bin Mohamad Suyuti (Mill Sr. Assistant Manager) and appointed on 23<sup>rd</sup> July 2020 by Mr. Mohd Nazir Bin Pazal Karim (Mill Manager).

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

**Indicator 4** Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.

**Summary** Purchases and sales will base on demand and has agreeable documentation with the supplier. Sighted CPO/PK sales as per in their online system. The mill has good system for tracking the movement of FFBs. The mill recorded all FFB received, FFB Processed, CPO & PK Produced and CPO & PK Stock Position in their system.

Seen 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 shall be in compliance with applicable local, national and ratified international laws and regulations.

**Summary** The Mill is operating in compliance with the applicable local, state, national and ratified international laws and regulations.

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

The company has established SUMMARY OF COMPLIANCE – Plantation Quality Management System (PQMS) version 2013 updated 16.05.2018. The Summary of Compliance includes;

1. Legal requirement
  - Occupational Safety and Health
  - Environmental
  - General
2. Other Requirement

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 by Mr Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager), approved by Mr Mohd Nazir Bin Pazal Karim (Mill Manager) on 23.07.2020.

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. Classification, Labelling and Safety Data Sheet of hazardous Chemicals Regulations, 2013
4. OSHA Act 1994 (Act 514)
5. Factories and Machinery Act 1967 (Act 139)
6. Uniform Building By Law, 1986
7. Electrical Supply Act, 1990 (Amended 2015)
8. Fire Services Act, 1984
9. Code of Practice for Safe Working in a Confined Space, 2010
10. Environmental Quality Act, 1974
11. Schedule of Compliance (DOE)
12. Sewerage Service Act 1993
13. Wildlife Conservation Act 2010
14. Local Government Act 1976
15. Food Act 1983
16. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
17. Labour Act 1955
18. Employees Provident Fund 1991 (Act 452)
19. Employees Social Security Act 1969 (Act 4)
20. Industrial Relations Act 1967 (Act 177)
21. MPOB Act 1998 (Act 582)
22. Workers Union Act, 1959
23. Minimum Retirement Age Act 2012
24. Minimum Wages Order 2016
25. Weights and Measures Act 1972 (Amended 1981)
26. Electricity Regulation 1994
27. Immigration Act 1959 (Act 155)
28. Holiday Act 1951
29. Passport Act 1966
30. Sime Darby Berhad, GPA October 2005

Sighted Monthly Returns for year 2020 includes the following;

1. MPOB – Maklumat Gunatenaga bagi kategori kilang buah sawit
2. DOE (Borang Penyata Sukutahunan)
3. E-Swis
4. JKPP 8
5. KWSP – Borang A



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

Mill	Staff/ PIC Name	Date of Inspection
Gunung Mas POM	Miss Priya A/P Perumal (Medical Assistant)	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 Mr Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager).

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

1. Weighbridge
2. Office
3. Clinic
4. Surau
5. Workshop
6. Final Point Entry
7. Linesite
8. AP Post

Sighted sample of evidence for the disinfection exercise as per Sanitization Record for Gunung Mas POM, 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 also sample evidence of daily workers "Pemeriksaan Suhu Badan Pekerja" for Gunung Mas POM carried out on 27.10.2020.

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

**Indicator 2** The management shall list all relevant laws related to their operations in a legal requirements register.

## Summary

The Mill has listed permits/licenses which has to be monitored and updated periodically such as;

- MPOB License, No. Lesen 522682004000, for Menjual dan Mengalih FFB, PK, CPO, SPO, Membeli dan mengalih FFB, PK, CPO, Menyimpan PK, CPO, SPO and Mengilang FFB dengan daya pemprosesan 350,000 tan buah kelapa sawit setahun for a period of 01.08.2020 to 31.07.2021
- Certificate of Emergency Response Team (ERT), Certificate No. 312/2018 registered and valid from 19.09.2018 to 18.09.2021.
- Permit Barang Kawalan Berjadual, No Siri P: J002028, No Rujukan: BPGK JH(KLU) 2295 SK untuk menyimpan 20,000liter diesel valid from 11.10.2020 till 10.10.2021.
- Lesen Bagi Pepasangan Persendirian, Akta Bekalan Elektrik 1990, Suruhanjaya Tenaga License No. Siri 44595, kapasiti pemasangan 1,600kW for a period of 29.10.2020 till 28.10.2021 for 1 unit of Turbine 1,600kW (400V).
- Fire Certificate, Akta Perkhidmatan Bomba 1988, No Siri: 314633 No Rujukan: JBPM: JH/7/264/2020 valid from 14.05.2020 till 13.05.2021.
- Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, Jadual Pematuhan, Ref. No. AS(B)J31/152/000/028 Jld.9 (04), DOE license No 003867, kapasiti maksimum pemprosesan buah tandan kelapa sawit segar (FFB) sebanyak 60MT sejam, Cara pelupusan efluen: "Kaedah Flatbeds – Atas Tanah", pada kadar aliran 2,440m<sup>3</sup>/hari, dengan kepekatan BOD, 3hari, 30°C tidak melebihi 2,500mg/L, for a period of 01.07.2020 to 30.06.2021
- Lesen Pelanggaran, No. Lesen: 005430, No Rujukan: JPLP/PUB/20/005430 – melanggar had-had pelepasan yang boleh diterima di bawah Peraturan-Peraturan Kualiti Alam Sekeliling (Udara Bersih) 2014 yang memerlukan suatu lesen sebagaimana dikehendaki oleh Seksyen 22(1) Akta Kualiti Alam Sekeliling 1974 iaitu tidak boleh melebihi 200mg/M<sup>3</sup> per day bagi jumlah jirim zarah (PM) for a period of 06.06.2020 to 05.06.2021.
- Appointed licensed collector (Kualiti Alam Sdn Bhd), No Lesen 003291), to collect the scheduled wastes valid till 30.04.2021.
- Lesen Melencong atau Mengabstrak Air Sungai (Seksyen 7) Enakmen Air (Johor) 1921, No lesen: 08/A/Sgt/026, jumlah maksima abstraksi: 900m<sup>3</sup>/hari valid until 31.12.2020
- Permit Pengecualian sekatan kerja malam bagi pekerja-pekerja wanita di bawah Seksyen 34 Akta Kerja 1955 di antara 10.00 malam hingga 5.00pagi dengan syarat mendapat persetujuan bertulis pekerja valid from November 2019 till 30.11.2021
- Permit Potongan Upah untuk yuran kesatuan sekerja iaitu National Union of Plantation Workers (NUPW) berjumlah RM8.00 dan RM15.00 sebulan No Rujukan: TK(NJ) U-24 from Jabatan Tenaga Kerja Negeri Johor dated 10.12.2017
- Permit Potongan Upah untuk bayaran Group Term Life Policy No. 56423 anjuran AIA (amaun potongan seperti kandungan di muka 2), No Siri: PP 3/34/1481 dated 15.01.2011.
- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran pinjaman koperasi tidak melebihi RM80.00 sebulan effective 10.12.2017.
- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran tabung kuil tidak melebihi RM12.00 sebulan effective 10.12.2017.
- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran Tabung Haji tidak melebihi RM400.00 sebulan effective 10.12.2017.

- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran tambang bas sekolah tidak melebihi RM100.00 sebulan effective 10.12.2017.
- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran Etiqa Insurance Berhad tidak melebihi RM94.38 sebulan effective 10.12.2017.
- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran kelab sukan dan rekreasi tidak melebihi RM20.00 sebulan effective 10.12.2017.
- Permit Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 untuk pembayaran Yayasan Pembangunan Ekonomi Islam Malaysia tidak melebihi RM30.00 sebulan effective 10.12.2017.
- Perakuan Penentuan Timbang dan Sukat (60 ton) – No Siri Alat: 195030378. Stamping Date: 03.06.2020 by Metrology Corporation Malaysia Sdn Bhd.
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Sterilizer 400kg pascal, Ref PMT-JH/20 114695 expiry 14.09.2021 (1 nos)
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Sterilizer 400kg pascal, Ref PMT-JH/19 95070 expiry 22.03.2021 (1 nos)
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Steam Receiver 414kg pascal, Ref PMT-JH/20 114696 expiry 14.09.2021 (1 nos).
- Perakuan Kelayakan Mesin Angkat – Monorail Hoist 2kW, Ref: PMA-JH/19 95069 expiry 22.03.2021 (1nos)
- Perakuan Kelayakan Mesin Angkat – Electric Chain Hoist 1.5kW, Ref: PMA-JH/19 95068 expiry 22.03.2021 (1nos)
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Vertical Air Receiver 1,034kg pascal, Ref PMT-JH/19 95073, expiry 22.03.2021 (1 nos).
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver Tank 1,380kg pascal, Ref PMT-JH/19 95074 expiry 22.03.2021 (1 nos).
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver Tank 1,380kg pascal, Ref PMT-JH/19 95076 expiry 22.03.2021 (1 nos).
- Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver 862kg pascal, Ref PMT-JH/19 95075 expiry 22.03.2021 (1 nos).
- Perakuan Kelayakan Dandang – Dandang Stim Tiub Air 2,723kg pascal, Ref PMD-JH/19 91055 expiry 22.03.2021 (1 nos)
- Perakuan Kelayakan Dandang – Dandang Stim Tiub Air 2,861kg pascal, Ref PMD-JH/20 114694 expiry 14.09.2021 (1 nos)

Sighted the following documents as evidence of compliance:

- Perakuan Kebolehan Jurutera (Stim) Gred Satu for Mr Mohd Nazir Bin Pazal Karim, No Perakuan: 145/2009 effective 09.10.2009
- Perakuan Kebolehan, Drebar Enjin Gred Satu (Injin Setim dan Dandang Setim) for Mr Mohan A/L K. Pussam, IC No. 650414-01-5427, No Perakuan: J.065/97 effective 20.06.1997.
- Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent, for Mr Mohd Nazir Bin Pazal Karim, (760908-05-5311) No. Siri CePPOME/00038 effective 07.10.2016.
- Certified Environmental Professional Scheduled Waste Management, for Mr Mohd Nazir Bin Pazal Karim, (760908-05-5311) No Siri CePSWaM/01154 effective 19.07.2016

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

Expiring Date	No. of Unit	Type of Fire extinguisher
21.11.2020	11	Dry Powder (ABC)
10.02.2021	15	Dry Powder (ABC)
11.03.2021	13	Dry Powder (ABC)
26.08.2021	11	Dry Powder (ABC)
Under Service	14	CO2
Under Service	2	Dry Powder (ABC)

The "Ringkasan Bancian Penduduk" for the Mill is tabulated below;

Description	No. of Population
No. of Houses	102
No. of Workers	87
Workers/House	0.85
No. of Dependent	175
Dependent/ House	1.72
Overall Ratio	2.57

The Gunung Mas POM population census record for 2020 recorded a population rate of 0.85 workers per house and 1.72 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** Based on interview with Mr. Mohd Shafiq Bin Mohamad (Mill Asst Engineer) that he will update any new amendments or any new regulations received from the following sources:

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** Mr. Mohd Shafiq Bin Mohamad (Mill Asst Engineer) was appointed to ensure/maintain the compliance with applicable laws and regulations of the Mill, approved by Mr. Mohd Nazir Bin Pazal Karim (Mill Manager) on 01.01.2020.

