

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



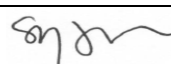


### CERTIFICATION AUDIT REPORT

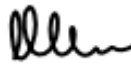
#### Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

RP Kelapa Sawit Sdn Bhd  
Bukit Mas Estate

-Individual Certification-

MAIN ASSESSMENT AUDIT  
17<sup>th</sup> October 2019 – 18<sup>th</sup> October 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	16/12/2019	Issued as Draft Report	Surenthiran Panneerselvam	Lead Auditor	
A	26/12/2019	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	26/12/2019	Peer Review 2 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 2	
B	28/12/2019	Issued as Final Report	Surenthiran Panneerselvam	Lead Auditor	
B	30/12/2019	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by RP Kelapa Sawit Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	30/12/2019	Acceptance of the contents	Mr. Chan Eng Kong	Director	

#### **Declaration**

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

WITH INTEGRITY WE SERVE



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

## SECTION I: PUBLIC SUMMARY REPORT

### 1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of RP Kelapa Sawit 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 Bukit Mas Estate.

This assessment was conducted onsite on 17<sup>th</sup> October 2019 - 18<sup>th</sup> October 2019 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

### 1.2 Company details and Contact information

<b>Company Name</b>	RP Kelapa Sawit Sdn Bhd
<b>Business Address</b>	Bukit Mas Estate, 35800 Slim River, Perak, Malaysia
<b>Contact Person</b>	Mr. Chan Eng Kong
<b>Office Telephone</b>	+05-6228611 / +05-6225611 (F)
<b>E-Mail</b>	ladangbukitmas@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.	Bukit Mas Estate	35800 Slim River, Perak, Malaysia.	E 101° 18' 27.59"	N 3° 45' 43.12"

#### MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Bukit Mas Estate	501636602000	31.08.2020	Menjual & Mengalih FFB

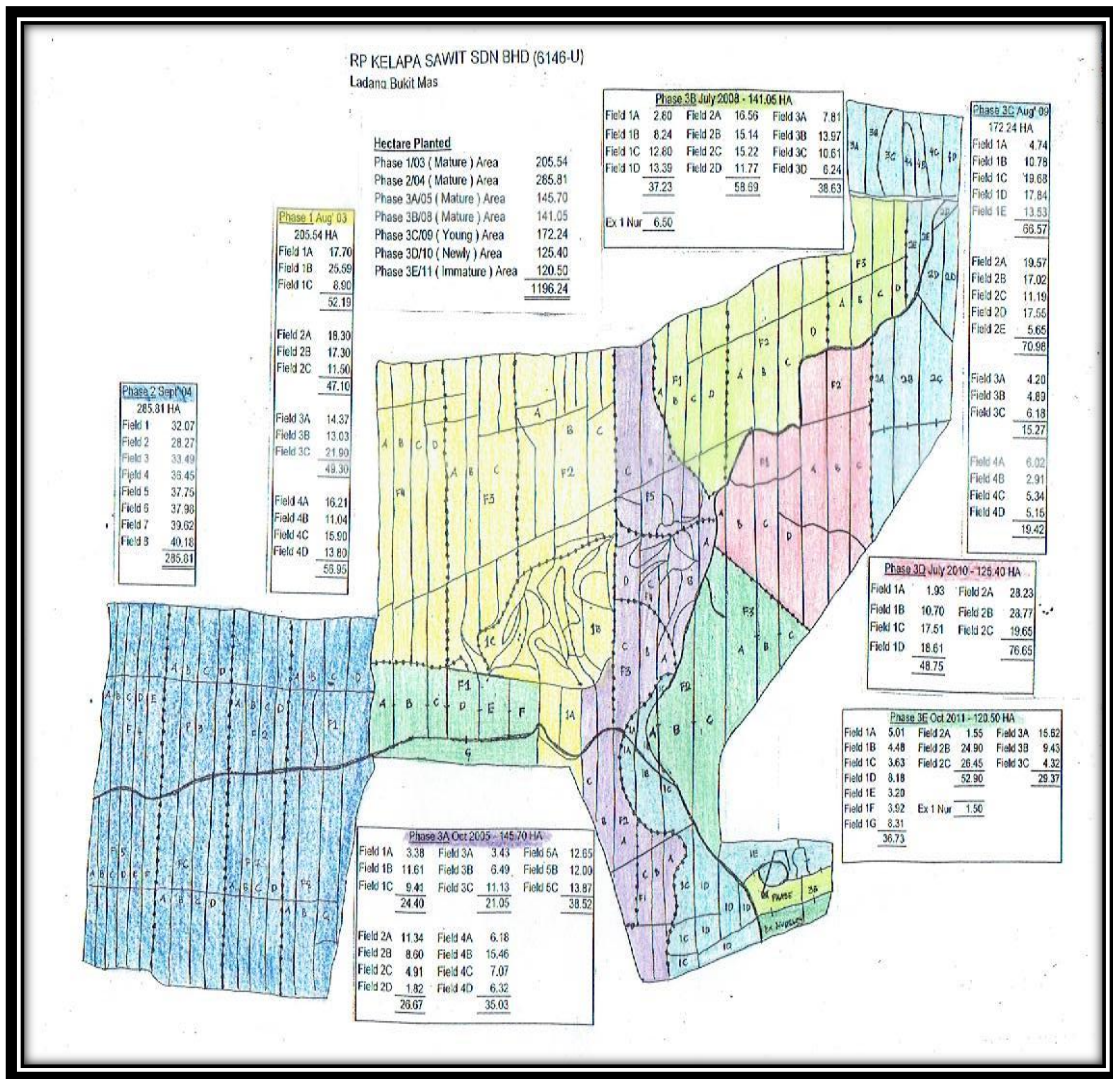


**Others Sustainability Certification**

No	Name of The Site	Others Sustainability Certifications
1.	Bukit Mas Estate	NIL

**1.4 Map Showing Geographical Location**

**Bukit Mas Estate**





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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Bukit Mas Estate	1,238.769	1,196.24	1,196.24
<b>Total</b>	<b>1,238.769</b>	<b>1,196.24</b>	<b>1,196.24</b>

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Bukit Mas Estate	-	-	42.529
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42.529</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Oct 2018 - Sep 2019]	Projected Production for next 12 Months [Oct 2019 - Sep 2020]
Bukit Mas Estate	NIL	36,738.13	38,025
<b>Total</b>	<b>NIL</b>	<b>36,738.13</b>	<b>38,025</b>



## 1.6 Certificate Details

<b>Certification body</b>	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: <a href="http://www.ggc.my">www.ggc.my</a>
<b>Assessment standard</b>	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
<b>Certificate number</b>	GGC-RPKS001-MSPO-00-2019
<b>Initial certificate issued date</b>	30 <sup>th</sup> December 2019
<b>Certificate expiry date</b>	29 <sup>th</sup> December 2024
<b>Stage 1 assessment date</b>	19 <sup>th</sup> September 2019
<b>Stage 2 / Main Assessment</b>	17 <sup>th</sup> October 2019 - 18 <sup>th</sup> October 2019
<b>Annual Surveillance 1 [ASA 1]</b>	October 2020
<b>Annual Surveillance 2 [ASA 2]</b>	October 2021
<b>Annual Surveillance 3 [ASA 3]</b>	October 2022
<b>Annual Surveillance 4 [ASA 4]</b>	October 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:** Nanang Kualib

Graduated in Degree on Forestry from Bogor Agricultural Institute (IBP), Indonesia. He worked in Forest Company in 2000 –2004 as a technical assistant of Sustainable Forest Management Implementation, Joint program with Forest Faculty Bogor Agriculture Institute and WWF Indonesia in 2006 – 2010. As a professional, he was involved in HCV social study of Sustainable Forest Management, HCV Identification in 3 palm oil plantations in Indonesia. Currently, he works as professional HCV assessor. Involved in audits conducted in Malaysia and Indonesia. Member of GGC RSPO 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.

