

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

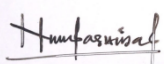
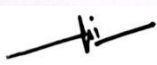

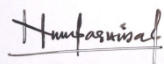

CERTIFICATION AUDIT REPORT

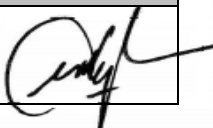
Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

SPS Estate (PK) Sdn Bhd
[Batu Kurau Estate]

-Individual Certification-

MAIN ASSESSMENT AUDIT
02nd December 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	16/12/2019	Issued as Draft Report	Nurulashida binti Mohd Saad	Lead Auditor	
A	27/12/2019	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	27/12/2019	Peer Review 2 Comments	Mohd Zuhaili bin Mukri	Peer Reviewer 2	
B	28/12/2019	Issued as Final Report	Nurulashida binti Mohd Saad	Lead Auditor	
B	31/12/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by SPS Estate (PK) Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	31/12/2019	Acceptance of the contents	Mr. Goh Chong Tuan	Managing Director	

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 SPS Estate (PK) Sdn. Bhd. During this Main Assessment Audit (Stage 2), the audit team were briefed by the Managing Director, of the supply base disposition.

This assessment was conducted onsite on 2nd December 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	SPS Estate (PK) Sdn Bhd
Business Address	Railway Station, P.O. Box 125, 30710 Ipoh, Perak
Contact Person	Mr. Goh Chong Tuan
Office Telephone	05 - 2545230
E-Mail	spscompany71@gmail.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.	Batu Kurau Estate	Batu 23, Jalan Batu Kurau, 34520 Batu Kurau, Perak.	N 5° 3' 33"	E 100° 46' 60"

MPOB License Information

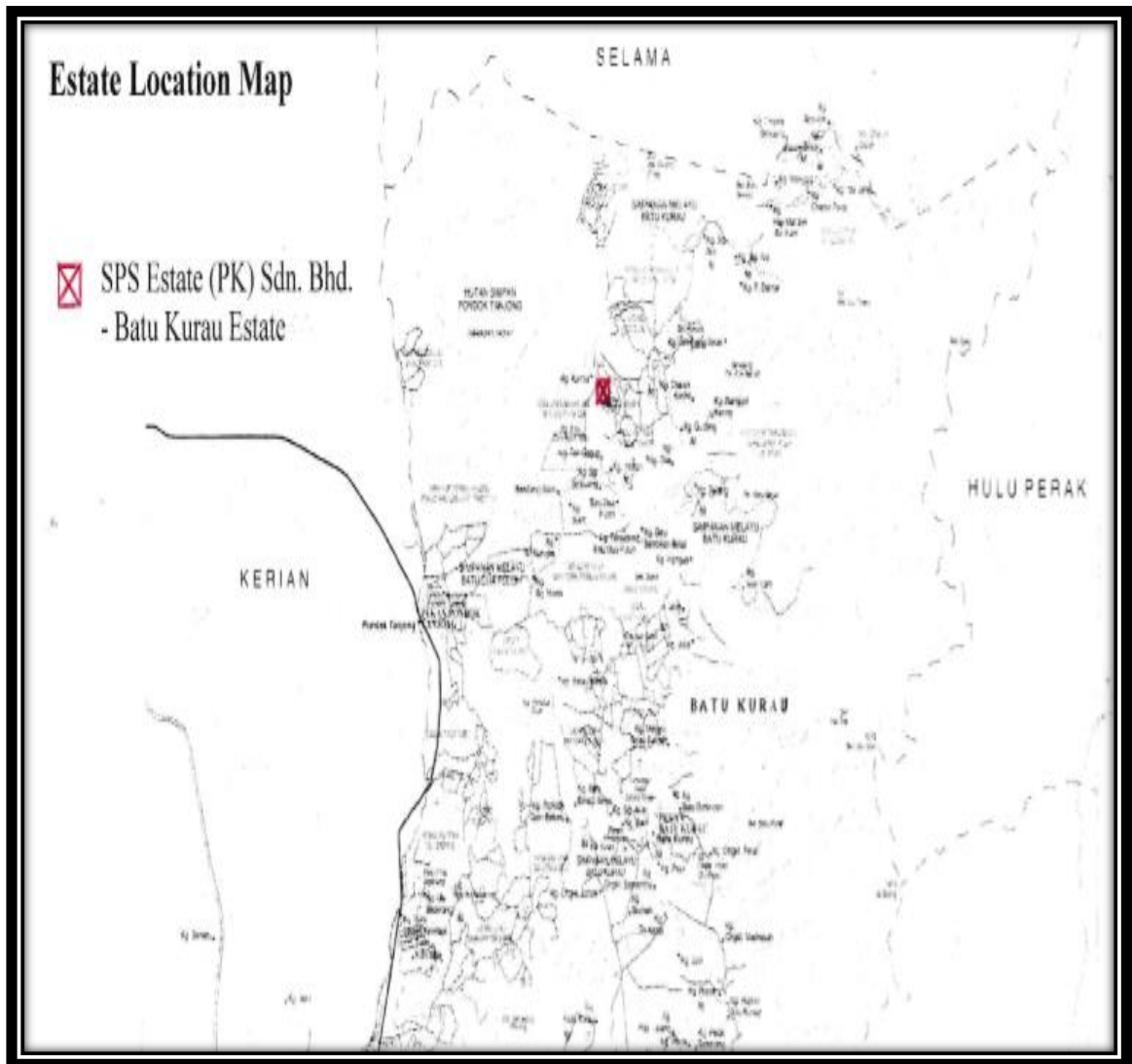
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	SPS Estate (PK) Sdn. Bhd. – Batu Kurau Estate	548629002000	31/3/2020	"Menjual dan Mengalih FFB"