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

<b>Criterion 2 Land use rights</b>	
<b>Indicator 1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.
<b>Summary</b>	The Mill was built on its Company's land, approximately 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor shared with Gunung Mas Estate area. Quit rents has been paid by Gunung Mas Estate to Kerajaan Negeri Johor Darul Ta'zim, Pentadbiran Tanah Johor, Daerah Labis.
<b>In Compliance</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<b>Indicator 2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.
<b>Summary</b>	The Mill was built on its Company's land, approximately 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor.
<b>In Compliance</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<b>Indicator 3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.
<b>Summary</b>	The Mill was built on its Company's land, approximate 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor.
	No boundary markers sighted in the mill premises however, the permanent fence separated Mill and the Gunung Mas Estate area.
<b>In Compliance</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<b>Indicator 4</b>	Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).
<b>Summary</b>	The Mill was built on its Company's land, approximate 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor.
	No disputes have been recorded in the Mill area. There is no evidence of conflict present in this Mill. There is no violence on instigated violence in maintaining peace because company has a clear procedure for land conflict.
<b>In Compliance</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<b>Criterion 3 Customary land rights</b>	
<b>Indicator 1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

**Summary** The Mill was built on its Company's land, approximate 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor.

There is no customary land within or surrounding the Mill. There are also no land disputes or claims involving the Mill. 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** The Mill was built on its Company's land, approximate 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor.

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

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

**Indicator 3** Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.

**Summary** The Mill was built on its Company's land, approximate 25.00 ha, land title no. Lot 230, Daerah Labis, Segamat Johor.

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

**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 should be 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
Social Demography • Consist of local Malaysian (Malay & Indian), Indonesian, Bangladesh, India, Nepal, Sri Lanka workers)	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
Safety and health • Mill is sharing dispensary with estate • Medical care is provided	Improved healthcare and medical standards at estate's dispensary.	Dispensary is operated daily and open to all mill and estates workers.
Education • Primary schools and secondary schools located near to estate and mill • Transport facility for children to go to school	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.

One of the examples from the management plan are issue regarding disruption of electric supply at line site during transition from TNB to turbine. The action already taken by doing maintenance at the turbine on 18/09/2020.

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

<b>Criterion 2</b>	<b>Complaints and grievances</b>
<b>Indicator 1</b>	A system for dealing with complaints and grievances shall be established and documented.
<b>Summary</b>	<p>SOU 21 has maintained under Sustainable Plantation Management System – Appendix 5 (Flowchart and Procedure on Handling Social Issues) issue on 01/11/2008.</p> <p>This procedure also in line with Procedure for External Communication – Appendix 5.5.3.2 Standard Operating Manual (SOM) Subsection 5.5.</p> <p>Procedure is able to differentiate the irrelevant issue/complaint not related to MSPO.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 2</b>	The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.
<b>Summary</b>	<p>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:</p> <ul style="list-style-type: none"> <li>a. Within 2 weeks of the date of receipt for communication requiring direct feedback</li> <li>b. Within one week of the completion of the investigation, for communication requiring investigation.</li> </ul> <p>Sighted sample of the complaint in "Borang aduan kerosakan rumah (Major Repair)" made on 25/07/2020 regarding big tree beside house afraid the tree will break and hit the house. The complaint made by house no 69. The tree has been cut down on 30/07/2020.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.
<b>Summary</b>	<p>Complaint Logbook is available that include information of date, name and address and the nature of communication or complaint. PIC, action taken and signature.</p> <p>There is no complaint sighted in mill except as recorded in "Borang Aduan Kerosakan Rumah (Major Repair)" consist of housing repair issues from the workers linesite.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.

**Summary** This procedure is sighted been communicated during yearly stakeholder's meeting. As evidence latest stakeholders meeting minutes on 15/08/2020.

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

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

**Indicator 5** Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.

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

Seen the record of "External discussion/complaint" being kept from 03/04/2017 and "Borang Aduan Kerosakan Rumah (Major Repair)" being kept form 09/12/2019

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

### **Criterion 3 Commitment to contribute to local sustainable development**

**Indicator 1** Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.

**Summary** SOU 21 has contributed to local development based on consultation from stakeholder through annual stakeholder meeting. Sighted minutes of meeting on 03/10/2019, stakeholders will take this opportunity to communicate their concern and request. From record, sighted contribution made is by monetary donation and social service such water tank aid, road maintenance, transportation and technical advice.

Record of CSR available in 2020 such as:

- Donation for annual temple festival (RM200)
- Donation for Tabika Perpaduan Bekok (RM200)

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

### **Criterion 4 Employees safety and health**

**Indicator 1** An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) 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:

- To achieve Zero Class 1 Accident
- To ensure Good/Satisfactory rating by third party audit/assessment.
- To avoid any compound penalties by authorities on non-compliance to legal requirement by ensuring 100% compliance.

**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 chemicals used at the palm oil mill:
  - i) all employees involved are adequately trained on safe working practices; and
  - ii) all precautions attached to products should 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 shall 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 that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.

- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment 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 latest on 21/08/2020 attended by 76 workers.

Latest HIRARC is reviewed on 03/07/2020 with update on furrow area and holding pond (due to accident occurred submit JKKP 6). Among of the HIRARC available based on station and verified such:

1. Fruit Handling
2. Sterilization
3. Thresher
4. Boiler
5. Kernel Plant
6. Workshop
7. Laboratory
8. Linesite compound

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 were discussed during management review. The sample of the training as per below: -

Training	Plan	Remarks
Chemical Handling training	Oct '21	Latest training 19/10/2020
ERT Training by Bomba	Sept '21	Latest training 18/09/2018
First Aid (certification)	Oct '21	Latest training 05/10/2020
Fire drill	Mar '21	Latest training 12/03/2020
Schedule waste management training	Feb '21	Latest training 14/02/2020
SCCS training	May '21	Latest training 04/05/2020

Training record for Schedule waste and chemical store was done on 14/02/2020 together with Kempas Klebang estate. There is 2 representatives from Mill – Hamzah Mahmud & Mohd Amizul Awang.