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

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment. Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

## 1.9 Audit Plan Information

<b>Audit Date</b>	17 <sup>th</sup> October 2019 - 18 <sup>th</sup> October 2019
<b>Name of site(s) visited</b>	Bukit Mas Estate
<b>Total number of man-days spent</b>	3 man-days

## 1.10 Audit Result Summary Findings

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	0	No action requires
Minor Nonconformities	2	Open (Next Surveillance Audit)
Area of Concern	0	No action requires
Noteworthy /Positive Comments	6	No action requires

## 1.11 Stakeholder Consultation

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

GGC has published the public notification on 10<sup>th</sup> September 2019 and as to accommodate a stakeholders' consultation meeting for estate. Therefore, stakeholder consultation was conducted on 17<sup>th</sup> October 2019 in Bukit Mas Estate to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

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



No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	All stakeholders	<ul style="list-style-type: none"> <li>Stakeholders who attended the meeting are aware about what is MSPO.</li> <li>Clear knowledge on the existence of a complaints/grievance mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>Management will continue briefing to all stakeholders on MSPO awareness</li> <li>Management will continue briefing to all stakeholders on MSPO's complaint and grievance mechanism available in their company</li> </ul>	Will review by next surveillance audit
2.	Stakeholders B (Wakil Orang Asli)	<ul style="list-style-type: none"> <li>Good communication and cooperation with the estate.</li> <li>Suggest the estate management to make repair the road condition nearby to estate area.</li> </ul>	<ul style="list-style-type: none"> <li>Management will take action if its within the estate boundary, and considering on the existing road condition.</li> </ul>	Positive comments and suggestion
3.	Stakeholders C (Local communities)	<ul style="list-style-type: none"> <li>Good communication and cooperation with the estate.</li> <li>Village Sarang (Burung Ulung Alit) noise from estate area</li> <li>No issues on the usage of route.</li> <li>Movement of heavy vehicles in and out of estate to be monitored.</li> </ul>	<ul style="list-style-type: none"> <li>Management will review and take action accordingly.</li> </ul>	Positive comments and suggestions
4.	Stakeholders D (Contractors and suppliers)	<ul style="list-style-type: none"> <li>Good communication and cooperation with the estate.</li> <li>No issues on payment and agreement.</li> </ul>	<ul style="list-style-type: none"> <li>No action required</li> </ul>	Positive comments
5.	Stakeholder E (Temple representative)	<ul style="list-style-type: none"> <li>Local communities requested for funding assistance for temple repair.</li> </ul>	<ul style="list-style-type: none"> <li>Management will review and take action accordingly based on higher management decision.</li> </ul>	Will review by next surveillance audit

## 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 Bukit Mas Estate. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard.

The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

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

As highlighted in the audit plan, the audit objectives have been achieved and assessment resulted was no major non-conformity findings. 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 Bukit Mas Estate.

### 1.13 Date of Next Surveillance Audit

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

### 1.14 Confidentiality

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

### 1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report



NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil



## SECTION II: ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

### 2.1 Principle 1: Management commitment and responsibility

#### Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

**Summary** Bukit Mas Estate has established MSPO policy set out in the "Polisi Persijilan Minyak Sawit Mampan Malaysia (MSPO)" signed by Management on 3<sup>rd</sup> June 2019. The company has conducted MSPO policy socialization to employees and contractors in the stakeholder meeting on 10<sup>th</sup> October 2019. The policies displayed on the notice board in the estate office and in the employee's housing area. Based on interviews with workers and contractors, they able to demonstrate their understanding on company policies related to MSPO (People, Planet and Profit).

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

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

**Summary** The policy emphasizes on top management commitment towards sustainable production of palm oil, continuous improvement and compliance to legal requirements. RP Kelapa Sawit Sdn Bhd has also prepared a Continuous improvement plan related to MSPO as outlined in the document "Ladang Bukit Mas, Environmental, Pollution Management Plan" signed by Management on 30<sup>th</sup> April 30, 2019 consisting of:

- Maintenance at Workshop
- Mature palm maintenance

**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** Internal Audit document SOP No. RPKS-SOP-01 signed by Management on 17<sup>th</sup> June 2019 which contains a flowchart auditor qualifications requirement, audit team selection, audit process and audit findings. MSPO minutes of internal audits committee meeting/ auditors briefing held on 25<sup>th</sup> July 2019. Audit findings are outlined in the Internal Audit Checklist Form (Doc No.: RPKS-IA-03, Rev 0, 17<sup>th</sup> June 2019). The internal audit done annually by external team appointed as Internal auditors. Internal audit report is made available. All internal audit findings have been reviewed and closed within the timeframe.

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

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

**Summary** Internal Audit document SOP No. RPKS-SOP-01 signed by Management on 17<sup>th</sup> June 2019. The purpose of this procedure is to describe the audit process conducted internally to determine Bukit Mas Estate operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards.

Based on verification of internal audit documents on 27<sup>th</sup> September 27, 2019 improvements to the results indicates that each finding has been equipped with corrective action and follow-up verification. Audit findings are outlined in the Internal Audit Checklist form (Doc No.: RPKS-IA-03, Rev 0, 17<sup>th</sup> June 2019). In total 25 non-conformities identified during internal audit and all have been closed. The Non – conformities being closed within the stipulated period by the Internal Auditor of 1 month from date audit. The findings were documented in the Internal Audit Findings Summary.

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

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

**Summary** RP Kelapa Sawit Sdn Bhd has conducted management review on 14<sup>th</sup> August 2019 attended by director, managers and gender committee representative. The results of the management review available in the document "Minutes of The MSPO Management Review Committee". The report is available for Management to review and being responded in timely manner. MSPO Internal review on 25<sup>th</sup> July 2019 contained 25 non-conformities and all have been closed.

**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** RP Kelapa Sawit Sdn Bhd has conducted management review meeting on 25<sup>th</sup> July 2019. The results of the Management Review are presented in the Minutes of The MSPO Management Review Committee. Decision on management action is listed in Management Review Meeting minutes, management action has been documented and time frame is updated with stating the status of the process

**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** RP Palm Oil Sdn Bhd has a Continuous Improvement Plan (CIP) related to MSPO as outlined in the "Bukit Mas Estate, Environmental, Pollution Management Plan" document signed by Management on 30<sup>th</sup> April 2019 consisting of:

1. Mature Maintenance (Continuous Improvement Plan for Field Operation)
  - Biological control to be implemented by barn owl introduction. To monitor the barn owl location and population by census.
  - Cultural practices to introduce if the population is high. Cultural practices via trapping and hunting by minister the breeding grounds (frond heaps and old trunk chips) to be implemented if necessary.

Implementation:

- RP Kelapa Sawit Sdn Bhd has begun to develop the introduction of owls for pest control of mice, for example by installing owl boxes in Field 3C09.
- Utilization of organic fertilizers to reduce the use of chemical fertilizers, for example the application of organic fertilizers (Compost) in Field 3C09.

2. Maintenance at Scheduled Waste Store (Continuous improvement Plan for Scheduled Waste Store):

- Maintenance and upkeep should be up to date.
- Labelling and contact person in always updated.
- Oil trapped in sump to be recollected and treated as scheduled waste

Implementation:

- RP Kelapa Sawit has built Scheduled Waste Store facility.
- Registered with the E-Swis (DOE System) to report on the management of Scheduled Waste.

**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. the company has begun to use new techniques in several operational activities, for example:

1. Mechanized manuring process.
2. Spraying - Jet pump for insecticide, mist blower for herbicides.

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

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



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

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

## 2.2 Principle 2 : Transparency

### Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

**Summary** Estate has established the Communication Procedures for consultation and communication with relevant stake holders. Sighted consultation and communication procedures "Konsultasi dan Komunikasi", Doc No: RPKS-SOP-13. SOP describe the roles and responsibilities of manager to provide information to stakeholders. Upon received request, management will review the request form within 7 days referring to list of confidential available to public.

Estate have evidence to demonstrate it has communicated the information requested by the relevant stakeholders that could result in negative environmental or social outcomes. Stakeholder meeting has been conducted on 10<sup>th</sup> October 2019 [Bil RPKS-04/2019] at Ramp Pejabat Ladang Bukit Mas. As sampled briefing was made on:

- Company policies
- SOP of company
- Safety and health briefing
- Social issues
- Equal opportunity
- Environmental issues

**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. Estate have sufficient evidence to demonstrate that it has set a mechanism to identify disclosable and non-disclosable documents or record.

List of publicly available management document available during the audit. Sighted Doc: Jenis - Jenis document, Document number: MSPO-03-Rev-0, dated 21<sup>st</sup> July 2019. Seen record of request as sample taken on date 20<sup>th</sup> February 2019 and 4<sup>th</sup> July 2019.

**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** RP Kelapa Sawit Sdn Bhd has established the Stakeholder Communication & Consultation Procedure. RPKS-SOP-13, Date:17<sup>th</sup> June 2019. The Standard Operating Procedure (SOP) has identified mechanism for consultation and communication with the relevant stakeholders. The estate management has communicated the procedures to relevant stakeholders during stakeholder meeting conducted on 10<sup>th</sup> October 2019 [Bil RPKS-04/2019] at Ramp Pejabat Ladang Bukit Mas.