Others Sustainability Certification

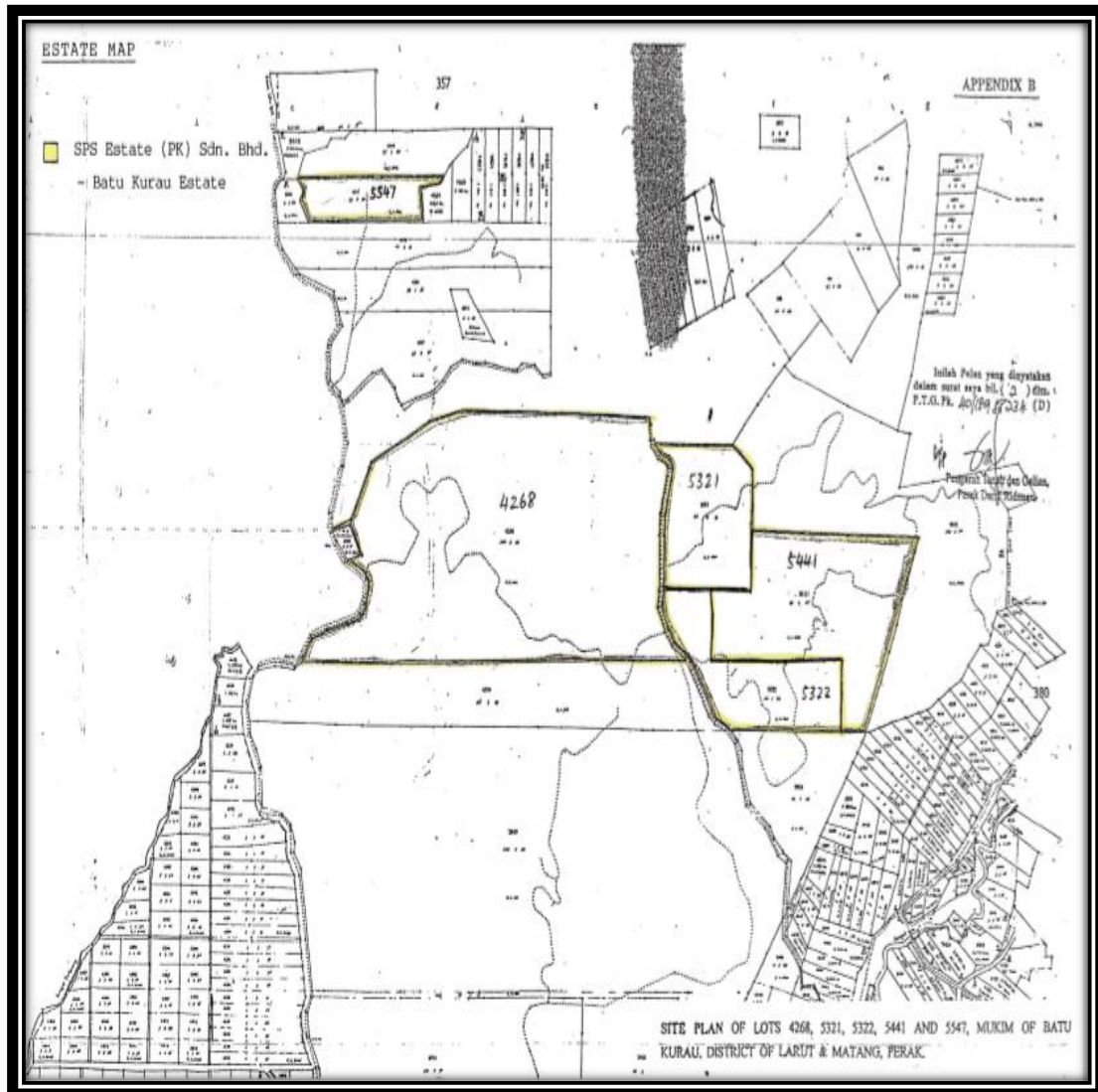
No	Name Of The Site	Others Sustainability Certifications
1.	Batu Kurau Estate	NIL

1.4 Map Showing Geographical Location

1) Batu Kurau Estate location map



2) Batu Kurau Estate Map



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
Batu Kurau Estate	215.3178	209.60	209.60

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Batu Kurau Estate	N/A	N/A	5.7178

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Dec 2018-Nov 2019]	Projected Production for next 12 Months [Dec 2019- Nov 2020]
Batu Kurau Estate	NIL	3,427.27	3,650.00

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-SPS001-MSPO-00-2019
Initial certificate issued date	31 st December 2019
Certificate expiry date	30 th December 2024
Stage 1 assessment date	25 th October 2019
Stage 2 / Main Assessment	02 nd December 2019
Annual Surveillance 1 [ASA 1]	September 2020
Annual Surveillance 2 [ASA 2]	September 2021
Annual Surveillance 3 [ASA 3]	September 2022
Annual Surveillance 4 [ASA 4]	September 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Nurulashida binti Mohd Saad

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: Md Jefri bin Sharaai

Bachelor's Degree in chemical engineering and Master Degree (Science) in Quality & Productivity. Total of 25 years working experiences in various industries and disciplines; manufacturing, production, quality, internal audit, research & development, oil & gas design engineering. Involved in auditing, developing, implementing and maintaining of ISO 9001, ISO 14001 and OHSAS 18001. Having years of auditing experiences in Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) sustainable programme. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

He holds Master's in Business Administration. More than 20 years working experience several industries mostly on HR Management. Have experience in second- and third-party auditing system. Fully trained in ISO9001:2008 (Quality Management System) Lead Auditor Course and successfully completed Malaysian Sustainable Palm Oil (MSPO) Auditor Training course (MPOCC endorsed). Able to write and speak in Bahasa Malaysia and English. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

