

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



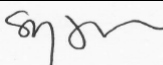

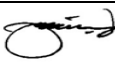
### CERTIFICATION AUDIT REPORT


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

Abi's Land & Properties Sdn Bhd  
Datuk Dr Ganesha Estate

-Individual Certification-

MAIN ASSESSMENT AUDIT  
14<sup>th</sup> August 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	20/10/2019	Issued as Draft Report	Surenthiran Panneerselvam	Lead Auditor	
A	07/11/2019	Peer Review 1 Comments	Mohamad Fitri bin Mustafa	Peer Reviewer 1	
A	07/11/2019	Peer Review 2 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 2	
B	13/11/2019	Issued as Final Report	Surenthiran Panneerselvam	Lead Auditor	
B	15/11/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Abi's Land & Properties Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	15/11/2019	Acceptance of the contents	Datuk Chidambaram	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 **Abi's Land & Properties Sdn Bhd – Datuk Dr Ganesh Estate**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists only Kluang Estate.

This assessment was conducted onsite on **14<sup>th</sup> August 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

<b>Company Name</b>	Abi's Land & Properties Sdn Bhd
<b>Business Address</b>	No. 40 Jalan SS1/41, Petaling Jaya, Selangor Darul Ehsan, Malaysia.
<b>Contact Person</b>	Ms Abirami Ganesh
<b>Office Telephone</b>	+03 78733101
<b>E-Mail</b>	ddgg.pj@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.	Datuk Dr Ganesh Estate	Gemencheh, 73200, Negeri Sembilan	E 102° 23' 40.1"	N 2° 32' 15.1"

#### MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Datuk Dr Ganesh Estate	544490002000	30.11.2019	Menjual & Mengalih FFB

