

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



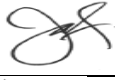
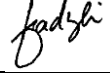

CERTIFICATION AUDIT REPORT


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

Siong Lim Enterprise Sdn Bhd

-Individual Certification-

MAIN ASSESSMENT AUDIT
25th November 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	25/12/19	Issued as Draft Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
A	27/01/2020	Peer Review 1 Comments	Nzri Bin Rasidi	Peer Reviewer 1	
A	31/01/2020	Peer Review 2 Comments	Mohd Zuhaili Bin Mukri	Peer Reviewer 2	
B	13.02.2020	Issued as Final Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	13.02.2020	Final Report Approved	Terence Ang	Certifier	

Acknowledgment by Siong Lim Enterprise Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B		Acceptance of the contents	Mr. Wee Eng Chuan	MANAGER	

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 **Siong Lim Enterprise Sdn Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition.

This assessment was conducted onsite on **25th November 2019** to assess the compliance of the certification unit against the "**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder**". The scope of certification is "**Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches**".

1.2 Company details and Contact information

Company Name	SIONG LIM ENTERPRISE SDN BHD
Business Address	Pasir Besar Estate, 18400 Temangan, Kelantan, Malaysia.
Contact Person	Mr. Wee Eng Chuan
Office Telephone	012-9591237
E-Mail	dae6355@hotmail.com

1.3 Certification Unit

Name of the Certification Unit

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Pasir Besar Estate	Pasir Besar Estate, 18400 Temangan, Kelantan, Malaysia.	N 5° 49' 37"	E 102° 22' 02"

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Pasir Besar Estate	501516502000	31/03/2020	Menjual dan mengalih FFB

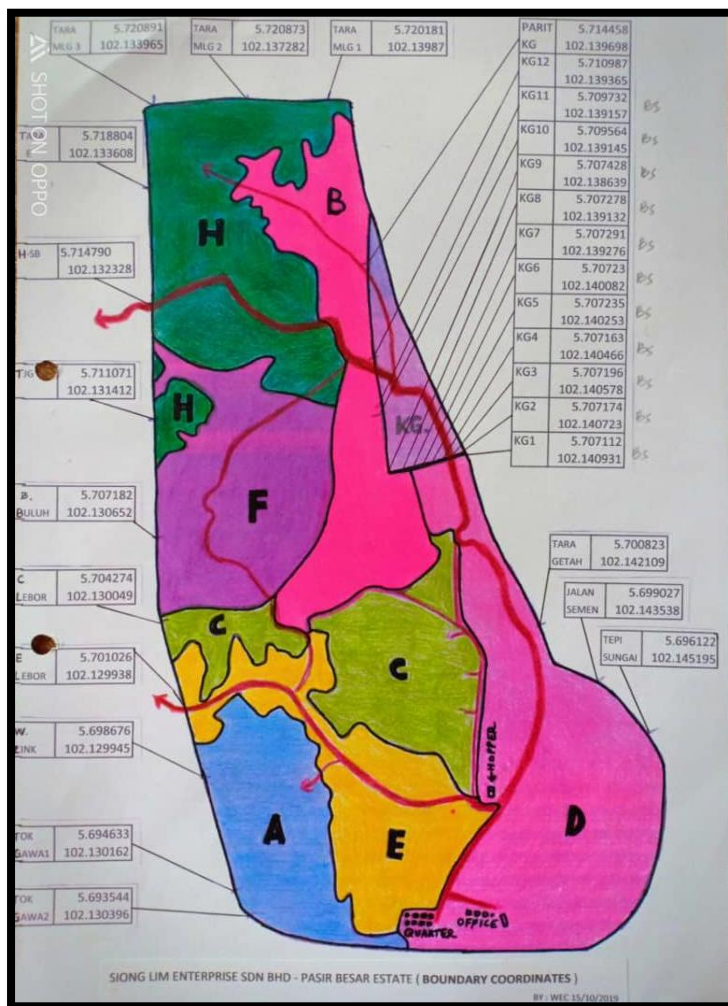


Others Sustainability Certification

No	Name Of The Site	Others Sustainability Certifications
1.	NIL	NIL

1.4 Map Showing Geographical Location

1) Siong Lim Enterprise Sdn Bhd



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Pasir Besar Estate	395.82	382.87	377.00
Total	395.82	382.87	377.00

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Pasir Besar Estate			
Total	NIL	NIL	NIL

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [November 2018-October 2019]	Projected Production for next 12 Months [November 2019-October 2020]
Pasir Besar Estate	0	5,471.47	5,500.00
Total	NIL	5,471.47	5,500.00

1.6 Certificate Details**Certification body**

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

Assessment standard

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

Certificate number

GGC-SLES001-MSPO-00-2020

Initial certificate issued date

13 February 2020

Certificate expiry date

12 February 2025

Stage 1 assessment date	07 th October 2019
Stage 2 / Main Assessment	25 th November 2019
Annual Surveillance 1 [ASA 1]	November 2020
Annual Surveillance 2 [ASA 2]	November 2021
Annual Surveillance 3 [ASA 3]	November 2022
Annual Surveillance 4 [ASA 4]	November 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohd Fadzli bin Bistamam (P3, P4, P7)

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

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

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

Auditor

Name: Nurulashida bt Mohd Saad (P1, P5)

Graduated in Conservation and Management of Biodiversity with working in Sustainability Department for more than 12 years which involves in certification and compliance affairs. Fully trained in agriculture certification programme such as RSPO, MSPO, SCCS, Biodiversity / HCV, ISCC, ISO and etc. Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: R.Ramani s/o Ramasamy (P2, P6)

Experienced and worked in the palm oil industry for pass 37 year. 29 years in Malaysia Palm Oil Board at the milling and processing department where all the process and quality control were carried out. 4 years carried out the RSPO audit at Malaysia and Indonesia. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as there is only one estate namely Siong Lim Enterprise Sdn Bhd.