There is only one estate is assessed during the assessment as no sampling is required. 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	2 nd December 2019
Name of site(s) visited	Batu Kurau Estate
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	2	No action requires
Noteworthy /Positive Comments	4	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 25th October 2019 and as to accommodate a stakeholders' consultation meeting for the estate. Therefore, it was conducted on 2nd December 2019 at Batu Kurau 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 the internal 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 internal stakeholders. The details are as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Supervisor)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • He understood on the employment contract that has been provide by the company. • The company has good relation with the workers and there is no issue with company's performance. 	No action requires	Positive comments
2.	Stakeholders B (Workers)	<ul style="list-style-type: none"> • Acknowledged he was satisfied with Batu Kurau Estate and have a good relationship and cooperation in his dealing. • He was aware of his responsibility toward MSPO requirement and compliances. • He understood on the employment contract that has been provide by the company. • He is aware of his right to forward any complaint or grievance if arise. 	No action requires	Positive comments
3.	Stakeholders B (Government Authority)	<ul style="list-style-type: none"> • Good communication and cooperation with the estate. 	No action requires	Positive comments
4.	Stakeholders C (Local communities)	<ul style="list-style-type: none"> • Good communication and cooperation with the estate. • No issues on the usage of route. 	No action requires	Positive comments

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 SPS Estate (PK) 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 Major Non-Conformity raised. Therefore, the Lead Auditor recommends a certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" is awarded to SPS Estate (PK) 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 MSPO Policy has been established for SPS Estate (PK) Sdn Bhd as signed by Mr Goh Chong Tuan (Managing Director) dated 28th May 2018. The policy is committed to the following key principles of MSPO includes;

1. Management commitment and responsibility
2. Transparency
3. Compliance to legal requirements
4. Social responsibility, health, safety and employment condition
5. Environment, natural resources, biodiversity and ecosystem services
6. Best practices
7. Development of new plantings

As evidence, SPS Estate (PK) Sdn. Bhd. Malaysian Sustainable Palm Oil (MSPO) Policy is displayed and sighted on the notice board.

In Compliance **Yes** No Not Applicable

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

Summary The established MSPO Policy has emphasized or committed to maintain an open and dynamic approach towards continuous improvement as stated in the objectives of:

- Comply with the applicable laws and regulations
- Promote continuous improvement in respect of , environment protection, best practices and economic development.
- Support traceability within the supply chain as an important step towards production of sustainable palm oil products.

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 Company has established a Standard Operating Procedures on the Internal Audit as referred to: SOP 19 – Internal Audit dated 01.10.2018. As stated in the SOP, the frequency of the internal audit should be at least once a year to implement and maintain the respective standard requirements effectively.

The Management had drawn an Internal Audit Plan and it being carried out once a year to the Estate. The Internal audit conducted by Mr Lee Kian Wei.

Details of the Internal Audit Findings as follows: -



Estate	No of Non – Conformities		Date Audit	Date of NCR closure
	NC	AOC		
Batu Kurau Estate	2	19	14/10/19	24/10/19

The Internal audit being response to the internal auditor within the stipulated timeframe.

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 Company has established a Standard Operating Procedures on the Internal Audit as referred to: SOP 19 – Internal Audit dated 01.10.2018.

The internal audit flow diagram includes:

- i. Establish Audit Schedule
- ii. Selection of Audit Team
- iii. Prepare Audit Plan
- iv. Conduct Audit
- v. Audit Reporting
- vi. Post Audit Meeting
- vii. Follow-up Audit
- viii. Audit Verification

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

Criterion 3 Management review

Indicator 1 The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

Summary The MSPO Management Review 2019 meeting has been conducted on 18th October 2019 at the HQ. The meeting is attended by Mr Lam Fak Choy (estate manager at site), Mr Goh Choy Tuan (Director) and Mr Chow Kim Ming (estate manager (HQ)). Among the agenda discussed during the meeting are;

1. Environmental Impacts Assessment (EIA)
2. Social Impact Assessment (SIA)



3. Stakeholders Communication and Consultations
4. Occupational Safety and Health (OSH)
5. Trainings
6. Internal Audit findings
7. External Audit findings
8. Continuous Improvement

In Compliance **Yes** No Not Applicable

Criterion 4 Continual improvement
Indicator 1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

Summary The management has established a Continuous Improvement Plan for the year: 2019 dated 01/10/2018. The plan describes on the improvement activity scheduled on:

1. Safety of workers (visibility)
2. Environmental protection
3. Better living conditions for workers
4. Safety of workers (Operation)
5. To reduce machinery downtime

The plan is prepared by the Manager, Mr Chow Kim Ming.

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 the Director and Estate Manager, the estate maintained with the current implementation and no new information or techniques is being implemented as at current.

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 Management maintained with the current implementation and no new information / techniques is being implemented as at current.

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 estate has established a procedure, namely SOP2 – Stakeholder Engagement/ Negotiation dated 1/10/18 to communicate with the stakeholder. Communication and consultation process are also communicated through stakeholder meeting, dialogues and visits.

The estate use stakeholder communication log book as one of the mechanisms to gain feedback from the stakeholder. The logbook keeps in the estate and as at now none of the request was made by the stakeholder. Sighted stakeholder logbook for month of Oct and Nov 2019 and no request been made.

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 As per interview, the estate has sorted their documents for public availability. However, there is no lists of documents and classifications of confidential and document been identified and to be made clear to the public hence, an AOC is raised.

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 The estate utilized the same procedure SOP2 – Stakeholder Engagement/ Negotiation dated 1/10/18 for consultation and communication with the stakeholder.

Mr. Chow Kim Ming, Estate Manager is in charge in stakeholder communication and interview with Mr. Chow shown that he is fully aware and responsible on the MSPO stakeholder matter.

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 The management has appointed Mr. Chow Kim Ming, Estate Manager who in charge in stakeholder communication.

Sighted appointment letter dated 2nd January 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 List of Stakeholders is available as established on 1/10/18.
The audit team observed that the stakeholder list consists of various stakeholders covering the NGOs, local communities, contractors, supplying estates and relevant government agencies.

1. MPOB
2. DOSH
3. DOE
4. SOCSO
5. JTK
6. Department of Immigration Malaysia
7. All Malayan Estates Staff Union (AMESU)
8. National Union of Plantation Workers (NUPW)
9. Villages
10. Estates

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 SOP FFB Traceability, SOP 17 has been established on 1/10/2018.