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

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

**Summary** The management has appointed a management representative, responsible for consultation and communication. Letter of appointment is available and the PIC is En. Mohanaraj dated 26<sup>th</sup> June 2019, approved by Mr. Ngo Huey Long, Estate Manager.

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

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

**Summary** List of stakeholders is available with document name "Senarai Nama Stakeholder 2019". Evidenced stakeholder communication record, estate management have approached each and every stakeholder individually. Sighted form named "Penilaian sosial-soal selidik bagi pihak yang berkepentingan" (evaluation form to be filled up by stakeholder) and sampled the filled-up form by internal and external stakeholder. 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** Bukit Mas Estate has established the SOP on traceability is available as referred to: RPKS-SOP-14 dated 17<sup>th</sup> June 2019 was made available at the time of audit to establish suitable identification and traceability of FFB traceable from the plantation activities to the mill. Estate supervisor will conduct regular inspection. Based on interview with Mr. Mohanaraj, person in-charge of all the estates traceability process, he is well versed with the procedures.



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

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

**Summary** Record for Internal Audit for traceability is available during audit. Sighted Internal audit checklist RPKS-IA-03, dated 17<sup>th</sup> June-2019. No non-compliance was found on traceability principle as per internal audit report.

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

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

**Summary** Estate management has appointed En.Mohanaraj as the person in charge for traceability. Appointment letter sighted for En.Mohanaraj dated 26<sup>th</sup> June 2019, stating he will be the overall representative and in charge for any issues related to MSPO.

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

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

**Summary** Records of delivery is available with the details of weighbridge ticket information are recorded in log book "Internal Transporting FFB". Lorry No. Block No., transporter, product, delivery order no,harvesting (Geng detail), destination, time, quantity recorded in the log book.

- Oil Palm Despatch Note
- Despatch Ticket [Ticket No: 024954]

This record being maintained and the documents are kept by the estate. Bukit Mas Estate 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. There is set of Legal Requirements been divided into 4 types:

- Employment
- Environmental

- Occupational Safety and Health
- General & Other requirements

Sighted permits/licenses being monitored and updated by the estates as follow;

1. MPOB License: 501636602000 Menjual & Mengalih (FFB) – 1<sup>st</sup> September 2019 till 31<sup>st</sup> August 2020. [Keluasan estet: 1,238.77 Ha]
2. Foreign workers Compensation Scheme Insurance – LONPAC INSURANCE BHD [Policy NO: W/19/BX22/184248/KUL-01] dated 6<sup>th</sup> August 2019.
3. Permit Khas Barang Kawalan Berjadual - Diesel storage – Permit serial number: A 000007-TPH for 13,000 litre valid from 1<sup>st</sup> February 2019 till 31<sup>st</sup> January 2020. Bless No: BL22019048593 [No ruj: KPDNHEP/P/TPH/600-2/1/6/2/135].
4. Perakuan Penentuan Timbang dan Sukat – Akta Timbang dan Sukat 1972 [B 1341829], No siri alat: A18415385. Inspected by Metrology Corporation Malaysia Sdn Bhd, dated 28<sup>th</sup> May 2019.
5. Peraturan-peraturan Standard-Standard Minimum Perumahan dan Kemudahan Pekerja 1990. Inspection conducted on 25<sup>th</sup> July 2013 by Penolong Pengarah Tenaga Kerja Kanan.

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

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

**Summary**

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

1. Environmental Quality Act 1974 (Act 127)
2. OSHA Act 1994 (Act 514)
3. Factories and Machinery Act 1967
4. Pesticides Act 1974 (Act 149)
5. MPOB Act 1998 (Act 582)
6. Employees Provident Fund 1991 (Act 452)
7. Employees' Social Security Act 1969 Act 1965 (Revised 1990)
8. Children and Young Persons (Employment) Act 1966 (Act 350)
9. Employment Act 1955 (Act 265)
10. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
11. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order (Amendment) 2018

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

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

**Summary** Based on interview with Pn. Rugayah Basri (Clerk), responsible to update as at when any new amendments or any regulations once received through the following manner:

- Communication with law/enforcement officers
- Website

**MINOR NC:**

Based on the document verification, list of all laws applicable to estate operations is available which covers the detail requirements that related to MSPO compliance and was last updated on 1st January 2019. However, it was found that insufficient laws and regulations were listed and updated as and when there are any new amendments or new regulation coming into force.

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

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

**Summary** The estate management has appointed Mr Rugayah Basri as responsible person to monitor compliance and to track and update the changes in regulatory requirements. Seen letter of appointment dated 2nd July 2019 [Bil: 04/RPKS] approved by Mr Ngo Huey Long. He is responsible to check and update the list of legal register requirement, present and brief to workers and contractors on new laws and regulations (if any) and check and ensure all permit and license is updated on timely manner.

**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** RP Kelapa Sawit Sdn Bhd land title is available and well maintained. The estate has the following land title and its wwnership; 3 land titles registered under name RP Kelapa Sawit for total (Ha):

Ownership	No lot.	Hectare (Ha)
RP Kelapa Sawit Sdn Bhd	PT 244; No H.S.D: 2267	36.794
RP Kelapa Sawit Sdn Bhd	PT 246; No H.S.D: 2269	298.251
RP Kelapa Sawit Sdn Bhd	PT 245; No H.S.D: 2268	903.724
<b>Total</b>		<b>1,238.769</b>

The copy of land title is maintained in estate office. There is clearly stated "Syarat - Syarat Nyata" is for oil palm only. There is no land issue raised during stakeholder meeting conducted on 14<sup>th</sup> October 2019 and no grievance reported.

**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 3 copies of land titles kept by the estate. The land titles did not state its express conditions. There is clearly stated "Syarat - Syarat Nyata" is for Oil Palm only. Boundary visual inspection was inspected during site observation.

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

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

**Summary** During site observation, boundary stone was made available. The boundary was clearly demarcated and visibly maintained. As evidenced:

Phase 1: 13 boundary stone  
Phase 2: 31 boundary stone  
Phase 3: 53 boundary stone

Seen record of "Pemeriksaan Batu Sempadan", as last updated on 19<sup>th</sup> September 2019 by Mr. Ngo, Estate Manager. Site observation at Phase 3, Batu sempadan 16.

**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. As interviewe the estate manager, highlighted Kampung Buluh Seruas are on the estate land, which estate allow their staying without any disturbance.

**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** RP Kelapa Sawit Sdn Bhd has conducted social impact assessment for both internal and external stakeholder. During audit, seen letter of invitation was sent to internal and external stakeholder in order to participate in Social Impact Assessment, letter dated on 29<sup>th</sup> January 2019 [Bil (1) RPKS/Surat Jemputan]. As interviewed Mr. Ngo Huey Long, Estate Manager, he has taken initiative to meet the external stakeholders by explaining and invite their participation on SIA. Record of "Penilaian Sosial – Soal Selidik Bagi Pihak Berkepentingan", was made available. Sighted photographs and attendance list as evidence. In total 26 questionnaires sighted, which are filled with stakeholders' concerns.

In total, 11 internal stakeholder correspondence consists of local workers and staffs, and 15 external stakeholder correspondence consists of local authority, neighboring estate, villager representative and contractors. The factors been considered during this assessment conducted such:

1. Access and use rights
2. Economic livelihood and working conditions
3. Subsistence activities
4. Cultural and religious values
5. Health and education facilities
6. Other community values, resulting from changes in improvement of transport / communication/influx of migrant labor force.



RP Kelapa Sawit Sdn Bhd has appointed language translator "Jurubahasa" for India – letter of appointment dated 30<sup>th</sup> January 2019) – Bil:07/RPKS, Indonesia letter of appointment dated 30<sup>th</sup> January 2019 – Bil"02/RPKS and Bangladesh letter of appointment dated 30<sup>th</sup> January 2019 – Bil: 01/RPKS. Management plan of SIA year 2019 was made available as:

**Issues:**

Tiada tractor disediakan untuk mengangkut sampah (Machine)

**Action plan:**

Pihak estate dalam cadangan untuk menyediakan mini tractor untuk mengangkat sampah. Mengadakan seminar tentang kesedaran bahaya pembakaran terbuka di estate.

**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** RP Kelapa Sawit Sdn Bhd has established complaint procedure (RPKS-SOP-09) dated on 17<sup>th</sup> June 2019, prepared by Pn. Rugayah, Chief Clerk and approved by Mr Ngo Huey, 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** 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. Complaint will be verified by management within 7 days. In complaint form, there is acknowledgement column for complainant express their feedback on the action taken by management.

