

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



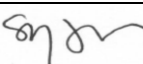
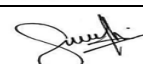
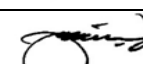
CERTIFICATION AUDIT REPORT


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

Kim Seng Plantations Sdn Bhd

-Individual Certification-

MAIN ASSESSMENT AUDIT
24th September 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	03/12/2019	Issued as Draft Report	Surenthiran Panneerselvam	Lead Auditor	
A	11/12/2019	Peer Review 1 Comments	Mohd Zuhaili bin Mukri	Peer Reviewer 1	
A	11/12/2019	Peer Review 2 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 2	
B	13/12/2019	Issued as Final Report	Surenthiran Panneerselvam	Lead Auditor	
B	17/12/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Kim Seng Plantations Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	17/12/2019	Acceptance of the contents	Mr. Gooi Chuk Teak	Estate 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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Table of Contents

SECTION I : PUBLIC SUMMARY REPORT	3
1.1 Certification Scope	3
1.2 Company details and Contact information.....	3
1.3 Certification Unit.....	3
1.4 Map Showing Geographical Location	4
1.5 Production Area, Actual and Projected FFB Production (MT)	7
1.6 Certificate Details.....	7
1.7 Qualification of the Lead Assessor and Assessment Team.....	8
1.8 Audit Methodology	9
1.9 Audit Plan Information	9
1.10 Audit Result Summary Findings	9
1.11 Stakeholder Consultation.....	10
1.12 Recommendation	11
1.13 Date of Next Surveillance Audit.....	11
1.14 Confidentiality	11
1.15 Abbreviations Used	11
SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA.....	13
2.1 Principle 1 : Management commitment and responsibility.....	13
2.2 Principle 2 : Transparency	16
2.3 Principle 3 : Compliance to legal requirements.....	18
2.4 Principle 4 : Social responsibility, health, safety and employment condition	22
2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services	33
2.6 Principle 6 : Best practices.....	42
2.7 Principle 7 : Development of new planting.....	46
2.8 Details of Audit Findings.....	50

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 **Kim Seng Plantations Sdn Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists only Kim Seng Plantations Sdn Bhd.

This assessment was conducted onsite on **24th September 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	Kim Seng Plantations Sdn Bhd
Business Address	Batu 5, Jalan Baling, 09300 Kuala Ketil, Kedah Darul Aman, Malaysia.
Contact Person	Mr. Gooi Chuk Teak
Office Telephone	+04 4160064
E-Mail	kimseng.plantations@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.	Kim Seng Plantations Sdn Bhd	Batu 5, Jalan Baling, 09300 Kuala Ketil, Kedah Darul Aman, Malaysia.	E 100° 42' 36.20"	N 5° 53' 16.10"

MPOB License Information

No	Name of the Site	License Number	Expiry Date	Scope Activity
1.	Kim Seng Plantations Sdn Bhd	601217002000	31.08.2020	Menjual & Mengalih FFB

