

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



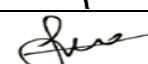
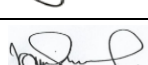
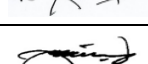
CERTIFICATION AUDIT REPORT


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

Mutiara Eramas Sdn Bhd

-Single Site Certification-

MAIN ASSESSMENT AUDIT
11th June 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	22/07/2019	Issued as Draft Report	Ismadi bin Ismail	Lead Auditor	
A	05/08/2019	Peer Review 1 Comments	Muhammad Sufyan bin Azmi	Peer Reviewer 1	
A	05/08/2019	Peer Review 2 Comments	Mohamad Fitri bin Mustafa	Peer Reviewer 2	
B	06/08/2019	Issued as Final Report	Ismadi bin Ismail	Lead Auditor	
B	08/08/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Mutiara Eramas Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	08/08/2019	Acceptance of the contents	Winnie Osingang	Sustainability Manager	

Declaration

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Note: Section II of this report contain confidential information and been protected from public disclosure.



SECTION I : PUBLIC SUMMARY REPORT

1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of Mutiara Eramas Sdn Bhd. During this Main Assessment (Stage 2) Audit, the audit team were briefed by Estate Management of the supply base disposition. The Estate is on Single Site Certification.

This assessment was conducted onsite on 11th June 2019 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

1.2 Company details and Contact information

Company Name	Mutiara Eramas Sdn Bhd
Business Address	2-3, Lot 33, Block E, Lintas Square, Jalan Lintas, 88300 Kota Kinabalu, Sabah, Malaysia.
Contact Person	Mr. Roger Ling Wei Lee
Office Telephone	088-222350
E-Mail	roger.ling91@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.	Mutiara Eramas Sdn Bhd	Sapulut, Nabawan, Sabah, Malaysia.	E 116° 30' 30"	N 4° 41' 25"

MPOB License Information

No	Name of the Site	Licence Number	Expiry Date	Scope Activity
1.	Mutiara Eramas Sdn Bhd	613929002000	31/7/2019	Menjual Dan Mengalih FFB

Others Sustainability Certification

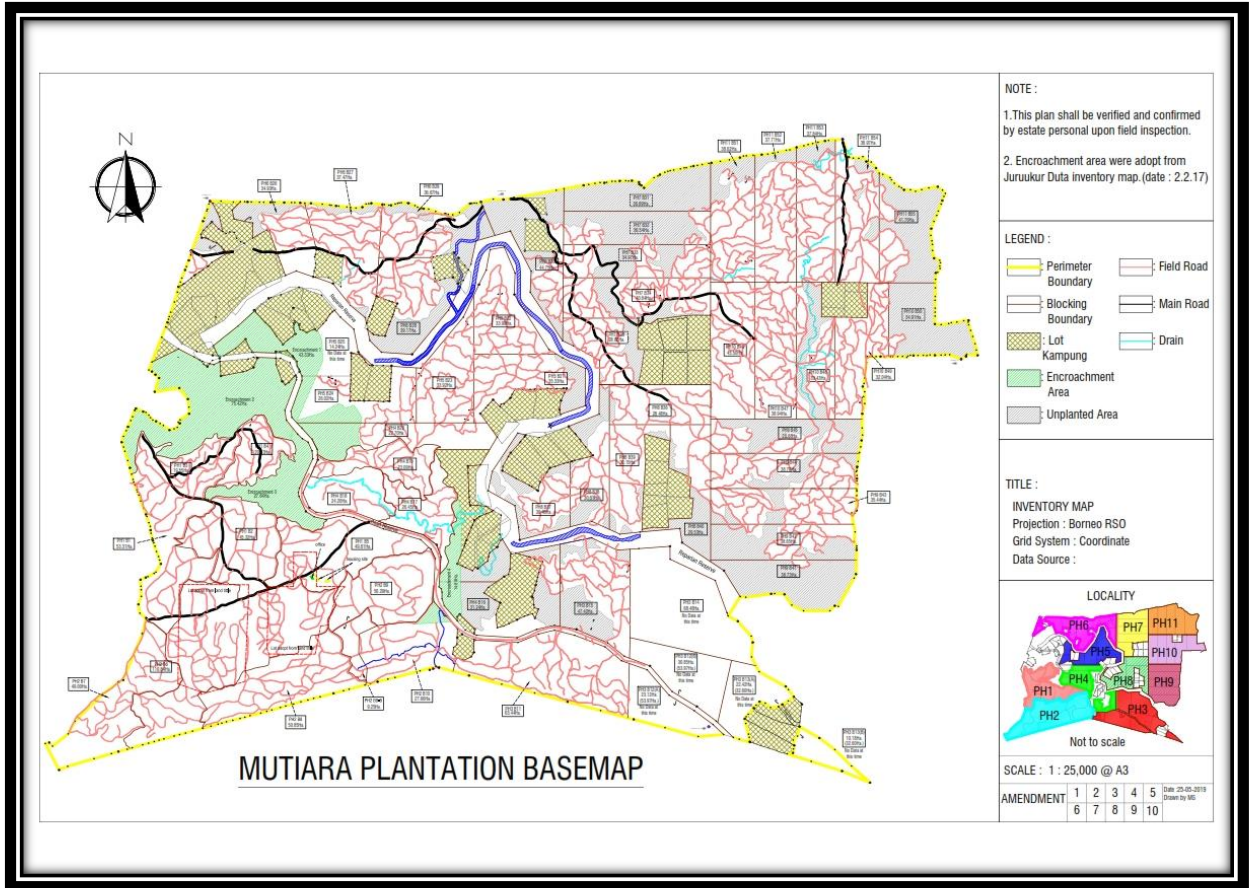
No	Name of the Site	Others Sustainability Certification
1.	Mutiara Eramas Sdn Bhd	NIL

1.4 Map Showing Geographical Location

a) Mutiara Eramas Sdn Bhd



b) Mutiara Eramas Sdn Bhd



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Mutiara Eramas Sdn Bhd	2,428.16	828.72	337.25
Total	2,428.16	828.72	337.25

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Mutiara Eramas Sdn Bhd	-	-	918.41
Total	-	-	918.41

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [June 2018- May 2019]	Projected Production for next 12 Months [June 2019-May 2020]
Mutiara Eramas Sdn Bhd	NIL	614.37	1,726.98
Total		614.37	1,726.98

1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-MESB001-MSPO-00-2019
Initial certificate issued date	08 th August 2019
Certificate expiry date	07 th August 2024
Stage 1 assessment date	20 th April 2019
Stage 2 / Main Assessment	11 th June 2019
Annual Surveillance 1 [ASA 1]	May 2020
Annual Surveillance 2 [ASA 2]	May 2021
Annual Surveillance 3 [ASA 3]	May 2022
Annual Surveillance 4 [ASA 4]	May 2023



1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Ismadi bin Hj. Ismail

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

During this assessment, he assessed on the aspect of Transparency, Safety and Health, Employment Condition, Social and community engagements, stakeholder's consultation and workers welfare. Able to speak and understand Bahasa Malaysia and English

Auditor

Name: Sesumaran Subramniam

Sesumaran's Academic Experience are BSc (Hons) Computer Studies, University of Sunderland (UK) Year 2006) and obtain Bachelors in Total Quality Management Year-2011. He has gained his vast experience in quality management and auditing while working in various certification bodies as a Quality Manager and auditor since 2013. Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Auditor in several certification programme. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Wan Mohd Azlan bin Wan Ngah

He is graduated from Open University Malaysia with a Bachelor's Degree in Business Administration with more than 30 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO assessment since 2018. Completed and certified MSPO Auditor course in 2017 held by SIRIM STS Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as it is on Single Site Certification.