Weighbridge tickets traceable to delivery note. The ticket having information such as date, lorry no, time in-out delivery and approval column. Whereas, the delivery note contain weighing date, lorry no, name of supplier, product, PO No, MPOB license no, total weigh and grading.

Sighted records dated 5/9/2019 and 2/9/2019 respectively:

-Weighbridge tickets 0260445 correspondence to delivery note E 02747.

-Weighbridge tickets 0260221 correspondence to delivery note E 02745.

In Compliance **Yes** No Not Applicable

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

Summary FFB movement (harvesting transportation) are continuously recording manually in real time and approved by the Estate Manager, Mr. Chow Kim Ming.

Sighted FFB daily record book and the traceability system also been verified yearly during the internal audit which is part of the internal audit agenda.



In Compliance **Yes** No Not Applicable

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

Summary The management has appointed Mr. Chow Kim Ming, Estate Manager who in charge for traceability.

Sighted appointment letter dated 2nd January 2019 2019.

In Compliance **Yes** No Not Applicable

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

Summary Sales, delivery and transportation were properly recorded and maintained.

Sighted ;

-record of sales as per PO.No: 02746 and 02747

-record of FFB delivery as per delivery note on 2/9/19 and 5/9/19

-record of FFB movement in the FFB Log Book.

In Compliance **Yes** No Not Applicable

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary The Company has established and updated list of applicable laws and regulations that are applicable for the estate. Sighted and verified Licenses applicable to Batu Kurau Estate. Given below are the licenses sampled:

No	License Type	License No	Expiry
1	Lesen MPOB	548629002000	31/3/2020
2	Permit Barang Kawalan Berjadual (Diesel)	A000003-TPG No Rujukan KPDNHEP.TPG.003/PB(PD)005/11- (BL22018046673) Approved 9000 LITERS	14/1/20

In Compliance **Yes** No Not Applicable

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

Summary Batu Kurau estate has established Legal Register of applicable laws dated 1st October 2018 prepared by Mr Chow Kim Ming, estate Manager and approved by Mr Goh Chong Tuan, Managing Director.

There are 26 laws/Act and 12 guidelines which are applicable to Batu Kurau Estate. Given below are some sampled laws applicable to Batu Kurau Estate:

1. Employment Act 1955
2. Occupational Safety & Health Act 1994
3. Malaysian Palm Oil Board Act 1998
4. Pesticide Act 1974

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 Any changes in Legal Requirements will be updated by Mr Chow Kim Ming, Estate Manager with reference made to the respective agency's website/media.

In Compliance **Yes** No Not Applicable

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

Summary The management has appointed Mr Chow Kim Ming, Estate Manager as the person responsible to monitor compliance and to track and update the changes in regulatory requirements vide letter dated 2nd January 2019. The appointment was approved by Mr Goh Chong Tuan, Managing Director.

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 land titles are available and well maintained. No land use rights issues has been lodged as to date.

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 land titles showing legal ownership of land belonging to SPS Estate (PK) Sdn Bhd - (Batu Kurau Estate).

NO	NO HAKMILIK	NO LOT	LUAS LOT	NO FAIL
1	61394	5547	8.9031	P.T.G. PK 5/11-558
2	62161	4268	125.3638	P.T.G. PK 5/11-558
3	34000	5321	20.3228	P.T.G. PK 5/11-558
4	34002	5441	40.3294	P.T.G. PK 5/11-558
5	34001	5322	20.3987	P.T.G. PK 5/11-558

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 During field visit, the Legal perimeter boundary stones which are clearly demarcated and visibly maintained on the ground.

In Compliance **Yes** No Not Applicable

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

Summary There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary rights

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

Summary There is no customary land 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 Batu Kurau Estate has conducted Social Impact Assessment dated 11th September 2019 by Mr Lee Kian and approved by Mr Goh Chong Tuan, Managing Director.

The purpose of this study is to measure and to understand both positive and negative social impact of the estate operations towards the workforce. The Social Impact Assessment have identified the positive impacts and outlined the Management Plan to promote and maintain the positive impacts.

Sampled positive impacts identified from the Social Impact Assessment are:

DESCRIPTION	PELAN PENGURUSAN	TARIKH SASARAN	PIC
Conflicts with stakeholders over boundary (No issues)	-Adherence to grievance redressal procedure -Regular inspection of boundary markers.	On going	Estate Manager Mr Chow Kim Ming
Smallholders/Outsiders passing through Batu Kurau Estate (No issues)	-issuance of permit/gate pass to persons entering/passing through the estate.	On going	Estate Manager Mr Chow Kim Ming

Sighted "Borang Soal Selidik" used for the Social Impact Assessment. No negative impacts sighted during SIA.

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 Batu Kurau Estate has established Standard Operation Procedures for Grievance Redressal/Information Request Procedure dated 31st October 2018, prepared by Mr Lee Kim Wei and approved by Mr Goh Chong Tuan, Managing Director.

The purpose of the procedure is to: -

- To facilitate consultation and communication process between the management, planters and employees, local communities and other affected external parties.

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 As per interview with Mr Chow Kim Ming, Estate Manager all disputes, complaints and grievance are able to be resolved in an effective, timely and appropriate manner that is accepted by all parties with the existing Standard Operation Procedures for Grievance Redressal/ Information Request.

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 the complaint and Grievance Form placed at the Estate's Office. The said forms can be obtained from Mr Lam Fak Choy, Site Manager to make any complaints/requests. Upon completing the forms, it shall be deposited into the suggestion box for further action. Subsequently, Mr Chow Kim Ming, Estate Manager will discuss and attend to the issues raised by the stakeholders.

Sighted the suggestion box placed at the estate's 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 Batu Kurau Estate has established Standard Operation Procedures for Grievance Redressal/Information Request Procedure dated 31st October 2018, prepared by Mr Lee Kim Wei and approved by Mr Goh Chong Tuan, Managing Director.