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

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

**Summary** Complaint Form seen for all stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office which are easily assessible. Complaint form is made available at Bukit Mas Estate 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** Communication on SOP is being made during morning muster call. Record available in "Training Book". Meeting minutes was made available dated 10<sup>th</sup> October 2019, complaint procedure has been briefed during the stakeholder meeting. Records of training/briefing on complaint/suggestion procedures available to the workers and stakeholders. During the interview with workers and their dependents able to demonstrate their understanding on complaint procedure. Records of training/briefing on complaint/suggestion procedures available to the workers and stakeholders. 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** Estate management kept complaint records from Feb 2019 and well maintained. As evidenced, complaint seen dated on 12<sup>th</sup> March 2019 and management has taken action on 12<sup>th</sup> March 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** RP Kelapa Sawit Sdn Bhd are actively involved with local development and contribute for sustainable development, namely sighted record of contribution dated on 13<sup>th</sup> February 2019 [Ruj: JBPM: PK/SRR/500-9/2/1(50)] and 16<sup>th</sup> October 2019 for religious funding purpose.

**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** "Polisi Keselamatan dan Kesihatan Pekerjaan" available signed by company director, Mr. Chan Eng Kong on 3<sup>rd</sup> June 2019. Among the policy contain:

- To active the OSH committee.
- To ensure all requirements/laws/code of conduct OSH is being implemented.
- To build responsibility on workers to practice safe works.
- To always provide training and consultation to all workers.



Stakeholder meeting has been conducted on 10<sup>th</sup> October 2019 [Bil RPKS-04/2019] at Ramp Pejabat Ladang Bukit Mas. Briefing on the MSPO related policy has been conducted on 13<sup>th</sup> October 2018 during the daily briefing session. Policies are displayed in main office notice board, and outside estate notice board.

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

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

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

**Summary**            Occupational Safety and Health Policy signed by Mr. Chan Eng Kong on 3<sup>rd</sup> June 2019 Among the policy contain:

- To active the OSH committee.
- To ensure all requirements/laws/code of conduct OSH is being implemented.
- To build responsibility on workers to practice safe works.
- To always provide training and consultation to all workers.

Briefing on the MSPO related policy has been conducted on 13<sup>th</sup> October 2018 during the daily briefing session. Policies are displayed in main office notice board, and outside estate notice board.



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). During audit, HIRARC file is made available, Latest HIRARC documents available, last assessment dated on 1<sup>st</sup> January 2019. All HIRARC documents was made available as below:

- Menuai buah tandan segar
- Membaja
- Meracun
- Pejabat
- Tanam semula
- Security

**MINOR NC:**

Lack of record sighted as “Penilaian Risiko Tempat Kerja” - Garis Panduan Bagi Mengenal Pasit Hazard, Menilai Risiko dan Mengawal Risiko (HIRARC) documents was made available for harvesting, spraying, manuring, office, replanting and security. However, it was found out that insufficient of risk area been identified, assessed and documented.

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. Training programme available including harvesting, manuring, spraying and loading activities. Training for chemical application is according to the product label. Seen record of “Pelan Kesihatan dan Keselamatan Tahun 2019”, dated 2<sup>nd</sup> January 2019, prepared by Pn Rugayah, Clerk and approved by Mr. Ngo, Estate Manager. As sampled:

Activity	Date	Remarks
Medical surveillance	12 <sup>th</sup> February 2019	Attendance record, photographs and meeting minutes available.
Latihan PPE	21 <sup>st</sup> August 2019	Attendance record (20 workers) and meeting minutes, training evaluation form, training attendance, training material and photographs are made available.
Latihan kebakaran	13 <sup>th</sup> February 2019	Attendance record, photographs and meeting minutes available.
Latihan First Aid	2 <sup>nd</sup> October 2019	Attendance record, photographs and meeting minutes available.
Latihan Kerja Selamat meracun	9 <sup>th</sup> July 2019	Attendance record, photographs and meeting minutes available.
Latihan Kerja Selamat membaja	11 <sup>th</sup> July 2019	Attendance record, photographs and meeting minutes available.
Latihan Kerja Selamat menuai	28 <sup>th</sup> August 2019	Attendance record, photographs and meeting minutes available.



SDS is made available at point of use example chemical store, fertilizer store. Store arrangement was in good condition following the best practice. Proper fertilizer and chemical placement, labelling was sighted Signage of awareness warning and hazard are in place.

PPE is provided as per "PPE Matrix" according to the job task (e.g. manuring, spraying, weeding, harvesting etc.) Evidence PPE issuance as per PPE issuance record by each worker name available. Sample Fauzi (sprayer), Krishnan workers (contractors). Katherina. Seen file "Pemberian PPE", sighted Rekod Pemberian Alat Perlindungan Diri (PPE) kepada staff/workers. As sampled, seen record as group for harvester, sprayers, staffs and etc.

SOP available title "Pengurusan Bahan Kimia (Chemical Handling)" doc. No RPKS-SOP-10 date on 21<sup>st</sup> June 2019 available. CHRA quotation sighted, and estate management agreed to engage KenEp Resources (Asia) Sdn Bhd dated 27<sup>th</sup> September 2019, seen letter of appointment. CHRA is under process to engage with assessor. Sighted quotation from TESH on 6<sup>th</sup> September 2019. All sprayer attended medical surveillance. Sighted Baseline Medical Surveillance Report sighted, examination dated on 28<sup>th</sup> August 2019 by Dr Tan Kim Soon [HQ/08/DOC/00/660], and certificate of fitness is made available.

9 members of Safety & Health Committee is responsible for safety and health for respective station. Estate Manager is the appointed by company director as responsible person for workers safety and health in overall. Sighted letter of appointment dated 30<sup>th</sup> May 2019 of En Mohanaraj appointed as Temporary Safety Officer under supervision of Medical Officer.

OSH committee meeting is conducted every 3 months, seen record of meeting on safety and health was last conducted on 10<sup>th</sup> October 2019 at Bukit Mas Estate. Minutes of meeting is available in the OSH meeting file.

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 procedures available and instructions are clearly understood by all employees. Sighted Emergency Response Team organization chart headed by Mr Mohanaraj.

Training on first aid was conducted on 2<sup>nd</sup> October 2019 at Bukit Mas Estate. Seen photographs, attendance as evidence of meeting conducted. During site observation, first aid kit is available at relevant operation activities hold by mandora, staff, and in station has 7 units available. Mesyuarat Jawatankuasa First Aider was conducted on 28<sup>th</sup> March 2019 [Bil 1/2019] at Bilik Mesyuarat Pejabat Ladang Bukit Mas. Matters discussed on:

3. "Mengisi stock card keluar masuk barang" in first aid box.
4. Ensure all first aid kit are filled and maintained in good condition.
5. Conduct program and training on first aider



Seen "Äkuan Penerimaan Pendaftaran JKKP 8", dated 2<sup>nd</sup> October 2019. [No rujukan: JKKP 8/39092/2019]. Estate management taken initiative to meet JKKP Perak to acknowledge on the receipt and collect information on handling JKKP 6,7 & 8. As to date, there is one accident reported to DOSH on 8<sup>th</sup> October 2019. Name: Chendran a/l Uthaman, Security Guard.

**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** RP Kelapa Sawit Sdn Bhd has established policy title "Hak Asasi Manusia" signed by company director, Mr Chan Eng Kong dated on 3<sup>rd</sup> June 2019. Policy is displayed at notice boards and available in English and Bahasa Malaysia. 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** RP Kelapa Sawit Sdn Bhd has established policy title "Hak Asasi Manusia" signed by company director, Mr Chan Eng Kong dated on 3<sup>rd</sup> June 2019. As stated in the policy:  
  
"Semua pekerja hendaklah dilayan secara adil dari segi pengambilan, perkembangan, terma, dan syarat kerja dan perwakilan tanpa mengira bangsa, kewarganegaraan, jantina, keanggotaan kesatuan, pandangan politik, agama dan umur".  
  
The policy is displayed in main office notice board and communicated to all the employees during internal stakeholder meeting dated on 10<sup>th</sup> October 2019.

**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 'Perintah Gaji Minimum (Pindaan) 2018. The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order (Amendment) 2018 Act 732. National Wages Consultative Council Act 2011. Malaysian minimum salary is RM1,100/ RM42.30 daily as stated in the guidelines. Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Payment of salary is made in cash and the sighted acknowledgment letter from the worker requesting to be paid by cash due to nearest town is Slim River is distanced is about 18km from the estate.