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

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

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

1.9 Audit Plan Information

Audit Date	11 th June 2019
Name of site(s) visited	Mutiara Eramas Sdn Bhd
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	12	Closed
Minor Nonconformities	0	No action requires
Area of Concern	1	No action requires
Noteworthy /Positive Comments	4	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle 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 3rd June 2019 at <https://www.ggc.my/index.php?task=public> and as to accommodate a stakeholders' consultation meeting for Estate. Therefore, it was conducted on 11/06/2019 at Mutiara Eramas Sdn Bhd 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.

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as others aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the mill management before incorporating into the assessment findings. The participants were represented of internal and external stakeholder namely from local communities, government agencies, workers and etc.

The details is as per table below,

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Beneficiary Representatives)	<ul style="list-style-type: none"> • He have good understanding about MSPO. • His aware on the existence of complaints and grievances mechanism. 	<ul style="list-style-type: none"> • No action requires • No action requires 	<ul style="list-style-type: none"> • Positive findings • Positive findings
2.	Stakeholders B (MPOB Officer)	<ul style="list-style-type: none"> • The Estate is complying with all the legal requirement under MPOB. 	<ul style="list-style-type: none"> • No action requires 	<ul style="list-style-type: none"> • Positive findings

3.	Stakeholders D (FFB Traders)	<ul style="list-style-type: none"> • She informed that the payments were made promptly without any delay. • Contract agreement were signed prior commencement of work. • She have good understanding about MSPO. • She aware on the existence of complaints and grievances mechanism. 	<ul style="list-style-type: none"> • No action requires • No action requires • No action requires • No action requires 	<ul style="list-style-type: none"> • Positive findings • Positive findings • Positive findings • Positive findings
4.	General Worker	<ul style="list-style-type: none"> • They are aware on the importance of safe work practices to be implemented at the workplace and PPE will be given free of charge by the Estate. • They have confirmed that no sexual harassment and violence case had happened in the workplace. • The Estate has treated its worker's right equally with no discrimination based on gender. • They were satisfied with the condition of their living quarters. The Estate provides the basic amenities such as free water and electricity. • They have confirmed that workers' wages per month are being paid more than the Minimum Wage Order 2018 of RM1, 100.00 	<ul style="list-style-type: none"> • No action requires • No action requires • No action requires • No action requires 	<ul style="list-style-type: none"> • Positive findings • Positive findings • Positive findings • Positive findings
5.	Harvesters	<ul style="list-style-type: none"> • They are aware on the importance of safe work practices to be implemented at the workplace and PPE will be given free of charge by the Estate. • They have confirmed that no sexual harassment and violence case had happened in the workplace. • The Estate has treated its worker's right equally with no discrimination based on gender. • They were satisfied with the condition of their living quarters. 	<ul style="list-style-type: none"> • No action requires • No action requires • No action requires • No action requires 	<ul style="list-style-type: none"> • Positive findings • Positive findings • Positive findings • Positive findings



		<p>The Estate provides the basic amenities such as free water and electricity.</p> <ul style="list-style-type: none"> • They have confirmed that workers' wages per month are being paid more than the Minimum Wage Order 2018 of RM1, 100.00 	<ul style="list-style-type: none"> • No action requires 	<ul style="list-style-type: none"> • Positive findings
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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 **Mutiara Eramas Sdn Bhd**. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. MSPO Compliance also being assist by Sustainability Department.

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 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), 12 major non-conformities and 1 area of concern have been raised to the facilities that being audited. All the evidence submitted were found adequate and therefore all major non-conformities are closed. (Refer to Appendix B, non-conformity table for details).

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of major non-conformity findings is closed. Hereby, the lead auditor recommends to award the certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" to Mutiara Eramas Sdn Bhd.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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



1.15 Abbreviations Used

CHRA	Chemical Health & Risk Assessment
CoP	Code of Practise
CPO	Crude Palm Oil
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating Procedure

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 Mutiara Eramas Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices:

- To operate sustainability management based on the principles and criteria contained in MS2530:2013 standard.
- To continuously improve our operation in line with social, environmental and economic aspects.
- Ensure protection and conservation for High Conservation Value and High Carbon Stock areas.
- Ensure protection and preservation of rare, threatened or endangered species and high biodiversity values.
- To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

The policy was signed by Director of Operation Mutiara Eramas Sdn Bhd, Mr. Roger Ling Wei Lee, dated 01 June 2018.

External Stakeholder Meeting was conducted on 9th April 2019 at Dewan Kampung Tonomon attended by 41 participants. The meeting conducted by Miss Winnie Osingang, the MSPO Coordinator

In Compliance **Yes** No Not Applicable

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

Summary Mutiara Eramas Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices. The policy was signed by Director of Operation (Mr. Roger Ling Wei Lee) dated 01 June 2018.

The company is committed to continuously improve their operation in line with social, environmental and economic aspects based on the principles and criteria contained in MS2530: 2013 standards.

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 Mutiara Eramas Sdn Bhd has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st July 2018.

Internal audit has been planned for the year 2019 as documented in "Annual Internal Audit Plan" prepared by Winne Osingang and approved by the Director. Seen, the



Internal audit at Mutiara Eramas Sdn Bhd being planned in March, July and November 2019

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

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

Summary The company has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st July 2018.

The purpose of this procedure is to describe the audit process conducted internally to determine Mutiara Eramas Sdn Bhd operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards.

The internal audit conducted by Miss Winnie Osingang on 18th March 2019. 10 major, 7 minor and 9 Opportunity for Improvement being raised during audit. The findings were documented in the Internal Audit Findings Summary.

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 done by Internal audit conducted by Miss Winnie Osingang on 18th March 2019. 10 major, 7 minor and 9 Opportunity for Improvement being raised during audit. The findings were documented in the Internal Audit Findings Summary.

Non-Conformity - Major

No evidence, the non – conformities raised by during Internal Audit the being closed for Management Review.

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 Mutiara Eramas Sdn Bhd has established the Management Review Procedure. MSPO-02; Rev 0; Date 1/07/2018.

Sighted the MSPO Management Review Meeting dated 5th April 2019 chaired by Mr. Ling Ding Dieng, the Managing Director. The meeting attended by 10 participants.