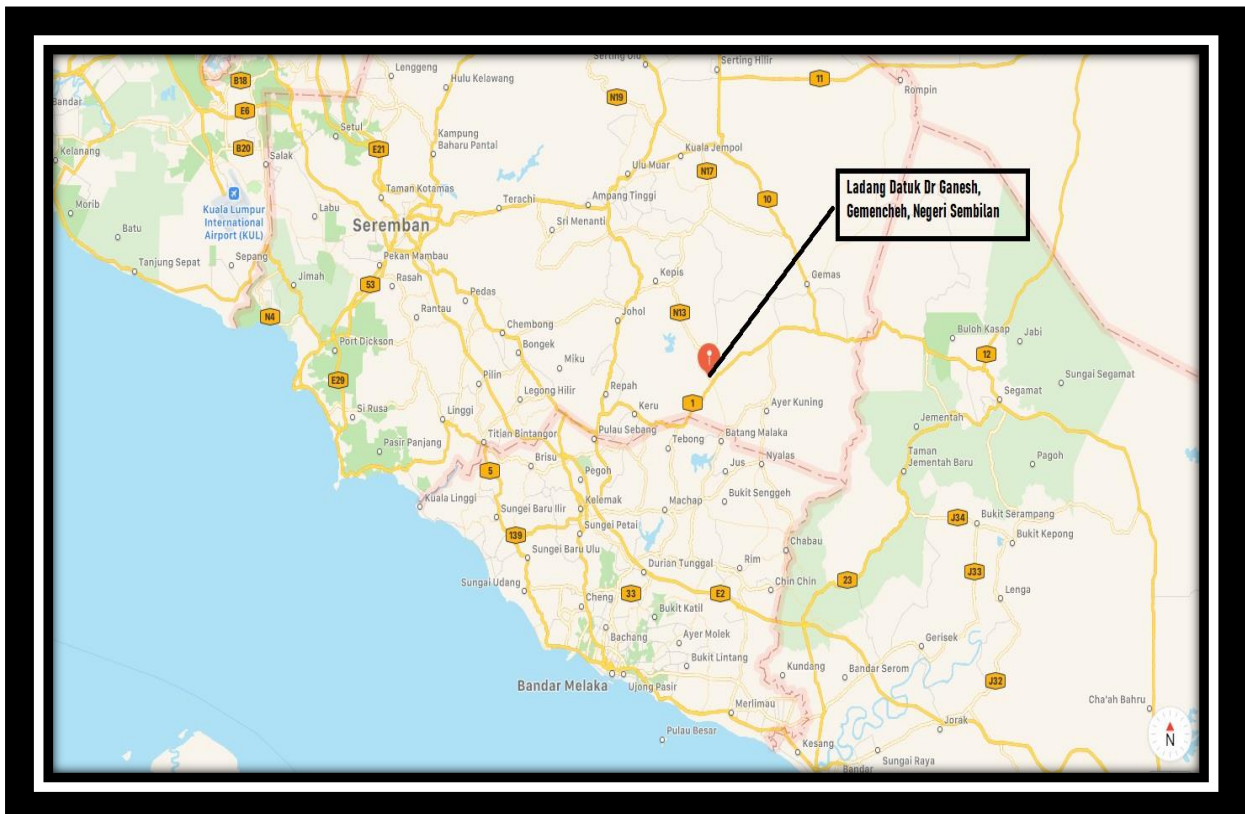


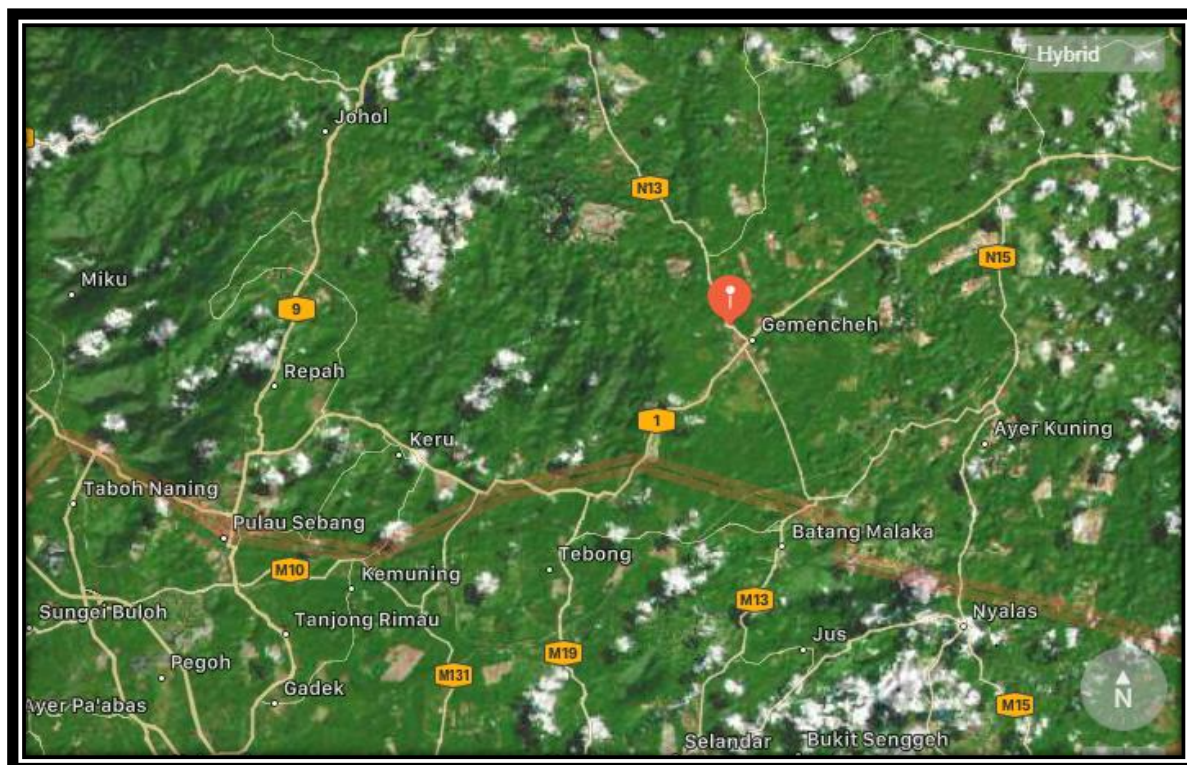
**Others Sustainability Certification**

No	Name of The Site	Others Sustainability Certifications
1.	Datuk Dr Ganesh Estate	NIL

**1.4 Map Showing Geographical Location**

**Abi's Land & Properties Sdn Bhd – Datuk Dr Ganesh Estate**





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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Datuk Dr Ganesh Estate	451.97	451.97	443.877
<b>Total</b>	<b>451.97</b>	<b>451.97</b>	<b>443.877</b>

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Datuk Dr Ganesh Estate	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Aug 2018-Jul 2019]	Projected Production for next 12 Months [Aug 2019-Jul 2020]
Datuk Dr Ganesh Estate	NIL	4,497.51	5,775.00
<b>Total</b>	<b>NIL</b>	<b>4,497.51</b>	<b>5,775.00</b>

## 1.6 Certificate Details

<b>Certification body</b>	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: <a href="http://www.ggc.my">www.ggc.my</a>
<b>Assessment standard</b>	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
<b>Certificate number</b>	GGC-ABI001-MSPO-00-2019
<b>Initial certificate issued date</b>	15 <sup>th</sup> November 2019
<b>Certificate expiry date</b>	14 <sup>th</sup> November 2024
<b>Stage 1 assessment date</b>	30 <sup>th</sup> May 2019
<b>Stage 2 / Main Assessment</b>	14 <sup>th</sup> August 2019
<b>Annual Surveillance 1 [ASA 1]</b>	August 2020
<b>Annual Surveillance 2 [ASA 2]</b>	August 2021
<b>Annual Surveillance 3 [ASA 3]</b>	August 2022
<b>Annual Surveillance 4 [ASA 4]</b>	August 2023



## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** Surenthiran Panneerselvam

Graduate in PgDip/MSc Oil and Gas Accounting from University of Abertay Dundee, Scotland, UK. Equipped with experience in sustainability audit field and with more than 6 years working experience. Involved in MSPO Assessment since 2017. Fully trained in audit certification such as MSPO, RSPO, ISO9001:2015, ISO37001: 2016. Able to communicate in both Bahasa Malaysia and English (written and spoken).

During this assessment, he assessed on the aspect of legal compliance, best practices, stakeholder's consultation and etc. Able to speak and understand Bahasa Malaysia and English.

### 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.

During this assessment, he assessed on the aspect of Transparency, stakeholder's consultation, traceability, environmental aspect and etc. Able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** Mohd Azmi Samynathan bin Abdullah

He has more than 20 years working experience several industries mostly on HR Management. He has experience in second- and third-party auditing system. Master's in Business Administration. He is also 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.

During this assessment, he assessed on the aspect of management commitment, stakeholder's consultation, safety & health and etc. 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 "Datuk Dr Ganesh Estate".

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

<b>Audit Date</b>	14 <sup>th</sup> August 2019
<b>Name of site(s) visited</b>	Datuk Dr Ganesh Estate
<b>Total number of man-days spent</b>	3 man-days

### 1.10 Audit Result Summary Findings

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	3	Closed
Minor Nonconformities	1	Open (Next Surveillance Audit)
Area of Concern	0	No action requires
Noteworthy /Positive Comments	6	No action requires



## 1.11 Stakeholder Consultation

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

GGC has published the public notification on 1<sup>st</sup> July 2019 and as to accommodate a stakeholders' consultation meeting for estate. Therefore, it was conducted on 14<sup>th</sup> August 2019 in Datuk Dr Ganesh 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 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.	All stakeholders	<ul style="list-style-type: none"> <li>Stakeholders who attended the meeting are aware about what is MSPO.</li> <li>Clear knowledge on the existence of a complaints/grievance mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>Management will continue briefing to all stakeholders on MSPO awareness</li> <li>Management will continue briefing to all stakeholders on MSPO's complaint and grievance mechanism available in their company</li> </ul>	Will review by next surveillance audit
2.	Stakeholders B (Government Authority)	<ul style="list-style-type: none"> <li>Good communication and cooperation with the estate.</li> <li>Suggest the estate management to make aware on the activities that could affect the environment.</li> </ul>	-	Positive comments and suggestion
3.	Stakeholders C (Local communities)	<ul style="list-style-type: none"> <li>Good communication and cooperation with the estate.</li> </ul>	-	Positive comments and suggestions

		<ul style="list-style-type: none"> <li>• Receive electric and water supply from the estate.</li> <li>• No issues on the usage of route.</li> <li>• Request the estate to monitor on the estate activities (i.e pruning, spraying, manuring etc.) to avoid pollution to the nearby waterways.</li> <li>• No issues on using estate road for running activities</li> </ul>		
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### 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 Kluang Estate. 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 3 major, 1 minor non-conformities has been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of major non-conformity findings is closed. 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 Datuk Dr Ganesh Estate.

### 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** Abi's Land & Properties Sdn Bhd has established MSPO Policy [MSPO 1(A) – 1/1, Policy 1, Rev 1] signed by Managing Director, Datuk Chidambaram dated 30<sup>th</sup> April 2019. The policy is available in English language and displayed at main office notice board.

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

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

**Summary** The statement of management commitment to continual improvement and transparency in the activities of sustainable palm oil production is highlighted in Para 4 of the company MSPO Policy [MSPO 1(A) – 1/1, Policy 1, Rev 1] signed by Managing Director, Datuk Chidambaram dated 30<sup>th</sup> April 2019. Policy stated the company is committed to continuously improve their sustainable management system.

**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** Abi's Land & Properties Sdn Bhd has established Internal Audit Procedure [Doc No: MSPO 1(B)-3/1, Procedure 3, Rev 1]. Title: Standard Operating Procedure (SOP) for Conducting Internal Audits, dated 30<sup>th</sup> April 2019 signed by Managing Director, Datuk G. Chidambaram.

As per Internal Audit Procedure, audit frequency is once a year as stated in Para 1 of the SOP for conducting Internal Audits. Internal audit plan was made available prior conducting the internal audit. Internal audit report is made available and internal audit was conducted on 7<sup>th</sup> February 2019. Internal audit team has identified both positive and weakness points according to MSPO requirements.