Sighted internal meeting dated 28th November 2019 to disseminate the information that complaints or suggestions can be made any time.



An invitation letter was sent to the respective external stakeholders; however, they did not attend the scheduled external stakeholders meeting. As a proactive measure Mr Chow Kim Ming, estate manager has visited the external stakeholders to explain on the MSPO Policies and Complaints and Grievance procedures.

Sampled external stakeholders visited are:

NO	EXTERNAL STAKEHOLDER	MEETING DATE
1	Mr Nick Sameun Shahwal bin Mat Ali (Pegawai MPOB)	23/10/2019
2	Pn Nor Zeyana bt Adnan Pen Pegawai Perhubungan Perusahaan, JTK	23/10/2019
3	Mr Kesavan a/l Rarusumaran Pegawai SOCSO	23/10/2019
4	En Mustafa bin Khamis Pen Peg Perubatan, Klinik Kesihatan Batu Kurau	24/10/2019
5	Ms Lee Bee Ann Kim Leong Bee Hardware.	24/10/2019
6	SM Mohd Sidek bin Desa Ketua Polis Balai, Balai Polis Batu Kurau	24/10/2019
7	Kilang Sawit Kamunting Sdn Bhd	04/11/2019
8	Mr Foo Hock Motor, Loke Sheong Motor	08/11/2019

Sighted invitation letters to the respective stakeholder.

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 No complaints were received from the internal and external stakeholder, as such no records of complaints and resolutions for the last 24 months were documented.

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 contribution to the local communities for the year 2019.

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 Batu Kurau Estate has established Occupational Safety and Health Policy dated 28th May 2019 approved by Mr Goh Chong Tuan, Managing Director.

Sighted internal meeting dated 28th November 2019 to disseminate the information that complaints or suggestions can be made any time. Details of the said meeting are as follows:

Internal Stakeholders meeting

- Date: 28/11/2019
- Venue: Site Office Batu Kurau Estate
- Attendance: 9 persons
- Speaker: Mr Goh Chong Tuan, Managing Director

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 Occupational Safety and Health Policy dated 28th May 2019 approved by Mr Goh Chong Tuan, Managing Director.



Sighted HIRARC covering all activities and operations of the estate. The HIRARC is divided into 12 main areas. Sampled HIRARC activities are:

1. Harvesting
2. Travelling to Work
3. Pruning
4. Loose Fruit collection
5. Cutting of Fronds
6. Stacking of Fronds

Sighted Training Needs Analysis and Annual Training Plan dated 1st December 2018 covering safe working practices for the Staffs and Contract Workers. The training programme covers MSPO Awareness, Human Rights Policy Occupational Safety & Health, Environment and Social areas.

Sighted PPE Issuance and replacement record for Management staff and workers being established and documented. PPE issuance and replacement records are maintained based on individual workers.

Sighted, Standard Operating Procedure on safe use of Chemicals dated 1st October 2019 approved by Mr Goh Chong Tuan, Managing Director. Sighted the Chemical Health Risk Assessment Report (CHRA) DOSH REG NO: PK/14/04/3741 carried out by Mr Kumares a/l Arumugam, DOSH Registration Number JKKP KIM 127/453/6 (38) dated 30TH September 2019.

As per CHRA report workers exposed to Chemicals i.e. Sprayers are to undergo medical surveillance. Given below are the names of sprayers who have been scheduled to undergo the medical surveillance on the 13th December 2019:

- i. Birkatta Magar Bhim Bahadur (10423279)
- ii. Birkatta Magar Bhim Sen (05809012)
- iii. Rana Lok Bahadar (09135669)

The management has appointed Mr Chow Kim Ming, Estate Manager as the person responsible for workers' safety and health vide letter dated 15/2/2019 approved by Mr Dennis Teoh Li Soon, Director

Batu Kurau Estate has established OSH committee named "Jawatankuasa Keselamatan dan Kesihatan Pekerjaan. Sighted latest OSH committee meeting dated 15/9/2019.

Batu Kurau Estate has established Emergency Response Plan dated 27/2/2019 approved by Mr Goh Chong Tuan, Managing Director.

Sighted First Aid Training conducted by Medical Assistant dated 24/10/2019. The training was attended by Estate Manager and Mandore. Sighted training materials and photographs of First Aid Training Session.

Sighted JKKP 8 submitted to DOSH on annual basis. Latest submission of JKKP 8 was on 24/1/2019 with No rujukkan: JKKP 8/31510/2018. No accidents recorded in the estate.

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 The company has established Human Rights Policy dated 28th May 2018 approved by Mr Goh Chong Tuan, Managing Director.

Sighted internal meeting dated 28th November 2019 to disseminate the information that complaints or suggestions can be made any time.
Details of the said meeting are as follows:

Internal Stakeholders meeting

- Date: 28/11/2019
- Venue: Site Office Batu Kurau Estate
- Attendance: 9 persons
- Speaker: Mr Goh Chong Tuan, Managing Director

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 Batu Kurau Estate has established Human Rights Policy dated 28th May 2018 approved by Mr Goh Chong Tuan, Managing Director. The policy in para 1 states that it will ensure all employees are treated fairly and protected from any form of discrimination that would constitute a violation of their human rights.

No evidence to show that Batu Kurau Estate is engaged in or in support of discriminatory practices with regards to race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

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 Batu Kurau Estate's employees' salary/wages conditions meets the minimum Wage Order (Amendment) 2018/industry minimum standards. Sighted the pay slips of the said estate's employees.