As per stated in the procedure, the estate manager is responsible for arranging the meeting, preparing meeting agenda, determine scheduled date and meeting minutes. The agenda shall be as listed below:

1. Review action items from previous meetings.
2. Review the suitability of the policy.
3. Review process performance and product conformity including suitability and achievement of the quality objectives and other measures.
4. Review feedback from customers and other interested parties including data relating to customer perception of whether the organization has met customer requirements (include positive feedback as well complaints). Review customer delivery performance.
5. Review summary and status of non-conformities.
6. Review any changes or requirements that might affect the QMS, e.g. revisions to the MSPO standard, legal & regulatory issues or new processes.
7. Review resource issues such as:
 - Human – current adequacy and future needs, competency, training, organization chart and job descriptions (responsibility, authority and communication);
 - Facility – adequacy, suitability and maintenance of buildings, work environment and services (e.g. communications).
8. Any other business or quality planning. (e.g financial, social, environmental, statutory, regulatory, marketing, etc)

Non-Conformity - Major

Evidence, the Management review being conducted without the closure of all non-conformities raised by the Internal Auditor. Thus contradict with MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st July 2018 under No 5, Procedure Explanation; Follow-up Audit and Audit Report input to Management Review.

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 Mutiara Eramas Sdn Bhd has established Sustainability Policy. The policy has been approved by Director of Operation, Mr Roger Ling Wei Lee dated on 1st June 2018.

Stated in the Sustainability Policy; Point no 2 – “To continuously improve our operations in line with social, environmental and economic requirements”.

Mutiara Eramas Sdn Bhd has established the Management Review Procedure. MSPO-02; Rev 0; Date 1/07/2018, Appendix 2: Continuous Improvement Plan.



The Continual Improvement Plan as stated below:-

	2019	2020
Manager House		2
Assistant Manager House	3	3
Workers Quarters	5	5
Bathrooms	10	27
Chemical store	1	
Schedule waste	1	
PPE Store		1
Lubricant Store		1
Workshop	1	
General Store		1
Office		1

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 has installed Solar Panel to 29 workers quarters from the total of 60 in order to reduce the usage of Gen-set power supply.

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 management will adapt any new technology suitable for its operations from time to time

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

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

Summary The Company has established the Stakeholder Communication & Consultation Procedure under No.MSPO-03 Rev:0 Dated 1 July 2018, Mutiara Eramas Sdn Bhd.

Communication and consultation process is also communicated through stakeholder meeting. External Stakeholder Meeting was conducted on 9th April 2019 at Dewan Kampung Tonomon attended by 41 participants. The meeting conducted by Miss Winnie Osingang, the MSPO Coordinator.

No record on request and response matter being addressed by stakeholders.

Non-conformity - Major

Sighted briefing on MSPO Policies and compliances being conducted to 75 internal stakeholders dated 23rd January 2019. No evidence, the remaining 105 internal stakeholders being briefed thus far.

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 Sighted Reference Document List guideline as stated below:-

No	Reference Document	Confidential	Non Confidential
1	MSPO Policies and objectives		/
2	Trade Supplier List	/	
3	Operations Procedures		/
4	Communication Procedures		/
5	FFB Supplier List	/	
6	Financial Statement & Business Data	/	
7	Contract Agreements	/	

All these documents were sighted in the estate office. Requests for official documents through the Estate office will have to go through the Estate manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document

In Compliance **Yes** No Not Applicable

Criterion 2 Transparent method of communication and consultation

Indicator 1 Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary The Company has established the Stakeholder Communication & Consultation Procedure under No.MSPO-03 Rev:0 Dated 1 July 2018,Mutiara Eramas Sdn Bhd. The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.

In Compliance **Yes** No Not Applicable



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

Summary The person in charge for transparency agenda is Mr Redzon Matampas,, appointed on 20th January 2019 by the Sustainable Manager, Mr Lawrence Lau.

In Compliance **Yes** No Not Applicable

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

Summary Sighted latest stakeholders list updated in April 2019 as below:-.

	No of stakeholders
Government	30
Supplier / Contractor	18
Neighbouring Estate / Mill / Local Community	18

External Stakeholder Meeting was conducted on 9th April 2019 at Dewan Kampung Tonomon attended by 41 participants. The meeting conducted by Miss Winnie Osingang, the MSPO Coordinator.

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 The company has established Mutiara Eramas Sdn Bhd. MSPO Procedure : FFB Traceability Ref No: MSPO – 04 Rev: O; Date: 1st July 2018

Non-conformity - Major

The actual FFB process flow is contradict with the Company’s MSPO Procedure on Traceability.

In Compliance Yes **No** Not Applicable

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

Summary The Management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through GM’s and Director’s visit.

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 person in charge for transparency agenda is Mr Justin Agandak, appointed on 12th December 2018 by the Sustainable Manager, Mr Lawrence Lau.

In Compliance **Yes** No Not Applicable

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

Summary FFB being sell to Wonder Choice Sdn Bhd, collecting centre and being monitored by Head Office.

Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by estate.

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 list of law sighted in document Legal Register Mutiara Eramas Bhd. The list includes:

1. Occupational safety and health (Factories & machineries, Uniform building by law, Pesticide, Electrical supply, etc)
2. Environmental (EQA, Local Government)
3. General (Housing and Amenities, Labour, EPF, SOCSO, Union, etc)
4. Other Requirements (Jadual Pematuhan DOE, MPOB)

Estate have an implemented practice to send the schedule waste to Pandewan Oil Mill Sdn Bhd which is the collecting point of estates for schedule waste.

Non-conformity - Major

- a. Mutiara Eramas Estate also maintaining a small schedule waste store to stock the schedule waste temporarily before send the wastes to collecting point.

A mechanism to record the schedule waste was not available in the estate during the audit.in example (record book or log book)(jadual buangan)

Environmental Quality (Schedule Wastes)Regulations 2005 ;PU(A)294/2005;Regulations 9-storage of Schedule wastes;No5-Any person may store schedule wastes generated by him for 180 days or less after its generation ,provided that: 1.The quantity schedule waste accumulated on site shall not exceed 20 metric ton.

- b. List of legal requirements for the following was not updated during the audit.

1. Minimum Wages Order 2012
2. Jadual Pematuhan Department of Environment is applicable to mills only
3. Sabah Labour Ordinance not in the listing

In Compliance Yes **No** Not Applicable

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

Summary The list is fully covered the details requirements that related to MSPO compliance. Sighted at the Estate, permit & license being monitored and updated by the Person-In-Charge. Sighted some of the laws as below:

1. MPOB License No: 613929002000, Expiry: 31/07/2019
2. Trade license (KGU/2019/3944) expiry: 31.12.2019

In Compliance **Yes** No Not Applicable

Indicator 3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

Summary The company keep the legal requirements updated by appointing Ms. Khtrine Busiau as a PIC when any new amendments or any new regulatory coming into force.

In Compliance **Yes** No Not Applicable

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

Summary The company keep the legal requirements updated by appointing Mr. Khtrine Busiau as a PIC when any new amendments or any new regulatory coming into force. The appointment was made on 12.12.2018 as per appointment letter sighted.

In Compliance **Yes** No Not Applicable

Criterion 2 Land use rights

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

Summary The estate is managing Communal Land which was established in "Seksyen 77 Ordinan Tanah (Bab 68) under Communal Title FIELD REGISTER 154000567" located at Sapulut 4, Sabah Malaysia. The total area is 6,000 acres (2,428.16 Ha).