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

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

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

1.9 Audit Plan Information

Audit Date	25 th November 2019
Name of site(s) visited	Siong Lim Enterprise Sdn Bhd
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

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

1.11 Stakeholder Consultation

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

GGC has published the public notification on 21st October 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 25th November 2019 in Pasir Besar Estate to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

During this Main Assessment (Stage 2) audit, the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of estate management.

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

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	All Stakeholders	Most of the stakeholders who attended the meeting are aware about what is MSPO.	Management will continue briefing to all stakeholders on MSPO awareness	Positive findings
2.	All Stakeholders	Most of them has knowledge on the existence of a complaints/grievance mechanism. Further, they aware where they should direct their request/ complaints to.		Positive findings
3.	Neighboring estate	Has good communication with the estate management. Boundary markers are well discussed and agreed between both parties.		Positive findings
4.	Local communities	Requested to conduct sports event together with local communities surrounding.		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 Siong Lim Enterprise Sdn Bhd. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 3: General Principles for Oil Palm Plantations and Organized Smallholders), there were no Non-conformities raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of no NC raised. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to Siong Lim Enterprise Sdn Bhd.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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

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



SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

Indicator 1 A policy for the implementation of MSPO shall be established.

Summary Siong Lim Enterprise Sdn Bhd (Ladang Pasir Besar) has established MSPO Policy dated 1st July 2019 signed by the Managing Director. The policy stated that the company is committed to implementing the sustainable practices outlined by 7 principles in MSPO. Policy has been communicated during the "Mesyuarat MSPO" which was conducted on the 3rd July 2019. Minutes of meeting and attendance list of 29 attendees are made available at site.

In Compliance **Yes** No Not Applicable

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

Summary Sighted, "MSPO Polisi Kemampanan", document No MSPO -P-01 dated 1/7/2019 with commitment towards a systematic approach to ensure sustainable development and continuous improvement under para 3 and para 5 respectively.

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 Sighted Internal Audit Plan named "Pelan Audit Dalaman Tahunan" for 2019, 2020, 2021, 2022 and 2023 prepared by Cik Noraiha binti Mohamad @ Alias and approved by Mr Wee Eng Chuan dated 1/9/2019. The frequency of planned Internal Audit is once a year.
Sighted Internal Audit Report named "Laporan Audit Dalaman MSPO" dated 17/9/2019 which was conducted by Tuan Amirudin and approved by Mr Wee Eng Chuan, Estate Manager.

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 Sighted Internal Audit Procedure dated 1/7/2019 prepared by Cik Noraiha binti Mohamad @ Alias (Clerk) and approved by Mr Wee Eng Chuan (Estate Manager). No non-conformities were raised during the MSPO internal audit. As such no identification of the root cause and corrective actions were taken to close the non-conformities.

In Compliance **Yes** No Not Applicable

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

Summary Sighted Management review meeting dated 30/9/2019 as referred to "Laporan Mesyuarat Semakan Pengurusan" prepared by Cik Noraiha Alias (Clerk) and approved by Mr Wee Eng Chuan (Manager).

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 Sighted Management review meeting dated 30/9/2019 which was held in "Pejabat Ladang Pasir Besar" attended by Mr Wee Eng Chuan, Estate Manager and Cik Noraiha, Clerk. The meeting was chaired by Mr Wee Eng Chuan.

In Compliance **Yes** No Not Applicable

Criterion 4 Continual improvement

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

Summary Sighted the "Program Penambahbaikan Berterusan dated 10th October 2019 as prepared by Mrs Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager) is made available.

- The programs include:
- i. Workers housing amenities
 - ii. Waste Management
 - iii. Enforcement on OSH
 - iv. Good Management Practices
 - v. Increase of Productivity

In Compliance **Yes** No Not Applicable

Indicator 2 The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption

Summary As per interview with Mr Wee Eng Chuan (Estate Manager) and records available, there is no new technology or Systems were implemented or adopted by the company at the moment.

In Compliance **Yes** No Not Applicable

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

Summary There are no new technology/Systems were implemented or adopted, as such there is No planning for new practices was observed during this audit.

In Compliance **Yes** **No** **Not Applicable**

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 1 The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.

Summary The internal stakeholder meeting was conducted on 04th July 2019. The meeting was attended by 29 workers as per attendance list available during the audit.. No issues or complaint were received from them during the interview at the estate office.

The information regarding the MSPO were obtained through the noticed board at the entrance of the company and the media by the stakeholders.