**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** Abi's Land & Properties Sdn Bhd has established Internal Audit Procedure [Doc No: MSPO 1(B)-3/1, Procedure 3, Rev 1]. Title: Standard Operating Procedure (SOP) for

Conducting Internal Audits, dated 30<sup>th</sup> April 2019. Internal audit report was made available and carried out on 07<sup>th</sup> February 2019 by consultant, RS Eco Palm Sdn Bhd.

The purpose of this procedure is to describe the audit process conducted internally to determine Datuk Dr Ganesh Estate operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards.

Internal audit carried out on the 7<sup>th</sup> February 2019 all conformance, non-conformance and area for improvement identified. As in total of 26 non-conformities being raised by the internal auditor team and was closed within the timeframe.

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

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

**Summary** Sighted the internal audit report dated 7<sup>th</sup> February 2019 is made available conducted by RS Eco Palm Sdn Bhd who leads the internal audit team. The report is available for Management to review and being responded in timely manner. Management Review Meeting (MRM) minutes sighted, was conducted on 07<sup>th</sup> February 2019 and attended by the top management.

**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** Management review meeting minute was made available, and was conducted on 7<sup>th</sup> February 2019. Management review meeting will be conducted once a year after the internal audit.

The Management has agreed to implement the recommended action as highlighted in the Internal Audit Report dated 07<sup>th</sup> February 2019. The meeting agenda include reporting of the internal audit results.

**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** Abi's Land & Properties Sdn Bhd has established "Continual improvement Plan" with consideration of the main social and environmental impact and opportunities of the company. Given below are some sampled continual improvement by Abi's Land & Properties Sdn Bhd

1. To provide First Aid Kit to workers quarters



2. To conduct training on the importance of Personal Protective Equipment (PPE) and the proper way to use.
3. To conduct regular training needs assessment.

**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** The company disseminate the new information and techniques or new industry standards and technologies through the training. As per interview with Mr Gunasegaran, Estate Manager, the company has no new techniques/new industry standards that are available and feasible for adoption.

**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** The company disseminate the new information and techniques or new industry standards and technologies through the training. Trainings were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company.

**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** Abi's Land & Properties Sdn Bhd conducted stakeholder meeting on 24<sup>th</sup> July 2019 for Datuk Dr. Ganesh Estate and attended by internal and external stakeholders. Minutes of meeting is prepared by Ms. Abirami (Executive officer) and sighted during the audit. The agenda includes:

1. Briefing of MSPO Policy to stakeholders
2. Briefing of Environmental to Stakeholders
3. Briefing of Social to Stakeholders
4. Briefing of Health & Safety Policy to Stakeholders

Publicly available document is located at Datuk Dr Ganesha's Estate Main Office, notice boards, as example: company policies, complaint forms, company announcement and etc.

**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** Abi's Land & Properties Sdn Bhd adopts SOP No.:8, Rev No.: 1, dated 30<sup>th</sup> April 2019 – "List of Publicly Available Document ", Signed by Datuk Chidambaram (Managing Director). As per interview with estate manager, any confidential information or documents required shall go through the estate manager approval. Company Policies are publicly displayed at site, Procedures document, contract agreement and financial budget is confidential documents was made available.

**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** Standard Operating Procedure for "Stakeholder Communication and Consultation" SOP - 7; Rev 1, MSPO 1 (B) – 7/1, dated 30<sup>th</sup> April 2019 was approved and signed by: Datuk G Chidambaram (Managing Director). Stakeholders was briefed during stakeholder meeting was conducted on 24<sup>th</sup> July 2019 for Datuk Dr. Ganesha's Estate and attended by internal and external 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** The communication representative for Datuk Dr Ganesh Estate who handles consultation and communication is Mr. Gunasekaran Retnam (Estate Manager). Sighted the Letter of Appointment of Mr. Gunasekaran for traceability issue, appointed by Datuk Chidam (Managing Director) dated 10<sup>th</sup> February 2019. The duties and responsibilities include:

- To update the stakeholder register, handle any complaint and attend stakeholder meetings.

**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** Abi's Land & Properties Sdn Bhd has established latest stakeholders list updated by Mr Mr. Arvindt Roghan, dated on 30<sup>th</sup> April 2019. As sampled, list of stakeholders includes government hospital, workers representative, schools, local representatives, contractors, government authority and neighbours (other plantations).

**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** Abi's Land & Properties Sdn Bhd has established the MSPO procedure on Traceability of FFB and was made available at the time of audit to establish suitable identification and traceability of FFB traceable from the plantation activities to the mill.

Sighted the Standard Operating Procedure for "Traceability of FFB" as [SOP 1; Rev 1, MSPO 1 (B) – 1/1, dated 30<sup>th</sup> April 2019, signed by Datuk G Chidambaram (Managing Director).

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

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

**Summary** As stated in the SOP for "Traceability of FFB": Clause 5: The appointed internal auditor shall conduct inspections on compliance with the established traceability system as part of the annual internal audit process. Previous Internal Audit was conducted on the 7th February 2019 conducted by RS Eco Palm Sdn Bhd. Internal audit report is available at the time of audit. The records of delivery are maintained and could trace the date of harvesting, block number, delivery note issued by estate and mill.

**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 letter of Appointment was made available, as PIC for traceability issue is Mr. Gunasekaran Retnam (Manager) appointed by Datuk Chidam (Managing Director) dated 10<sup>th</sup> February 2019. The duties and responsibilities include:

- To ensure effective implementation and maintenance of a traceability system.

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

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

**Summary** Records of sales, delivery or transportation of FFB was made available during the audit. This record being maintained and the documents are kept by the estate. The records of delivery or transportation of FFB. Records of delivery is available with the details of:

- Dispatch Weighing Note
- Date: 10/08/2019 (sampled)
- Ticket No.: 00000253
- Transporter name
- Destination

**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. The legal register is available as listed below. Sighted permits/licenses being monitored and updated by the estates as follow;

1. MPOB license No: 544490002000 valid until 30<sup>th</sup> Novemeber 2019. The hectarage registered is 454.11 Ha.
2. Weighbridge calibration certificate from Metrology Corporation Malaysia Sdn Bhd.
3. Perakuan Penentuan Timbang dan Sukat – Akta Timbang dan Sukat 1972 [Borang D]. – B1434065, dated 27<sup>th</sup> December 2018.
4. Lesen Kenderaan Motor [MBR 6006], expires on 29<sup>th</sup> September 2019.

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

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

**Summary** List of all laws applicable to estate operations sighted during the audit. The list of laws applicable to the estate covers the detail requirements that related to MSPO compliance. All the 41 documents are in compliance with the applicable local, state, national and ratified international laws and regulations, as example of the relevant laws includes;

1. Environmental Quality Act 1974 (Act 127)
2. OSHA Act 1994 (Act 514)
3. Factories and Machinery Act 1967
4. MPOB Act 1998 (Act 582)
5. Employees Provident Fund 1991 (Act 452)
6. Employees' Social Security Act 1969 Act 1965 (Revised 1990)
7. Children and Young Persons (Employment) Act 1966 (Act 350)
8. Employment Act 1955 (Act 265)
9. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)



Sighted weekly labour quarter inspection carried out by the Staff (Mr Kamarul Hisham) and Assistant Manager (Mr Manivanan A/L Chelliah).