In Compliance **Yes** No Not Applicable

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

Summary The estate is managing by Mutiara Eramas Sdn Bhd. It is joint venture between Beneficiaries of Communal Title Field Register 154000567. The joint-venture agreement was signed on 01st July 2013 for a total of 6,000 acres (2,428.16 Ha).

Sighted land title dated 01.01.2010 (Title No: 154000567) which stated that the land is demised herein expressly as a communal title for the purpose of cultivation of agriculture crops of economic value.

Non-conformity - major

The estate is managing communal land which was established in "Seksyen 77 Ordinan Tanah (Bab 68) under Communal Title Field Register 154000567" located at Sapulut 4, Sabah Malaysia. The total area is 6,000 acres (2,428.16 Ha). However in the Area Statement of Mutiara Eramas Estate it's stated that Grand Total Hectare is: 2157.20 Ha. The difference of 270.96 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 Boundary map sighted during the audit with maps showing the plantable area at Block 1 of the Estate.

In Compliance **Yes** No Not Applicable

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

Summary No customary right demonstrates in this vicinity.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary land 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 No customary right demonstrates in this vicinity.

In Compliance **Yes** No Not Applicable

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

Summary No customary right demonstrates in this vicinity.

In Compliance **Yes** No Not Applicable



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

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 SIA as per documented procedure MSPO Procedure: Social Impact Assessment (SIA) [Doc No: MSPO-09, Rev 00] dated 1st July 2018.

Sighted, SIA for Internal stakeholders conducted on 4TH March 2019. The purpose of Social Impact Assessment is assessing on Access and Use Rights, Economic livelihoods and working condition, cultural and religion issues, health and education facilities and subsistence activities.

The procedures was prepared by Assistant Manager Mr Marcellus Dominic and approved by Estate Manager Sareffudin Bin Samat

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 sighted "Prosedur Pengendalian Aduan atau Cadangan", dated 1st July 2018. Organization chart is available for Complaint and Grievances.

The procedure and flowchart outlined the mechanism to handle issues highlighted by all the stakeholders and resolved effectively, timely and appropriate manner that is accepted by all parties.

In Compliance **Yes** No Not Applicable

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

Summary **Non-conformity -major**

Evidence, all the complaints raised by the stakeholders dated 12th January 2019, 22nd January 2019 and 14th January 2019 are without name and being resolve in an effective, timely and appropriate manner.

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 External and Internal 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.

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 Seen, communication of all the policies being conducted through-

- a. External Stakeholder Meeting was conducted on 29th March 2019 at Dewan Serbaguna Kg Sinua attended by 26 participants. The meeting conducted by Miss Winnie Osingang, the MSPO Coordinator.
- b. Morning briefing during Muster-call

In Compliance **Yes** No Not Applicable

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

Summary Sighted 3 complaints being recorded in year 2019 and zero in 2018.

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 Corporate Social Responsibility Record File for internal and external stakeholder.

Sumbangan kewangan untuk membiayai sambutan Hari Natal (Krismas) di Gereja Tonomon Sepulut. Sighted letter dated 6th November 2018, and donation amounted RM500.00 attached with bank payment slips made available.

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 OSH policy sighted (Occupational Health and Safety Pandewan Palm Oil Mill) signed by Managing Director Mr. Roger Ling Wei Lee, dated 1st June 2018.

OSH Plan has been established as per Occupational Safety and Health Program 2019.

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 OSH policy sighted (Occupational Health and Safety Pandewan Palm Oil Mill) signed by Managing Director Mr. Roger Ling Wei Lee, dated 1st June 2018.

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). HIRARC sighted for the followings work operation :-

1. Tingkahlaku Semasa bekerja
2. Menanam Anak Pokok Kelapa Sawit
3. Memotong buah tandan segar
4. Penyemburan racun
5. Menabur Baja



6. Menabur Racun Tikus
7. Pemandu
8. Penyimpanan dan Pengurusan bahan di stor
9. ETC

The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file. Training Plan includes :-

,	TOPIC	MONTH PROGRAMME	STATUS DONE
1	Chemizal Hazard	Dec `19	
2	PPE	DEC `19	
3	1 st Aid Box	OCT `19	
4	CPR Techniques	OCT ` 19	
5	Workshop	NOV `19	
5	Signage	DEC `19	
6	Tingkahtaku Semasa Kerja	JAN `19	
7	Planting of Oil Palm	FEB `19	
8	Harvesting	MARCH `19	
9	Spraying	April ` 19	
10	Manuring	May `19	
11	Rat Baiting	June `19	
12	Driving	July `19	
13	Penyimpanan dan Pengurusan Bahan Kimia di Store	August `19	
14	Pengangkutan Pekerja	Sept `19	

MSPO Awareness & Policies Training was conducted on 23rd January 2019 at Mutiara Eramas Main Office. The training attended by 75 workers.

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

1. Staff/AP
2. Harvesters
3. Field Workers
4. General Workers

CHRA has been conducted on 25th April 2019 reported by Mrs. Suzanna J Rice Oxley (HQ/11/ASS/00/290). Seen the Chemical Register Hazardous to Health which registered 7 hazardous chemicals dated April 2019.

OSH Committee Chart 2019 sighted. Seen, letter of appointment for committee members in the file. Person incharge of OSH is Mr. Sareffudin Bin Samat, the Estate Manager. He will assist by Sustainability Department.

The committee meeting has been conducted as schedule and the latest was on 22nd May 2019. The meeting to discuss all issues regarding worker's safety and health. The meeting attended by 15 representatives. Zero accidents occurred in 2018 and 2019 to date.

Sighted the emergency procedure for the Estate under Mutiara Eramas Sdn Bhd – Manual Keselamatan dan Kesihatan Pekerjaan, No Dokumen, MESB-SHM-04, No rujukan -0, Tarikh Berkuatkuasa-7/1/2019. Emergency response plan available in local language, Malay and English. The ERP has been explained to all workers and staffs during training which has been conducted.

Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board. The certified first aider for the Estate are:-

1. En Wilder Joseph – 950602-12-6217
2. En Zerafiani bt John – 920308-12-6374
3. En. Zendifirwan John – 940317-12-7019

They have attended the training on 27th April 2018. The certificate valid till April 2021 under Sijil Pengenalan Pertolongan Cemas Industri.

Estate has registered with DOSH the No . Daftar Tempat Kerja : SB/19/04/139090

Non-conformity -major

No evidence, health or medical surveillance being conducted consistently to all workers who is exposed or likely to be exposed to chemicals hazardous to health as per recommendations in the Chemical Health Risk Assessments.

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

Sighted the Social Policy., established on 1st June 2018 signed by Operation Director, Mr Roger Ling Wei Lee. Communication of the policy to workforce is through muster – call and the policies being displayed at the office notice boards. This policy covers :-

- a. Compliance with established laws and regulations including labour laws, land title laws and workers' housing
- b. Ensur minimum retirement age policy is complying
- c. Provide the relevant training and development associated with their roles and responsibility
- d. Prohibit employing worker by coercion or under age
- e. Paying salaries to employees and staff on a minimum a wage order
- f. Respect and protect Human Rights and workers Rights (including temporary workers, contracts or foreign workers)



- g. Freely of discrimination and prejudice against gender, race, religion, nationality and political views
- h. Provide a harmonious work environment to employees, customers and stakeholders
- i. Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.