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 Documented List of Documents and Classification as a guideline for Siong Lim Enterprise Sdn Bhd to determine the confidentiality of the status or availability for public disclosure. Documents listed under non-confidential such as Vision statement, Mission statement, MSPO Sustainable Policy, Health & Safety Policy and Environmental Policy. The documents listed under confidential such as GHG Reduction Plan, ROI, Sales Strategies, Investment Plan and Sensitive SIA Issues.

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 Siong Lim Enterprise Sdn. Bhd. has established P2-05 "Komunikasi dan konsultansi dengan pihak perkepentingan" (Stakeholder communication and consultation). The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.

In Compliance **Yes** No Not Applicable

Indicator 2 A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.

Summary Located an appointment letter as MSPO Safety & Traceability appointing En. Mat Sudin bin Jaafar estate Mandor. The letter was signed by the Estate Manager Mr Wee Eng Chuan dated on 20th August 2019.

In Compliance **Yes** No Not Applicable

Indicator 3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.

Summary Siong Lim Enterprise Sdn. Bhd has established list of Stakeholders prepared by Ms. Noraiha binti Mohamad @ Alias dated on 24th September 2019. There were 31 stake holders listed in the list. Taken random samples of stake holders from total 31 stakeholders for evidence. The list included:

1. Lembaga Minyak Sawit Malaysia (MPOB)
2. Jabatan Keselamatan dan Kesihatan
3. Pekerjaan Malaysia.
4. Jabatan Tenaga Kerja Semenanjung Malaysia (JTK)

In Compliance **Yes** No Not Applicable

Criterion 3 Traceability

Indicator 1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

Summary Siong Lim Enterprise Sdn. Bhd. has established Procedures on Kebolehejekan BTS under MSPO Manual P1-01 to P5-11 approved by Mr. Wee Eng Chuan dated on 1st July 2019.

In Compliance **Yes** No Not Applicable

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

Summary Located the traceability of SOP and relevant records in the FFB Received & delivered. The total harvested bunches on Nov 6th 2019 were 380 were documented and checked by the office clerk Cik Noraiha. The regular inspection has been carried out by the Mr Wee Eng Chuan, Estate manager based on the record of FFB Received & Delivered on the daily estate harvested FFB and delivery were recorded.

In Compliance **Yes** No Not Applicable

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



Summary Located an appointment letter of Mat Sudin bin Jaafar for Safety and Transparency task. The letter was signed by Mr. Wee Eng Chuan, Estate Manager dated on 20th August 2019.

In Compliance **Yes** No Not Applicable

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

Summary The FFB were send to T & A Machang Agriculture Sdn. Bhd. Delivery Ticket 000003 dated 12/11/2019 total FFB 6.33 tonne with the truck registration no. DK 4097. All the records of the sales and delivery were well organized.

In Compliance **Yes** No Not Applicable

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary Siong Lim Enterprise Sdn. Bhd is in compliance with the applicable local laws. Sighted several licenses and permits such as:

- MPOB license expiry on 31.03.2020
- Quit rent record
- Road tax for supervision vehicles
- Fire extinguisher permits

In Compliance **Yes** **No** Not Applicable

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

Summary The list of applicable laws & regulations covers a detail requirements that related to MSPO compliance. These documents include information on title of documents, regulatory authority/summary, requirements, current status and remarks. The list contains of local and international laws and regulations. There is set of Legal Requirements been divided into:

- a. OSH
- b. Environment
- c. Water
- d. HR Related
- e. Other Local Malaysian Requirements
- f. Key International Laws and Conventions Applicable to the production of palm oil

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 interviewed with Mr. Wee Eng Chuan, Estate Manager, he is responsible person to update any new amendments or any regulations once received through the communication with law/enforcement officers and medias.

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 Sighted letter of appointment for the responsible person, Mr. Wee Eng Chuan (Estate Manager) approved by Mr Kua Kim Chai, Managing Director dated on 20th August 2019

In Compliance **Yes** No Not Applicable

Criterion 2 Land use rights

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

Summary Estate has a valid land title indicating correct land title terms which specifies the syarat-syarat nyata. Estate land titles are available and well maintained. The land title and hectarage data are as follows: -

1. Lot No: 879 = 395.82Ha expiry on 03.02.2079
Mukim Tebing Tinggi, Daerah Jajahan Tanah Merah

In Compliance **Yes** No Not Applicable

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

Summary Sighted 1 copy of land titles kept by the estate's office.

Total Land Titled Ha = 395.82 HA
Less : Hectare Reconciliation Summary
Grave and Village = 12.95 HA
Bridges and Drain = 3.44 HA
Building = 2.43 HA

Total as per Hectare Reconciliation Summary = 377.00ha
Land titles were reviewed and no issue of overplanted

In Compliance **Yes** No Not Applicable

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

Summary Estate have established and maintained the boundary stone surrounding the estate area. One of the boundary stones have been visited during stage 2 audit (Location N 5.707112° E 102.140931°). Fences between estate and local villages are well maintained.

In Compliance **Yes** No Not Applicable

Indicator 4 Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).