Sampled pay slips is:

Name: Birkatta Megar Bhim Bahadur (Nepali)
Passport No: 10423279



Work Permit Expiry: 18th September 2020
 Position: Weeder
 Salary thru Maybank

October 2019		
Basis Salary		RM1100.00
Overtime	71 hr x RM7.94	RM 539.90
Rest Day	4 days x RM45	RM 180.00
Gross Salary		RM1819.90
Deduction:		
Abs ½ day		RM21.15
SOCISO EIS	Paid by E'yer	-
Total Deductions		RM21.15
Net Salary		RM1798.75

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 Employees of contractors (for Batu Kurau Estate) salary/wages conditions meets the minimum Wage Order (Amendment) 2018/industry minimum standards. Sighted the pay slips of the said estate's employees. Sampled pay slips is:

Contractor: Pernigaan Pengangkutan Utara Sdn Bhd
 Employee Name: Maniarasu a/l R. Krishnan (Malaysian)
 I.C. No: 700410-08-6351
 Position: General Worker
 Salary thru Public Bank

October 2019		
Basis Salary		RM1100.00
Paid Leave		RM42.31
Allowance		RM200.00
Commission		RM551.65
Gross Salary		RM1893.96
Deduction:		
Advance		-
EPF		RM209.00
SOCISO		RM9.25
SOCISO EIS		RM3.70
Total Deductions		RM221.95
Net Salary		RM1672.01



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 employees register of Batu Kurau Estate that provides an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

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 The estate has provided a fair contract of employment to all employees that have been signed by both employee and employer. A copy of the employment contract is available for each and every employee indicated in the employment records/register. The contract of employment has outlined the following:

- i. Name
- ii. Sex
- iii. Age
- iv. EPR/SOCSO No
- v. Full Address
- vi. Position
- vii. Employee No
- viii. Work Permit No/Expiry
- ix. Commencement date
- x. Salary
- xi. Allowances
- xii. OT Rate
- xiii. Benefits
- xiv. Working Hours
- xv. Notice Period
- xvi. Eligible Public Holidays
- xvii. Annual Leave
- xviii. Sick Leave
- xix. Retirement Age
- xx. Salary Payable date

Sampled employees contract of employment as sighted for:

Name: Hermawan Hendri (Indonesian)

Passport No: B1403345

Work Permit Expiry: 30th March 2020

Position: General Worker

Name: Awaludin (Indonesian)



Passport No: AU079918
Work Permit Expiry: 15th December 2020
Position: General Worker

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 Attendance recording for all workers is recorded by punch card system.

In Compliance **Yes** No Not Applicable

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

Summary The working hour and break time has been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

Workers:
7.00am – 4.00pm
Lunch : 12.00pm – 1.00pm

Management/Office Staff:
8.30am – 5.30pm
Lunch: 1.00pm – 2.00pm

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 workers sighted. Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. The wages/salary and overtime payment to workers which are documented on the pay slips are in line with legal regulations.

In Compliance **Yes** No Not Applicable

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

Summary All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

Benefit provided to workers

- i. Housing
- ii. FOC Water & Electricity
- iii. Annual Bonus
- iv. Food subsidy during Festive season
- v. Medical Benefits / Hospitalization (insurance)
- vi. Incentive for achieving target
- vii. Attendance Allowance

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 living quarters are provided, these quarters are in habitable conditions and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). This has been verified during site visit.

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 Batu Kurau Estate has established Human Rights Policy dated 28th May 2018 approved by Mr Goh Chong Tuan, Managing Director.

The policy spells out the company's commitment to protect and respect the human rights of all employees. Para 11 of the policy states that the company will maintain a healthy workplace and any form of harassment i.e. physical, mental, verbal, sexual are strictly prohibited.

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 Batu Kurau Estate has established Human Rights Policy dated 28th May 2018 approved by Mr Goh Chong Tuan, Managing Director.

The policy spells out the company's commitment to protect and respect the human rights of all employees. Para 5 of the policy states that the company will respect the



rights of all personnel to form, join and participate in registered Trade Unions and to bargain collectively.

As such employees are free to form or join trade union relevant to the industry and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations.

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 Batu Kurau Estate has established Human Rights Policy dated 28th May 2018 approved by Mr Goh Chong Tuan, Managing Director.

The policy clearly spells out the company's commitment to protect and respect the human rights of all employees. Para 5 of the policy states that the company shall not employ any employee who is less than 18 years old.

As per interview with the Estate and Site Manager, there are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

In Compliance **Yes** No Not Applicable

Criterion 6 Training and competency

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

Summary Sighted Training Needs Analysis 2019 dated 8th January 2019 for Batu Kurau Estate and for the Contractor's employees approved by Mr Goh Chong Tuan, Managing Director.

The training is targeted to the following group of workers namely;

- i. Management Staff (Estate Manager, Site Manager, Mandore,)
- ii. Harvesters
- iii. Sprayers
- iv. Tractor drivers

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 annual training plan dated 8th January 2019 for Batu Kurau Estate approved by Mr Goh Chong Tuan, Managing Director.

The training plan is categorized into four (6) areas namely

- 1) MSPO Awareness (All Policies)
- 2) Occupational Safety & Health
- 3) Environmental
- 4) Fire Drill
- 5) First Aid
- 6) Emergency Response Plan

In Compliance **Yes** No Not Applicable

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

Summary All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive annual training programme and training records for Batu Kurau Estate dated 24/10/2019 approved by Mr Goh Chong Tuan, Managing Director.

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 developed Environmental Policy, dated on 28/05/2018 and approved by the Managing Director, Mr. Goh Chong Tuan.

Sighted the policy been communicate by the Managing Director, Mr Goh Chong Tuan, to the all nine (9) employee 29/01/19.

Sighted training attendance among others;

- i. Supandi
- ii. Bhim Bahadur
- iii. Rim Lal

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 environmental management plan was in part of the procedure of Environmental Aspect Impact SOP10, dated 01/10/2018

Sighted the Environmental Management plan was conducted on 11th Sep 19.

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 Sighted a document of Environmental management plan was made available to the audit team during the audit process. The positive and negative impact were well identified in the EIA assessment plan.