**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** List of all laws applicable to estate operations sighted during the audit. Monitoring of legal requirement is done by the PIC, Mr. Gunasekaran Retnam (Manager). As sighted last updated was on 30th April 2019. Based on interview with Mr. Gunasekaran Retnam (Estate Manager) any new amendments or any regulations once received through communication with law/enforcement officers and website.

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

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

**Summary** Mr. Gunasekaran Retnam was appointed as the person in charge who responsible to monitor compliance and to track and update the changes in regulatory requirements. Letter of appointment dated 10th February 2019 sighted, approved by Datuk Chidambaram, 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** Abi's Land & Properties Sdn Bhd land title is available and well maintained. The estate land title is reviewed and cross checked with the annual payment of quit rent for the year 2019. In total 30 land titles are documented, as total size as per land title is 451.5972 Ha.

Land use rights stated is "none", and there is no dispute of land sighted upon reviewing and during stakeholder meeting. Sighted evidence of annual payment of quit rent for 2019 paid by the estate management.

**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** Estate demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles is kept in the estate office. The land titles did not state its express conditions. The land titles are under 'Permanent Status' (Selama-lamanya). Ladang Datuk Dr Ganesh land title are family owned land.

Total land titled Ha = 451.5972 ha

**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** Each land title has a map with the title number and size of land in hectare. Boundary map sighted during the audit; actual boundary stone was verified during field visit. The boundary stone is marked and visible maintained on the ground where practicable.

**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. During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported. No disputes have been recorded in the estate area. The land title has been legally acquired by the estate.

Abi's Land & Properties Sdn Bhd has established SOP for Identifying Legal, Customary Right & Land Use signed by Managing Director, Datuk G. Chidambaram. No customary right demonstrates in this vicinity.

**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** SOP for Calculating and Distributing Fair Compensation signed by Managing Director, Datuk G. Chidambaram is made available. No customary right demonstrates in this vicinity.

There is no customary land in or surrounding all the estates' land titles. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.

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

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



**Summary** There is no customary land in or surrounding the estates. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. Thus, no maps for recognized customary rights.

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

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

## 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** Abi's Land & Properties Sdn Bhd has conducted meetings with the internal and external stakeholders. As seen, meeting minutes dated 8<sup>th</sup> April 2019 involved by (Klinik Kesihatan, BOMBA, internal stakeholders and etc.).

Social action plan was sighted to mitigate the negatives impacts and promote the positives ones. The Social Impact Assessment (SIA) include information of summary of feedback with the stakeholders.

**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** Abi's Land & Properties Sdn Bhd established SOP for Complaints and Grievances including Dispute Handling and Request for Information (RFI) for Internal and External Stakeholders Document No MSPO 1(B) – 6/1, Procedure 6, Revision 1 signed by Managing Director, Datuk G. Chidambaram dated 30<sup>th</sup> April 2019. Complaint form is available at the publicly accessible area such as in the front door of the main office.

**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** Complaint form is available at the publicly accessible area such as in the front door of the main office. According to SOP, time plan for attending complaints and grievances has been outlined in the document. The time frame to resolve the complaints/ grievance/ request for information has been clearly specified under item No.7.

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

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

**Summary** Complaint Form seen for all stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office which are easily assessible.

**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** During stakeholder meeting, interviewed the stakeholders and verified that they have made aware on MSPO related requirements. Notice to the internal and external stakeholders were sent out, inviting them to attend the stakeholders meeting.

**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** Complaints and resolutions for the last 24 months is not available as there is no complaints received from stakeholders.

**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** Sighted the records on the contribution to local development in Abi's Land & Properties Sdn Bhd; Corporate Social Responsibility (CSR) Report. Estate is committed and have contributed to local development. The contribution made to the internal and external stakeholders.

As sampled, supplied sundry goods, dated 17<sup>th</sup> July 2019, 18<sup>th</sup> July 2019 and 30<sup>th</sup> July 2019. The management provide contributions to local communities such support to local people surrounding the estate.

**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** Occupational Safety and Health (OSH) policy document No MSPO 1(A) – 3/1 dated 30<sup>th</sup> April 2019 signed by Managing Director, Datuk G. Chidambaram. The policy sighted displayed in the main office.

Briefing on the MSPO related policy has been conducted on 24<sup>th</sup> July 2019 was held at Datuk Dr Ganesh Estate, main office.

**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** Occupational Safety and Health (OSH) policy document No MSPO 1(A) – 3/1 dated 30<sup>th</sup> April 2019 signed by Managing Director, Datuk G. Chidambaram. The policy sighted displayed in the main office.





HIRARC Document Ref No MSPO 8(B) – 2,3,4,5,6,7,8,9 dated 3<sup>rd</sup> May 2019. HIRARC prepared by En Mohd Azuan Bin Kahamis, DOSH reg no: HQ/15/ASS/00/3. HIRARC was segregated into seven (7) main areas namely Pruning, Manuring, Harvesting, Chemical Mixing, Chemical Spraying, Office and Line Site. Adequate HIRARC being assessed and documented. Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).

Estate has a comprehensive annual training plan for the Staffs and Workers' and this was sighted in the training file – Training Plan 2019. Safety awareness and training programme is planned and SDS for chemical was made available.

Appropriate PPE are provided to workers based on the SDS and CHRA report. Records of PPE was reviewed. During field visit, all workers equipped with the appropriate PPE.

SOP for Chemical Handling named "Standard Operating Procedure (SOP) for Chemical Management" dated 30<sup>th</sup> April 2019, Document Ref No MSPO 1(B)-4/1, Procedure 4, Revision 1 is approved by Managing Director, Datuk G. Chidambaram. Ensuring estate chemicals are handled according to procedure with regards to taking delivery, recording, storage and issue and chemicals are stored and organized in a systematic manner so as to prevent theft, spillage and causing harm to personnel or environment. CHRA report prepared by En Mohd Azuan Bin Kahamis, DOSH reg no: HQ/15/ASS/00/3 dated 3<sup>rd</sup> May 2019

Estate manager are the appointed as the person in charge to manage Occupational Safety and Health (OSH) committee.

OSH organization chart and meeting minute sighted during the audit. OSH meeting was had conducted on 30<sup>th</sup> March 2019 at Datuk Dr Ganesh Estate.

Emergency Response Procedure (ERP) sighted and the ERP has clearly justified procedures when dealing with chemical spillage, accident and others. Emergency response plan include the emergency contact number, Emergency Respond Plan Procedure and exit routes in file and notice board.

Training for first aider was carried out on the 7<sup>th</sup> August 2019. Training video and attendance sighted with 20 employees attended the training.

As interviewed estate manager, no accident records available, as no accident occurs as to date.