Summary No disputes have been recorded in the estate area. The land title has been legally acquired by the estate.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary rights

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

In Compliance **Yes** No Not Applicable

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership. Therefore, no maps for recognized customary rights is available.

In Compliance **Yes** No Not Applicable

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile 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 are implemented to mitigate the negative impacts and promote the positive ones.

Summary Siong Lim Enterprise Sdn Bhd, Ladang Pasir Besar has established Social Impact Assessment dated 10/9/2019 prepared by Cik Noraiha, Clerk and signed by Mr Wee Eng Chuan, Estate Manager. Sighted Social Impact Plan dated 10/9/2019 named "Pelan Pengurusan Impak Sosial" to mitigate negative impacts and promote the positive ones. Interview with the estate workers confirmed that the management is taking actions according to action plans stated in the SIA report. No negative comments received about the management.

In Compliance **Yes** No Not Applicable

Criterion 2 Complaints and grievances

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

Summary Siong Lim Enterprise Sdn Bhd, Ladang Pasir Besar has established Grievance Handling Procedures Ref No: MSPO-11 dated 1/7/2019 prepared by Cik Noraiha, Clerk and approved by Mr Wee Eng Chuan, Estate Manager. The objective of the procedure is to provide guidance:

1. Sharing information about stakeholder concern and views
2. Giving stakeholders a reasonable opportunity to express their views
3. Taking those views into account and address resolution reasonably practicable.

The surrounding communities were informed that complaints or suggestions can be made anytime to the management via a Complaint and Grievance form available at the office entrance. This was informed during the "Soal Selidik Penilaian Impak Sosial" process dated 5/10/2019. Records of complaints and resolution for the last 24 months is not available as the company has just embarked on the MSPO certification process.

In Compliance **Yes** No Not Applicable

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

Summary Upon receiving a Complaints/Grievance form from the complainant, the management will firstly verify the complaint(s). Subsequently, the management will discuss and rectify the complaint.

In Compliance **Yes** No Not Applicable

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



Summary Sighted Complaints and Grievance handling form which is placed at the office entrance.

In Compliance **Yes** No Not Applicable

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

Summary The employees and surrounding has been briefed on the MSPO as per briefing record dated 10th October 2019. The briefing was delivered by Mr. Wee Eng Chuan. The briefing was attended by 21 estate workers.

In Compliance **Yes** No Not Applicable

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

Summary Sighted complaint form dated 08.10.2019 complaining about damage road in "Becah Belibis". The management has acted by repairing the road after 3 days receiving the report.

In Compliance **Yes** No Not Applicable

Criterion 3 Commitment to contribute to local sustainable development

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

Summary No evidence to show that contribution to Internal and External Stakeholders thus far. Contribution will be made as and when there is any request.

In Compliance **Yes** No Not Applicable

Criterion 4 Employees safety and health

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

Summary Siong Lim Enterprise Sdn Bhd, Ladang Pasir Besar has established Occupational Health and Safety Policy (OHS), Document No MSPO-P-03, dated 1/7/2019 signed by Mr Kua Kim Chai, The Managing Director.

The OHS Policy states its commitment to "komited untuk menyediakan dan mengekalkan persekitaran kerja yang selamat dan sihat serta mencegah kecederaan dan ketidaksihatan diri pekerja, kontraktor dan pelawat dengan mamastikan amalan keselamatan dan kesihatan yang baik dilaksanakan.

In Compliance **Yes** No Not Applicable

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

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

Summary

Sighted Health & Safety Management Plan 2019, which covers Occupational Health and Safety Policy dated 1/7/2019 which was communicated to employees on 3/7/2019. (meeting minutes sighted)

Sighted HIRARC covering all activities and operations i.e. Chemical Preparation, Spraying, Harvesting, Manuring, Loading & Transporting FFB, landfill, Workshop, Driving Tractors, Chemical Issuance, Water Treatment Plant, Estate Field Roads, Electrical Maintenance.

Annual training program for year 2019 has been established. Training plan such as MSPO briefing, spraying, harvesting and etc. Training records with attendance list sighted during the audit. Sighted SDS for Manure (IMPACT Super 44+B) and Herbicides (bm Cergas 20WG & bm Glyphosate 41%) displayed in estate stores.

Sighted, PPE Issuance and replacement record to staff and workers. During site visit, workers are able to demonstrate the usage of PPE during work such as harvesting and spraying.



Sighted SOP for Chemical Handling dated 1/7/2019, prepared by Cik Noraiha and approved by Mr Weee Eng Chuan, Manager. Training on chemical handling was conducted on 25.09.2019. CHRA for the estate is not yet conducted. It is planned to be conducted in December 2019 by consultant CSK Murni Services Sdn Bhd.

Sighted appointment letter for En Mat Sudin bin Jaafar as the person responsible for Workers' Safety and Health.

No evidence of an OSH Committee being establish in the Estate. As such no meeting being conducted thus far. OSH committee is not a requirement in the estate (Employee less than 40) as per OSH (Safety and Health Committee) Regulation 1996.

Siong Lim Enterprise Sdn Bhd , Ladang Pasir Besar has established Emergency Response Procedure (Flow Chart) dated 1/9/2019 prepared by Cik Noraiha and approved by Mr Wee Eng Chuan.