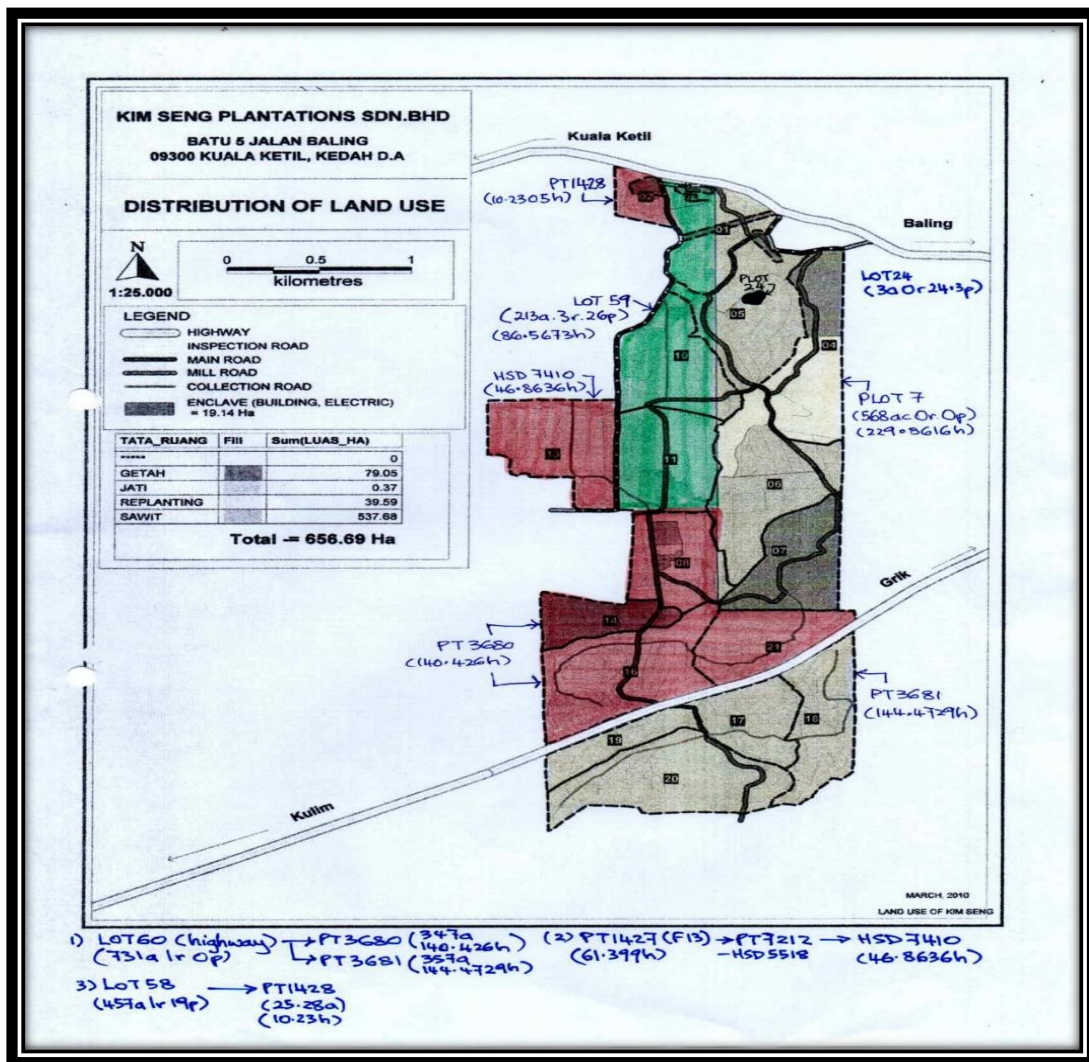


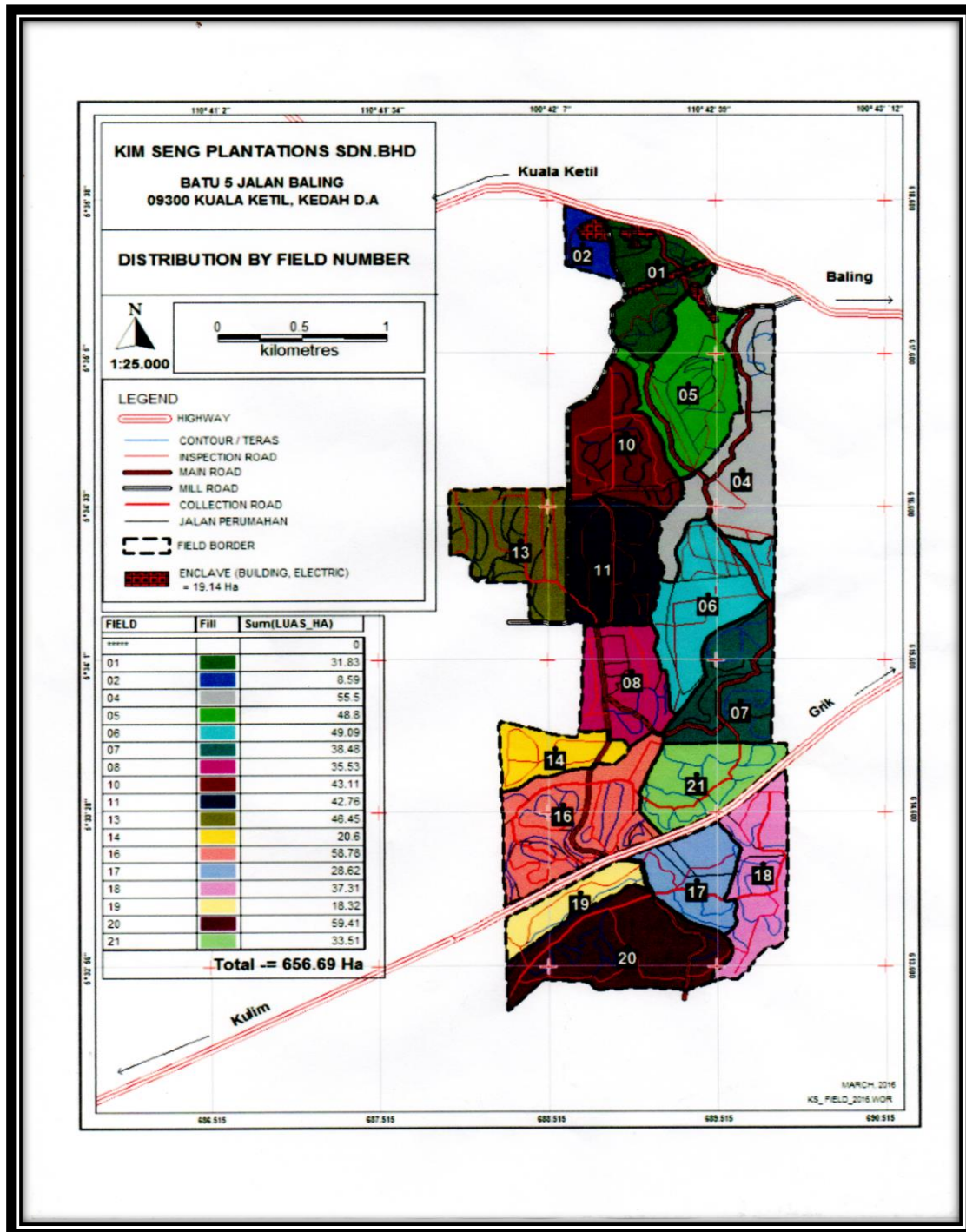
Others Sustainability Certification

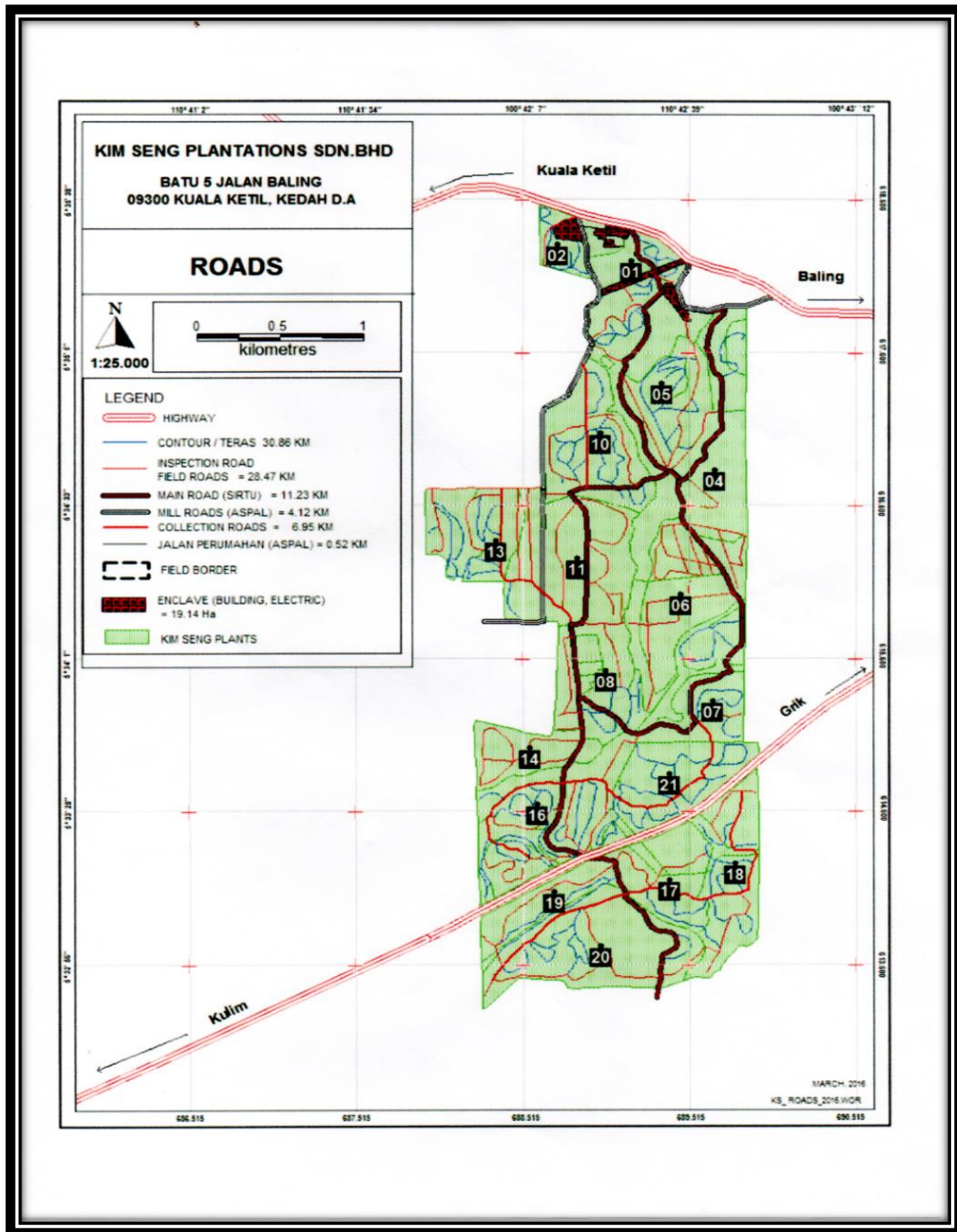
No	Name of The Site	Others Sustainability Certifications
1.	Kim Seng Plantations Sdn Bhd	NIL

1.4 Map Showing Geographical Location

Kim Seng Plantations 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
Kim Seng Plantations Sdn Bhd	656.69	656.69	603.79
Total	656.69	656.69	603.79

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Kim Seng Plantations Sdn Bhd	-	-	1.27
Total	-	-	1.27

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Sep 2018-Aug 2019]	Projected Production for next 12 Months [Sep 2019-Aug 2020]
Kim Seng Plantations Sdn Bhd	NIL	13,111.92	12,062.31
Total	NIL	13,111.92	12,062.31

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-KSP001-MSPO-00-2019
Initial certificate issued date	17 th December 2019
Certificate expiry date	16 th December 2019
Stage 1 assessment date	20 th August 2019

Stage 2 / Main Assessment 24th September 2019

Annual Surveillance 1 [ASA 1] September 2020

Annual Surveillance 2 [ASA 2] September 2021

Annual Surveillance 3 [ASA 3] September 2022

Annual Surveillance 4 [ASA 4] September 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Surenthiran Panneerselvam

Graduate in PgDip/MSc Oil and Gas Accounting from University of Abertay Dundee, Scotland, UK. Equipped with experience in sustainability audit field and with more than 6 years working experience. Involved in MSPO Assessment since 2017. Fully trained in audit certification such as MSPO, RSPO, ISO9001:2015, ISO37001: 2016. Able to communicate in both Bahasa Malaysia and English (written and spoken). During this assessment, he assessed on the aspect of legal compliance, safety and health, stakeholder's consultation and etc. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Nurulashida Binti Mohd Saad

Graduated in Conservation and Management of Biodiversity with working in Sustainability Department for more than 12 years which involves in certification and compliance affairs. Fully trained in agriculture certification programme such as RSPO, MSPO, SCCS, Biodiversity / HCV, ISCC, ISO and etc. Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team. During this assessment, she assessed on the aspect of transparency, environmental, stakeholder's consultation, traceability and etc. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

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

1.8 Audit Methodology

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

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

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

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

1.9 Audit Plan Information

Audit Date	24 th September 2019
Name of site(s) visited	Kim Seng Plantations 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	1	Closed
Minor Nonconformities	3	Open (Next Surveillance Audit)
Area of Concern	0	No action requires
Noteworthy /Positive Comments	4	No action requires

1.11 Stakeholder Consultation

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

GGC has published the public notification on 22nd August 2019 and as to accommodate a stakeholders' consultation meeting for estate. Therefore, stakeholder consultation was conducted on 24th September 2019 in Kim Seng Plantations 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 management.

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

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	All stakeholders	<ul style="list-style-type: none"> Stakeholders who attended the meeting are aware about what is MSPO. Clear knowledge on the existence of a complaints/grievance mechanism. 	<ul style="list-style-type: none"> Management will continue briefing to all stakeholders on MSPO awareness Management will continue briefing to all stakeholders on MSPO's complaint and grievance mechanism available in their company 	Will review by next surveillance audit
2.	Stakeholders B (Government Authority)	<ul style="list-style-type: none"> Good communication and cooperation with the estate. 	<ul style="list-style-type: none"> No action requires 	Positive comments and suggestion
3.	Stakeholders C (Local communities)	<ul style="list-style-type: none"> Good communication and cooperation with the estate. No issues on the usage of route. 	<ul style="list-style-type: none"> No action requires 	Positive comments and suggestions

4.	Stakeholders D (Contractors and suppliers)	<ul style="list-style-type: none"> • Good communication and cooperation with the estate. • No issues on payment and agreement. 	<ul style="list-style-type: none"> • No action requires 	Positive comments
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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 Kim Seng Plantations Sdn Bhd. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there were 1 major non-conformities, 3 minor non-conformities has been raised to the facility that being audited. As highlighted in the audit plan, the audit objectives have been achieved and assessment resulted all major non-conformity findings has been closed. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to Kim Seng Plantations Sdn Bhd.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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

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



SECTION II: ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1: Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary Kim Seng Plantations Sdn Bhd has established MSPO Policy dated 9th June 2018 signed by Mr. Gooi Chuk Teak, Director. Company has communicated MSPO Policy to external stakeholders during external stakeholder meeting dated 19th December 2018 at Kim Seng Plantation Sdn Bhd. Sighted training/ briefing materials, photographs and meeting minutes of the said stakeholders meeting. Interviewed the employees during site visit on their understanding of MSPO policy (as evidence to confirm that the MSPO policy has been communicated to all internal stakeholders). MSPO Policy displayed at notice board at the main office.