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

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

**Summary** The salary of contractor workers is according to "Guidelines on the Implementation on the Minimum Wages". National Wages Consultative Council Act (Act 732). Malaysian Minimum salary is RM1,100 as stated in guidelines. Interviewed the contractors /suppliers during the audit and has verified on the MSPO implementation.

**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** Bukit Mas Estate established list of workers and personal file of employees, was made available. 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. During site visit, interviewed sampled workers and confirmed their details exist and correctly recorded.

**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** Each employee is provided with the copy of contract agreement. During field visit, workers has been interviewed and confirmed they are aware of the deduction and copy of employment contract is given. Employment contract available for all workers (internal and contractors). The Agreement stated all the term and conditions according to Malaysian Law. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian.

**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 Saturday to Thursday. Workers is monitored by attendance sign system during morning muster for fixed working hours workers and there is no working time for harvester since they will be paid by piece rate. The overtime maximum is 104 hours according to Malaysian Law. Checkroll is used to record the attendance of workers, sighted checkroll book of workers. Time recording is based on attendance book – Employee Attendance listed as below:



- Checkroll attendance
- Staff attendance book

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

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

**Summary** Bukit Mas Estate has established working hours. 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. Working hours are as follows:

**Management/Staff**

7.00am – 4.00pm  
12.00pm – 1.00pm (Lunch Break)

**Workers including foreign workers**

7.00am – 3.00pm  
11.00 – 11.30pm (Lunch Break)

During interview session with workers, they understand and aware of the working hours and confirmed they are paid according to legal requirement.

**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. Documented payslip was distributed to individual workers on the day of payment. All deduction was made based on the agreed terms with the rate and hours worked.

Wages paid as tasks of piece rate are based on the agreed rate with the estate management. In case the job task is lower than the minimum wage, the management will add by assigning duties and pay them in accordance to minimum wage scale.

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

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

**Summary** All workers have been provided with regards to local workers, foreign workers, staffs and executives. Local workers are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. Benefit provided such housing, electricity & water (tubewell) limited to RM30 combined. Medical care provided to all workers (transportation cost), surau, hindu temple, chinese temple are provided for religious purposes.

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

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

**Summary** All workers are provided with housing facilities at workers linesite. Electricity and water are provided by the estate without any charges to the workers. Implementation has been verified. Sighted weekly inspection report on workers quarters. As interviewed, Ms Katrina Santana a/p Ravi and Ms Visalachy a/p Uthaman, she is responsible on linesite inspection on weekly basis. Housing inspection checklist available on weekly basis as per Workers' Minimum Standards Housing and Amenities Act 1990. Last inspection was made on 12<sup>th</sup> October 2019 by Ms Katrina. During site observation, housing condition is maintained and kept in clean and sanitary 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** RP Kelapa Sawit Sdn Bhd has established policy on sexual harassment & violence and gender policy dated on 3<sup>rd</sup> June 2019 signed by Director, Mr Chan Eng Kong. Gender committee meeting has been conducted on 14<sup>th</sup> March 2019 at Bilik Mesyuarat Ladang Bukit Mas [Bil 1/2019]. Attendance record, photographs and meeting minutes was made available as evidence. Discussion on policies, counselling services to women at Bukit Mas Estate.

**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 trade union in this estate however there is Joint Consultative Committee (JCC) available which consist of representative from each nationality, as En.Uthaman (Local), En. Ashokan (India), Cik Masturi (Indonesian) and En.Shakku (Bangladesh).



**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** Estate have "Polisi Penggajian Pekerja Bawah Had Umur Minima" which according to Akta Penggajian Kanak – Kanak dan Orang Muda (1966) and ILO 138 (1973) Article 1-3 thus Minimum age for workers is 18 years old. From list of workers sighted the youngest workers is 21 years old. 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.

**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** RP Kelapa Sawit Sdn Bhd has established SOP – [RPKS-SOP-15, Rev. 0 dated 17<sup>th</sup> June 2019]. Training programme available including internal and contractor's workers. Seen "Training Programme C/W/Contractor Workers Training Matrix Year 2019". 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". The statement under the following number:

<b>No.</b>	<b>Training</b>	<b>Date</b>	<b>Remarks</b>
1.	Taklimat kedesran & demonstrasi memadam kebakaran Bersama pegawai BOMBA	13 <sup>th</sup> February 2019	Attended by 18 workers. Attendance record and meeting minutes, training evaluation form, training attendance, training material and photographs are made available.
2.	Latihan membaja (manuring)	11 <sup>th</sup> July 2019	Penyampai: Pn Noor Azliza a/p Yok Babu. Attended by 13 workers. Attendance record, photographs and meeting minutes available.
3.	Latihan merumput/meracun (Sprayers)	9 <sup>th</sup> July 2019	Penyampai: En Mohanaraj. Attendance record (14 workers) and meeting minutes, training



			evaluation form, training attendance, training material and photographs are made available.
4.	Latihan Pengendalian Pemakaian PPE	21 <sup>st</sup> August 2019	Penyampai: En Ngo Huey Long Attendance record (20 workers) and meeting minutes, training evaluation form, training attendance, training material and photographs are made available.
5.	Latihan Sisa Bahan Buangan (Scheduled Waste & e-SWIS)	27 <sup>th</sup> September 2019	Attendance record (25 workers) and meeting minutes, training evaluation form, training attendance, training material and photographs are made available.
6.	Latihan menuai (Harvesting)	28 <sup>th</sup> August 2019	Penyampai: En Ngo Huey Long. Attendance record (15 workers) and meeting minutes, training evaluation form, training attendance, training material and photographs are made available.

All training records which consists of attendance, minutes, photographs, evaluation form and training materials were recorded on timely manner by the person incharge.

**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** RP Kelapa Sawit Sdn Bhd established individual training needs analysis [Doc No: RPKS-TR-01, Rev: No. 1 dated 13<sup>th</sup> September 2019] according to job description. Prepared by Pn Rugayah, Chief Clerk and approved by Mr Ngo Huey Long, Estate Manager. Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Training need analysis is available for each individual work station. total 98 employees in RP Kelapa Sawit Sdn Bhd, consists of Staff – 7, Workers – 91. Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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

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



**Summary** RP Kelapa Sawit Sdn Bhd has established SOP – [RPKS-SOP-15, Rev. 0 dated 17<sup>th</sup> June 2019]. "Training programme for the year 2019" available dated 2<sup>nd</sup> January 2019, prepared by Pn Rugayah, Chief Clerk and approved by Mr Ngo Huey Long, Estate Manager. Example list of training programme:

- Tahap Kesedaran Menghadapi Kecemasan – Nov'19
- Latihan Fire Team – Oct 2019
- Latihan Medical team – Jun'20
- Latihan First Aider – Oct'19 & Nov'19

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.

**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** RP Kelapa Sawit Sdn Bhd has established Environment Policy signed by the Company Director dated on 3<sup>rd</sup> June 2019. Based on the Environmental Policy, the estates are committed towards implementing the following practices:

- Consideration of ways to demonstrate commitment to compliance with environmental legislation where practical.
- No open burning is allowed.
- Use poisons that are legal and recommended by the government to keep the environment safe.
- Ensure that all activities carried out and all equipment used in this farm are environmentally friendly and have minimal environmental impact.
- Employers and employees need to ensure that all activities are carried out properly and that they do not affect the environment.
- Ensure all employers and employees are aware of this policy and are trained in environmental responsibility.
- Regularly review environmental performance and set goals for continuous improvement.

Briefing on the MSPO related policy has been conducted on 13<sup>th</sup> October 2018 during the daily briefing session. Policies are displayed in main office notice board, and outside estate notice board. The company has socialized MSPO policies including "Environmental Policy and Biological Diversity" to employees and contractors in the Stakeholder meeting on 10<sup>th</sup> October 2019.

Based on interviews with workers and contractors, they show that they have understood company policies related to MSPO (People, Planet and Profit). As an effort to manage the environment, RP Kelapa Sawit Sdn Bhd has compiled the document "Ladang Bukit Mas: Environmental, Pollution Management Plan" which was approved by Management on 30<sup>th</sup> April 2019.