Certified first aider is presence in the estate. Sighted certificate issued to Mr. Wee Eng Chuan (S/N (PPC01)05183) by Bulan Sabit Merah Malaysia. The certificate valid for 3 years until 21st October 2019.

The Company has registered with DOSH on MyKKP (JKKP No: KN/10/04/1791). No accident reported in year 2018 and 2019 as explained by the estate manager.

In Compliance **Yes** No Not Applicable

Criterion 5 Employment conditions

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

Summary Siong Lim Enterprise Sdn Bhd., Ladang Pasir Besar has established "Polisi Sosial Dan Hak Asasi Manusia" dated 1/7/2019 signed by Mr Kua Kim Chai, The Managing Director.

The Policy was communicated to the employees vide "Mesyuarat Alam Sekitar" dated 4/7/2019 where all the MSPO Policies were explained to the employees.

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 Sighted "Polisi Sosial Dan Hak Asasi Manusia which commits to Free from discriminatory practices against sex, race, religion, nationality and political opinions. (stated in clause 7 of the policy). During interview with estate workers, no comments on discrimination received by the auditor.

In Compliance **Yes** No Not Applicable



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

Summary Sighted pay slips of employees which meets the legal or industry minimum standards requirements. Given below are some sampled pay slips of employees:

SIONG LIM ENTERPRISE SDN BHD
PENYATA GAJI
EMPLOYEE A

Gaji - 20hari x RN42.35	RM847
Trip/commission	RM1187
Cuti Am	RM127.05
Gaji Kasar	RM2161.56
Potongan	
Pendahuluan	RM700.00
KWSP	RM225.00
Socso	RM10.75
SIP	RM4.30
Jumlah Potongan	RM940.05
GAJI BERSIH	RM1221.50

Contribution to EPF, SOCSO and SIP were made by employer. Wages paid (cash) to workers sighted to be more than minimum salary (RM 1,100.00).

In Compliance **Yes** No Not Applicable

Indicator 4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

Summary No contractor in the Estate.

In Compliance **Yes** No Not Applicable

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

Summary Sighted Employee Register of Siong Lim Enterprise Sdn Bhd, Ladang Pasir Besar dated 1/9/2019 prepared by Cik Noraiha and approved by Mr Wee Eng Chuan. The company has 30 employees in total inclusive of management staff.

In Compliance **Yes** No Not Applicable

Indicator 6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.

Summary Sighted Employment Contracts of the following employees. Siong Lim Enterprise Sdn Bhd, Ladang Pasir Besar has 30 employees in total including Management Staff members. Sighted Employment Contracts of workers. The employment contract contains details such as salary, working hours, holidays, annual leave, sick leave and etc.

In Compliance **Yes** No Not Applicable

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

Summary Working hours for the workers being stated in the Contract of Service which has been given to each employee.

Working hours is from 7.00am – 3.30pm
Lunch 12.00pm – 12.30pm.

Attendance will be recorded by the Mandor at the field as a basis for time recording in the Estate.

In Compliance **Yes** No Not Applicable

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

Summary Employment Contracts of employees sighted. Pay slips of workers were sighted and it complies to legal requirements. No overtime is performed in the estate.

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 Pay Slip and Employment Contracts of each worker sighted. No overtime is performed in the estate.

In Compliance **Yes** No Not Applicable

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

Summary All workers have been provided with medical treatment at panel clinics paid by the company. Other benefits given by company such as annual bonus and Incentive for achieving yearly target (for harvesters only).

In Compliance **Yes** No Not Applicable

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

Summary Workers are provided with housing facilities at the estate's premises. Water is extracted from Sungai Kelantan and treated prior used for domestic used in workers quarters. Electricity is subsidized by the company when usage is below than RM20.00/month.

In Compliance **Yes** No Not Applicable

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

Summary Sighted "Polisi Sosial Dan Hak Asasi Manusia" dated 1/7/2019 with commitment to providing workplace free from Sexual Harassment whether direct or indirectly to all employees and stakeholders. This is indicated under clause No 9 of the policy.

In Compliance **Yes** No Not Applicable

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

Summary Sighted "Polisi Sosial Dan Hak Asasi Manusia" dated 1/7/2019 with commitment to respect the right of all employees to form or join trade union (Clause 1 of the policy) i.e. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. As per interview with Mr Wee Eng Chuan, Manager the company will not restrict employees from joining any trade union.

In Compliance **Yes** No Not Applicable

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

Summary Child and young person policy are incorporated in the "Polisi Sosial Dan Hak Asasi Manusia" which is stated under clause 4.
There are no children below ages of 18 working in the Estate and this was proven through interview with Cik Noraiha, Clerk and also by checking the employees register

In Compliance **Yes** No Not Applicable

Criterion 6 Training and competency

Indicator 1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

Summary Training program for year 2019 available during the audit. The document was prepared by Ms. Noraiha Alias dated 01.07.2019. Training list such as MSPO briefing, Spraying, harvesting, manuring and etc.

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 Sighted Training Needs Analysis dated 15.10.2019 for employees based on skills needed by the employee. Training listed in the analysis such as MSPO Awareness, Safety & Health, Environment, HIRARC, and etc.