PPE is provided by management to all workers. PPE record were kept in 3 books based on their use, (glove, safety shoes and 1 book consist of record for helmet, vest, earplug, safety goggle apron, dust mask).

Management has established SOP for handing chemicals in document tittle: Chemical Safety Management ID: SD/SDP/PSQM (ESH)/202-OH4 dated 26/02/2015.

Person in charge for safety were appointed by Mr. Mohd Nazir (Manager) to Mr. Mohd Al Bukhari b. Mohamad Suyuti on 15/04/2019.

OSH meeting is held on every 3 months to communicate with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Sighted record of meeting on: -

1. 09/09/2020
2. 05/06/2020
3. 09/03/2020

Emergency response procedure available and communicated to the workers during "Town Hall". Example of the ERP are, "tumpahan kimia, kebakaran, mogok di tempat kerja, bencana banjir & serangan binatang liar".



Emergency Response Team available as Mr. Mohd Nazir (Mill Manager) as a commander and the team then divided into 3 team which is Rescue team, Firefighting & spillage and First Aid.

First aid training by VMO was conducted on 05/10/2020 by Dr. Ling Kay Kwong at Dewan Gunung Mas estate involving all estate under gunung mas complex. As per attendance list, 13 persons are representative form mill. Sample certificate from the mill are: -

1. Mohd Al-Bukhari
2. Hamzah Mahmud
3. Suriyati Sulaiman
4. Noor Hayati

Registration JKKP 8 acceptance of acknowledgement were available with ref no.: /JKKP8/51470/2019 dated 17/01/2020.

CHRA was done on 15/05/2018 by Mr. Zakaria b. Abd Karim (HQ/04/ASS/00/193). The report was received on 24/09/2018. Action plan for CHRA recommendation were taken accordingly as example medical surveillance for year 2020 were sent on 13/07/2020 to Dr. Ling Kay Kwong (hq/08/DOC/00/545).

Boundary Noise monitoring assessment was conducted 29/09/2020 by Sustainability Management Southern Region (SQM-STR). The result as per below: -

Monitoring Points	Day Time (7:00 am – 10:00 pm) <65 dB (A)	
LOCATION	Lmin dB (A)	Lmax dB (A)
N1	55.3	55.2
N2	49.4	52.3
N3	59.7	61.1
N4	61.2	63.5
N5	59.9	61.3

Monitoring Points	Night Time (10:00 pm – 7.00 am) <55 dB (A)	
LOCATION	Lmin dB (A)	Lmax dB (A)
N1	52.1	54.2
N2	48.3	50.5
N3	58.7	60.3
N4	59.4	61.2
N5	62.7	64.8

Certificate of calibration: OC2931-20L  
Serial No: 130403182

## Calibration Results:

## Accuracy Test

UUT Setting	Measure Value (reference)	Specification ±
94.0 114.0	93.9 113.9	2.0 2.0

On 03/03/2020 notice were given by DOSH to do internal investigation due to workers that have hearing problem from JKPP 7.

Internal investigation was done, Audiometric test conducted on 24/9/2019 and the result show 3 workers that diagnosed for Standard Threshold Shift (STS). Management send them for retest on 24/12/2019 and the result worker that effected for STS is 1 worker.

Workers data: Ari (B 996697), Sterilizer Station

Ari were transfer from Sterilizer station to EFB Press Operator on 05/01/2020.

An email by DOSH PIC on 08/07/2020 sighted that the report has been accepted by DOSH.

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

**Criterion 5 Employment conditions**

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

**Summary** Social policy is available in document "Group Sustainability & Quality Policy Statement" signed by Mohamad Helmy Othman Basha, Group Managing Director dated 02/12/2019.

Item in the policy are: -

- Respecting, upholding & no-exploitation of fundamental human rights
- Providing safe and healthy workplaces, and protecting worker's welfare
- Engaging and empowering communities

The policy were communicated to the workers during townhall on 21/08/2020 attended by 76 workers.

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

**Indicator 2** The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

**Summary** All workers enjoy the same scale of pay and provided with equal housing and work facilities. No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the Mill.

This was confirmed though interview with workers/staff from the mill.

Sample taken as below:

1. Rahim Abdur - 159123
2. Arawint Raja A/L Shanmugam – 160145
3. Mohd Addy bin Mohd Taib – 160141

Contractors (Maju Mech Engineering Sdn Bhd):

1. Mhammad Mamon Mia (Bangladesh)

Also, through verification of contracts of service and pay slips of workers.

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

**Indicator 3** Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

**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 RM1,200.00 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 Mill pay-roll system. Sample taken on the workers below: -.

Sampled of workers taken:

1. Rahim Abdur - 159123
2. Arawint Raja A/L Shanmugam - 160145
3. Mohd Addy bin Mohd Taib - 160141

Mr. R – Sept 2020

Earnings	RM
Daily rate wages (25 days)	1,057.75
Holiday pay	42.31
OT	
FWdor wages	225.66
Price bonus	28.20
Normal days ot	190.40
Defray expenses	
Phone reimbursement	5.00
Water gate control	224.00
Deduction- mid month pay	200.00
Net pay	1,573.32

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** Verified the payslip is clearly stated working hours, rate per hours, total deduction, EPF, SOCSO and net paid.

Sample sighted:

- Maju Mech Engineering (M) Sdn Bhd - Mamon – pay slip Oct 2020 net pay RM1,711.78.

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

**Indicator 5** The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

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

Sighted at Mill have 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.