Allow workers to join or form trade unions of their own choosing that enable them to exercise their rights, Company shall give them freedom to have their own representative to organize themselves for collective bargaining.

In Compliance **Yes** No Not Applicable

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

Summary Sighted in the Social Policy on Free from discriminatory practices against sex, race, religion, nationality and political opinions, established on 1st June 2018 signed by Operation Director, Mr Roger Ling Wei Lee.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate.

In Compliance **Yes** No Not Applicable

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

Summary Sighted in the Social Policy on Payment of the minimum salary as gazette by law, established on 1st June 2018 signed by Operation Director, Mr Roger Ling Wei Lee.

Pay and conditions are documented in the workers’ Contract Agreement and wage payment records / pay slip.

The salary is according to ‘Guidelines on the Implementation on the Minimum Wages’. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1100.00 as stated in the guidelines.

Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Sample taken as below:-

- Natrahiky Nirah Angindin – 970128-12-5652– May 2019

Basic Salary = RM 1,100.00

Deduction



EPF	=	RM	121.00
SOCSSO	=	RM	5.25
SIP	=	RM	2.10
Nett Pay	=	RM	971.65

In Compliance **Yes** No Not Applicable

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

Summary No contractor being engaged in the Estate.

In Compliance **Yes** No Not Applicable

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

Summary Sighted, the Registration Card of the workers which stated the offered position, employee number, date joined, 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 Sighted, Employment Contract between Mutiara Eramas Sdn Bhd and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian. Sample taken on Stenly Asang, NRIC number -951217-12-6637

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 The Management has established Time Recording System based on Attendance Record Book for staff and Pocket Check-roll to workers.

In Compliance **Yes** No Not Applicable



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

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

There is no complaint received regarding payment or forced to work on overtime during site interview

In Compliance **Yes** No Not Applicable

Indicator 9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

Summary Pay Slip and Employment Contracts of each workers sighted. Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.

Documented payslip was distributed to individual workers on the day of payment.

In Compliance **Yes** No Not Applicable

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

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

For Indonesian workers, will be covered under SOCSO upon expiring the Foreign Workers Compensation Scheme.

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, volleyball court and shop. Water and electricity is provided free to all workforce.

Periodically, linesite Inspection was conducted by the Staff In Charge of Linesite, Mr Justine.

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 Procedure for handling sexual harassment has been established as per Prosedur Pengurusan dan Pengendalian Gangguan Seksual di Tempat Kerja, approved by Mr. Roger Ling Wei Lee dated 1st June 2018. The policy to prevent all forms of sexual harassment and violence at the workplace

In Compliance **Yes** No Not Applicable

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

Summary Sighted Freedom of Association Policy approved by Mr. Roger Ling Wei Lee dated 1st June 2018. In addition, the Social Policy did stated on respect the right of all employees to form or join trade union has been stated under clause:

- f. Respect and protect Human Rights and workers Rights (including temporary workers, contracts or foreign workers)

In Compliance **Yes** No Not Applicable

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

Summary Child and young person policy is incorporated in the Social Policy. The policy was approved by Mr. Roger Ling Wei Lee dated 1st June 2018. The policy on Children and young persons shall not be employed or exploited has been stated under the following number:

- d'. Prohibit employing worker by coercion or under age

There are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

In Compliance **Yes** No Not Applicable

Criterion 6 Training and competency

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



Summary Training and Development policy is incorporated in the Social Policy established on 1st June 2018 signed by Operation Director, Mr Roger Ling Wei Lee. The statement is under the following number:

- c' Provide the relevant training and development associated with their roles and responsibility

The Estate has a comprehensive annual training plan. The training plan for 2019.

,	Topic	Month programme	Status done
1	Chemizal Hazard	Dec `19	
2	PPE	Dec `19	
3	1 st Aid Box	Oct `19	
4	CPR Techniques	Oct ` 19	
5	Workshop	Nov `19	
5	Signage	Dec `19	
6	Tingkahlaku Semasa Kerja	Jan `19	
7	Planting of Oil Palm	Feb `19	
8	Harvesting	March `19	
9	Spraying	April ` 19	
10	Manuring	May `19	
11	Rat Baiting	June `19	
12	Driving	July `19	
13	Penyimpanan dan Pengurusan Bahan Kimia di Store	August `19	
14	Pengangkutan Pekerja	Sept `19	

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. 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 annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2019 was



sighted. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

In Compliance **Yes** No Not Applicable

2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

Indicator 1 An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

Summary Environmental policy signed by Managing Director, Mr. Roger Ling Wei Lee dated 01.06.2018 and seen Document No: MSPO-06 Pelan Pengurusan Alam Sekitar dated 01.07.2018.

Sighted Training on Sustainable, Environmental, Safety & Health and Social Policy has been conducted to Internal stakeholders.

In Compliance **Yes** No Not Applicable

Indicator 2 The environmental management plan shall cover the following:
a) An environmental policy and objectives;
b) The aspects and impacts analysis of all operations.

Summary The estate has conducted Environmental Aspect Impact as per document Environmental Aspect Impact Assessment Guidance for Estate dated 1.07.2018 covering all estate operations which give major impacts on the environment.

Estate have an implemented practice to send the schedule waste to Pandewan Oil Mill Sdn Bhd which is the collecting point of estates for schedule waste.

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 Mutiara Eramas Estate have established a mitigation plan documented in document Environmental Aspect Impact Assessment Guidance for Estate dated 1/7/2018-reference number:-MSPO -06.

In Compliance **Yes** No Not Applicable

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

Summary AREA OF CONCERN

Program to promote positive impacts to the environment has been established as per document No: MSPO-06 Lampiran 3: Program Jawatankuasa Alam Sekitar 2019.

Improvement Plan available with the time bound plan of implementation. Document reference number not available for improvement plan.

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 Training Plan to promote positive impacts to the environment has been established as per document No: MSPO-06 Lampiran 3: Program Jawatankuasa Alam Sekitar 2019. Sighted training attendance list for Briefing on Sustainable, Environmental, Safety & Health and Social Policy dated 23rd January 2019.

An MSPO awareness training conducted on 17th and 18th July 2018 attended by 19 participants.

In Compliance **Yes** No Not Applicable

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

Summary Environmental Meeting minute sighted with an attendance list of 17 participants dated 21.02.2019.

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 monitoring per FFB production sighted during the audit. Consumption of Diesel monitored by establishing baseline values and trends. Solar Panel were installed to reduce diesel consumption.

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 Record of direct usage of non-renewable energy (Diesel) has been maintained for Mutiara Eramas Estate vehicles.

In Compliance **Yes** No Not Applicable

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

Summary Seen, Solar Panel were installed in workers quarters.

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 All waste products and sources of pollution identified and documented under Schedule Waste Management Procedure. List of schedule waste clearly stated in annex 1.

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 Plan has been established as per document Prosedur MSPO: Pengurusan Bahan Buangan, dated 01.07.2018.