**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** RP Kelapa Sawit Sdn Bhd has established Environment Policy signed by the Company Director dated on 3<sup>rd</sup> June 2019. The aspect and impact analysis of environmental operations is available as referred to "Ladang Bukit Mas: Environmental Aspect Impacts Identification and Risk Assessment" signed by Management on 30<sup>th</sup> April 2019. The company has identified both positive and positive environmental impacts negative impact of every operational activity on the estate. The negative impacts are categorized into three namely low risk, medium risk and high risk. Management Planning also separately available for: -

- Open burning prohibition
- MSPO improvement plan
- Highest hazard from HIRARC Pesticide handling

**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. Based on the verification of documents and site observation shows that the "Environmental Management Plan" sampled as follows:

- Management issued the warning signage "Larangan menjalankan pembakaran terbuka di kawasan ladang dan perumahan Ladang Bukit Mas" dated 28<sup>th</sup> August 2019. The warning signage displayed at the office, canteen and housing notice boards.  
The company has arranged the schedule for transporting domestic waste 3 times a week, namely on Monday, Wednesday and Friday, dated 1<sup>st</sup> March 2019. Company has provided domestic waste bins for each house.
- During site observation in Field 3E 11 it shows that RP Kelapa Sawit Sdn Bhd Bhd has provided facilities to manage domestic waste (Landfill).
- Based on interviews with workers, they able to demonstrate their understanding the mechanism of domestic waste disposal in the office and in housing (Linesite).

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



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

**Summary** The programme to promote the positive impacts on environmental was incorporated in the environment management plan. The Continual Improvement document available in "Ladang Bukit Mas: Environmental, Pollution Management Plan" consists of:

1. Mature Maintenance (Continuous improvement Plan for Field Operations):
  - Avoid heaping of FFB by applying to palms in single to double layers.
  - Pulverized to decompose trunk chips to reduce breeding ground for pests.
  - Promotes more biological control on pest by planting more beneficial plants.
  - Biological control to be implemented by new owl introduction. To monitor the new location and population by census.
  - Cultural practices to introduce if the population is high. Cultural practices via trapping and hunting by the minister the breeding grounds (frond heaps and old trunk chips) to be implemented if necessary.

Implementation:

- RP Kelapa Sawit Sdn Bhd has begun to develop the introduction of owls to control rat pests, for example by installing owl cages in Field 3C09. The total installation of owl cages is 26 units.
- Utilization of organic fertilizers to reduce the use of chemical fertilizers, for example the application of organic fertilizers (Compost) in Field 3C09.
- RP Kelapa Sawit Sdn Bhd cemented the drainage ditches on both sides of the road to reduce the impact of erosion, especially in areas that have high slopes.

2. Maintenance at Scheduled Waste Store (Continuous improvement Plan for Scheduled Waste Store):

- Ensure spill kits are always available
- Frequent monitoring of stores.
- Ensure disposal on schedule
- Maintenance and upkeep should be up to date.
- Labeling and contact persons always updated.
- Oil trapped in sump to be recollected and treated as scheduled waste.

Implementation:

- RP Kelapa Sawit Sdn Bhd has built a fairly representative Scheduled Waste Store.
- RP Oil Palm has registered with the e-SWIS system (DOE System) to report on the management of Scheduled Waste.
- RP Kelapa Sawit Sdn Bhd is working with a licensed Scheduled Waste processor (Pentas Flora Sdn Bhd).

**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** RP Kelapa Sawit Sdn Bhd has conducted environmental policy socialization to employees and contractors. The company has conducted socialization on MSPO policies including "Kebijakan alam sekitar dan Kepelbagaian Biologi" to employees and contractors during Stakeholder meeting on 10<sup>th</sup> October 2019 which was attended by workers and contractors. Policy socialization is also carried out through displaying the policy on the notice board of estate office. Based on document verification, it shows that the company has conducted training for employees related to environmental management, such as:

- Training on Schedule Waste & e-SWIS training on 27<sup>th</sup> September 2019.
- Training on "Cara Selamat Membaja" on 11<sup>th</sup> July 2019 for fertilizer workers
- Training on "Cara Selamat Meraacun" on 9<sup>th</sup> July 2019 for sprayers.

Each employee training activity is equipped with documentary evidence in the form of a participant's attendance list, the results of each participant's understanding test and the skill assessment formulation of each participant. Records of training that each worker has participated in are documented in the "Jenis-Jenis Latihan" form (Doc No. RPKS-TB-01 Rev 1 dated 13<sup>th</sup> September 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** RP Kelapa Sawit Sdn Bhd had a meeting with workers and contractors in the Stakeholder Meeting on 10<sup>th</sup> October 2019 which was attended by contractors of RP Kelapa Sawit Sdn Bhd. Training/ Meeting conducted at Bukit Mas Estate, explaining about content policy. Records of the meeting are documented in the minutes of meeting and attendances list.

**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. This is including baseline value based on 3 years data (e.g. year July 2018/June 2019 = 0.48 MT FFB). Electricity is monitored by monthly through TNB bill. The usage is based on per MT FFB production. Sighted record "Electrical usage for year 2019". The company has consistently documented the use of non-renewable energy every month in the document "Kegunaan diesel per ton BTS May 2018 hingga April 2019" and the document "Kegunaan Elektrik May 2018 hingga April 2019".

Based on document verification, the consumption of diesel fuel in the February 2019 period was 1,683 liters (estate) and 1,114 liters (contractor) while the usage in



November 2018 was 2,449 liters (Estate) and 1,949 liters (Contractor). The company has prepared a document "Management Plan of Diesel Year 2019" which provides a reference for efforts to reduce diesel usage. Based on field visits, the company has implemented an effort to reduce the use of diesel, for example a daily inspection of each heavy equipment is outlined in the Form "Pemeriksaan Harian Kendaraan Tractor & Maintenance "

**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 company has consistently documented the use of non-renewable energy every month in the document "Kegunaan Diesel Per Ton BTS dari May 2018 hingga April 2019" and the document "Kegunaan Elektrik dari May 2018 hingga April 2019". The estimation of direct usage of non-renewable energy was made available.

**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** RP Kelapa Sawit Sdn Bhd has established Waste Management Plan dated 17<sup>th</sup> June 2019. Types and source of pollutions was made available, and sighted type and source of pollutions. Management provided awareness referred as "Larangan menjalankan pembakaran terbuka di kawasan ladang dan perumahan Ladang Bukit Mas" dated 28<sup>th</sup> August 2019. Seen scheduled waste record established by the estate as used lubricants, chemical waste (empty containers), fertilizer sacks and food waste. List items to be identified as a schedule of waste is sited during the audit described in the document "Scheduled Waste Materials" consists of 12 types of scheduled waste materials, namely:

- SW 102: Battery used
- SW 305: Used lubricant oil
- SW 306: Used hydraulic oil
- SW 404: Clinical waste / medicine
- SW 408: Soil / wood / sandy soil contaminated by SW in cleaning spilled / leaked
- SW 410: Wood, plastic, paper or oil filter contaminated by SW
- SW 409: Waste from the use of perosak poison material (used / empty barrels)
- SW 110: Dispose of electrical tools



- SW 322: Organic waste is not halogenous
- SW 323: Organic halogenated waste
- SW 424: Oxidizing agent used
- SW 430: Obsolete laboratory chemical

**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** RP Kelapa Sawit Sdn Bhd established waste management procedures as below:

- Schedule Waste Management Procedure dated 17<sup>th</sup> June 2019 (Doc. No.: RPKS-SOP-12, Rev. 0).
- Domestic Waste Management Procedures dated 17<sup>th</sup> June 2019 (Doc. No.: RPKS-SOP-11, Rev. 0).

Estate management has identified the types of waste that exist in each location of the operational activities contained in the document "Identification of Sources and Types of Disposal" dated 2<sup>nd</sup> January 2019 consisting of;

1. Waste material is not scheduled
  - Field Operations: Used fertilizer sacks, tire, iron/ used wood.
  - Officials and housing: Paper/ plastic/ glass/ aluminum, electronic goods, waste products (used couches, beds, bedding), domestic residues (food scraps, kitchen scraps and dirty materials)
2. Scheduled waste material
  - Field Operations: Used PPE, pesticide vessels & chemicals, paint vat, black oil lubricants / oil filters
  - Officers and housing: Lights, electronics,
  - Imposition: Battery

Based on field visits (Field 3C09) and fertilizer stores, the RP Kelapa Sawit Sdn Bhd also utilizes organic fertilizer (compost) applied to the field and in Field 3E11 it shows that the RP Kelapa Sawit Sdn Bhd has implemented a good arrangement of fronds along the "frond corridor" (Inter Row).