In Compliance **Yes** No Not Applicable

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

Summary Sighted continuous Training programme for year 2019 being planned and implemented in the Estate.

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 Siong Lim Enterprise Sdn. Bhd. has established Environmental Policy dated 1st July 2019 signed by Mr. Wee Eng Chuan

Based on the "Polisi Alam Sekitar", the Company is committed towards implementing the following practices:

- Menjalankan kegiatan pengurusan lading menurut merangka perundangan dan peraturan yang telah ditetapkan, khususnya yang berkaitan dengan akta Alam Sekitar
- Mengamalkan dasar "Zero Burning" pada penanaman baru, penanaman semula kecuali dalam keadaan tertentu
- Memastikan semua kegiatan di ladang mengikut panduan industry semasa
- Merangka, melaksana, memantau dan mengukur aktiviti – aktiviti yang telah ditetapkan bagi mengurangkan kesan terhadap alam sekitar dan kesan rumah hijau

Policy has been communicated during the "Mesyuarat MSPO" which was conducted on the 3rd July 2019. Minutes of meeting and attendance list of 29 attendees are made available at site.

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 estate has prepared an Environmental Aspect and Impact Assessment in the "Environment Management & Improvement Plan" dated 01st September 2019.

The plan is prepared by Ms Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager) which covers the policy, objectives and aspects & impact analysis of the operations.

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 is included in the "Environment Management & Improvement Plan" as prepared by Ms Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager) dated 01st September 2019.

The plan sampled are:

- i. Briefing to workers about the policy
- ii. Waste management
- iii. Storage of scheduled waste
- iv. Monitoring of scheduled waste inventory
- v. Water management
- vi. To educate and ensure that all employees are well informed and play their part in promoting a better environment.



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 programme is included in the "Environment Management & Improvement Plan" as prepared by Ms Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager) dated 01st September 2019.

In Compliance **Yes** No Not Applicable

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

Summary Siong Lim Enterprise_Sdn. Bhd Sdn. Bhd has established Training Needs Analysis (TNA) for all workers and staff dated 15th October 2019. The skills identified are as follows;

- MSPO Awareness
- Safety & Health
- Environment
- Internal Auditor
- Social Impact Assessment

Sighted the Training Calendar for the year 2019 is made available dated 1st July 2019 as prepared by Ms Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager).

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 Sighted the attendance list and minutes of meeting for "Mesyuarat Alam Sekitar 01/2019" conducted at Pejabat Ladang Pasir Besar dated 19th August 2019.

The meeting discusses on the environmental concerns and introduced the PIC for environmental issue to the attendees. The PIC is Mr Faizul Ab Hamid.

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 Sighted, record of actual non – renewable energy being established for usage of farm tractor and heavy machinery in the estate. Monitoring of Diesel Usage is conducted in Terms of Liter/MT FFB.

Financial Year	2017	2018	2019 (as at October 2019)
Year Average Liter / MT	7.09	7.89	6.07

The baseline for last 3 years is 7.02 Liter / MT.

In Compliance **Yes** No Not Applicable

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Summary Sighted, record of actual non – renewable energy being established for usage of farm tractor in the estate.

Monitoring of Diesel Usage is conducted in Terms of Liter/MT FFB Transported which prepared by Ms Noraiha Alias on monthly basis;

- For financial year 2018 – 34, 006 Liters
- To date October 2019 usage – 27,487 Liters

Remarks:

The estimate for the direct usage of non-renewable energy for their operations, to determine energy efficiency of their operations inclusive of fuel use by internal transport and machinery operations was available in the estate

In Compliance **Yes** No Not Applicable

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

Summary None were applied in the Estate as at current.

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 Siong Lim Enterprise Sdn. Bhd. has established the list of all waste products in the "Penganalpastian Sumber & Jenis Bahan Buangan":
i. Bahan Buangan Terjadual



- ii. Bahan Buangan Tidak Terjadual
- iii. Bahan Buangan Sampingan & Ladang

Documents are dated on 1st September 2019 as prepared by Ms Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager).

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 is included in the "Pengenalpastian Sumber & Jenis Bahan Buangan":

- i. Bahan Buangan Terjadual
- ii. Bahan Buangan Tidak Terjadual
- iii. Bahan Buangan Sampingan & Ladang

Documents are dated on 1st September 2019 as prepared by Ms Noraiha Alias (clerk) and approved by Mr Wee Eng Chuan (manager).

Sampled of the action plan are:

- i. Recycle of waste
- ii. Reuse of used chemical container

In Compliance **Yes** No Not Applicable

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

Summary The management has established Standard Operating Procedure for Handling of Used Chemicals under Plantation and Safety Procedures No SP-01 & SP-02 dated 1st July 2019 signed by Mr. Wee Eng Chuan, Manager.

In Compliance **Yes** No Not Applicable

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

Summary Site visit has been verified that empty pesticide containers are punctured and kept in the store prior to the disposal.

In Compliance **Yes** No Not Applicable

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

Summary Domestic waste from the housing areas are being disposed at the designated landfill located in Block E. Map of the landfill area location is made available as referred to "Landfill Map".