In Compliance **Yes** No Not Applicable

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

Summary The company has established MSPO Policy dated 19th June 2018 signed by Mr. Gooi Chuk Teak, Managing Director. Sighted statement of commitment by management towards continual improvement in MSPO Policies as follows:

“Kim Seng Plantations is also committed for continual improvement practice by harnessing its resources of people, process and technology in order to ensure the continuous production of oil palm products in a sustainable manner”.

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 Kim Seng Plantations Sdn Bhd established [SOP – Internal Audit], audit frequency is once a year prior to the external audit schedule. The internal audit done annually by external team appointed as Internal auditors. All internal audit findings have been reviewed and closed within the timeframe. Internal audit conducted once in a year, latest internal audit conducted on 9th April 2019 by Ms Shuhaila Binti Shariff, Ms Nurul Husna Binti Md Shuib and Mr Afham Nasri Bin Mohd Noor.

Audit notification letter and internal audit plan seen and sent on 26th March 2019 by lead auditor Ms. Shuhaila Binti Shariff [Ref: HSRE/26/03/19]. Internal audit report was made available and sighted the following non-Conformities raised during the internal audit. In total of nine (9) Non-Conformities (NC) was raised during the internal audit assessment. Seen records of NC forms and corrective actions taken by management to close the NCs.

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 Internal Audit Procedures Document No: KSP/IAP/SOP/01 dated 22nd August 2019 prepared by Cik Ainin Sofiya bt Johari and approved by Mr Tan Kwong Wah, Estate Manager. Internal audit report and NC form raised by the internal auditors. The estate management manage to close the NC within the stipulated time.

The purpose of this procedure is to describe the audit process conducted internally to determine Kim Seng Plantations Sdn Bhd operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards. In total of nine (9) Non-Conformities (NC) was raised during the internal audit assessment. Seen records of NC forms and corrective actions taken by management to close the NCs.

In Compliance **Yes** No Not Applicable

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

Summary Internal audit report prepared by internal audit team, it was made available and was submitted and discussed during management review meeting dated on 20th June 2019 at Kim Seng Plantations Sdn Bhd, main office.

In Compliance **Yes** No Not Applicable

Criterion 3 Management review

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

Summary Management review meeting conducted on 20th June 2019 chaired by Mr Khor Cheng Kwang at Ladang Kim Seng Sdn Bhd, main office. Meeting minutes was prepared by Ms. Ainin Sofiya binti Johari and approved by Mr. Khor Cheng Kang, Director. Sighted Management review meeting attendance record which was attended by five (5) staff members. Decision on management action is listed in Management Review Meeting minutes, as the issues and management action has been documented.

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 Kim Seng Plantations Sdn Bhd has established Continuous Improvement Plan (CIP) for the year 2019 for Kim Seng Plantations Sdn Bhd dated 24th September 2019 prepared



by Cik Ainin Sofiya and approved by Mr Khor Cheng Kwang, Director. Improvement Plan covers Environmental, Social, and Occupational Safety & Health areas.

NO	RANCANGAN	TARIKH MULA	TARIKH JANGKA SIAP
1	Environmental - Upgrade diesel storage store - Water harvesting for Spraying	26 th December 2018	31 st January 2019 Continuous plan
2	Social - Upgrade old shop & creche to labour quarters - Renovate file storage - Digital filling system	26 th December 2018	28 th February 2019 10 th January 2019 Continuous plan
3	Occupational Safety & Health - Register e-Swis - To install Landfill area signage	27 th March 2019	30 th June 2019

In Compliance **Yes** No Not Applicable

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

Summary The company disseminate the new information and techniques or new industry standards and technologies through the training. Management maintained with the current implementation.

- a. Implemented Digital Management System - Latihan Sistem Fail Digital dated 27th March 2019.
- b. Implemented Mechanical Loading System (Grabber) dated 1st April 2019

In Compliance **Yes** No Not Applicable

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

Summary The company disseminate the new information and techniques or new industry standards and technologies through the training. Trainings were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. Sighted action plan for implementation of new system to improve practices in line with new information and techniques or new industry standards and technology.

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 Procedure on communication/ request of document is made available in the [SOP: Aduan & Permintaan; No. Doc; KSP/TRC/SOP/03], prepared by Cik Ainin Sofiya binti Johari and approved by Mr Tan Kwong Wah, Estate Manager dated on 9th June 2018. Procedure on consultation is made available in the [SOP: Konsultasi; reviewed on 23rd April 2019], prepared by Cik Ainin Sofiya binti Johari, approved by Mr Tan Kwong Wah, Estate Manager.

Procedure has been communicated to the stakeholders during the stakeholder meeting for internal stakeholder dated on 19th October 2018 and 26th October 2018 and for external stakeholders 19th December 2018. Minutes of meeting are available and records of communication is available in the "Social Responsibility - MSPO" file. Interviewed with the stakeholders have been conducted to verify on the implementation during the audit.

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 Company policies are publicly displayed at site, procedures document, contract agreement and financial budget is confidential documents, was made available. Procedure on control of documents & records is made available in the "Record and Document Control; Doc No.: KSP/TRC/SOP/01, prepared by Ms Norfaizah Yousof and approved by Mr Tan Kwong Wah, Estate Manager. List of confidential/ non-confidential documents is listed in the "List of Documents" File.

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 Kim Seng Plantations Sdn Bhd has established procedure on communication/ request of document is made available in the [SOP: Aduan dan Permintaan; Doc No: KSP/TRC/SOP/03], prepared by Cik Ainin Sofiya binti Johari and approved by Mr Tan Kwong Wah, Estate Manager dated 9th June 2018. Procedure on consultation is made available in the [SOP: Konsultasi; reviewed on 23rd April 2019], prepared by Cik Ainin Sofiya binti Johari, approved by Mr Tan Kwong Wah, Estate Manager.

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 Appointment letter for "Perlantikan Transparency, Traceability & Legal Officer untuk Menguruskan MSPO" is made available and the person in-charge is Cik Norfaizah binti Yousof dated 12th February 2019 as appointed by Mr. Gooi Chuk Teak, Managing Director.

In Compliance **Yes** No Not Applicable

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

Summary List of stakeholders is made available with document named: "List of External Stakeholder" and "List of Internal Stakeholder". Latest stakeholders list updated and interviewed with the stakeholder and confirmed that they have been informed and keep updated during stakeholder meeting. The stakeholders are aware of the procedure and commitment to be implanted.

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 Kim Seng Plantations Sdn Bhd has established the MSPO procedure on Traceability and Supply Chain; SOP Supply Chain Sales of FFB (Field – Estate Ramp – Mill); Doc No.: KSP/TRC/SOP/04, prepared by Cik Norfaizah Yousof and approved by Mr Tan Kwong Wah, Estate Manager dated on 9th June 2018. Procedure established for identification and traceability of FFB traceable from the plantation activities to the mill. Check-roll workers are responsible in conducting harvesting operation, which workers are consisting of Kim Seng Plantations Sdn Bhd workers. Estate supervisor will conduct regular inspection.

In Compliance **Yes** No Not Applicable

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

Summary Inspections on compliance to the established traceability system is carried on a daily basis by the persons responsible for traceability. Internal Audit to verify on the implementation has been conducted on 9th April 2019 by Pn Shuhaila binti Shariff, Cik Nurul Husna binti Md Shuib and En Afham Nasri bin Mohd Noor. Audit report was made available at the time of audit.

In Compliance **Yes** No Not Applicable

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

Summary Appointment letter for "Perlantikan Transparency, Traceability & Legal Officer untuk Menguruskan MSPO" is made available and the person in-charge is Cik Norfaizah binti Yousof dated 12th February 2019 as appointed by Mr. Gooi Chuk Teak, Managing Director.

In Compliance **Yes** No Not Applicable

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

Summary "FFB O/P Delivery" record is made available for daily harvesting records with details of the harvester, transporter and weight volume. Weighbridge ticket information are recorded on transporter, company name and address, product code, date, ticket no., Vehicle no. , lorry no. , field no. and weight. This record being maintained and the documents are kept by the estate. Kim Seng Plantations Sdn Bhd has established the procedure on Traceability and Supply Chain is made available at the time of audit.

In Compliance **Yes** No Not Applicable

2.3 Principle 3: Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary The company has established and updated list of applicable laws and regulations that are applicable for the estate. The legal register is available as listed below prepared by Ms. Norfaizah Yousof dated 1st August 2019. Sighted permits/licenses being monitored and updated by the estates as follow;

1. MPOB Licence – [No. lesen 601217002000] valid from 1st September 2019 till 31st August 2020 for 656.69 Ha. "Menjual dan mengalih FFB".
2. Air Compressor - Akta Kilang & Jentera 1967, valid till 23rd April 2020 [Ref: PMT-KD/19 18618]
3. Perakuan Penentuan Timbang dan Sukat, Akta Timbang dan Sukat 1972 – No siri alat: 113564, dated 26th December 2018 [Ref: B1211645] by Metrology Corporation Malaysia Sdn Bhd – Abd Razif Bin Abd Halim, Pegawai Penentusahan.
4. List of Fire Extinguisher (6 unit) expiry 26th August 2020.
5. Jabatan Tenaga Kerja Negeri Kedah – Potongan Upah di bawah Seksyen 24 Akta Kerja 1955 [No ruj: PTK/SP/PMT/10202/031676] dated 3rd July 2019.