**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** Abi's Land & Properties Sdn Bhd has established "Social & Human Rights Policy/ Polisi Sosial & Hak Asasi Manusia dated 30<sup>th</sup> April 2019 approved by the Managing Director, Datuk G Chidambaram. The policy being displayed at notice boards outside the office. Communication of all the policies to all staffs and workers was through briefing during muster call.

**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** No evidence to show discriminatory practices with regards to race, colour, sex, religion, political opinion, nationality and social origin. The estate management established "Social & Human Rights Policy/ Polisi Sosial & Hak Asasi Manusia dated 30<sup>th</sup> April 2019 approved by the Managing Director, Datuk G Chidambaram.

**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** The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum wage order 2018. Malaysian minimum salary is RM1,100.00 as stated in the guidelines. Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip. Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. The workers are briefed on the contract agreement. The contract agreement is in accordance to Employment Act 1965.

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

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

**Summary** The salary of contractor workers is according to "Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act (Act 732). Malaysian Minimum salary is RM1,000 as stated in guidelines. Contract agreement between the Datuk Dr Ganesh Estate and contractor was verified during the audit. The estate engaged contractor for spraying. Hiring workers is based on spraying round.

**MINOR:**

Management do not have records of contractor's workers employment records to ensure they are paid based on legal or industry minimum standards.



**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** List of names for estate staff and workers sighted during the audit. List of workers record is made available at the time of audit. Reviewed the list of workers, there are no record of child or young person employed. The registration card stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc.

**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 Agreement stated all the term and conditions according to Malaysian Law. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and foreign workers.

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

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

**Summary** Working hours is 8 hours. The overtime maximum is 104 hours according to Malaysian Law. Daily attendance recorded during muster call. Time recording is based on attendance book – Employee Attendance listed as below:

- Checkroll attendance
- Staff attendance book

**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 have been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties. The working hours and break time are displayed on notice board and clearly stated in contract employment of employees. There is no complaint received regarding payment or are forced to work overtime during field visit.

**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 slips and employment contracts of each worker has been verified. Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Based on the interview with the workers, they confirmed that they are being paid more than the stipulated minimum wage and understand all the deductions being made. Documented payslip was distributed to individual workers on the day of payment.

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

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

**Summary** All workers have been provided with regards to local workers, foreign workers, staffs and executives. Local workers are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. Other forms of social benefits offered by the employer to employees are as follows:

1. Outpatient Medical treatment from appointed panel clinic,
2. Transportation
3. Bonus for achieving target

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

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

**Summary** All workers are provided with housing facilities at workers linesite. Electricity and water are provided by the estate without any charges to the workers. Implementation has been verified. Based on site observation, the living quarters has basic amenities such as house with sufficient space for the workers and worker's family.

**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** Abi's Land & Properties Sdn Bhd has established "Social & Human Rights Policy/ Polisi Sosial & Hak Asasi Manusia dated 30<sup>th</sup> April 2019 approved by the Managing Director, Datuk G Chidambaram. The company committed to "sexual harassment and violence".

**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** As per interview with estate manager, there is no restriction been made to form trade union if needed. During site observation. workers confirm there is no discrimination at their workplace.

**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** There is no children and young person been employed as per record "Daftar Pekerja" available at the time of audit. 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. Based on onsite observation, no child labor or young person employed by Datuk Dr Ganesh Estate.

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

## **Criterion 6 Training and competency**

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

**Summary** Abi's Land & Properties Sdn Bhd has established SOP for "Training & Continual Improvement", is approved by the Managing Director Datuk G Chidambaram. Training need analysis, training programme and records are made available at the time of audit. As sampled MSPO Policy Training was conducted on 24<sup>th</sup> July 2019. [Sighted photographs, training materials and meeting minutes as evidence].

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

**Indicator 2** Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

**Summary** Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Training need analysis is available for each individual work station in the estate, prepared by the estate manager. Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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

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

**Summary** All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file. Comprehensive training programme for the year is made available. As seen, list of training programme related to environment, social, safety and health.

Training Plan 2019 is made available as prepared by Mr. Arvindt Roghan, dated 12th April 2019 and approved by Ms. Abirami. The proposed training includes:

- MSPO Policy
- Environment, Social & Safety Health Policy briefing
- Best practice
- Chemical mixing & spraying

**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** Abi's Land & Properties Sdn Bhd has established Environment Policy signed by Datuk G. Chidambaram, Managing Director dated 30<sup>th</sup> April 2019. The policy is available in both English and Bahasa Malaysia language. Based on the Environmental Policy, the estates are committed towards implementing the following practices:

- Abi's Land & Properties Sdn Bhd shall assess the environmental impacts of all its business activities from production, distribution, use and disposal.
- Ensure the environmental impacts are mitigated accordingly and prevention is prioritized.
- Shall comply with all National environmental legislations as per the Department of Environment's guidelines.
- Shall remain alert and responsive to developing issues, knowledge and public concerns.
- Shall ensure that all employees are aware of the company's environmental policy and are motivated to apply it, are aware of their own responsibilities and are given the support and training necessary to fulfil them.

The policies have been communicated to the stakeholders during the meeting with the stakeholders on the 24<sup>th</sup> July 2019 and minutes of meeting are available. Environmental Management & Monitoring Plan is prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019

and approved by Ms. Abirami dated 5<sup>th</sup> June 2019 and the implementation has been verified during the site visit at the time of audit.

**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** Abi's Land & Properties Sdn Bhd has established Environment Policy signed by Datuk G. Chidambaram, Managing Director dated 30<sup>th</sup> April 2019. Environmental Management & Monitoring Plan is prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019 and the implementation has been verified during the site visit at the time of audit.

The Environmental Aspect and Impact Assessment Register & Environmental Management Plan is available prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019. The impact coverage includes:

- i. Land pollution
- ii. Water pollution
- iii. Energy usage efficiency
- iv. Human health problem
- v. Biomass management
- vi. Encroachment to bordering land area

**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 to mitigate the negative impact was incorporated in the environment management plan. Recommended action from Issues rise from the aspect impact analysis were planned in the "Environmental Aspect and Impact Assessment Register & Environmental Management Plan" prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019 and the implementation has been verified during the site visit at the time of audit.

**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 to promote the positive impacts on environmental was incorporated in the environment management plan. The Environmental Management Plan, Social Management Plan, Water Management Plan and Biodiversity Management Plan was prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019 and the implementation has been verified during the site visit at the time of audit. An action plan has been established describing the identification of waste products/ pollutants, environmental aspects (negative or positive).



**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 environmental related trainings which is planned by the estate management. Training Plan 2019 is made available as prepared by Mr. Arvindt Roghan, dated 12<sup>th</sup> April 2019 and approved by Ms. Abirami. The proposed training includes:

- MSPO policy
- Environment,
- Social & Safety Health Policy briefing
- Best practice
- Chemical mixing & spraying

**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** Meetings where the environmental quality are discussed during the "Safety, Health & Environment (SHE)" committee meeting. Meeting was conducted on 30<sup>th</sup> March 2019, 20<sup>th</sup> June 2019 and 7<sup>th</sup> August 2019. Items discussed include:

- i. Safety Issues
- ii. Health Issues
- iii. Environmental Issues

The meeting was chaired by Datuk Chidambaram, Managing director. Training implementation, attendance records and photographs are made available attended by staff and workers was made available.