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 Procedure for handling of used chemicals and schedule waste sighted in document Prosedur MSPO: Pengurusan Bahan Buangan.

Non-conformity – major

Procedure for handling of used chemicals and schedule waste sighted in MSPO: Pengurusan Bahan Buangan. Mutiara Eramas Estates Chemical Handling Prosedur Pengoperasian dan Keselamatan, No Dokumen: MUTIARA.SSOP.08.01.01, NO. Rujukan: MUTIARA/OSH-SSOP stated

- v) Bungkusan atau bekas yang telah dirosakkan mesti dibungkus dengan beg plastic yang lebih besar bagi mengurangkan risiko pencemaran semasa pengendalian.
- vi) Bungkusan serpihan tersebut mestilah ditanam sekurang kurangnya satu meter dari paras tanah di tapak penimbunan/pelupusan yang telah dikhaskan dan mempunyai papan tanda amaran) Stating that chemical containers has to be



buried 1 meter deep inside the land fill.

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 Non-conformity – major

Evidence, during the site visit the lubricant containers, paint containers, empty chemical container are inside the land fill and at the workers quarters. All the containers not disposed as per Environment Quality Act 1974; Environment Quality (Scheduled Wastes) Regulations 2005.

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 disposal area is more than a Kilometer away from the housing and water course.

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 Assessment of polluting activities in the estate sighted in document "MSPO-06 Lampiran 1: Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Ladang".

Non-conformity – major

Assessment of polluting activities in the estate sighted in document "MSPO-06 Lampiran 1: Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Ladang". However, assessment for greenhouse gas emissions not available during audit.

In Compliance Yes **No** Not Applicable

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

Summary Mitigation plan has been included in document "MSPO-06 Lampiran 1: Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Ladang".



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 Plan documented in Document No: MSPO-08 (Water Management Plan), dated 01.07.2018.

Sources of water used for the estate have been identified in document “Identification of Water Source”. Analysis of drinking water has been conducted. Sampling results on drinking water sighted during the audit.

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 Evidence, no bunds, weirs and dams across the river.

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

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

Summary Sighted during site visit , the house being provided with 200 gallon of PVC water tank.

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 Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities done through a survey on 20th April 2019. Rare and threatened species such as:

- a) Kera
- b) Musang Tanggalong
- c) Beruk
- d) Musang Binturong
- e) Landak Borneo
- f) Teledu
- g) Mengkira
- h) Musang Belang Tenggiling
- i) Ular sawa Panjang
- j) Ular Sawah Darah

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 Measures to Discouraging any illegal or inappropriate hunting taken by installing signboard that shows the restriction to hunting in estate area. Sighted "No hunting" signboard during the sight visit.

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 Management plan sighted in document estate HBV Assessment Report. Management plan was effectively implemented. Verified the Meeting minutes and attendance for Training and awareness programme on HBV to prohibit any activities within wildlife corridor boundary as stated in the point number 3 under HBV Management Plan.

In Compliance **Yes** No Not Applicable

Criterion 7 Zero burning practices

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

Summary Zero burning policy is available dated 1 November 2018. SOP on replanting is available as referred to: Manual "Polisi Amalan Pertanian bagi Peenanaman dan Penjagaan Kelapa Sawit. Dated October 2015. During site visit there is no evidence of open burning in both Estate area and line site.



In Compliance **Yes** No Not Applicable

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

Summary No replanting works carried out in the estate.

In Compliance **Yes** No Not Applicable

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

Summary No replanting works carried out in 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 No replanting works carried out in the estate.

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 Mutiara Eramas Sdn Bhd established Standard Operating Procedure for estates as listed below:

No.	SOP	Policy No.
1	Pre-development survey, assessment and planning	ATP 1 – 1
2	Land clearing & preparation	ATP 2 - 2
3	The management of oil palm nursesey	ATP 3 - 3
4	Road construction	ATP 4 – 4
5	Soil conservation	ATP 5 - 5
6	Establishment & maintenance of mucuna bracteate and other legumes cover crop	ATP 6 - 6
7	Planting & supplying	ATP 7 – 7
8	Palm replacement	ATP 8 – 8
9	Manuring	ATP 9 – 9
10	Pest and disease management	ATP 10- 10
11	Weed control	ATP 11 - 11

12	Bunch census	ATP 12 – 12
13	Harvesting	ATP 13 - 13
14	FronD pruning	ATP 14 -14
15	Water management	ATP 15 – 15
16	Environment	ATP 16 – 16

Person in charge will monitor the work flow and ensure all operations as per guided in the SOP. All SOP and procedures are kept and will be updated periodically.

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 Seen in the Agricultural Technical Policy No.1, Pre-Development Survey, Assessment and Planning under b. Soil Suitability and Topography, Table 1 Land Suitability Classification Based on Terrain stated:-

Terrain Class	Ave. angle of slope	Complex Slope Mapping Units	Oil Palm Suitability Classification
Flat	0-2°	C1	Highly Suitable
Undulating	2-5°	C2	Highly Suitable
Rolling	6-15°	C3	Suitable
Hilly	16-25°	C4	Moderately Suitable
Very Steep	>25°	C5	Unsuitable

In Compliance **Yes** No Not Applicable

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

Summary The estate has a visual reference system to identify each field or block. Each field has the signboard with block and phase number.

In Compliance **Yes** No Not Applicable

Criterion 2 Economic and financial viability plan

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

Summary Estate had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

Sighted, Mutiara Eramas Sdn Bhd Cashflow document for 6 years from 2019 until 2024.



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 No replanting programme in Mutiara Eramas Sdn Bhd for the next 5 years.

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.

In Compliance **Yes** No Not Applicable

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

Summary The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure 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 **Non – conformity - Major**

No evidence, a Sales and Purchase Agreement between Mutiara Eramas Sdn Bhd and Wonder Choice Sdn Bhd the FFB Collecting Centre on selling of FFB.

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 Non – conformity - Major

No evidence, a Sales and Purchase Agreement between Mutiara Eramas Sdn Bhd and Wonder Choice Sdn Bhd the FFB Collecting Centre on selling of FFB.

In Compliance Yes **No** Not Applicable

Criterion 4 Contractor
Indicator 1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Summary No contractor being engaged in the Estate.

In Compliance **Yes** No Not Applicable

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

Summary No contractor being engaged in the Estate.

In Compliance **Yes** No Not Applicable

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

Summary No contractor being engaged in the Estate.

In Compliance **Yes** No Not Applicable

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

Summary No contractor being engaged in the Estate.

In Compliance **Yes** No Not Applicable

2.7 Principle 7 : Development of new planting

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**



Indicator 2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 2	Peat land
Indicator 1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.



Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

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 all estates.

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 all estates.

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 all estates.