In Compliance **Yes** No Not Applicable

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

Summary The list is fully covered the requirements that related to MSPO compliance. These documents include information on laws, enforcement bodies, main requirement, environmental aspect, standard, fine, person in charge, and compliance status. The company has established and updated list of applicable laws and regulations. The legal register is prepared by Ms. Norfaizah Yousof, Clerk of Estate dated 1st February 2019 and approved by Mr Khor Cheng Kwang. As sampled:

- Children and Young Person (Employment) 1966 (Act 350)
- Electricity Supply Act (Act 447)
- Employment Act 1955 (Act 265)
- Employee Provident Fund Act 1991 (Act 452)
- Employee Social Security Act 1969 (Act 4)
- Environment Quality Act 127
- Factories and Machinery Act with Regulations (Act 139)
- Human Rights Commission of Malaysia Act 1999 (Act 597)
- Immigration Act 1959 (Act 155)
- Malaysian Palm Oil Board 1998 (Act 582)
- Minimum Wages Order 2018 (Act 732)
- Occupational Safety and Health 1994 (Act 514)
- Pesticides Act and Regulations (Act 149)
- Petroleum (Safety Measures) Act 1984
- Poison Act & Regulations 1952 (Act 366)
- Weights and Measures 1972 (Act 71)
- Wildlife Conservation Act 2010 (Act 716)
- Workers Minimum Housing Acts (Act 446)
- Workmen Compensation Act (Act 273)

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 As per interview with Ms. Norfaizah Yousof, the legal register is updated by herself on timely basis, and will get update from the website whenever its necessary last updated was on 1st February 2019 and 10th April 2019. Any new amendments or any regulations once received through the following manner:

- HQ (HR Department)
- Communication with law/enforcement officers
- Website

In Compliance **Yes** No Not Applicable

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

Summary List of application laws and regulations are listed and documented by Ms Norfaizah Binti Yousof dated on 10th April 2019. As interviewed, she is responsible to update the legal compliance matter or laws as at when is required. Seen appointment letter Ms.

Norfaizah Yousof, dated 12th February 2019, approved by Mr. Gooi Chuk Teak, Managing Director. She is responsible on legal compliance issue in relation to MSPO.

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 Kim Seng Plantations Sdn Bhd land title is available and well maintained. The estate has the following land title and its ownership. Referring to "Ubah Syarat Nyata Tanah", seen approval letter from Kerajaan Negeri Kedah Darul Aman, Pejabat Pengarah Tanah dan Galian Negeri Kedah dated on 29th August 2019 [Ruj: PTG/K/A/17/2019(USPP)(8)]. 5 out of 6 land title received the approval letter however, lot 3999 – 10.23 Ha, pending for approval.

Estate management has made the payment for "Ubah syarat nyata" dated on 21st June 2018. Total size of hectarage is 658.4243 Ha. Quit rent is paid for the year 2019 based on size of land as per land title for all 6 grants dated on 30th May 2019. Sighted the payment receipts of payment and tally with the size of land.

In Compliance **Yes** No Not Applicable

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

Summary Estate demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles is kept in the estate office. Sighted 6 copies of land titles kept by the estate. The land titles are under 'Permanent Status' (Selama-lamanya). Estates has 6 land titles are available and maintained. All land titles are changed the use of land to "Tanaman Kelapa Sawit" and one land title is yet to change.

Total planted area (as per MPOB)	= 656.69 ha
Others	= 1.73 ha
Total area	= 658.42 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 Legal perimeter boundary markers were available and maintained. As verified, there is 8 boundary markers recorded with GPS coordinate, seen with photographs as evidence. During site observation, the boundary marker is visible and maintained in proper condition by the estate management.

In Compliance **Yes** No Not Applicable



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

Summary There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict. During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported. No disputes have been recorded in the estate area. The land title has been legally acquired by the estate.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary rights

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

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

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable



2.4 Principle 4 : Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

Indicator 1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.

Summary Social Impact Assessment (SIA) named "Penilaian Impak Sosial conducted by Cik Ainin Sofiya bt Johari and approved by Mr Khor Cheng Kwang, Director dated 20th December 2018. Questionnaire was distributed to all stakeholders to identify social impacts faced by both internal and external stakeholder, SIA report is made available. Estate management prepared action plan to mitigate the negative impacts and promote the positive ones. Action plan are sampled below:

CADANGAN	TINDAKAN	ULASAN
Mempromosi ladang dan membuka ruang pekerjaan pada awam	Pihak ladang mempromosikan ladang dengan mengiklankan peluang pekerjaan secara atas talian (Facebook)	-
Mengadakan perjumpaan Bersama komuniti penduduk sekeliling	Melibatkan diri dalam aktiviti kemasyarakatan dan memberi sumbangan dalam kegiatan sekolah, hari sukan komuniti.	"Pemberian sumbangan untuk Hari Sukan Kampung Kejai", dated 1 st May 2019. Sighted photographs as evidence.
Membuat system perparitan sebagai sempadan di antara kampung dengan pihak ladang	Sistem perparitan sedia ada akan dibaikpulihkan, semasa aktiviti program tanam semula	-

SIA was conducted during stakeholder meeting, as seen the meeting minutes for internal stakeholder meeting conducted on 19th October 2019 & 26th October 2019 and external stakeholder meeting conducted on 19th December 2018 at Bilik Mesyuarat Ladang Kim Seng, prepared by Ms Ainn Sofiya Binti Johari and approved by Mr. Khor Cheng Kwang, Director.

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 Kim Seng Plantations Sdn Bhd has established "SOP Aduan dan Permintaan" Document No KSP/TRC/SOP/03 dated 22nd February 2019 in dealing with complaints and grievances. The document was prepared by Cik Ainin Sofiya bt Johari and approved by Mr Tan Kwong Wah, Estate Manager. 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. Complaint form is available at the publicly accessible area such as in the front door of the main office.

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

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

Summary Complaint form is available at the publicly accessible area such as in the front door of the main office. Briefing on "rundingan dan komunikasi aduan" procedure has been conducted to all internal and external stakeholders. As sampled, complaint sighted dated 25th July 2019, on toilet repairs. Management resolved the issue on 26th July 2019.

MINOR NC:

However, the complaint form does not seek acknowledgement from the complainant that the issue has been resolved.

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 "Borang Laporan Isu" seen for all stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office which are easily assessible. Complaint form is made available at Kim Seng Plantations Sdn Bhd main 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 Employees and the surrounding communities, were made aware that complaints or suggestions can be made any time vide internal stakeholder meeting conducted on 19th October 2018 and 26th October 2018 and external stakeholders meeting which was conducted on 19th December 2018 held in "Bilik Mesyuarat Ladang Kim Seng". Seen briefing materials and photographs of the input on complaints and suggestions by the estate management person in charge.

Records of training/briefing on complaint/suggestion procedures available to the workers and stakeholders. Sighted in the minutes of meeting the agenda on Complaints and Request Procedure being briefed to all workforce. During stakeholder meeting, interviewed the contractors and workers and verified that they have made aware on MSPO related requirements.

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



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

Summary Complaints and resolutions file for the last 24 months. As evidenced, a complaint was documented and action taken by the management to visit the affected parties to resolve the issues at the affected area. Complaint and resolutions for the last 24 months. Seen 9 complaints in total, and sampled complaint been documented as per below:

- Complaint 1 dated 25th July 2019, on repairs at linesite. Management resolved the issue on 26th July 2019.
- Complaint 2 dated 15th Jun 2019, on repairs at linesite. Management resolved the issue on 17th June 2019.

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 Seen records on the contribution to local development at Kim Seng Plantations Sdn Bhd; Corporate Social Responsibility (CSR) Report. Estate is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence management has contributed to local sustainable development namely:

- Sumbangan Pertandingan Bola Sepak 9 Sebelah Tertutup Kg Kejai, dated 1st May 2019, sighted cash bill dated 28th April 2019.
- "Sumbangan dana Sempena Pertandingan Bola Speak 9 sebelah Tertutup Kampung Kejai" dated 19th April 2019.
- Dental Checking for Employees from Klinik Pergigian Baling dated 4th September 2018.

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 Kim Seng Plantations Sdn Bhd sighted Occupational Safety and Health Policy dated 9th June 2018 approved by Mr Gooi Chuk Teak, Managing Director. Policy is available in both language English and Bahasa Malaysia.

- Comply with the laws and regulations of safety of workers at work place and their health as best they can;
- Organizing training covers safe working practices and ensuring a safe environment at work.
- All information and safety and health briefings are communicated to all employees.
- Providing workers with safety equipment
- Ensure that all contractors comply with this farm safety policy.



Occupational Safety and Health plan prepared by Cik Ainin Sofiya and approved by Estate Manager, Mr Tan Kwang Wah. Operational Safety and Health (OSH) policy sighted displayed in the main office (Occupational Safety and Health). Policy has been communicated to all employees on 27th March 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

Kim Seng Plantations Sdn Bhd sighted Occupational Safety and Health Policy dated 9th June 2018 approved by Mr Gooi Chuk Teak, Managing Director. Policy is available in both language English and Bahasa Malaysia. Occupational Safety and Health plan prepared by Cik Ainin Sofiya and approved by Estate Manager, Mr Tan Kwang Wah. Operational Safety and Health (OSH) policy sighted displayed in the main office (Occupational Safety and Health). Policy has been communicated to all employees on 27th March 2019.