**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** Diesel consumption is closely monitored by daily and monthly record as sighted. Records on the consumption of non-renewable energy used are available in the Diesel use per tonne FFB harvested. The baseline is a benchmark to compare against the actual usage of fuel per metric to FFB produced.

**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 projection consumption of diesel for Datuk Dr Ganesh Estate visited has been documented on annual basis based on the financial year. Seen annual estimate of non-renewable energy being established for the year 2019/2020. Records on the consumption of non-renewable energy used are available in the Diesel use per tonne FFB harvested.

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

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

**Summary** There is no renewable energy is being use by the estate at the moment.

**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** Abi's Land & Properties Sdn Bhd established management plan on waste handling in the "Environmental Aspect and Impact Assessment Register & Environmental Management Plan" prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019. Waste products identified are:

- i. Domestic waste
- ii. Scheduled waste

**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** Waste register and sources of pollution table is available to identify and monitoring the source of waste as prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019. Sources of wastes and pollutions at harvesting area, premix area and etc, monitoring sources of pollution are responsible by the estate management.

**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** Abi's Land & Properties Sdn Bhd has established Safety Operating Procedure – SOP for Chemical Management SOP 4: Revision 1, MSPO 1 (B) – 4/1, signed by Datuk G Chidambaram, Managing Director dated 30<sup>th</sup> April 2019. The SOP includes as follows:

- i. Chemical handling, monitoring and assessment;
- ii. Scheduled waste handling / storage;
- iii. Compliance with the SOP

Implementation of the handling and storage of Schedule Waste (SW) has been verified during the site visit at the time of audit.

**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** As per interviewed with estate manager, the chemical containers will be triple rinsed and punctured to prevent contamination of water source or to human health. Some of it will be used as a pre-mix container. Proper storage of scheduled wastes has been established. Implementation of the handling and storage of empty pesticide containers has been verified during the site visit at the time of audit.

Empty pesticide containers to be treated as follow;

1. Empty containers are to be triple-rinsed and stored in a dedicated area.
2. Containers for reuse should be appropriately labeled and 3 holes are to be punctured at the base of those for disposal, and dispose through an accredited vendor.

After mixing the chemicals, to ensure the following;

1. All wash water is to be directed to a soakage-pit sited a distance away from the chemical mixing area.
2. No water should escape into field drains or streams.

**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 at linesite area is well managed by the estate management. All domestic wastes are disposed at landfill. Implementation of waste disposal through disposal bin for local waste collector method has been verified during the site visit at the time of audit.

**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** All activities contributing to pollution in the estate has been accessed and documented as per Environmental Impact Assessment (EAIA), which includes the 17 work activities. The Environmental Aspect and Impact Assessment Register & Environmental Management Plan is available prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019. The impact coverage includes:

- i. Land pollution
- ii. Water pollution
- iii. Energy usage efficiency
- iv. Human health problem
- v. Biomass management
- vi. Encroachment to bordering land area

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

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

**Summary** The Environmental Aspect and Impact Assessment Register & Environmental Management Plan is available prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019. Action plan and monitoring sighted in document of Environmental Management Plan" dated 01<sup>st</sup> June 2019 was made available.

**MAJOR:**

There is an insufficient element stated in the action plan to reduce the identified significant pollutants and emissions available at the time of audit.

**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**      Abi's Land & Properties Sdn Bhd has established Water Management Plan as prepared by Mr. Arvindt Roghan, dated 1<sup>st</sup> June 2019 and approved by Ms. Abirami dated 5<sup>th</sup> June 2019. The usage of water is monitored for domestic and operation to ensure efficient water usage.

**MAJOR:**

Insufficient item were taken into consideration as there is no monitoring of outgoing water which may have negative impacts into the natural waterways. Ways to optimize water and nutrient usage to reduce wastage. Protection of water courses available within the estate vicinity.

**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 field inspection, sighted there is no construction of bunds, weirs and dams across main river flowing 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**      During site visit, there were road side drains constructed along the main roads to divert and conserve water at designated points.

**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 is surrounded by neighboring estates and smallholders. Proper signage (No fishing and no hunting) has been displayed at strategic locations in the estate.

**MAJOR:**



Biodiversity Assessment & Management Plan dated 1<sup>st</sup> June 2019 is made available. However, there is an insufficient information of Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.

**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 MAJOR:**

Biodiversity Assessment & Management Plan dated 1<sup>st</sup> June 2019 is available. However, there is an insufficient information identified in ensuring that any legal requirements relating to the protection of the species are met and discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.

**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 MAJOR:**

Biodiversity Assessment & Management Plan dated 1<sup>st</sup> June 2019 is available. The management and monitoring plan are found inadequate as the identification of the HBV area and species available is not sufficient.

**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** No burning of oil palm residue during replanting activities in the estate. Abi's Land & Properties Sdn Bhd established the Standard Operating Procedure (SOP) for Replanting - Procedure 10; Revision 1, MSPO 1 (B) – 10/1; dated 30<sup>th</sup> April 2019, signed by Datuk G Chidambaram, Managing Director. As stated in:

Clause 1: Use of fire is forbidden for all members within the Group Scheme. Alternate methods of land clearing and development is required (i.e: felling, chipping, drying, etc).

Clause 2: In the event, a group member has established (i.e: via advisory from a professional) that the use of fire is required, for example in the case of a pest outbreak, a formal approval must be obtained from the Department of Environment (DOE) in



writing to establish this. Once this approval is obtained, it must be shown to the manager before any development work or activities can commence.

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

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

**Summary** As per interview with Estate Manager no significant risk of disease palm was reported. Estate replanting programme based on estate's operation policies and agronomic practices is established.

**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** As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities are using the felling method. The practice is observed during field assessment. No controlled burning being sought by the estate.

**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** Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. During site observation, no traces of burning sighted during the site visit at the time of 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** Abi's Land & Properties Sdn Bhd has established Standard Operating Procedure for best practices to be implemented in Datuk Dr Ganesh Estate. The document was well maintained and implemented. Person in charge (Mr. Gunasekaran) will monitor the work flow and ensure all operations as per guided in the SOP Doc No. listed below:

No.	SOP	Policy No.
1	SOP for replanting [MSPO 1(B) – 10/1]	Procedure 10, Rev 1





2	SOP for training and continual Improvement [MSPO 1(B) - 2/1]	Procedure 2, Rev 1
3	SOP for Traceability [MSPO 1(B) – 1/1]	Procedure 1, Rev 1
4	SOP for Internal Audit	Procedure 3, Rev 1
5	SOP for stakeholder communication and consultation [MSPO 1(B) – 7/1]	Procedure 7, Rev 1
6	SOP for calculating and distributing fair compensation [MSPO 1(B) – 9/1]	Procedure 9, Rev 1
7	SOP for identifying, legal, customary right & land use [MSPO 1B) – 8//1].	Procedure 8, Rev 1
8	SOP for complaints and grievances including dispute handling and request for information (RFI) for internal and external stakeholders [MSPO 1(B) – 6/1]	Procedure 6, Rev 1
9	SOP for Emergency Response Plan [MSPO 1(B) – 5/1]	Procedure 5, Rev 1
10	SOP for Chemical Management [MSPO 1(B) – 4/1]	Procedure 4, Rev 1

**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** Estate is generally flat area with undulating at certain area. No steep is more than 25 degrees. During site visit, observed there is no terracing above 25 degrees.