Name	Rahim Abdur 159123	Arawint Raja A/L Shanmugam 160145	Mohd Addy bin Mohd Taib 160141
Gender	Male	Male	Male

Date of Birth	18/10/83	23/04/20	15/07/82
Date of Entry	01/08/20	05/10/20	05/10/20
Job Description	General worker	Mill operator	Mill operator
Wages	Daily rate	Daily rate	Daily rate
Period of employment	2 months	23 days	23 days

**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 shall be made 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 and Indonesian. Sample taken on the following workers for Gunung Mas POM.-

- Rahim Abdur - 159123
- Arawint Raja A/L Shanmugam - 160145
- Mohd Addy bin Mohd Taib – 160141

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 mill 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 the employees and employers.

**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 7.00 am to 3.00pm (Shift A) and 3.00pm to 11.00pm (Shift B).

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

**Indicator 8** The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.

**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 community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings

**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.

**Summary** All workers are provided with housing facilities at workers linesite. Water and electricity is provided free by management. Sanitary and waste disposal is managed by neighbor estate, Gunung Mas Estate.

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

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

**Indicator 12** The management shall establish a policy 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.

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

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

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

Latest Gender Committee meeting was conducted on 20/10/2020 attended by 7 people discussed on the followings:

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

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

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

**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 at 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 minutes meeting "Mesyuarat Antara Pihak Pengurusan dan Wakil Kesatuan (NUPW) date 06/06/2020 attended by 2 representative from management and 3 representative from workers.

**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.

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

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

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

## **Criterion 6 Training and competency**

**Indicator 1** All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.

**Summary** Sime Darby has established 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

All the training programme is included all employees and contractors working in mill. Any contractors are required working permit prior to execute any activities in mill compound. Safety briefing is mandatory permit to be granted.

**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** 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

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

**Indicator 3** A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.

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

The mill 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, Huluan 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

The Environmental Management Plan is reviewed and updated by Mr Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager) approved by Mr Mohd Nazri Bin Pazal Karim (Mill Manager). The activities that fall into environmental aspects includes;

1. BOD level at final discharge pond
2. Lubricant & chemical store
3. Measurement of dust particulate concentration
4. CPO tank level indicator & alarm system
5. Scheduled waste
6. Domestic waste
7. Industrial waste

**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 Mill has 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" and "Environmental Impact Evaluation Form". The environmental impact identification and evaluation last reviewed and updated by Mr. Mohd Fadzil Bin Hasbullah (Asst Mill Engineer), approved by Mr. Mohd Nazri Bin Pazal Karim (Mill Manager) on 05.06.2020.

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 EAII and EIE are being reviewed on annual basis. The environmental impact assessment has covered activities of the Mill such as;

1. Reception
2. Steriliser
3. Treshing
4. Pressing
5. Clarification
6. Depericarping
7. Kernel recovery
8. Boiler
9. Power Generation
10. Palm product storage & Dispatch
11. Laboratory
12. Water Treatment plant
13. Effluent Treatment plant
14. Workshop & Maintenance
15. Lubrication & Chemical Store

Sample evidence of EAII established by the Mill includes;

Activities	Aspect	Load Item	Impact	Potential of Non-Compliance environmental regulations
Maintenance of pump	Oil spillage	Lubricant oil, grease	Water pollution, land contamination	No
Operation of Steam Boiler	Air contamination	Boiler ash, black smoke emission	Air pollution	No

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

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

**Summary** The Environmental Improvement Plan for FY 2020 which has been incorporated in Continual Improvement Plan, reviewed and updated by Mr. Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager) approved by Mr. Mohd Nazri Bin Pazal Karim (Mill Manager).

Sample evidences of Environmental Improvement Plan (EIP) established by the Mill includes the following;

1. Improvement Issue: Planet
2. Station: Laboratory
3. Action Plan: Locate proper oil trap to avoid the chemical go into monsoon drain, store scheduled waste at specific area that mill have prepared.
4. Person-In-Charge: Lab Supervisor/ Store Clerk
5. Status: Completed

Other sample evidences of Environmental Improvement Plan (EIP) include the following;

1. Improvement Issue: Planet
2. Station: Store
3. Action Plan: Manage the scheduled waste that will be disposed for every 6 months and by the authorized contractor
4. Person-In-Charge: Store Clerk
5. Status: Completed

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

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

**Summary**

The Continuous Improvement Plan for FY 2020 has been reviewed and updated by Mr. Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager) approved by Mr. Mohd Nazri Bin Pazal Karim (Mill Manager).

The program for Continual Improvement includes the following;

1. Improvement Issue: Waste reduction
2. Station: Store
3. Action Plan: Manage the scheduled waste that will be disposed for every 6 months and by the authorized contractor, improve the scheduled waste record book, improve the store of scheduled waste
4. Person-In-Charge: Store clerk/chief clerk
5. Status: On-going

Other program for Continual Improvement includes the following;

1. Improvement Issue: Planet
2. Station: Mill Plant
3. Action Plan: Replacement of Sunle EB Press to Sinaco EB Press to improve oil loss in empty bunch and to maximize oil recovery
4. Person-In-Charge: Mill Manager
5. Status: Completed

**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 and management plans and are working towards achieving the objectives.

**Summary**

The training programme and implementation on Environmental aspects for year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
Bahan Buangan Berjadual/kitar semula di linesite	March 2020	24.10.2020	1 executive, 8 staff & 31 workers
HCV Refresher Training	January 2020	13.02.2020	1 executive, 2 staff

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

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

**Summary**

The Mill has conducted "Mesyuarat Environmental Performance Monitoring Committee (EPMC) Tahun 2020" held on 11.09.2020 attended by 10 personnel discussed the following agenda;

1. Effluent parameter (dari sludge pit) & final discharge
2. Boiler
3. Water usage
4. Water analysis
5. Scheduled waste
6. Stack sampling
7. Effluent treatment plant
8. Menyemak status Jadual Pematuhan

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

Description	Actual January to September 2020
FFB,mt	153,350.63
Diesel, liter	13,356.00
Average, Liter/mt FFB	0.09
Diesel baseline value	Nil
Electricity, kWH	3,856,247

Average, kWh/mt FFB	25.15
Electricity baseline value	Nil
Water Usage, m <sup>3</sup>	146,231.00
Average, m <sup>3</sup> /mt FFB	0.95
Water baseline value	Nil

The Mill is using its power supply through Turbine and TNB Power Grid.