"Prosedur apabila berlaku kemalangan di tempat kerja" is made available in SOP file. Adequate HIRARC being assessed and documented. Risk assessment was conducted



through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).

HIRARC file seen and to verify the risks of all operations and total HIRARC listed is 14. Last reviewed HIRARC dated on 17th April 2019. As sampled taken:

NO.	HIRARC
1.	Spraying
2.	Weeding
3.	Manuring
4.	Pruning
5.	Harvesting
6.	Transporting workers
7.	Workshop
8.	Store
9.	Ramp
10.	Weighbridge
11.	Air Compressor
12.	Transportation FFB to Mill
13.	Replanting
14.	Landfill
15.	Weighbridge
16.	Landfill
17.	Linesite
18.	Chemical store

MINOR NC:

HIRARC is documented and last reviewed on 17th April 2019, however, recommended risk control has not been addressed (incomplete) for the following HIRARC:

- Weighbridge
- Transportation FFB to Mill
- Landfill area
- Store
- Replanting

Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training file – Safety and Health Programme for the year 2019. Meeting minutes and attendance record and photographs of the abovementioned training available, sampled taken as below:

TRAINING	TARGET GROUP	MONTH
HIRARC training	All workers	24th May 2019 (22 participants)
PPE Training	All workers	24th May 2019 (24 participants)



SOP Training	All workers	24th May 2019 (24 participants)
First aid kit	All workers	Planned on 13th December 2019
CIP Training	General workers	12th March 2019
Spraying training	General workers	30th August 2019 (5 participants)
Manuring Training	General workers	30th August 2019 (16 participants)

MINOR NC:

During store visit, no SDS been displayed beside the chemical/fertilizer and whichever needed.

PPE issuance and replacement record are made available. List of allocation of PPE to estate personnel year 2019 sighted in PPE issuance file. List of provided PPE to the workers in the are available in the "PPE Issue Book". Seen record of safety equipment supplied to general workers.

SOP Chemical Handling is available [Prosedur Kerja Selamat Bagi Pengeluaran Racun], [Prosedur Kerja Selamat Bagi Membancuh Racun] and [Prosedur kerja selamat bagi operasi membaja secara manual] is available. SOP Document No KSP/OSH/SOP/01 dated 9th June 2018 for Handling of Chemicals prepared by Cik Ainin Sofiya and approved Mr Tan Kwong Wah, Estate Manager. CHRA were made available during audit dated 26th July 2018 and next CHRA will be on 26th July 2023 by Mohd Akhir Bin Ahmad – JKKP Registration Number [HQ/17/ASS/00/00019]. Verified Form F, action plan has been taken place as verified during field visit and document audit. Sighted Medical Surveillance Report for the year 2019, by Dr T.Sakthi Yananthan MD [DOSH: HQ/12/DOC/00/262]. List of employees participated seen and certificate of fitness, all participated employees are fit to work.

Management has appointed Cik Ainin Sofiya as the responsible person for Workers Safety and Health vide letter dated 27th July 2018 approved by Mr Gooi Chuk Teak, Managing Director and accepted by Cik Ainin Sofiya.

OSH committee meeting conducted on 22th July 2019. OSH meeting plan sighted with photographs, attendance record and all issues related to safety and health has been discussed during the meeting.

Emergency Response Procedure (ERP) sighted and the ERP has clearly justified procedures when dealing with chemical spillage, accident and others. Emergency response plan include the emergency contact number, Emergency Respond Plan Procedure and exit routes in file and notice board. Accident and emergency Flow Chart named "Pelan Tindakan Kecemasan Kemalangan Di Ladang Pejabat, Stor atau Rumah Pekerja, Tumpahan Minyak dan Pelan Tindakan Kecemasan Kebakaran" sighted and instructions are clearly written. "Carta Organisasi Jawatankuasa Tindakan Kecemasan" is made available, dated in 5th July 2019.

First aid training attended by Pn Norfaizah bt Yousof, En Mohd Wazi bin Azmi and Ms Amarathvali a/p Ramalingam. Training provided by St John Ambulance. First Aid Kit available at the field held by mandore and field staff.

Estate has sent JKKP 8 report [Daftar Kemalangan, Kejadian Berbahaya, Keracunan Pekerja dan Pekerja] submitted to JKKP dated 9th January 2019 [No ruj: JKKP8/22923/2018].

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 Kim Seng Plantations Sdn Bhd has established Social and Human Rights Policy and dated 19th June 2018 approved by Managing Director, Mr Gooi Chuk Teak. All policy was communicated during internal and external stakeholder meeting. Sighted meeting minutes and training materials presented during the briefing. The Policy being displayed at notice boards outside the office. Communication of all the policies to all staffs and workers was through briefing during muster call.

In Compliance **Yes** No Not Applicable

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

Summary Kim Seng Plantations Sdn Bhd established "Gender and Equal Opportunities" policy dated 9th June 2018, signed by Mr Gooi Chuk Teak, Managing Director. Sighted Gender and Equal Opportunities Policy which states the management's commitment on equal employment. No evidence to show management is engaged in or in support of any discriminatory practices in respect of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

In Compliance **Yes** No Not Applicable

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

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

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 Documented evidence (payslips) of contractor's workers paid as per industry minimum standards seen. Records of payment and the Agreement between the management and contractors. Kim Seng Plantations Sdn Bhd maintains all contractors' documents including contract agreement, workers payslips is made available during audit. Interviewed the contractors /suppliers during the audit and has verified on the MSPO implementation. The salary of contractor workers is according to "Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act (Act 732). Malaysian Minimum salary is RM1,100 as stated in guidelines.

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 Personal file of employees was sighted. Registration Card of each workers sighted, consist of details of employee particulars. Contract agreement sighted and made available during audit. All details (name, gender, date of birth, date of entry, job description, wage and period of employment information available as evidence of individual existence.

In Compliance **Yes** No Not Applicable

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

Summary The agreement stated all the term and conditions according to Malaysian Law. This contract is signed by both employee and employer and accompanied with respective witnesses. All workers enjoy the same scale of pay and provided with equal housing and work facilities. Seen contract of employment, signed by the employee and employer.

Each employee is provided with the copy of contract agreement, and as per interview with clerk all staff/workers required to sign acknowledgment form upon receipt. During field visit, workers has been interviewed and confirmed they are aware of the deduction and copy of employment contract is given.

In Compliance **Yes** No Not Applicable

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

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

- Checkroll attendance
- Staff attendance book

Attendance system is based on Punch-card (time card) system utilized in the estate, and chief clerk will update in checkroll book in timely manner.

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

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

Summary Pay 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. Based on the interview with the workers, they confirmed that they are being paid more than the stipulated minimum wage and understand all the deductions being made. Documented payslip was distributed to individual workers on the day of payment. Payment being made through bank and seen the letter of consent from workers to the Management. Records have been verified during the audit.

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. Workers provided with accommodation with basic amenities. Other forms of social benefits offered are as bonus, housing facilities, electricity and water, transport provided for work and medical benefits.

MINOR NC:



Miscalculation of sick leave entitlement as employee name Senpamah a/p Muniandy met with an accident on 16th March 2018. As verified from Jan'18 – Mar'18 [Jan'18 – 3days, Feb'18 – 2 days, Mar'18 – 13 days], in total 18 days of sick leave was taken. However, as per employment contract, she is entitled for 22 days of sick leave. Thus, the management has deducted 22 days of sick leave.

In Compliance Yes **No** Not Applicable

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

Summary All workers are provided with housing facilities at workers linesite. Electricity and water are provided by the estate without any charges to the workers. Housing provided by company to workers and weekly inspection report on workers quarters "Buku Pemeriksaan Mingguan ke atas Perumahan Pekerja" was made available. During field visit, linesite has been inspected and the condition is clean and well-maintained condition.

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 Kim Seng Plantations Sdn Bhd has established Sexual Harassment and Violence Policy dated 9th June 2018 and approved by Mr Gooi Chuk Teak, Managing Director. No forms of sexual harassment act take place in this area. Employees are aware of the company policies and knows the procedure to react the situation.

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 No evidence to show that the company is restricting the employees from joining any Trade Union. Kim Seng Plantations Sdn Bhd established Right to Freedom Of Expression and The Union Policy which emphasise on freedom to join Union, dated 19th June 2018 and approved by Mr Gooi Chuk Teak, Managing Director. Policy sighted displayed in the main office and policy has been communicated to all employees on 27th March 2019.

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 No evidence to show child labour during field visit. Kim Seng Plantations Sdn Bhd has established Children and Young Person Policy emphasize on prohibition of employment of individual under the age of 18, dated 19th June 2018 and approved by Mr Gooi Chuk Teak, Managing Director. There is no children and young person been employed as per record "Daftar Pekerja" available at the time of audit. There are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed. The policy has been displayed on notice board outside the main office building. Briefing has been conducted regarding the policy during internal and external stakeholder meetings.