Sighted positive impact; Pruning/stacking of fronds to prevent soil erosion

Other EIA impact;

- Water pollution ; empty fertilizer bag, moribund fronds
- Water & land pollution : empty chemical containers
- Emission to greenhouse; tractor maintenance

In Compliance **Yes** No Not Applicable

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

Summary Sighted the Continual improvement plan related to environmental available as dated 1/10/19.

In Compliance **Yes** No Not Applicable

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

Summary Sighted the training was conducted by the Managing Director, Mr Goh Chong Tuan, to the all nine (9) employee 29/01/19.

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 Environmental issue been addressed in the management review meeting as an input from the EIA implementation following the procedure SO16 and SOP10 respectively. The meeting is planned to be conducted once yearly.

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 The estate management has established a record for non-renewal energy consumption. Estate only using diesel and electricity for their operation.

The baseline value was established and recorded. Sighted summary record for year 2018 and 2019 as per SOP13 Energy Usage. The baseline value;

- 1.99 litre of diesel/mt FFB
- 2.11 kWhr/capacity/day per mt of FFB

In Compliance **Yes** No Not Applicable

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

Summary Sighted The estate recorded monthly usage of diesel and electricity.

In Compliance **Yes** No Not Applicable

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

Summary Not applicable. Currently, no possible application.

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 estate has established procedure, SOP12 Waste Management & Energy Use.

All wastes product been identified together in the Environmental Management plan conducted on 11th Sep 19 following the SOP 10 Environmental Impact Assessment dated 1/10/2018.



The wastes mainly are organic wastes from the line sites and estate operation.

Tractor services done by Loke Sheong Motor , engine oil filter and used oil dispose through approved contractor , Primochem Sdn Bhd (533288-T).

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 Sighted SOP 12 Waste Management & Energy Use procedure was developed on 1/1/2018.

All wastes product been identified together in the Environmental Management plan conducted on 11th Sep 19 following the SOP 10 Environmental Impact Assessment dated 1/10/2018. Used chemicals containers were triple rinsed and punctured and dispose accordingly.

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 Safe of use chemicals procedure SOP7 is established on 1/10/18.

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 Empty pesticide containers were kept in chemical store. The containers were collected by Prakash Perumal Enterprise for disposal.

Sighted 109 pieces used containers collected by Prakash Kumar Enterprise dated 10/11/19.

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 wastes form linesite was disposed by landfill in the estate. Sighted rubbish pit in area number 2014A . Sighted the rubbish pit location is far from linesite, habitation or water area.

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 estate management has established a record for non-renewal energy consumption. Diesel usage were recorded as and when of used in the stock card. The electricity usage was recorded based on monthly TNB bills.

In Compliance **Yes** No Not Applicable

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

Summary Waste management plan was implemented as per plan in the procedure SOP 6.

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 Water management plan procedure SOP 6 was established dated 1/10/18.

The linesite quarters consume water spring, gravity flow from the mountain. The estate periodically sampled and send to the accreditation laboratory for testing.

No river identified crossing the estate. Sighted Certificate of Analysis done by Union Laboratories (accredited by Standard Malaysia) dated 7/12/18 . The analysis shown that the water meets the drinking requirements.



-Ammonical Nitrogen – not detected (<0.3 mg/l)
-Total Coliform and E Coli – not detected with the sensitive of <3.0/100ml)

In Compliance **Yes** No Not Applicable

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

Summary During site visit, no construction of bunds, weirs and dams across main rivers or waterways passing through an estate as there is no river crossing the estate and no bore well identified.

In Compliance **Yes** No Not Applicable

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

Summary Water harvesting practices implemented in the Estate as the Silt pits, site drains constructed.

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 The estate management has established procedure SOP 11 High Conservation Value dated 1/10/18.

Identification of high biodiversity was made as recorded in form "Batu Kurau Estate HCV Assessment" and sighted the assessment was conducted on 12/04/19.

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 No rare, threatened or endangered species or high biodiversity appropriate present. However, the estate continuously monitors the existence of animal in logbook "Animal spotting log book".

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 No rare, threatened or endangered species or high biodiversity appropriate present.

In Compliance **Yes** No Not Applicable

Criterion 7 Zero burning practices

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

Summary The estate management has established policy which open burning is not allowed. This includes new planting and re-planting.

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 No significant risk of diseased palm was reported in the estate. Not Applicable as the replanting program is not due yet.

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 controlled burning being sought by the estate and it is not applicable as the replanting program is not due yet.

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 Not Applicable as the replanting program is not due yet and no replanting activity is conducted during the audit.

In Compliance **Yes** No Not Applicable

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

Summary The Company has implemented good practices based on Standard Operating Procedures and Safe Operating Procedure. Sighted form the SOP that include all the objective, standard, planning, procedures and checklist. The SOP available are listed base on the operation activities in the estate such as:

1. Harvesting Oil Palm
2. Loose Fruit Collection
3. Pruning
4. Spraying Weedicide / Chemical Mixing
5. Manuring / Fertilizer Application
6. Tractor Drivers
7. Roads & paths

The estate operation is monitored by Mr Lam Fak Choy (estate manager at site).

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 Based on the field visit at the estate, sighted no river passing through the estate and no contamination of surface water sighted. The field soil erosion had been minimized through the method grass cutting and grass cutting on the path of harvesting. Thus, maintaining the soft grasses.

In Compliance **Yes** No Not Applicable

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

Summary The estate has a visual reference system to identify each field or block. During site visit, each field has a with block number/year of planting, hectarage and stand per field. Sampled taken at:

- 02OP
- 56 A/C
- 2903 Trees

In Compliance **Yes** No Not Applicable

Criterion 2 Economic and financial viability plan

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

Summary Estate has an annual budget for the financial year 2018 and 2019. The budget includes the general income / expenses.

The Business Management Plan sheet is made available for SPS Estate (PK) Sdn Bhd.

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 Replanting program is made available dated 01/10/19 as prepared by Mr Chow Kim Ming (estate manager (HQ)).