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

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

**Summary** Maps are made available showing separation of estates. The estate has a map showing separation of block/field. Each field has the field marking (boundary marker) sighted during field visit. Abi's Land & Properties Sdn Bhd has established block naming system stated block no. and years of planting.

**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** Abi's Land & Properties Sdn Bhd has established an annual budget for the financial year 2019. Seen the business management plan for Datuk Dr Ganesh Estate, the estimate includes planting material, actual FFB production statement against 2018 budget, price per mt and price of FFB for cost of operational.

Annual budget for the financial year 2019 is made available. The monitoring operation expenses through monthly progress report.

**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 last replanting program made in the year as below:

- 2017 – 168 acres
- 2019 – 103 acres

Sighted Statement of Expenditure for the year ending 30<sup>th</sup> June 2019 [Immature Oil Palm – Replanting 2019 expenditure].

Particulars	2019 (RM)/mt	2020 (RM)/mt
Pruning (55,000 trees)	22,500.00	22,500.00
Harvesting FFB	5,125 mt	6,000 mt
Fertilizer (Kaka 44)	375,000.00	450,000.00
Contract workers	62,400.00	98,280.00
Chemical (Roundup, Ranger, Garlon)	52,815.00	56,340.00
Others	266,400.00	266,400.00

Forecast or long-term business management plan is made available for two years from 2019 – 2020.

**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** Estate had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas. Estate has "Business Management Plan" as "Bajet Final 2019". Detailed business management plan is made available are FFB projection (mt), yield/ha, FFB price forecast, estate operation cost.

Details	2019
OER	19.50%
PK	5.20%
Total FFB	159,808.94 mt
Price per/mt	RM378.48 (as at March 2019)
FFB tons	12,243 mt
Total cost of FFB/mt	RM 422.46 (as at March 2019)

**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** Estate performance is recorded on monthly basis and Datuk Dr Ganesh Estate budget final year 2019 is made available. The monitoring to achieved the target is effectively implemented such field monitoring and enforcement of all SOP.

Monthly account is made available to record the budgeted and actual production on monthly basis. Details on the actual vs budget i.e: FFB production, capital expenditure, production cost and profit & loss account are shown therein.

**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** Record seen in estimated income and expenditure statement for year 2018 & 2019, stated the prices of FFB [CPO & PK]. Sighted FFB transport agreement signed by both parties, therefore considered as fair, legal and transparent.

**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 contracts are kept and documents. Sighted the contract Agreement signed by contractor and Datuk Dr Ganesh Estate. As evidence, sampled:

Contract between the contractor and estate management is sighted. All payments made to the contractors evident during the audit, and agreed between both parties. Seen contract agreement of FFB transporter [Murugan a/l Subbiah] dated 1<sup>st</sup> August 2019.

**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** All the contractors are aware that estate will be certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement. Sighted "MSPO Stakeholder Briefing"- dated 24<sup>th</sup> July 2019 at Dato Dr. Ganesha Estate Main Office. Attendance record is available. Contractors attended the meeting and sighted attendance record. Meeting minutes is made available.

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

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

**Summary** Contract agreement of contractors are made available. Sighted contract agreement of contractors (FFB transporter) between estate management made available during the audit.

**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 30<sup>th</sup> May 2019 (Stage 1) and 14<sup>th</sup> August 2019 (Stage 2). Sighted audit plan which have been received and accepted by the estate management. All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

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

**Summary** As interviewed the Mr Gunasekaran, Manager, he monitors the work done by the contractors on daily basis. He is responsible as field conductor and monitor on the daily task operation. Monitoring of FFB harvested by workers are done on daily basis. Sighted daily record of FFB logbook. Records based on FFB delivery notes to respective palm oil mills. Control point records available in estate, sighted weighbridge ticket from estate and mill.

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



## 2.7 Principle 7: Development of new planting

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh 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** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh Estate.

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





<b>Indicator 5</b>	Identification and assessment of legal and recognised customary rights shall be documented.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh Estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 6</b>	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh Estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 7</b>	The process and outcome of any compensation claims shall be documented and made publicly available.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh Estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 8</b>	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Datuk Dr Ganesh Estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

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


## Appendix A: Audit Plan



<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
14 <sup>th</sup> August 2019	08:00 – 09:00	<ul style="list-style-type: none"> <li>➤ <b>Centralize Opening Meeting at Datuk Dr Ganesh Estate:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> </li> <li>➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation – where applicable).</li> </ul>	SP	MAS/NA
	09:00 – 13:00	<ul style="list-style-type: none"> <li>➤ <b>Datuk Dr Ganesh Estate Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	SP	MAS/NA
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul> </li> </ul>	SP	MAS/NA
		<ul style="list-style-type: none"> <li>➤ <b>Centralize Stakeholder Consultation (Datuk Dr Ganesh Estate – Office)</b></li> </ul>	SP	MAS/NA
	13:00 – 14:00	<ul style="list-style-type: none"> <li>➤ <b>Lunch</b></li> </ul>	SP	MAS/NA
	14:00 – 15:30	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	SP	MAS/NA
	15:30 – 16:00	<ul style="list-style-type: none"> <li>➤ Verify any outstanding issues, auditor discussion and end of audit for day.</li> </ul>	SP	NA/AS
	16:00 – 17:00	<ul style="list-style-type: none"> <li>➤ <b>Closing Meeting at Datuk Dr Ganesh Estate:</b> Chaired by the audit Lead Auditor <ul style="list-style-type: none"> <li>• Welcome and introduction by the Lead Auditor</li> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> </ul> </li> <li>➤ <b>End of assessment</b></li> </ul>	SP	NA/AS
15 <sup>th</sup> August 2019	TBA	<ul style="list-style-type: none"> <li>➤ <b>Travelling back from Gemencheh, Negeri Sembilan to Ampang, Selangor.</b></li> </ul>	SP	NA/AS




## Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit			
<b>Major Nonconformities:</b>		The following NC's were raised for this audit.	
<b>Company Name</b>		Abi's Land Properties Sdn Bhd	
<b>Stage of Audit</b>		Initial Stage 1	<input type="checkbox"/>
		Surveillance	<input type="checkbox"/>
<b>Audited Standard</b>		Initial Stage 2	<input checked="" type="checkbox"/>
		Recertification	<input type="checkbox"/>
<b>Client Number</b>		GGC-Z1-MSPO-2019	
<b>NC No. / Ref.</b>	Z1/MSPO/MAJOR/01	<b>Date Detected</b>	14 <sup>th</sup> August 2019
<b>Site(s) concern</b>	Datuk Dr. Ganesh Estate	<b>Target Completion</b>	90 days
<b>Normative Reference and Requirement</b>	4.5.4.2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.		
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	No action plan to reduce the identified significant pollutants and emissions		
<b>NC Objective Evidence:</b>			
The Environmental Aspect and Impact Assessment Register & Environmental Management Plan is available prepared by Mr. Arvindt Roghan, dated 1 <sup>st</sup> June 2019 and approved by Ms. Abirami dated 5 <sup>th</sup> June 2019. However, there is an insufficient element stated in the action plan to reduce the identified significant pollutants and emissions.			
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>	
			
<b>Root cause Analysis (to be filled by client):</b>			
Lack of awareness on the requirement of reducing pollutants and emissions.			
<b>Corrective action planned (to be filled by client):</b>			
To update the Environmental Aspect and Impact Assessment Register & Environmental Management Plan to include the reduction of diesel usage by incorporating vehicle servicing frequency.			
<b>Preventive Action (to be filled by client):</b>			
To ensure internal audit in 2020 covers the vehicle maintenance schedule.			
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>			



The findings been verified, all the evidence is sufficient. Environmental Aspect and Impact Assessment Register & Environmental Management Plan was made available as evidence to close the non-conformity. Site visit were not required as all document were submitted and satisfy the needs of non-conformity.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b> 11 <sup>th</sup> September 2019	<b>Lead Auditor Signature:</b> 

<b>Company Name</b>	Abi's Land Properties Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-Z1-MSPO-2019			
<b>NC No. / Ref.</b>	Z1/MSPO/MAJOR/02	<b>Date Detected</b>	14 <sup>th</sup> August 2019	
<b>Site(s) concern</b>	Datuk Dr. Ganesh Estate	<b>Target Completion</b>	90 days	
<b>Normative Reference and Requirement</b>	<p>4.5.5.1</p> <p>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:</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>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.).</p> <p>d) Protection of water courses and wetlands.</p>			
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Insufficient information included in the water management plan.			
<b>NC Objective Evidence:</b>				
Water management plan is available as prepared by Mr. Arvindt Roghan, dated 1 <sup>st</sup> June 2019 and approved by Ms. Abirami dated 5 <sup>th</sup> June 2019. However, insufficient item was taken into consideration as there is no:				
<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways.</p> <p>c) Ways to optimize water and nutrient usage to reduce wastage.</p> <p>d) Protection of water courses available within the estate vicinity.</p>				
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 		
<b>Root cause Analysis (to be filled by client):</b>				

Lack of knowledge on water management requirements.	
<b>Corrective action planned (to be filled by client):</b>	
To update the water management plan to include river water sampling as well as an additional rainwater harvesting system.	
<b>Preventive Action (to be filled by client):</b>	
Internal audit to cover water management on an annual basis.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The findings been verified, all the evidence is sufficient. Water Management Plan was made available as evidence to close the non-conformity. Site visit were not required as all document were submitted and satisfy the needs of non-conformity.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b> 11 <sup>th</sup> September 2019	<b>Lead Auditor Signature:</b> 


<b>Company Name</b>	Abi's Land Properties Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-Z1-MSPO-2019			
<b>NC No. / Ref.</b>	Z1/MSPO/MAJOR/03	<b>Date Detected</b>	14 <sup>th</sup> August 2019	
<b>Site(s) concern</b>	Datuk Dr. Ganesh Estate	<b>Target Completion</b>	Next Surveillance audit	
<b>Normative Reference and Requirement</b>	<p>4.5.6.1 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:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>4.5.6.3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>			



<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern	
<b>Description of Non-Conformity</b>	Insufficient information available in the Biodiversity assessment report on HBV areas. No required information in Biodiversity Management Plan. No record sighted.	
<b>NC Objective Evidence:</b>		
4.5.6.1 Biodiversity Assessment & Management Plan dated 1 <sup>st</sup> June 2019 is available. However, there is no information identified for:  a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the estate's activities.		
4.5.6.2 Biodiversity Assessment & Management Plan dated 1 <sup>st</sup> June 2019 is available. However, there is no information identified for:  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.		
4.5.6.3 Biodiversity Assessment & Management Plan dated 1 <sup>st</sup> June 2019 is available. However, the management and monitoring plan is found inadequate as the identification of the HBV area and species available within the vicinity is not recorded.		
<b>Lead Auditor Signature:</b>	<b>Client Signature:</b>	
		
<b>Root cause Analysis (to be filled by client):</b>		
Lack of knowledge on biodiversity assessment requirements.		
<b>Corrective action planned (to be filled by client):</b>		
To update the biodiversity assessment covers the HBV areas. To update the biodiversity assessment covers the legal requirements of the protection of the species. To update the biodiversity assessment to cover the HBV areas and species available within the vicinity.		
<b>Preventive Action (to be filled by client):</b>		
Internal audit to cover HBV areas. Internal audit to cover legal requirements of the protected species. Internal audit to cover the HBV areas and species available within the vicinity.		
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>		
The findings been verified, all the evidence is sufficient. Biodiversity Assessment & Management Plan was made available as evidence to close the non-conformity. Site visit were not required as all document were submitted and satisfy the needs of non-conformity.		
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	





<b>Date Verified:</b> 11 <sup>th</sup> September 2019	<b>Lead Auditor Signature:</b> 
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<b>Minor Nonconformities:</b>	The following NC's was raised for this audit.
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<b>Company Name</b>	Abi's Land Properties Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3 General Principles for oil palm plantations and organized smallholders			
<b>Client Number</b>	GGC-Z1-MSPO-2019			
<b>NC No. / Ref.</b>	Z1/MSPO/MINOR/01	<b>Date Detected</b>	14 <sup>th</sup> August 2019	
<b>Site(s) concern</b>	Datuk Dr. Ganesha Estate	<b>Target Completion</b>	Next surveillance audit	
<b>Normative Reference and Requirement</b>	4.4.5.4 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.			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	No record sighted.			
<b>NC Objective Evidence:</b> Management do not have records of contractor's workers employment contract and salary records.				
<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b> 			
<b>Root cause Analysis (to be filled by client):</b>				
<b>Corrective action planned (to be filled by client):</b>				
<b>Preventive Action (to be filled by client):</b>				
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>				
To be verified during Annual Surveillance Audit.				

<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Area of Concern:</b>	No area of concern was raised for this audit.
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## Appendix C: List of Stakeholders Contacted

### Attendance List

#### Internal Stakeholders

- 1) Datuk Dr Ganesh Estate management team
- 2) Internal staff & workers
- 3) Gender Committee Representatives
- 4) Male and Female workers
- 5) Workers Representatives
- 6) Foreign Workers Representatives

#### External Stakeholders

- 1) Balai Polis Gemencheh
- 2) Temple representative
- 3) Suppliers
- 4) Local Communities
- 5) Villagers