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 need analysis, training programme or training records which include the MSPO related, working SOP, social and environmental element for employee and contractors are made available at the time of audit in the "Training File". "Training Programme C/W/Contractor Workers Training Matrix Year 2019", last updated 29th August 2019, prepared by Ms Ainin Sofiya Binti Johari and approved by Mr Tan Kwong Wah. Below are the listed training programme listed:

TRAINING	TARGET GROUP	MONTH
MSPO Management System Training	Office staff	27 th March 2019
HIRARC training	All workers	24 th May 2019
PPE Training	All workers	24 th May 2019
SOP Training	All workers	24 th May 2019
First aid kit	All workers	Planned on 13 th December 2019
CIP Training	General workers	12 th March 2019
Spraying training	General workers	30 th August 2019
Manuring Training	General workers	30 th August 2019
Schedule waste training	General workers	18 th October 2018
Zero Burning Training	All workers	12 th March 2018
Handling Used Chemical Training	General workers	11 th October 2018



Handling Use Fertilizer Training	General workers	11th October 2018
HCV Training	Office staff	4th May 2019

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 Training needs and training plan for the staff and workers is made available. The Estate has a comprehensive annual training plan for the Staffs and Workers. Seen Training Matrix – Related OSH & Training and Environmental. Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description. For all site personnel. "Training Need Analysis 2019" is seen for all 40 employees including staff and workers, and contractor workers, whereby was last updated on 22nd August 2019.

In Compliance **Yes** No Not Applicable

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

Summary All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file. Training programme on environment, social, safety and health related is available in the Safety and Health training programme for the year 2019, training Plan for 2019 prepared by Cik Ainin bt Johari and approved by Mr Tan Kwong Wah.

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 Kim Seng Plantations Sdn Bhd has established policy related to the environmental management. Policy related to the Environmental management is available at Kim Seng Plantations Sdn Bhd as referred to:

- "Environmental Care and Protection Policy", "No Open Burning Policy" and "Replanting Policy" dated 9th June 2018 and signed by Mr. Gooi Chuk Teak (Director) and;



- "Slope and River Protection Zone Policy" dated 12th February 2019 and signed by Mr. Gooi Chuk Teak (Director).

Estate management communicated and presented the policies to the stakeholders during the stakeholders meeting. Environmental Management Plan is recorded in the "Penilaian Impak dan Aspek Alam Sekitar – Tahun 2019" dated 30th April 2019.

Items include:

- Mengekalkan zon riparian di sepanjang sumber air
- Penyelenggaraan berkala kenderaan
- Latihan kepada pekerja (SOP/Polisi syarikat)

During interview session with the stakeholders, they conform on the communication and implementation of the policy related.

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 Kim Seng Plantations Sdn Bhd has established policy related to the environmental management. Policy related to the Environmental management is available at Kim Seng Plantations Sdn Bhd as referred to:

"Environmental Care and Protection Policy", "No Open Burning Policy" and "Replanting Policy" dated 9th June 2018 and signed by Mr. Gooi Chuk Teak (Director) and "Slope and River Protection Zone Policy" dated 12th February 2019 and signed by Mr. Gooi Chuk Teak (Director). "Penilaian Impak dan Aspek Alam Sekitar – Tahun 2019" dated 30th April 2019 is made available at the time of audit. The Company has conducted environmental impact assessment for all its' activities in year 2019.

In Compliance **Yes** No Not Applicable

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

Summary The environmental improvement plan to mitigate the negative impact was incorporated in the environment management plan. Significant issues recorded in the "Penilaian Impak & Aspek Alam Sekitar – Tahun 2019" were translated in the "Pelan Kawalan Pengurusan" dated 30th April 2019. Site verification has been conducted on the implementation of the improvement plan.

In Compliance **Yes** No Not Applicable

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

Summary Kim Seng Plantations Sdn Bhd developed programme to promote the positive impacts on environmental was incorporated in the environment management plan. Continuous Improvement Plan is made available as referred to: "Continuous Improvement Plan 2019" dated 30th April 2019.

In Compliance **Yes** No Not Applicable

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

Summary Training programmes on the environmental are available as referred to "Training Programme C/W Training Matrix – Year 2019" dated 30th August 2019. As evidenced, attendance and training material made available as below:

Training	Target Group	Date
Zero burning training	All employees	12 th March 2019
Continuous Improvement Plan (CIP) training	All employees	12 th March 2019
Environmental training	All employees	18 th October 2019

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 is combined with the OSH meeting as sighted OSH meeting minutes there is environmental issue has been discussed. Training/ Meeting conducted at Kim Seng Plantations Sdn Bhd, the Environment Issue Training", explaining about content policy. Sighted training implementation, attendance records and photographs are made available attended by staff and workers. As evidenced, environmental quality matters are discussed during the "Mesyuarat Komuniti Alam Sekitar" which was conducted on 12th July 2019. Issues discussed are as below:

- i. Isu pembuangan sisa dan sampah sarap
- ii. Isu lokasi lubang sampah
- iii. Isu penanaman pokok dan tumbuhan di kawasan perumahan pekerja oleh pekerja asing
- iv. Isu sampah di kawasan perumahan pekerja

In Compliance **Yes** No Not Applicable

Criterion 2 Efficiency of energy use and use of renewable energy

Indicator 1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy



including fossil fuel, electricity and energy efficiency in the operations over the base period.

Summary Diesel consumption is closely monitored by daily and monthly record as sighted. Electricity is monitored by monthly through TNB bill. The usage is based on per MT FFB production. Sighted record of "Diesel usage for year 2019" and "Electrical usage for year 2019". Monitoring on the consumption of non-renewable energy and the baseline values are available as referred to:

- "Estimate & Actual Diesel Usage" file with the baseline of 0.391/mt to-date.
- "Estimate & Actual Electricity Usage" file with the baseline of 8.208kWh/mt to-date.

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 The projection consumption of diesel and energy usage for Kim Seng Plantations Sdn Bhd has been documented on annual basis based on the financial year. Seen annual estimate of non-renewable energy being established for the year 2019/2020. Monitoring on the consumption of non-renewable energy and the baseline values are available usage by contractors including all transport and machinery operations in the estate.

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

Criterion 3 Waste management and disposal

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

Summary Waste products and sources of pollution are identified in the List of Scheduled Waste, included with types and source of pollutions. Records of List of Schedule Waste referred as "Pengenalpastian Bahan Buangan Terjadual Tahun 2019" sheet dated 31st January 2019. Identification and management of waste and pollution is recorded as scheduled waste and domestic waste.

In Compliance **Yes** No Not Applicable

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:



- a) Identifying and monitoring sources of waste and pollution.
- b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary Waste Management Action Plan for the year 2019 of Kim Seng Plantations Sdn Bhd is seen and prepared by Estate Manager. Waste products and sources of pollution are identified in "Pengenalpastian Bahan Buangan Tidak Terjadual Tahun 2019" dated 31st January 2019 and "Pengenalpastian Bahan Buangan Terjadual Tahun 2019" dated 31st January 2019. Types and source of pollutions was made available, and sighted type and source of pollutions. During site audit, e-SWIS system is made available for estate usage. Inventory records are available.

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 Kim Seng Plantations Sdn Bhd has established SOP Document No KSP/OSH/SOP/01 dated 9th June 2018 for Handling of Chemicals prepared by Cik Ainin Sofiya and approved Manager, Mr Tan Kwong Wah. Used chemical are identified in the "Pengenalpastian Bahan Buangan Tidak Terjadual Tahun 2019" dated 31st January 2019 and "Pengenalpastian Bahan Buangan Terjadual Tahun 2019" dated 31st January 2019. The estate management listed down the "Prosedur Kerja Selamat Bagi Pengeluaran Racun" which includes;

1. Before task/work "Sebelum Bekerja".
2. During task/work "Semasa Bekerja".
3. After task/work "Selepas Bekerja".

In Compliance **Yes** No Not Applicable

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

Summary As per interviewed with estate manager, the chemical containers will be triple rinsed and punctured to prevent contamination of water source or to human health. Some of it will be used as a pre-mix container. Proper storage of scheduled wastes has been established. Kim Seng Plantations Sdn Bhd has established SOP Document No KSP/OSH/SOP/01 dated 9th June 2018 for Handling of Chemicals prepared by Cik Ainin Sofiya and approved Manager, Mr Tan Kwong Wah. Used chemical are identified in the "Pengenalpastian Bahan Buangan Tidak Terjadual Tahun 2019" dated 31st January 2019 and "Pengenalpastian Bahan Buangan Terjadual Tahun 2019" dated 31st January 2019.



Used chemical container are reused for a chemical mixing activity. Seen record of e-SWIS system for estate usage and inventory records are available, however there is no disposal yet to be recorded since the system are newly introduced and implemented beginning on July 2019. All scheduled waste has been identified and listed generated from estate operations inside the Environmental Management plan according to legal requirement. Implementation at site were verified during the site assessment.

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 is disposed in landfill, but recycling effort is made aware by implementing segregation of waste into three different bins. SOP for "Pengendalian Sisa Domestik ke Lubang Sampah" dated 1st March 2019 established by Kim Seng Plantations Sdn Bhd, prepared by Norfaizah Yousof and approved by Mr. Tan Kwong Wah, Estate Manager. Landfill map is made available during audit.