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

**Indicator 2** Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.

**Summary** The estimate of direct usage of Non-renewable Energy, Water and Electricity Consumption for its operation in 2020;

Description	Estimated January to December 2020
FFB,mt	254,666.40
Diesel, liter	17,808.00
Average, Liter/mt FFB	0.07
Electricity, kWh	6,366,660
Average, kWh/mt FFB	25.00
Water Usage, m <sup>3</sup>	194,975
Average, m <sup>3</sup> /mt FFB	0.77

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

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

**Summary** Sighted Renewable Energy Usage for financial year 2020

Mth	Total Fibre & Shell Usage (mt)	FFB Processed	Mt Shell Fibre/Mt FFB Processed
Jan-Sept 2020	13,801.56	153,350.63	0.09

Empty Fruit Bunch Production January to September 2020 is 33,794.37mt against FFB processed of 153,350.63mt or equivalent to 22.04% which mostly disposed to the estates.



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

**Criterion 3 Waste management and disposal**

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

**Summary**

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

The Mill has identified all waste products and operational plan to reduce pollution include;

1. SW102 – Used batteries
2. SW110 – Waste from electrical and electronic assemblies
3. SW311 – Waste of oil/ oil sludge
4. SW322 – waste of non-halogenated organic solvents
5. SW323 – waste of halogenated organic solvents
6. SW305 – Spent lubricating oil from workshop
7. SW306 – Spent hydraulic oil from workshop
8. SW408 – contaminated soil, debris or matter resulting from clean-up of a spill of chemical, mineral oil or scheduled wastes from workshop
9. SW409 – Disposed containers, bags or equipment contaminate with chemicals, pesticides, mineral oil
10. SW410 – Rags, Plastics, papers or filters contaminated with scheduled wastes from workshop
11. SW427 – Mineral sludges including calcium hydroxide sludges, phosphating sludges, calcium sulphite sludges and carbonates sludges
12. Domestic waste – rubbish from linesite, office, workshop, store and sewage
13. Industrial waste – EFB, POME, Decanter solid & scrap metal

The Scheduled Waste Inventory and disposal for the Mill includes;

SW Code	322	323	306
Previous Disposal Date	10.12.2019	10.12.2019	10.12.2019
Quantity Disposed (Unit)	0.6950mt	0.0925mt	0.2000mt
Generated Date after Disposal	29.12.2019 (7.5lit)	29.12.2019 (2lit)	29.12.2019 (5.5lit)
Recent Disposal Date	23.06.2020	23.06.2020	23.06.2020
Quantity Disposed (Unit)	0.1722mt	0.1120mt	0.3200mt
Generated Date after Disposal	05.07.2020 (9lit)	05.07.2020 (2lit)	05.07.2020 (1.5lit)
Licensed Contractor	Kualiti Alam Sdn Bhd	Kualiti Alam Sdn Bhd	Kualiti Alam Sdn Bhd

Remarks	177 days	177 days	177 days
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The Scheduled Waste Inventory for the Mill (Contd....) includes;

SW Code	410
Previous Disposal Date	10.12.2019
Quantity Disposed (Unit)	0.0650mt
Generated Date after Disposal	29.12.2019 (6kg)
Recent Disposal Date	23.06.2020
Quantity Disposed (Unit)	0.0060mt
Generated Date after Disposal	30.06.2020 (1kg)
Licensed Contractor	Kualiti Alam Sdn Bhd
Remarks	177 days

Mill's chemical wastes and other scheduled wastes are disposed through a DOE registered schedule waste disposal contractor as per DOE requirements.

Report to DOE for scheduled waste is submitted monthly by online @ eswis.

**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 Mill has identified and documented 3 types of wastes i.e. scheduled waste, domestic and industrial wastes generated from its operation as stated in its waste management plan FY2020.

The Waste Management Plan has identified the following sample of waste generated from its activities;

1. Scheduled waste – empty pesticide containers/rags, used lubricant/filters
2. Domestic waste – rubbish, sewage
3. Industrial waste – scrap metal, EFB, POME, decanter solid

The waste management plan has also identified the source of pollution, location, action to be taken and person in-charge. As a sample evidence, the Waste Management Plan FY2020 describes the measurement to control for Scheduled Waste as follow;

1. Type of waste: Scheduled waste
2. SW Code: SW305

3. Item Description: Spent lubricating oil
4. Location: SW store
5. Action to be taken: Collect and record amount the relevant SW, storage of SW within 180days or 20mt
6. Person-In-Charge: Store operator

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

**Indicator 3** The palm oil mill 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. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.

**Summary** The Company has established the Operation Control Procedure on Chemical Safety Management, Doc No.SD/SDP/PSQM(ESH)/202-OH4, prepared by Plantation Sustainability and Quality management (PSQM) dated 26.02.2015. The procedures cover the following;

1. Procurement of chemicals
2. Transportation of chemicals
3. Receiving of chemicals
4. Storage of chemicals
5. Handling of chemicals
6. Disposal of chemical wastes
7. Training
8. Maintenance of Equipment

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

**Indicator 4** Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.

**Summary** Domestic waste from the Mill 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 Mill housing complex on weekly basis.