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 in the environmental management and improvement plan and "Pengenalpastian sumber & jenis bahan buangan" dated 1st September 2019. The mitigation measures have been identified to prevent or minimize pollution through impact management control and monitoring control.

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 estate has conducted Environmental Aspect and Impact Assessment dated 01st September 2019

The management has conducted environmental aspect and impact assessment for all its' activities in year 2019. The environmental assessment findings are recorded in document titled "Environment Management & Improvement Plan".

In Compliance **Yes** No Not Applicable

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).
The water management plan may include:
a) Assessment of water usage and sources of supply.
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.



f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary Siong Lim Enterprise Sdn. Bhd has established the Water Management Procedure under MSPO Procedure No P5-09 dated 01st July 2019 signed by Mr. Wee Eng Chuan

Identification of water source records are available dated 14th September 2019. Source of water includes:

- i. Sungai Kelantan
- ii. Underground water
- iii. Local authority
- iv. Rainwater

Water Management Plan has been established dated 14th September 2019 as prepared by Ms Noraiha Alias to maintain the quality and availability of natural resources. The plan has outline the monitoring and maintenance of the water quality within the estate's landholdings.

In Compliance **Yes** No Not Applicable

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

Summary No river in the estate.

In Compliance **Yes** No Not Applicable

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

Summary Road side pits are built where possible to direct rain water into planting rows.

In Compliance **Yes** No Not Applicable

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

Indicator 1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:

- a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
- b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.



Summary Siong Lim Enterprise Sdn. Bhd has established the Pengurusan Spesis Jarang, Terancam, Merbahaya & Nilai Biodiversiti Tinggi under MSPO Procedure No P5-10 dated 01st July .2019 signed by Mr. Wee Eng Chuan, Manager

Identification of High Biodiversity Value Habitat Area has been established by Faizul bin Ab. Hamid and Approved by Mr. Wee Eng Chuan dated on 01st September 2019. Sighted In-House High Conservation Value (HCV) Assessment carried out on 01st September 2019 by In-House HCV Assessor Mr.Faizul bin Ab. Hamid

In Compliance **Yes** No Not Applicable

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

Summary Identification of High Biodiversity Value Habitat Area has been established through High Biodiversity Monitoring Sheet prepared by Faizul bin Ab. Hamid and Approved by Mr. Wee Eng Chuan dated on 01st September 2019

An appropriate measure has been taken by the management such as:
1. Displaying of proper signage of No Hunting at estate boundary with jungle and other strategic locations.
2. Briefing to workers on Land / Water / Pollution / Chemical Spraying
3. Monitoring program on the High Biodiversity areas.

In Compliance **Yes** No Not Applicable

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

Summary Identification of High Biodiversity Value Habitat Area has been established by Faizul bin Ab. Hamid and Approved by Mr. Wee Eng Chuan dated on 01st September 2019

The monitoring parameters observed during the monthly inspection are;
1. Endangered Species / Wildlife
2. Signage HBV Marking / Illegal Hunting
3. Riparian Zone
4. Illegal Hunting Activities
5. Land / Water / Pollution / Chemical Spraying
6. Other Activities Observed that may impact HBV protection

In Compliance **Yes** No Not Applicable

Criterion 7 Zero burning practices

Indicator 1 Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.



Summary Siong Lim Enterprise Sdn. Bhd. has established Environmental Policy dated 1st July 2019 signed by Mr. Wee Eng Chuan. Based on the Environmental Policy, the Company is committed towards implementing the following practices:

- Mengamalkan dasar “Zero Burning” pada penanaman baru, penanaman semula kecuali dalam keadaan tertentu

In Compliance **Yes** No Not Applicable

Indicator 2 A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.

Summary SOP on replanting activity is available as referred to: “PP-01: Oil Palm Replanting” should there be, as such cases.

In Compliance **Yes** No Not Applicable

Indicator 3 Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.

Summary No traces of burning sighted during the site visit at the time of audit.

In Compliance **Yes** No Not Applicable

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

Summary SOP on replanting activity is available as referred to : “PP-01: Oil Palm Replanting” dated 1st July 2019.

In Compliance **Yes** No Not Applicable

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

Summary Located the Standard Operating Procedures which are applied in the company’s operations. All the SOP were prepared by Cik Noraiha the office clerk and approved by Mr Wee Eng Chuan, Manager.

The Standard Operating Procedure on GMP Practice are:
P1-01 Prosedur Audit Dalaman
P1-02 Prosedur Ulasan Pengurusan
P2-03 Kebolehanjejukan BTS

- P2-04 Penilaian Impak Sosial
- P2-05 Komunikasi & Konsultasi Pihak Perkepentingan
- P3-06 Pengurusan Pematuhan Undang-Undang
- P4-07 Latihan & Kompetensi
- P5-08 Pelan Pengurusan Alam Sekitar
- P5-09 Pelan Pengurusan Air
- P5-10 Pengurusan Spesis jarang, Terancam, Merbahaya & Nilai Biodiversiti Tinggi
- P5-11 Pengurusan Bahan Buangan (SISA)

In Compliance **Yes** No Not Applicable

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

Summary No records of the slopping land and appropriate soil conservation was implemented to prevent soil erosion. This oil palm was planted in the year 1998 and detailed planting records were in sufficient. Sighted no waterway in the estate since the land area was flat which is beside to Sungai Kelantan. No cover crops were sighted but only normal cow grass was growing in the ground.