In Compliance **Yes** No Not Applicable

Criterion 4 Reduction of pollution and emission including greenhouse gas

Indicator 1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

Summary All activities contributing to pollution in the estate has been accessed and documented as per Environmental Impact Assessment (EIA). Kim Seng Plantations Sdn Bhd has established pollution aspects and impacts. All activities contributing to pollution in the estate has been accessed and documented as per Environmental Impact Assessment (EIA). An assessment of the polluting activities is available in the:

- i. "Pengenalpastian Bahan Buangan Tidak terjadual tahun 2019" dated 31st January 2019 and;
- ii. "Pengenalpastian Bahan Buangan terjadual tahun 2019" dated 31st January 2019.
- iii. "Perancangan untuk Mengoptimumkan Penggunaan Tenaga Tidak Boleh diperbaharui"

In Compliance **Yes** No Not Applicable

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

Summary Action plan and monitoring recorded in document of Environmental Management Plan". Seen one of the action plans referring to water pollution and fertilizers application activities. Action plan to reduce identified significant pollutants and emission are identified in the

- 1. "Pengenalpastian bahan buangan tidak terjadual tahun 2019" dated 31st January 2019 and;



2. "Pengenalpastian bahan buangan terjadual tahun 2019" dated 31st January 2019.
3. "Perancangan untuk Mengoptimumkan penggunaan tenaga tidak boleh diperbaharui" dated 24th September 2019 as prepared by Ms Norfaizah Yousof and approved by: Mr. Tan Kwong Wah, Estate Manager

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 Kim Seng Plantations Sdn Bhd has no natural water resources within the estate compound. Water for domestic usage are supplied by Syarikat Air Darul Aman, Kedah. No river pass through the estate area and water usage monitoring is recorded in the "Bil-bil Air bagi Bulan September 2019" file.

MAJOR NC:
"Pelan Pengurusan Air" is made available dated 24th September 2019. However, during audit found insufficient record of monitoring in the Water Management Plan:

- a) assessment of source of water supply
- b) outgoing water from workshop and scheduled waste store
- c) optimizing water and nutrient usage to reduce wastage
- d) protection of water course

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 Areas were verified during the site assessment. There is no HBV area identified within the estate vicinity.

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



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

Summary During site visit, there were road side drains constructed along the main roads to divert and conserve water at designated points.

In Compliance **Yes** No Not Applicable

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

Indicator 1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:
a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Summary The estate is surrounded by neighboring estates and smallholders. Therefore, no rare, threatened or endangered (RTE) species was identified in the estate. Proper signage (No fishing and no hunting) has been displayed at strategic locations in the estate. The management has identified several species of wildlife found in the estate. Summary Report HCV Assessment for Kim Seng Plantations Sdn Bhd, prepared by Mr. Khor Cheng Kwang, verified and checked by Mr. Gooi Chuk Teak, Director dated 11th June 2019. Areas were verified during the site assessment. There is no HBV area identified within the estate vicinity.

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 Management plans are incorporated in the "Pemantauan Pemuliharaan Biodiversiti Nilai Tinggi", High Conservation Value (HCV) document. Samples of the management plan are as below:

- Training to workers and local surrounding communities on SOP and company policies.
- Displaying of proper signage at estate boundary with stakeholders and other strategic places.
- Briefing to workers on rare, threatened or endangered species (RTE) and biodiversity in the estate.



All issues can be discussed during stakeholder meeting organized by estate management as estate implemented and practiced with Good Agriculture Practice (GAP).

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 Biodiversity Management Plan implementation of management plan was verified during the site assessment by the estate which includes;

1. Strictly not allowed activities such as hunting, fishing, catching birds and setting animal traps.
2. Displaying "No Hunting Allowed" sign board at the entrance of the field.
3. Educating estate's employees on biodiversity conservation.

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 Kim Seng Plantations Sdn Bhd implementing Zero Burning Practices as stated in "No Open Burning Policy" and "Replanting Policy" dated 9th June 2018 and signed by Mr. Gooi Chuk Teak, Director. SOP on Replanting is made as reference as Land Preparation for Oil Palm Replanting [SOP Doc No.: KSP/ENV/ SOP/04], prepared by Ms Norfaizah Yousof and approved by: Mr. Tan Kwong Wah, Estate Manager dated 9th June 2018. No burning of oil palm residue during replanting activities in the estate as estate is committed towards implementing no burning policy.

In Compliance **Yes** No Not Applicable

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

Summary As per interview with Estate Manager no significant risk of disease palm was reported. SOP on Replanting is made as reference as Land Preparation for Oil Palm Replanting [SOP Doc No.: KSP/ENV/ SOP/04], prepared by Ms Norfaizah Yousof and approved by: Mr. Tan Kwong Wah, Estate Manager dated 9th June 2018. No burning was practiced as there no needs for the estate to apply permit or permission for burning activities.

In Compliance **Yes** No Not Applicable

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



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

In Compliance **Yes** No Not Applicable

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

Summary Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. The following practices has been implemented by the management during replanting:

1. The palm trunk is to be chipped to not more than 10cm thick (approx. 3 inches) to allow rapid disintegration and decomposition of the residue. Remnants of palm bole tissues and bulk of the root mass are to be dug out, broken up and the hole refilled.
2. The shredded pieces are to be stacked in single rows and layer to reduce the thickness of the stack.

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 Kim Seng Plantations Sdn Bhd has established Standard Operating Procedure for estate. Estate manager will monitor the work flow and ensure all operations as per guided in the SOP In total 37 types of Standard Operating Procedures (SOP) which are in use in the company's operations. Sampled the following SOPs:

No.	SOP	Document No.
1.	SOP Audit Dalaman	KSP/IAP/SOP/01
2.	SOP Aduan & Rungutan, Rundingan dan Permintaan	KSP/TRC/SOP/03
3.	SOP Meracon	KSP/OSH/SOP/01
4.	SOP Pengendalian Pemampat Udara	KSP/OSH/SOP/12
5.	SOP Tumpahan Diesel	KSP/ERP/SOP/04

During audit verification, seen the document was well maintained and kept in orderly manner. Interview workers could demonstrate understanding on SOP and safety precautions.

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 Slope and River Protection Zone Policy dated 12th February 2019, approved by Mr Gooi Chuk Teak, Director. The policy states that

- Slopes exceeding 25^o degrees must be excluded from any new development and replanting programme.
- The company is committed to protecting slopes and rivers
- Slopes of less than 25^o degrees, existing plants should be maintained accordingly.

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

In Compliance **Yes** No Not Applicable

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

Summary Maps are made available showing separation of estates. The estate has a map showing separation of block/field. Each field has the field marking (boundary marker) sighted during field visit. As per interview with Cik Ainin Sofiya bt Johari, visual identification or reference system for each field is available. Field Identification signage sighted during site visit. Given below is typical Field Signage:

- F 5C (Denotes field number & Block)
- 07 (denotes planted year)

The above signage referred as Field No 5, Block C, Planted in the year 2007. The estate has a visual reference system to identify each field or block. Each field painted on crops with block number, year of planting & hectare only. Marking has been sprayed on the nearest crops, sighted during field visit.

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 is made available. Seen Estimated Cost of Oil Palm Replanting in (Kim Seng Plantations Sdn Bhd). Business plan from 2019 - 2020 dated 2nd June 2019 prepared by Mr Khor Cheng Kwang, Director and approved by Mr Gooi Chuk Teak, Managing Director. Implemented management plan available to demonstrate attention given to long term economic financial planning. Management has forecasted revenue and yield per hectare for financial year 2017/2018, 2018/2019 and 2019/2020. As sampled, projected yield/ha:

YEAR	YIELD/HECTARE
2017/2018	18.88 (actual)
2018/2019	19.63 (actual)
2019/2020	19.80 (projected)

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 Kim Seng Plantations Sdn Bhd established annual replanting programme from 2018 to 2023 prepared by Mr Khor Cheng Kwang, Director and approved by Mr Gooi Chuk Teak, Managing Director. Statement of Expenditure for the year ending 30th June 2019 [Immature Oil Palm – Replanting 2019 expenditure].

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. Sighted in annual budget year 2019, there is estimated expenditure for the year 2019 made available. Analysis of expenditure for the year 2019, as sampled below:

Description	Items
Planting Material	HRU/YANGAMBI
Year	Yield/Hectare
2017/2018	18.88 Ha (actual)
2018/2019	19.63 Ha (Projection)
2019/2020	19.80 Ha (Projection)

In Compliance **Yes** No Not Applicable

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



Summary Estate performance is recorded on monthly basis and Kim Seng Plantations Sdn Bhd budget final year 2019 is made available. The monitoring to achieved the target is effectively implemented such field monitoring and enforcement of all SOP. Implemented management plan and their achievements of goals and objectives which are regularly monitored by Board of Directors via quarterly cost analysis. Monthly account is made available to record the budgeted and actual production on monthly basis. Details on the actual vs budget i.e: FFB production, capital expenditure, production cost and profit & loss account are shown therein.

In Compliance **Yes** No Not Applicable

Criterion 3 Transparent and fair price dealing

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

Summary Record seen in estimated income and expenditure statement for year 2018 & 2019, stated the prices of FFB [CPO & PK]. Harvesting Contract between Kim Seng Plantations Bhd and contractor dated 1st March 2019 which specify the rate of pay for harvesting. Payment for Harvested FFB will be paid based on the age of the palm i.e. year planted. Payment is paid as per schedule attached to the agreement.