Field number				
2019	2020	2021	2022	2023
Nil	Nil	96, 98A, 98B	Nil	Nil

The planting material for current crops are DXP Guthrie and will be replanted with DXP Felda.

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 Sighted the Business Management Plan sheet is made available for 2019 and 2020 that includes:

FFB projection	3200mt
Cost of production (RM/MT)	RM313.00/mt
FFB Price (Forecasted)	RM550.00/mt
Material	DXP Guthrie and DXP Felda

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 As interview with the Managing Director, a quarterly review is conducted by the top management (3) to monitor on the progress of the available management plan.

The management also regularly monitored on the actual production through Operational Logbook.

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 agreed pricing for the products and other services provided to the estate are documented in the contract agreement i.e Annex 1.

The pricing mechanism adopted is for contractor worker salary which follow strictly to MAPA/NUPW.

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 All the contractors engaged by the Estates are having fair, legal and transparent Contract which agreed by both parties. Sighted, all the payment made are in timely manner. Payments made to the contractors evident during the audit.

In Compliance **Yes** No Not Applicable

Criterion 4 Contractor

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

Summary The agreements with the contractors include an understanding of the MSPO requirement as referred to clause 10.

The contractors have been informed that the estate is undergoing the MSPO certification process during the stakeholder meeting dated 04/11/19. Sighted the evidence on briefing to the contractor by the estate management to comply with the MSPO standard requirements.

In Compliance **Yes** No Not Applicable



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

Summary Sighted in the above contract where the Contractor accepted and agreed with the requirements stated in the agreement.

Sample contract agreement between SPS Estate (PK) Sdn Bhd and the contractor (Perniagaan Pengangkutan Utara Sdn Bhd) is made available dated 1st November 2019.

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 management accepted the audit by Global Gateway Certifications Sdn Bhd as per the audit plan dated MSPO auditor on 27th November 2019 (3rd Revision).

All the auditors are qualified MSPO auditor. As per agreed, the Estate accept the GGC MSPO Auditors to verify assessment of contractors by physical inspection if required.

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 Estate manager will verify the work done by the contractors prior to the payment paid to the contractors.

Weighbridge ticket and FFB Delivery note is made available to record the progress monitoring on the contractors' sampled. The records are monitored by the estate manager.

In Compliance **Yes** No Not Applicable

2.7 Principle 7 : Development of new planting

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

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 There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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



Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land



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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

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 There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

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 There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for SPS Estate (PK) Sdn Bhd.

In Compliance Yes No **Not Applicable**



2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 2) The estate management has demonstrated fully commitment during the entire audit process.
- 3) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 4) Good positive feedback received from the internal stakeholders.

Appendix A: Audit Plan

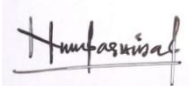

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
1 st December 2019	TBA	<ul style="list-style-type: none"> ➤ Auditors travelling from Ampang, Selangor to Ipoh, Perak. 	NA	JS/MAS
2 nd December 2019	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Centralize Opening Meeting at SPS Estate (PK) Sdn Bhd main office <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor ➤ Confirmation of assessment scope and finalize Audit Plan 	NA	JS/MAS
	09:00 – 13:00	Batu Kurau Estate Sdn Bhd <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. 	NA	JS/MAS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	NA	JS/MAS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Centralized Stakeholder Consultation 	NA	JS/MAS
	13:00 – 14:00	<ul style="list-style-type: none"> ➤ Lunch/Rest 	NA	JS/MAS
	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NA	JS/MAS
	15:30 – 16:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues, auditor discussion and end of audit for day. 	NA	JS/MAS
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Closing Meeting at SPS Estate (PK) Sdn. Bhd. <ul style="list-style-type: none"> ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team 	NA	JS/MAS

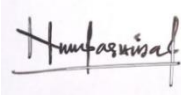



		<ul style="list-style-type: none"> • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 		
3 rd December 2019	TBA	➤ Travelling back from Ipoh to Ampang, Selangor.	NA	JS/MAS



Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit			
Major Nonconformities:	Non-were raised during this audit.		
Minor Nonconformities:	Non-were raised during this audit.		
Area of Concern:	2 were raised during this audit.		
Company Name	SPS Estate (PK) Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BA1-MSPO-2019		
NC No. / Ref.	BN1/MSPO/AOC/01	Date Detected	02 nd December 2019
Site(s) concern	Batu Kurau Estate	Target Completion	-
Normative Reference and Requirement	4.2.1.2 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.		
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of identification on publicly and not publicly available documents.		
NC Objective Evidence:			
As per interview, the company has sorted their documents for public availability. However, the estate can further improve its documents information as to list out the confidential or publicly available documents.			
Lead Auditor Signature:		Client Signature:	
			

Company Name	SPS Estate (PK) Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BA1-MSPO-2019			
NC No. / Ref.	BN1/MSPO/AOC/02	Date Detected	02 nd December 2019	
Site(s) concern	Batu Kurau Estate	Target Completion	-	
Normative Reference and Requirement	4.4.4.2 The occupational safety and health plan shall cover the following: 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.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence is made available			
NC Objective Evidence:				
As per the CHRA recommendation, health surveillance is recommended for all workers involve in chemical handling. However, there is no evidence of health surveillance is yet conducted for workers handling chemical. The health surveillance is scheduled on 13 th December 2019.				
Lead Auditor Signature:		Client Signature:		
				

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) SPS Estate (PK) management team and staff
- 2) Workers Representatives
- 3) Foreign Workers Representatives
- 4) Mr. Goh Chong Tuan, Director
- 5) Mr. Pow Kim Kiat, Director
- 6) Mr. Chow Kim Ming, Manager
- 7) Lam Fak Choy, Supervisor
- 8) Rim Lal, Loader
- 9) Lok Rana, Tractor driver
- 10) Jum Bahadur, Supervisor

External Stakeholders

- 1) MPOB Officer
- 2) PDRM
- 3) Local Communities