The measurement to control pollution contributed from domestic waste are;

1. Type of waste: Domestic waste
2. Item Description: Rubbish
3. Location: Housing complex, office, workshop and Mill compound
4. Action to be taken: Collect and record, conduct awareness training
5. Person-In-Charge: Staff
6. Frequency: Weekly

**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. The EAI assessment findings including list of polluting sources are recorded. Mitigation measures are identified for in the aspect & impact register to prevent or minimize pollution.

The Mill has implemented its GHG Calculator to calculate the GHG for year 2019 as tabulated below;

Description	Total emission (tCO <sub>2</sub> e)
Land conversion	124,743.26
Crop Sequestration	-118,240.06
CO <sub>2</sub> emissions from Fertilizer	13,893.28
N <sub>2</sub> O Emissions from peat	794.54
N <sub>2</sub> O Emissions from fertilizer	8,103.54
Fuel consumption	895.13
Peat oxidation	5,795.25
Total	35,984.94
tCO <sub>2</sub> e/t FFB	0.59

The total emissions generated in Gunung Mas POM and its FFB suppliers in 2019 is 35,984.94tCO<sub>2</sub> equivalent or 0.59tCO<sub>2</sub> equivalent/t FFB processed.

As a sample evidence, the assessment on greenhouse gas emissions has been identified based on the following activity;

1. Activity: Operation of pond
2. Environmental Aspect: Gas Emission
3. Environmental Load Item: Methane Gas
4. Environmental Impact: Global warming
5. Legislation Impact: No

All by-products produced from Mill operation are disposed to the state of:

1. Empty Fruit Bunch sent to estates for oil palm mulching

POME as land application at Gunung Mas Estate.

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

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

## Summary

The Environmental Management Plan has been reviewed and updated by Mr Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager) approved by Mr Mohd Nazri Bin Pazal Karim (Mill Manager). The activities that fall into environmental aspects includes;

1. To reduce traces of oil spillage
2. To reduce exhaust emission to air
3. Manage Scheduled waste
4. Avoid blocked drainage
5. Avoid black smoke emission

Mill has identified its significant pollutant and emissions generated from its activity as incorporated in the EAI documents.

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

1. Activity: Operation of pond
2. Environmental Aspect: Spillage/overflow
3. Environmental Load Item: POME
4. Environmental Impact: Water pollution & land contamination
5. Legislation Impact: No

The action plan to reduce emission from the Mill operation where the use of Pump will generate black smoke which will cause global warming has been incorporated in EAI such as;

1. Activity: Maintenance of pump
2. Environmental Aspect: Smoke emission
3. Environmental Load Item: Welding fume & acetylene Gas
4. Environmental Impact: Air pollution and Global warming
5. Legislation Impact: No

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

**Indicator 3** Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations

## Summary

POME is treated by conventional method and discharged to nearby estate using land application method. DOE Limits of BOD on final discharge POME for land application method is 2,500ppm.

Sample of effluent analysis report, analyzed by Sime Darby Research Sdn Bhd, Carey Island, for sample taken on 14.09.2020 and analyzed result dated 02.10.2020. The result is tabulated below;

Parameter	Results	DOE Limits
pH (25°C)	8.4	5.0 – 9.0
BOD, mg/L	133	2,500
Sus. Solid, mg/L	200	400
Amm-N, mg/L	98	150
Total N, mg/L	150	200
Oil & Grease, mg/L	5	50

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

#### **Criterion 5 Natural water resources**

**Indicator 1** The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water).  
The water management plan may include:  
a) Assessment of water usage and sources.  
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.  
c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc).

#### **Summary**

The Company has established the Sustainable Plantation Management System on Hydrological System dated 01.11.2008 stated the following;

1. To ensure the quality and availability of surface and ground water the operating units implemented water management plan, monitoring the water quality and water consumption.
2. Monitoring through regular water sampling exercise for analyses of parameters such as Suspended Solid, COD, BOD, P, AN and pH.
3. The location of sampling point such as any incoming water through natural waterway, any outgoing water through natural waterway and any natural waterway near to replanting area of upstream, midstream and downstream.

The identification of water source has been reviewed and updated by Mr. Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager) approved by Mr. Mohd Nazri Bin Pazal Karim (Mill Manager) which includes;

Source of Water	Use of Water	Remarks
River water – Sungai Bekok	Raw water source, treated water for mill operation (processing,	Water intake (pond/reservoir)

	Boiler running & Mill cleaning) and daily consumption.	
Local Authority – Syarikat Air Johor (SAJ)	Domestic water for housing complex, Mill canteen and Office	If needed to purchase clean water supply from Syarikat Air Johor.

The Mill Water Management Plan has been reviewed and updated by Mr Mohd Al Bukhari Bin Mohamad Suyuti (Senior Asst Manager) approved by Mr Mohd Nazri Bin Pazal Karim (Mill Manager) is outlined below;

Water Source/Area of Concern	Monitoring of Water Usage	Contingency Plan
Mill Water Treatment Plant – severe water pollution	To optimize the usage of water at all station	To purchase clean water supply from Syarikat Air Johor
Mill Water Treatment Plant – severe water pollution	Monitoring the usage of water within the Mill compound	To conduct water sampling on water and initiate an action plan for the water treatment through recommendation by R&D
Mill Water Treatment Plant – avoid contamination of surface and ground water	Training on the chemical usage, management	Monitoring on the implementation at site by Laboratory.
Renewable water source – steam condensate water	Any leakage/failure of pumping to report to Foreman.	Monitoring on the implementation at site by Supervisor, Foreman, Chargeman.
Renewable water source – hot treated water as dilution	Substitution for normal hot water usage after 2 hours start processing.	Monitoring on the implementation at site by Supervisor, Foreman, Chargeman.

Source of water for Mill processes is from river/water catchment pond, pumped to clarifier and water treatment plant.

The water for FFB processing will not be fully treated as it is not for human consumption. Subsequently the treated water will be pumped onto overhead storage tank. Only fully treated water from the overhead storage tank will be supplied for workers and staffs houses.