In Compliance **Yes** No Not Applicable

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

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Kim Seng Plantations Sdn Bhd. Contract for transport and services are based on negotiation, acceptance and signed by both management and contractor consider as fair, legal and transparent. Payments are made in accordance to the term and conditions stated in the contract and on a monthly basis (Clause 9). Details on payment (as per agreed schedule) and the frequency of payment sighted.

In Compliance **Yes** No Not Applicable

Criterion 4 Contractor

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

Summary All the contractors are aware that estate will be certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement. Clauses in the memorandum of Agreement between Kim Seng Plantations Sdn Bhd and contractors requiring them to understand the MSPO requirements and shall provide the required documentation and information if needed. Terms of conditions include statement on requirement to comply with MSPO certification. During stakeholder meeting with contractors, they understand the MSPO requirement.

In Compliance **Yes** No Not Applicable



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

Summary Kim Seng Plantations Sdn Bhd established contract agreement with contractors are made available. All the contractors are aware that estate will be certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement.

In Compliance **Yes** No Not Applicable

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

Summary The estate was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 20th August 2018 (Stage 1) and 24th September 2019 (Stage 2). Sighted audit plan which have been accepted address to Director of Kim Seng Plantations Sdn Bhd. All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

In Compliance **Yes** No Not Applicable

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

Summary Estate verified the work done by the contractors before all the payment paid to the contractors. Estate also inspect the contractor's workers. As per interviewed and also during site visit, the workers aware with OSH requirement. As example, the workers wear the PPE during the work task that given to them. Contractor's invoice will be verified by estate management team prior payment is made. Field supervisor will physically check the work done at the site to verify on work performed to release payment to the contractor.

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 Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

Indicator 2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management

Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 2 Peat land

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

Summary At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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



Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land	
Indicator 1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.
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 Kim Seng Plantations Sdn Bhd.
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 Kim Seng Plantations Sdn Bhd.
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 Kim Seng Plantations Sdn Bhd.
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 Kim Seng Plantations Sdn Bhd.
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 Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Seng Plantations Sdn Bhd.

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 2) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 3) Relationship between the surrounding smallholders and villagers are well maintained.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
24 th September 2019	08:00 – 09:00	Centralize Opening Meeting at Kim Seng Plantations 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). 	SP	NA/MAS
	09:00 – 13:00	Kim Seng Plantations 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. 	SP	NA/MAS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	SP	NA/MAS
		Centralize Stakeholder Consultation (Kim Seng Plantations Sdn Bhd - Office)	SP	NA/MAS
	13:00 – 14:00	➤ Lunch	SP	NA/MAS
	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	SP	NA/MAS




	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	SP	NA/MAS
	16:00 – 17:00	<p>Centralize Closing Meeting at Kim Seng Plantations Sdn Bhd</p> <ul style="list-style-type: none"> ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	SP	NA/MAS



Appendix B: Non-Conformity details



Non-Conformities Identified During This Audit			
Major Nonconformities:		The following NC's was raised for this audit.	
Company Name	Kim Seng Plantations 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-AD1-MSPO-2019		
NC No. / Ref.	AD1/MSPO/MAJOR/01	Date Detected	24 th September 2019
Site(s) concern	Kim Seng Plantations Sdn Bhd	Target Completion	90 days
Normative Reference and Requirement	4.5.5.1 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: <ol style="list-style-type: none"> 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 		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Insufficient records of monitoring in the Water Management Plan		
NC Objective Evidence:			
"Pelan Pengurusan Air" is made available dated 24 th September 2019. However, there are insufficient monitoring were conducted on the: <ol style="list-style-type: none"> a) assessment of source of water supply b) outgoing water from the workshop and scheduled waste store c) optimizing water and nutrient usage to reduce wastage d) protection of water course 			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			

<ul style="list-style-type: none"> Water Management Plan incomplete. No protection outgoing water from workshop and scheduled waste store. 	
Corrective action planned (to be filled by client):	
<ul style="list-style-type: none"> a) Update source of water supply in water management plan (Picture 1) b) Making oil trap for spent lubricating oil & procedure to changing lubricant oil (Picture 3 & 4) c) Update optimizing water and nutrient usage to reduce wastage in water management plan (Picture 2) d) Update protection of water course in water management plan (Picture 1) 	
Preventive Action (to be filled by client):	
<ul style="list-style-type: none"> Monitoring water management plan. Monitoring and keep tracking spent lubricating oil every month. 	
Review of corrective/preventive action (to be filled by Lead Auditor)	
The findings been verified, all the evidence is sufficient. Water management plan was made available as evidence to close the non-conformity. Site visit were not required as all document were submitted and satisfy the needs of non-conformity.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 18 th October 2019	Lead Auditor Signature: 

Minor Nonconformities:	The following NC's were raised for this audit.
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Company Name	Kim Seng Plantations 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-AD1-MSPO-2019			
NC No. / Ref.	AD1/MSPO/MINOR/01	Date Detected	24 th September 2019	
Site(s) concern	Kim Seng Plantations Sdn Bhd	Target Completion	Next surveillance audit	
Normative Reference and Requirement	4.4.2.2 The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			





Description of Non-Conformity	Incomplete record sighted.		
NC Objective Evidence:			
Complaint form is made available at the publicly assessible area, however, the complaint form does not seek acknowledgement from the complainant after resolving the issue			
Lead Auditor Signature:	Client Signature:		
			
Root cause Analysis (to be filled by client):			
Lack of understanding that complaint form need acknowledgement from the complainant after resolving the issue.			
Corrective action planned (to be filled by client):			
Ask from complainant their signature as acknowledgement the issue was resolve. (Picture 5)			
Preventive Action (to be filled by client):			
Make sure all complaint report has complainant's signature as a proof the issue was closed before file it.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
The findings were submitted, non-conformity closure will be verified during next surveillance audit.			
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified:		Lead Auditor Signature:	

Company Name	Kim Seng Plantations 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-AD1-MSPO-2019			
NC No. / Ref.	AD1/MSPO/MINOR/02	Date Detected	24 th September 2019	
Site(s) concern	Kim Seng Plantations Sdn Bhd	Target Completion	Next surveillance audit	



Normative Reference and Requirement	4.4.5.10 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.	
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern	
Description of Non-Conformity	Miscalculation of sick leave entitlement.	
NC Objective Evidence: Employee name Senpamah a/p Muniandy met with an accident on 16th March 2018. As verified from Jan'18 – Mar'18 [Jan'18 – 3days, Feb'18 – 2 days, Mar'18 – 13 days], in total 18 days of sick leave was taken. However, as per employment contract, she is entitled for 22 days of sick leave. Thus, the management has deducted 22 days of sick leave.		
Lead Auditor Signature: 	Client Signature: 	
Root cause Analysis (to be filled by client): System had problem after company migrate from old system to new system. System should show she entitled for 22 days of her sick leave but it only shows 18 days.		
Corrective action planned (to be filled by client): Payback her sick leave for 4 days as soon as possible. Payment made at September 2019 wages. (Picture 6)		
Preventive Action (to be filled by client): Check the system before doing any payment.		
Review of corrective/preventive action (to be filled by Lead Auditor) The findings were submitted, non-conformity closure will be verified during next surveillance audit.		
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified:	Lead Auditor Signature:	



Company Name	Kim Seng Plantations 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-AD1-MSPO-2019			
NC No. / Ref.	AD1/MSPO/MINOR/03	Date Detected	24 th September 2019	
Site(s) concern	Kim Seng Plantations Sdn Bhd	Target Completion	Next surveillance audit	
Normative Reference and Requirement	<p>4.4.4.2</p> <p>The occupational safety and health plan shall cover the following:</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p>ii. all precautions attached to products shall be properly observed and applied</p>			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Incomplete record available			
NC Objective Evidence:				
<p>b) HIRARC is documented and last reviewed on 17th April 2019, however, the recommended risk control is insufficiently assessed. Below are the sample of HIRARC:</p> <ul style="list-style-type: none"> • Weighbridge • Transportation FFB to Mill • Landfill area • Store • Replanting <p>c) SDS not available at the chemical store during field visit.</p>				
Lead Auditor Signature:		Client Signature:		
				
Root cause Analysis (to be filled by client):				
<p>b) HIRARC recommended risk control incomplete.</p> <p>c) SDS was kept in file for reference to avoid them from torn because of some workers attitude which is not responsible.</p>				
Corrective action planned (to be filled by client):				

b) Update HIRARC recommended risk control. (Picture 7) c) SDS will display in chemical store according to its chemical. (Picture 8)	
Preventive Action (to be filled by client):	
b) Monitor, track and updates the changes if needed. c) SDS will laminate before display in chemical store.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
The findings were submitted, non-conformity closure will be verified during next surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified:	Lead Auditor Signature:

Area of Concern:	No area of concern was raised for this audit.
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Appendix C: List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Kim Seng Plantations Sdn Bhd management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Kementerian Pendidikan
- 2) SJKT (T) Ladang Kim Seng
- 3) Boustead Stothard Estate
- 4) Temple representative
- 5) Balai Polis Kuala Ketil
- 6) Sukarelawan BOMBA Kuala Ketil
- 7) Solid Orient Sdn Bhd
- 8) Contractors
- 9) Cattle owner
- 10) Suppliers
- 11) Local Communities
- 12) Villagers