**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** RP Kelapa Sawit Sdn Bhd has SOP on handling used chemical is available and referred to: RPKS-SOP-10 "Chemical Management Procedures" dated 21<sup>st</sup> June 2019 In the SOP it explains Flowchart B3 waste management. Implementation of chemical management that has been carried out by the company is as follows:

- RP Kelapa Sawit Sdn Bhd has built a warehouse facility to store "Schedule Waste" and Used Fertilizer Bags.
- The company has provided a chemical blending area (Chemical Mixed Area), rinsing spray equipment, used chemical containers and special bathrooms for spray / fertilizer workers who have separated men and women's baths.
- Completing the chemical warehouse, workshops, schedule waste with trapping if there are spills.

**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. During site visit, the company has implemented efforts to reduce environmental pollution due to the use of pesticides into water as stipulated in "Estate Managing Water Pollution (Doc No: RPKS-ENV-05, Rev.0, dated 17<sup>th</sup> June 2019)" and "Estate Managing Soil Pollution (Doc No: RPKS-ENV-04, Rev.0, dated 17<sup>th</sup> June 2019)" include:

Empty pesticide containers to be treated as follow;

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

After mixing the chemicals, to ensure the following;

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

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

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

**Summary** Domestic waste at linesite area is well managed by the estate management. As during field visits in Field 3E11 it shows that the RP Kelapa Sawit Sdn Bhd has provided a domestic waste disposal site (Land Fill) which is located quite far from the housing of



workers. Based on visits to employees housing showed that the company has provided dustbin for each home and carried out scheduling domestic waste disposal.

**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) which includes assessment of the following activities under "Pengurusan Impak Ketara":

- Cleaning contaminated pesticide / chemical containers Disposal contaminated pesticide containers
- Disposal of oil filter and Black oil Drum
- Greenhouse gas emissions assessment sighted in doc no: RPKS-03.

**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 sighted in document of Environmental Management Plan". Continual Improvement document available in "Ladang Bukit Mas: Environmental, Pollution Management Plan" consists of:

1. Mature Maintenance (Continuous improvement Plan for Field Operations):
  - Avoid heaping of FFB by applying to palms in single to double layers.
  - Pulverized to decompose trunk chips to reduce breeding ground for pests.
  - Promotes more biological control on pest by planting more beneficial plants.
  - Biological control to be implemented by new owl introduction. To monitor the new location and population by census.

**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** Based on field visit there was a small river flow (Darus River) where the company had established the Riparian Zone (Field 3C09), no creation of a river water dam or activity to change the flow river water naturally. In general, the condition of the area in RP Kelapa Sawit Sdn Bhd is on a flat land so that the construction of contour terrace, horse tread or a single terrace is not required. The company conducted a type of ditch on the right and left side of the road, especially for derivative or grade conditions.

Estate management has consistently conducted water quality tests in collaboration with the Department of Chemistry of Malaysia for the type of Bukit Mas Intake (Raw Water), TPO Bukit Mas Estate (treated water), and LBM1 (treated water). Testing is conducted once every 6 months such as 20<sup>th</sup> to 23<sup>rd</sup> March 2018 and 18<sup>th</sup> to 19<sup>th</sup> July 2018. Water sampling for the 1<sup>st</sup> semester of 2019 has been conducted in May 2019.

**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** As sighted, Sg Darus are passing through the estate land, therefore the company had established the Riparian Zone (Field 3C09), no creation of a river water dam or activity to change the flow river water naturally.

**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. Information was collated to measure Rare, Threatened, Endangered & High Biodiversity Management done by D.Mohanaraj, En Fazul Kamal, En.Ashokan, and En.Kamarul (estate workers). RP Kelapa Sawit Sdn Bhd has consistently conducted monitoring once a month related to fauna types, based on the results of the monitoring period March - June 2019 identified "

- Mammals: Wild boar (*Sus scrofa*) and long tailed monkeys (*Macaca fascicularis*)
- Reptiles: Lizards (*Varanus sp*) and Senduk Snakes (*Naja kecuthie*)
- Birds: Wak Wak (*Amaurornis phoenicis*), King Prawn (*Alcedo atthis*), Forest Chicken (*Gallus gallus*), Helang and Owl (Barn Owl).

**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** Estate management has developed the Continual Improvement Plan/ Biodiversity Plan and made available during the audit, verified Doc No: RPKS-IA-03. Sighted one of the actions "Install No Hunting" signage to discourage any illegal or inappropriate hunting, collecting activities or any developing responsible measures to resolve human-wildlife conflicts. Based on document verification, the results of animal monitoring in 2019, shows no species found that are included in the IUCN Redlist or the CITES Appendix as protected species as described in indicator 4.5.6.1.

According to interviews with workers, they able to demonstrate their understanding on company policies related to the prohibition of hunting animals in all operational areas of the RP Kelapa Sawit Sdn Bhd and there has never been a conflict between animals and humans.

**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** RP Kelapa Sawit Sdn Bhd already has a Biodiversity Plan document (Doc No: RPKS-IA-03). The document explains the Biodiversity management plan in 2019 aimed by installing "No Hunting signboard". Based on field visits, the company has installed a Board of Prohibition of Hunting in locations that are accessible. The company has carried out policy socialization through direct meetings with employees and other stakeholders in stakeholder meetings as well as the installation of signboards prohibiting animal hunting in locations that are accessible to the public such as the main road entering the estate.

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

**Criterion 7 Zero burning practices**

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

**Summary** The company has a Zero Burning policy as outlined in the "Polisi Alam Sekitar & Kepelbagaian Biologi" signed by director on 3<sup>rd</sup> June 2019 stating that "Aktiviti-aktiviti pemulihan dan larangan kebakaran akan menyokong usaha dalam konservatif dan habitat semuajadi di Kawasan estet". Prohibition of open burning is also contained in the SOP for Domestic Residual Management (Doc No.: RPKS-SOP-11, Rev. 0, dated 17<sup>th</sup> June 2019).

Based on field visits at linesite, there was no indication of open use of fire in the field operations or domestic waste management. The company has provided fire extinguishers including light fixtures in the office as well as in the employees' homes. As interviewed the workers, they have been given firefighting training by the estate management and have formed a fire emergency response team. No burning of oil palm residue during replanting activities in the estate.

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

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

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

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

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

**Summary** RP Kelapa Sawit Sdn Bhd established Zero Burning policy as outlined in the "Polisi Alam Sekitar & Kepelbagaian Biologi" signed by director on 3<sup>rd</sup> June 2019 stating that "Aktiviti-aktiviti pemulihan dan larangan kebakaran akan menyokong usaha dalam konservatif dan habitat semuajadi di Kawasan estet". Prohibition of open burning is also contained in the SOP for Domestic Residual Management (Doc No.: RPKS-SOP-11, Rev. 0, dated 17<sup>th</sup> June 2019). 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

**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** RP Kelapa Sawit Sdn Bhd has established Standard Operating Procedure for estates. Estate manager will monitor the work flow and ensure all operations as per SOP. RP Kelapa Sawit Sdn Bhd already has an oil palm management procedure consisting of:

1. Prosedur kerja internal audit
2. Prosedur kerja menuai Buah Tandan Segar (BTS)
3. Prosedur kerja meracun rumput
4. Prosedur kerja membaja
5. Prosedur kerja kerja-kerja mengangkat buah tandan segar
6. Prosedur kerja memandu kenderaan
7. Prosedur kerja keselamatan
8. Prosedur kerja pengurusan stor
9. Prosedur menangani aduan dan keluhan
10. Prosedur pengurusan & pengendalian kawalan bahan kimia
11. Prosedur pengurusan sisa domestik
12. Prosedur pengurusan bahan sisa terjadual

All workers are trained by the estate management on the SOP related their own job task assigned. Based on interviews with manuring, harvesting and spraying workers confirms that they received the training. Records of training implementation are well documented.

Relatively, RP Kelapa Sawit Sdn Bhd is land that has a relatively flat contour so that for planting oil palms do not need a terrace. To reduce the impact of soil erosion, the company has applied the frond formations along the frond corridor and not sprayed on the "Lorong Susun Pelepah (Inter Row)" so that Nephrolepis plants can grow well. Based on field visits it shows that the road conditions are very good where road repairs are carried out at every point that is damaged. Roads are hardened with stones. Road ditches are made on each side of the road and cementing has been carried out on the trenches on the uphill road.

**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** RP Kelapa Sawit Sdn Bhd generally flat area with undulating at certain, no land was found with slopes above 8%. Oil palm plantations were carried out in the period 2003 - 2011, there were no planting or replanting activities. The company effectively implemented preparation of fronds (fronds) carried out on the "Lorong Susun Pelepah/inter Row). Spraying is carried out on "Interrow -Lorong Susun Pelepah" while on "Inter Palm/ Hong" types of Nephrolepis plants are retained to regulate soil moisture.