Sighted Sungai Bekok water quality (Upstream, Midstream, Downstream) analyzed by Sime Darby Research Sdn Bhd, Carey Island, for sample taken on 14.07.2020 and analyzed result dated 03.08.2020. The result is tabulated below;



Parameter	Upstream	Midstream	Downstream	DOE Limits
pH	5.6	5.5	5.6	6.0 – 9.0
COD, mg/L	112	88	52	< 25
BOD, mg/L	10	8	5	< 3
Tot Solid, mg/L				
Suspended Solid, mg/L	370	384	114	< 50
Ammoniacal-N, mg/L	< 1	1	< 1	< 0.30
Dissolved Oxygen, mg/L	3.40	3.10	3.47	5.0 – 7.0
Phosphorus, mg/L	0.107	0.098	ND	< 0.20

The Mill has also identified and managed its wastewaters which include the following method;

1. Location: Processing station
2. Wastewater produced: Mill floor cleaning water
3. Phase 1 treatment/containment method: Oil trap
4. Phase 2 treatment/containment method: Sludge pit
5. Phase 3 treatment/containment method: Effluent treatment pond
6. Reuse/recycle/disposal method: Land application

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

**Indicator 2** Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.

**Summary** The POME is discharged through Land Application – Atas Tanah pada kadar aliran 2,440m<sup>3</sup>/hari, dengan kepekatan BOD, 3hari, 30°C tidak melebihi 2,500mg/L". Refer 4.5.4.3 for the analysis result.

Sighted report to DOE on quarterly returns using OER (online environmental report) – third quarter 2020.

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

## 2.6 Principle 6 : Best practices

### Criterion 1 Mill management

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

**Summary** Mill capacity 60 MT/Hr – Sterilization is by vertical sterilizer. The mill has implemented Good Milling Practice (GMP) as seen from visit to the mill and seen from the document and also interviewing the workers.

Palm Oil Mill has 4 types of Manuals-

- 1) Mill Quality Management System (Standard Operating Procedure)
- 2) Mill Quality Management System (Standard Operation Manual)
- 3) Occupational Safety and Health Manual
- 4) Sustainable Plantation Management System

These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilization, threshing, pressing, clarification, effluent, laboratory, workshop and etc.

The document was well maintained and implemented. As evidence, mill daily operations is referring the Mill Quality Management System (Standard Operating Procedure). The SOP includes:

- 1) Reception station
- 2) Sterilization station
- 3) Threshing station
- 4) Pressing station
- 5) Clarification station
- 6) Kernel Recovery station
- 7) Boiler station

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

**Indicator 2** All palm oil mills shall implement best practices.

**Summary** The mill is not certified by MPOB Codes of Milling Practice (CoP). However, mill has implemented Good Milling Practice (GMP) as per their own SOP's.

As evidence, the mill is operating in accordance to Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, Jabatan Alam Sekitar. The mill is complying with the BOD limit stipulated under "Pengurusan Efluen – Kepekatan Oksigen Biokimia Yang Diperlukan (BOD, 3 hari, 30°C) tidak melebihi 5000mg/l".

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

<b>Criterion 2 Economic and financial viability plan</b>	
<b>Indicator 1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.
<b>Summary</b>	<p>Gunung Mas POM has an annual budget for the financial year 2019/2020. The palm oil mill budget includes the projected FFB to be processed, CPO and PK production for the period of three years from 2019/2020 until 2021/2022.</p> <p>It is also incorporated items such as general charges, mill maintenance, process shift labour, general services, processing cost, fixed assets, etc. Sighted documented Business and Management Plan prepared by Mr. Mohd Nazri Bin Pazal Karim (Mill Manager).</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Criterion 3 Transparent and fair price dealing,</b>	
<b>Indicator 1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented.
<b>Summary</b>	<p>Pricing of the contract works such as transporting of FFB and PK, Purchase of FFB from outside suppliers is determined by the HQ (Procurement Department) and treated as highly confidential information.</p> <p>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.</p> <p>The contractors have signed an agreement with the estate to provide services. The agreement has detailed the pricing mechanism for the service offered.</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.
<b>Summary</b>	<p>All the contract agreement are kept in the file. Sighted the contract that sign by contractors/suppliers with the company and payment record shown that the company pay fee to the contractors/suppliers according the agreement.</p> <p>Payment will be paid 30 – 60 days after the mill received the invoice from contractors.</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Criterion 4 Contractor</b>	
<b>Indicator 1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.

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

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

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

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

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

**Summary** All the contractors aware that mill already certified under MSPO. Therefore, the contractor has been instructed by mill management to follow the MSPO standard requirement when carrying out their work in the mill premise.

All the contract agreements are kept in contractor's file. Sighted the contract that sign by contractors with the company.

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

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

**Summary** The mill was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 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

## 2.7 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 mill 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) Good relationship being maintained with surrounding smallholders and villages.
- 4) Good positive feedback received from internal and external stakeholders.
- 5) Interview with sampled workers revealed, the mill management impose strict control measure on safety compliances.
- 6) The storage facilities for schedule waste, chemical and POL well-constructed, proper signage clearly displayed, and emergency preparedness well implemented.
- 7) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.

## 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.
<b>Minor Nonconformities:</b>	Non-were raised during this audit.
<b>Area of Concern:</b>	Non-were raised during this audit.

### Non-Conformities Identified During Previous Audit [ASA2]

<b>Major Nonconformities:</b>	Non-were raised during this audit.
<b>Minor Nonconformities:</b>	Non-were raised during this audit.
<b>Area of Concern:</b>	Non-were raised during this audit.

## Appendix C: List of Stakeholders Contacted

### Attendance List

#### Internal Stakeholders

- 1) Gunung Mas POM 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