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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B - -

Details of Noteworthy / Positive Findings

- 1) Good cooperation and commitment from the management and staff
- 2) Good relationship being maintained with surrounding communities
- 3) Good positive feedback received from internal and external stakeholders.
- 4) Proactive and highly committed Management Team in establishing directions for the middle and upper management in complying with the MSPO certification

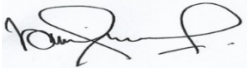
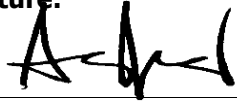
Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
10 th June 2019	TBA	➤ Travelling from KUL – Kota Kinabalu, Sabah.	IBI	SS/WMA
11 th June 2019	08:00 – 09:00	➤ Opening Meeting at Mutiara Eramas Sdn Bhd: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation – where applicable).	IBI	SS/WMA
	09:00 – 13:00	Mutiara Eramas Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	IBI	SS/WMA
	10:30 – 12:30	➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. • Stakeholder Meeting 	IBI	SS/WMA
			IBI	SS/WMA
	13:00 – 14:00	➤ Lunch / Rest	IBI	SS/WMA
	14:00 – 15:00	➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	IBI	SS/WMA
	15:00 – 16:00	➤ Verify any outstanding issues and auditor discussion.	IBI	SP
	16:00 – 17:00	Closing Meeting at Mutiara Eramas Sdn Bhd: <ul style="list-style-type: none"> ➤ Chaired by the audit Lead Auditor <ul style="list-style-type: none"> • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	IBI	SP


Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit


Major Nonconformities:	The following NC's were raised for this audit.
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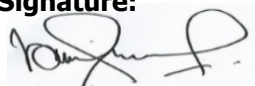

Company Name		Mutiara Eramas Sdn Bhd	
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organized Smallholders	
Client Number		GGC-N3-MSPO-2019	
NC No. / Ref.	N3/MSPO/MAJOR/01	Date Detected	11 th June 2019
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days
Normative Reference and Requirement	4.1.2.3 Major Report shall be made available to the management for their review.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit.		
NC Objective Evidence:			
No evidence, the non – conformities raised by during Internal Audit the being closed for Management Review			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Lack of awareness			
Corrective action planned (to be filled by client):			
The internal audit is now closed for Management review			
Preventive Action (to be filled by client):			
To ensure procedure to be complied with.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
All the Non- Conformities raised have been closed by the Internal Lead Auditor on 18 th June 2019. All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

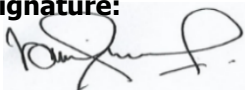


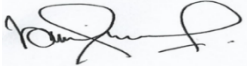

Date Verified: 11 th July 2019	Lead Auditor Signature: 
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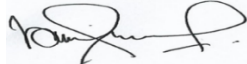
Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/02	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.1.3.1 Major 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.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence all the non-conformities being closed.			
NC Objective Evidence:	Evidence, the Management review being conducted without the closure of all non- conformities raised by the Internal Auditor. Thus contradict with MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1 st July 2018 under No 5, Procedure Explanation; Follow-up Audit and Audit Report input to Management Review.			
Lead Auditor Signature:		Client Signature:		
Root cause Analysis (to be filled by client):				
Lack of awareness				
Corrective action planned (to be filled by client):				
The internal audit is duly closed and to be used for Management Review				
Preventive Action (to be filled by client):				
To ensure procedure to be complied with.				
Review of corrective/preventive action (to be filled by Lead Auditor)				
Management Review have been conducted on 28 th June 2019 after all the Non-conformities being closed by Internal Lead Auditor on 18 th June 2019. All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.				

NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

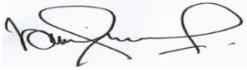


Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/03	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.2.1.1 Major 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.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence MSPO Policies being communicated to all Internal Stakeholders.			
NC Objective Evidence: Sighted briefing on MSPO Policies and compliances being conducted to 75 internal stakeholders dated 23 rd January 2019. No evidence, the remaining 105 internal stakeholders being briefed thus far.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client): Lack of awareness by staff to conduct MSPO briefing to all new workers.				
Corrective action planned (to be filled by client): MSPO briefing is held for all internal stakeholders				
Preventive Action (to be filled by client): To ensure all new recruits to be briefed accordingly				
Review of corrective/preventive action (to be filled by Lead Auditor)				

Sustainability training have been conducted to all internal stakeholders dated 24 th June 2019. All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

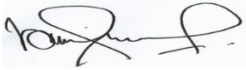

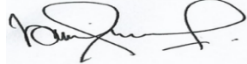
Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/04	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.2.3.1 Major The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Incompliance to MSPO Procedure			
NC Objective Evidence:	The actual FFB process flow is contradict with the Company's MSPO Procedure on Traceability.			
Lead Auditor Signature:			Client Signature:	
Root cause Analysis (to be filled by client):				
Lack of attention on the procedure content.				
Corrective action planned (to be filled by client):				
The procedure to be amended accordingly				
Preventive Action (to be filled by client):				
The procedure to be checked and amended according to actual process flow				
Review of corrective/preventive action (to be filled by Lead Auditor)				

The Standard Operating Procedure for Traceability has been revised on 20 th June 2019. The evidence submitted was found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

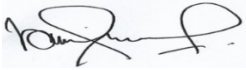


Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/05	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	A. A Mechanism to record, store and dispose the schedule waste was not according to Environmental Quality (Schedule Wastes) Regulations 2005; PU(A)294/2005; Regulations 9-storage of Schedule wastes B. List of legal requirements was not updated during the audit			
NC Objective Evidence:				
A) Mutiara Eramas Estate also maintaining a small schedule waste store to stock the schedule waste temporarily before send the wastes to collecting point. A mechanism to record the schedule waste was not available in the estate during the audit.in example (record book or log book)(jadual buangan) Environmental Quality (Schedule Wastes)Regulations 2005 ;PU(A)294/2005;Regulations 9-storage of Schedule wastes;No5-Any person may store schedule wastes generated by him for 180 days or less after its generation ,provided that: 1.The quantity schedule waste accumulated on site shall not exceed 20 metric ton.				
B) List of legal requirements for the following was not updated during the audit. 1. Minimum Wages Order 2012 2. Jadual Pematuhan Department of Environment is applicable to mills only 3. Sabah Labour Ordinance not in the listing				

Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
Lack of awareness on the Register Content	
Corrective action planned (to be filled by client):	
A) Schedule waste record to be correctly updated B) List of legal requirement to be amended	
Preventive Action (to be filled by client):	
(A) & (B) The documents and records to be checked by HOD	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/06	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.3.2.2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Difference of land size between Land Title and Area Statement.			
NC Objective Evidence:				
The estate is managing communal land which was established in "Seksyen 77 Ordinan Tanah (Bab 68) under Communal Title FIELD REGISTER 154000567" located at Sapulut 4, Sabah Malaysia. The total area is 6,000 acres (2,428.16 Ha). However, in the Area Statement of Mutiara Eramas Estate it's stated that Grand Total Hectare is: 2157.20 Ha. The difference of 270.96 Ha.				




Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
Lack of awareness	
Corrective action planned (to be filled by client):	
Area statement to be amended based on correct data	
Preventive Action (to be filled by client):	
To ensure correct area statement is provided.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
The evidence submitted, Hectarage Statement were found adequate and justifiable. Thus, the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/07	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.4.2.2 Major The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during the audit.			
NC Objective Evidence:				
Evidence, all the complaints raised by the stakeholders dated 12 th January 2019, 22 nd January 2019 and 14 th January 2019 are without name and being resolve in an effective, timely and appropriate manner.				

Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
Lack of awareness	
Corrective action planned (to be filled by client):	
The complaints forms to be filled in with complete details and resolved in an effective, timely and appropriate manner.	
Preventive Action (to be filled by client):	
To ensure forms to be duly completed accordingly	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

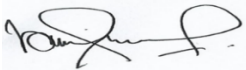


Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/08	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 DAYS	
Normative Reference and Requirement	4.4.4.2 Major The occupational safety and health plan shall cover the following: e. The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence during the audit.			



NC Objective Evidence: No evidence, health or medical surveillance being conducted consistently to all workers who is exposed or likely to be exposed to chemicals hazardous to health as per recommendations in the Chemical Health Risk Assessments.	
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client): Lack of awareness	
Corrective action planned (to be filled by client): SOP is prepared in accordance to the Regulatory requirement.	
Preventive Action (to be filled by client): To ensure all SOP to be updated and amended according to the latest Statutory and Regulatory requirement	
Review of corrective/preventive action (to be filled by Lead Auditor) Seen, 15 workers being sent for Medical Surveillance on 1 st July 2019. The evidence submitted was found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 


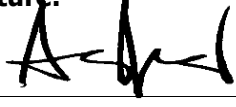

Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/09	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.5.3.3 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.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			



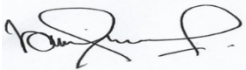

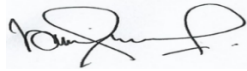
Description of Non-Conformity	Standard Operating Procedure for handling of used chemicals are not according to Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 .		
NC Objective Evidence:	<p>Procedure for handling of used chemicals and schedule waste sighted in MSPO: Pengurusan Bahan Buangan. Mutiara.SSOP.30.02.02,NO.Rujukan: Mutiara/OSH-SSOP- stated</p> <p>v) Bungkus atau bekas yang telah dirosakkan mesti dibungkus dengan beg plastic yang lebih besar bagi mengurangkan risiko pencemaran semasa pengendalian.</p> <p>vi) Bungkus serpihan tersebut mestilah ditanam sekurang kurangnya satu meter dari paras tanah di tapak penimbunan/pelupusan yang telah dikhaskan dan mempunyai papan tanda amaran) Stating that chemical containers has to be buried 1 meter deep inside the land fill.</p>		
Lead Auditor Signature:			Client Signature:
			
Root cause Analysis (to be filled by client):			
Lack of awareness			
Corrective action planned (to be filled by client):			
SOP is prepared in accordance to the Regulatory requirement.			
Preventive Action (to be filled by client):			
To ensure all SOP to be prepared according to the Statutory and Regulatory requirement			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Seen, the Standard Operating Procedure on Chemical Handling being amended on 17 th June 2019. The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified:		Lead Auditor Signature:	
11 th July 2019			




Company Name	Mutiara Eramas Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N3-MSPO-2019		
NC No. / Ref.	N3/MSPO/MAJOR/10	Date Detected	11 th June 2019
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days



Normative Reference and Requirement	4.5.3.4 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.	
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern	
Description of Non-Conformity	Empty pesticide containers not disposed in an environmentally and socially responsible way.	
NC Objective Evidence: Evidence, during the site visit the lubricant containers, paint containers, empty chemical containers are inside the land fill and at the workers quarters. All the containers was not disposed as per Environment Quality Act 1974; Environment Quality (Scheduled Wastes) Regulations 2005.		
Lead Auditor Signature:		Client Signature: 
Root cause Analysis (to be filled by client):		
Lack of awareness on the waste disposal		
Corrective action planned (to be filled by client):		
All lubricant containers, paint containers, empty chemical container are removed from the landfill		
Preventive Action (to be filled by client):		
To raise awareness that wastes (classified as Schedule Waste) not to be disposed in the landfill		
Review of corrective/preventive action (to be filled by Lead Auditor)		
The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.		
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified: 11 th July 2019	Lead Auditor Signature: 	

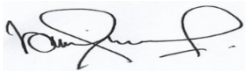



Company Name		Mutiara Eramas Sdn Bhd	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input checked="" type="checkbox"/>
		Surveillance	<input type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organized Smallholders	
Client Number		GGC-N3-MSPO-2019	
NC No. / Ref.	N3/MSPO/MAJOR/11	Date Detected	11 th June 2019
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days
Normative Reference and Requirement	4.5.4.1 Major An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Assessment for greenhouse gas emissions not available during audit.		
NC Objective Evidence: Assessment of polluting activities in the estate sighted in document "MSPO-06 Lampiran 1: Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Ladang". However, assessment for greenhouse gas emissions not available during audit.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Lack of awareness			
Corrective action planned (to be filled by client):			
The pollution assessment to be prepared			
Preventive Action (to be filled by client):			
The assessment to be conducted regularly			
Review of corrective/preventive action (to be filled by Lead Auditor)			
The Greenhouse Gas Emissions being assess with Enzo GHG Calculator. The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified: 11 th July 2019		Lead Auditor Signature: 	

Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/MAJOR/12	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion	90 days	
Normative Reference and Requirement	4.6.3 Major Transparent and fair price dealing			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during the audit.			
NC Objective Evidence: No evidence, a Sales and Purchase Agreement between Mutiara Eramas Sdn Bhd and Wonder Choice Sdn Bhd the FFB Collecting Centre on selling of FFB.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client): Lack of awareness				
Corrective action planned (to be filled by client): The said agreement to be prepared				
Preventive Action (to be filled by client): To ensure all business dealings to be supported with proper agreement				
Review of corrective/preventive action (to be filled by Lead Auditor) Seen, the Sales and Purchase Agreement between Mutiara Eramas Sdn Bhd and Wonder Choice Sdn Bhd the FFB Collecting Centre on selling of FFB. The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.				
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Date Verified: 11 th July 2019		Lead Auditor Signature: 		

Minor Nonconformities:	Non-were raised during this audit.
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Area of Concern:	The following AOC's was raised for this audit.
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Company Name	Mutiara Eramas Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N3-MSPO-2019			
NC No. / Ref.	N3/MSPO/AOC/01	Date Detected	11 th June 2019	
Site(s) concern	Mutiara Eramas Sdn Bhd	Target Completion		
Normative Reference and Requirement	4.5.1.4 A programme to promote the positive impacts should be included in the continual improvement plan.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Continual improvement plan records and documents without document reference number.			
NC Objective Evidence: Improvement Plan available with the time bound plan of implementation. Document reference number not available for improvement plan.				
Lead Auditor Signature: 		Client Signature: 		

Appendix C: List of Stakeholders Contacted

Internal Stakeholders

- 1) Mutiara Eramas Sdn Bhd Management team and staff
- 2) Local Workers Representatives

External Stakeholders

- 1) Jinus Bin Sia, MPOB Keningau
- 2) Blaise Eugene Mojugit, Brilliant Fortune Sdn Bhd
- 3) Shereen Lee, Wonder Choice Sdn Bhd
- 4) Jinin Rusi, Wonder Choice Sdn Bhd
- 5) Busian Ampirak, AJK Beneficiary