**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. During site observation, sighted that each block had been installed with a block identity consists of field name and year of planting. The estate has a visual reference system to identify each field or block. Riparian zone is marked on crops and signboard has been displayed.

**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** RP Kelapa Sawit Sdn Bhd has compiled a document "Crop Production 2018 till 2022" which outlines the plans and estimates of FFB production starting in 2019 - 2024. RP Kelapa Sawit Sdn Bhd has compiled the document "Crop Production 2018 - 2022 (Estimate vs Actual)" which explains the production plan until 2022 and its realization until September 2019.

RP Kelapa Sawit Sdn Bhd has compiled an "Estimate Operation Cost" document every year from 2018 to 2022. The document explains the estimated operational costs budgeted by the company for 20 types of costs ranging from plant maintenance, pest control and plant diseases, harvesting, Land assessment.

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

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

**Summary** Replanting program for estate is not available since the oldest Palm is 16 years old. However, based on verification of the document "Crop Production 2018 till 2022" states that the Replanting Program for Phase I is carried out in 2028. During site visit, all oil palm plants are young plants starting from age of 8 (planted in 2011) to 16 years (planted in 2003).

**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. RP Kelapa Sawit Sdn Bhd has developed "Crop Production 2018 till 2022" which outlines the plans and estimates of FFB production starting in 2019 - 2024.

The business management plan consists of "Estimate Operation Cost" document on yearly basis starting from year 2018 to 2022. The document explains the estimated operational costs budgeted by the company for 20 types of costs ranging from plant maintenance, pest control and plant diseases, harvesting and land assessment.

**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 RP Kelapa Sawit 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.

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

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

### **Criterion 3 Transparent and fair price dealing**

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



**Summary** Record seen in estimated income and expenditure statement for year 2018 & 2019, stated the prices of FFB [CPO & PK]. Sighted the "Offer to Purchase FFB" between RP Kelapa Sawit Sdn Bhd and contractors effective date on 1<sup>st</sup> June 2019.

During document verification, FFB sale and purchase contract documents with contractors shows the determination of the FFB price and the method of payment have been regulated in Article 1, 2 and 7.

**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 Bukit Mas Estate. Records of contracts with contractors are well documented by RP Kelapa Sawit Sdn Bhd, as evidence agreement is made on 15<sup>th</sup> April 2019 between RP Kelapa Sawit Sdn Bhd to conduct the work of spraying in the mention areas. During stakeholder meeting, interviewed the contractors and hereby they confirmed payments are paid within the agreed timeline as agreed in contract agreement.

**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. During stakeholder meeting, interviewed the contractors and they understands the MSPO requirements and act accordingly. The estate management has communicated the procedures to relevant stakeholders during stakeholder meeting conducted on 10<sup>th</sup> October 2019 [Bil RPKS-04/2019] at Ramp Pejabat Ladang Bukit Mas.

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

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

**Summary** RP Kelapa Sawit Sdn Bhd has provided signed contract agreement between the contractors for the job assigned. MSPO Requirement clause has been added in each contract with the contractor, that confirms contractors shall be in compliance with MSPO Scheme.

**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. 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** RP Kelapa Sawit Sdn Bhd has "conduct inspection and verify document required by regulations at any time requested" in each contract with the contractor contained in "Special Condition" point 5 in the contract agreement between the contractors. As interviewed with the estate manager, he monitors the work done by the contractors on daily basis.

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.

**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 Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

### **Criterion 2 Peat land**

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



**Summary** At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Bukit Mas Estate.

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

**Criterion 3 Social and Environmental Impact Assessment (SEIA)**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

**Criterion 4 Soil and topographic information**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.



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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

**Criterion 5 Planting on steep terrain, marginal and fragile soils**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

**Criterion 6 Customary land**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

**In Compliance**  Yes  No  **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 Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Bukit Mas Estate.

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

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

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

## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
17 <sup>th</sup> October 2019	08:00 – 09:00	Centralize Opening Meeting at Bukit Mas Estate: <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).</li> </ul>	SP	NM
	09:00 – 13:00	<b>Bukit Mas Estate</b> ➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	SP	NM
	10:30 – 12:30	➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	SP	NM
		<b>Centralize Stakeholder Consultation (Bukit Mas Estate – Office)</b>	SP	NM
	13:00 – 14:00	➤ <b>Lunch</b>	SP	NM
	14:00 – 15:30	➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	SP	NM
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion day 1.	SP	NM





<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
18 <sup>th</sup> October 2019	09:00 – 13:00	<b>Bukit Mas Estate</b> ➤ <b>Field visit/ Interview:</b> <ul style="list-style-type: none"> <li>• Fertilizer application, field spraying, harvesting, buffer zone, conservation area, and agriculture best practices etc.</li> <li>• Interview Stakeholders.</li> </ul>	SP	NM
	13:00 – 14:00	➤ <b>Lunch</b>	SP	NM
	14:00 – 15:00	➤ Verify any outstanding issues and auditor discussion.	SP	NM
	15:00– 16:00	<b>Centralize Closing Meeting at Bukit Mas Estate</b> ➤ Chaired by the audit Lead Auditor <ul style="list-style-type: none"> <li>• Welcome and introduction by the Lead Auditor</li> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> </ul> ➤ <b>End of assessment</b>	SP	NM



## Appendix B: Non-Conformity details


### Non-Conformities Identified During This Audit

<b>Major Nonconformities:</b>	Non-was raised during this audit.
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<b>Minor Nonconformities:</b>	The following NC's were raised for this audit.
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<b>Company Name</b>		RP Kelapa Sawit Sdn Bhd	
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-AF1-MSPO-2019		
<b>NC No. / Ref.</b>	AF1/MSPO/MINOR/01	<b>Date Detected</b>	18 <sup>th</sup> October 2019
<b>Site(s) concern</b>	Bukit Mas Estate	<b>Target Completion</b>	Next Surveillance audit
<b>Normative Reference and Requirement</b>	4.3.1.3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.		
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	Insufficient evidence of applicable laws listed and updated.		
<b>NC Objective Evidence:</b>			
Based on the document verification, list of all laws applicable to estate operations is available which covers the detail requirements that related to MSPO compliance and was last updated on 1st January 2019. However, it was found that insufficient laws and regulations were listed and updated as and when there are any new amendments or new regulation coming into force.			
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>	
			
<b>Root cause Analysis (to be filled by client):</b>			
<b>Corrective action planned (to be filled by client):</b>			
<b>Preventive Action (to be filled by client):</b>			

<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Company Name</b>	RP Kelapa Sawit Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-AF1-MSPO-2019			
<b>NC No. / Ref.</b>	AF1/MSPO/MINOR/02	<b>Date Detected</b>	18 <sup>th</sup> October 2019	
<b>Site(s) concern</b>	Bukit Mas Estate	<b>Target Completion</b>	Next Surveillance audit	
<b>Normative Reference and Requirement</b>	4.4.4.2 The occupational safety and health plan shall cover the following: b) The risks of all operations shall be assessed and documented			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Lack of record sighted.			
<b>NC Objective Evidence:</b>  "Penilaian Risiko Tempat Kerja" - Garis Panduan Bagi Mengenal Pasit Hazard, Menilai Risiko dan Mengawal Risiko (HIRARC) documents was made available for harvesting, spraying, manuring, office, replanting and security. However, it was found out that insufficient of risk area been identified, assessed and documented.				
<b>Lead Auditor Signature:</b>  		<b>Client Signature:</b>		
<b>Root cause Analysis (to be filled by client):</b>				
<b>Corrective action planned (to be filled by client):</b>				



<b>Preventive Action (to be filled by client):</b>	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

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

### Attendance List

#### Internal Stakeholders

- 1) Bukit Mas Estate management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

#### External Stakeholders

- 1) External contractors
- 2) Ladang Kiara Jubilee
- 3) Wakil Kampung – Seri Keledang (Mat Kedun)
- 4) Wakil kampung – Org Asli Sg Teras (Kaut 7)
- 5) Wakil Kampung Buluh Seruas
- 6) Wakil JAKOA
- 7) Wakil Felda Besaut
- 8) Wakil FGV Basut 6
- 9) Neighboring estate
- 10) Contractor – Harvesting
- 11) Contractor – Pruning
- 12) Contractor - Transport FFB
- 13) FFB Transporter
- 14) Temple representative
- 15) Smallholders
- 16) Suppliers
- 17) Local Communities
- 18) Villagers