In Compliance **Yes** No Not Applicable

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

Summary The estate was having the reference for block /field/total planted during site visit.
Block B
Year Planted: 2005
Planted Area: 52.61 hectare
Material: DxP

In Compliance **Yes** No Not Applicable

Criterion 2 Economic and financial viability plan

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

Summary Business plan for at least 2 years were located in the year budgeted report. The 2 years projection was for the Diesel, Pest & Disease, Fertilizer, Salary, Maintenance, Electricity/Water/telephone and estate operation equipment & tools.

Year 2020 – 1,363,500.00
Year 2021 – 1,411,500.00

In Compliance **Yes** No Not Applicable

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

Summary The Sighted replanting programme of the Estate for the year 2020 and 2024:

BOCK	TAHUN DITANAM	KELUASAN	2021	2022	2023	2024
H	1998	56.66	-	-	-	56.66 HA

In Compliance **Yes** No Not Applicable

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

Summary The business management plan for crop projection cost of production, price forecast cost benefit was located in the OP yield year 2019/2012

May 2019
 Cost of pertonne FFB RM235.00
 Financial indicators cost benefit for May 2019
 Tonnage 437.67
 RM350 pertonne
 Total FFB from estate sales RM153,184.50

The price forecast is in the agreement between PADU HAS Sdn. Bhd. And Siong Lim enterprise according to MPOB criteria made in the agreement dated 1st Aug 2019 located in the agreement letter.

In Compliance **Yes** No Not Applicable

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

Summary The monthly achievement and goals were regularly monitored and reviewed was located in the monthly production & prices of FFB record file by Mr. Wee Eng Chuan.

All the detailed record purchased FFB, tonnage, price and sales achievement were documented from 2001-2019.

In Compliance **Yes** No Not Applicable

Criterion 3 Transparent and fair price dealing

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



Summary The PO mill were determining the FFB price at RM 390.00 month Oct 2019 which is according to MPOB daily FFB price. Located all the p sales and purchase agreement were recorded in the FFB which was supplied to T& A Machang Sdn. Bhd and Santong sawit Sdn. Bhd. Payment was received on the 10th of every month.

In Compliance **Yes** No Not Applicable

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

Summary No contract was applied for all activity in the estate. The work given was to local supplier or harvesters. They were having the inhouse workers for harvesting where salary was paid according to the harvesting days and total bunches.

The salary payment was located in check roll list in the estate.

Month: October 2019

Lorry Driver – General worker, RM1612.00 before deduction

Harvester – Mohd Hanafi Idris, 17 days – RM810.00

All information and document were given by Mr. Wee Eng Chuan the estate manager.

In Compliance **Yes** No Not Applicable

Criterion 4 Contractor

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

Summary No contractors in the estate.

In Compliance **Yes** No Not Applicable

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

Summary No contractors in the estate.

In Compliance **Yes** No Not Applicable

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

Summary The estate is audited by Global Gateway Certifications Sdn Bhd auditor dated on 25th November 2019 (Stage 2). Sighted audit plan which have been received and accepted by the estate management.

In Compliance **Yes** No Not Applicable

Indicator 4 The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.

Summary No contractors in the estate.

In Compliance **Yes** No Not Applicable

2.7 Principle 7 : Development of new planting

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

Indicator 1 Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Criterion 2 Peat land

Indicator 1 New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

Indicator 1 A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 2 SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 3 The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 4 Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

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



Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 2 Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land

Indicator 1 No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 2 Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 3 Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**



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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

Indicator 5 Identification and assessment of legal and recognised customary rights shall be documented.

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

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

Summary Not applicable as no new planting in the estate.

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
25 th November 2019	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at Siong Lim Enterprise Sdn Bhd: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	FB	NA/RR
	09:00 – 13:00	<ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	NA/RR
		<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	FB	NA/RR
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Stakeholder consultation 	FB	NA/RR
	13:00 – 14:00	Lunch / Break	FB	NA/RR
	14:00 – 15:00	<ul style="list-style-type: none"> ➤ Continue document audit <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	FB	NA/RR
	15:00 – 16:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues and auditor discussion. 	FB	NA/RR
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Centralize Closing Meeting at Siong Lim Enterprise Sdn Bhd: <ul style="list-style-type: none"> • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	FB	NA/RR

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit	
Major Nonconformities:	No NC's was raised for this audit.
Minor Nonconformities:	No NC's was raised for this audit.

Appendix C: List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Office Staff – Noraiha Binti Mohamad Alias
- 2) Mat Sudin Bin Jaafar - Mandore
- 3) Che Hashim Bin Kadir – Lorry Driver
- 4) Mahadi Bun Othman – FFB Harvester
- 5) Mohd Rusli Bin Ismail – Tractor driver

External Stakeholders

- 1) En. Mat Ghani Md. Nor (Former Village head)
- 2) En. Abdul Hamid Bin Yusof (Villages)