

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

CERTIFICATION AUDIT REPORT



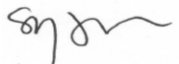


Part 3: General Principles for Oil Palm Plantations and Organized Smallholders


H.L. Trading Sdn Bhd [Estates]

-Group Certification-

MAIN ASSESSMENT

03rd December 2019 – 05th December 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	13/12/2019	Issued as Draft Report	Mohamad Razin Bakal	Lead Auditor	
A	21/12/2019	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	21/12/2019	Peer Review 2 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 2	
B	25/12/2019	Issued as Final Report	Mohamad Razin Bakal	Lead Auditor	
B	30/12/2019	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by H.L. Trading Sdn Bhd [Estates]					
Rev	Date	Description	Management Representative	Role	Signature
B	30/12/2019	Acceptance of the contents	Mr. Ting Huong Leong	Manager	

Declaration

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

WITH INTEGRITY WE SERVE



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



SECTION I : PUBLIC SUMMARY REPORT

1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment for H.L. Trading Sdn Bhd [Estates]. During this Stage 2 Audit, the audit team were briefed by Manager, of the supply base disposition. The FFB production for H.L. Trading Sdn Bhd / Heong Leong Trading / H.L. Agriculture Sdn Bhd were despatch their FFB to Koperasi Pekebun Kecil, Kilang Sawit Panji Alam and Rakyat Ketengah Perwira

This assessment was conducted onsite on 03rd December 2019 – 05th December 2019 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

1.2 Company details and Contact information

Company Name	H.L. Trading Sdn Bhd
Business Address	K – 626A, Kawasan Perindustrian Jakar 2, 24000 Kemaman Terengganu, Malaysia.
Contact Person	Mr. Ting Huong Leong
Office Telephone	09 – 859 1850 / 09 – 859 8992
E-Mail	hl_tradingsdnbhd@yahoo.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	H.L. Trading Sdn. Bhd.	Kemasik, Hulu Cukai, Banggul	E 103° 23' 24.37"	N 4° 21' 33.95"
2	H.L. Agriculture Sdn. Bhd.	Kemasik, Hulu Cukai	E 103° 23' 24.37"	N 4° 21' 33.95"
3	Heng Leong Trading (Ho Ngan Nooi)	Banggul, Kemasik	E 103° 25' 1.58"	N 4° 23' 59.75"
4	Heng Leong Trading (Tan Beng Chuan)	Banggul	E 103° 18' 13.41"	N 4° 12' 0.84"
5	Heng Leong Trading (Tan Chim Lim @Tan Choon Lim)	Kemasik, Banggul	E 103° 24' 53.97"	N 4° 24' 3.08"
6	Heng Leong Trading (Tan Li Chin)	Hulu Cukai, Kemasik	E 103° 23' 35.91"	N 4° 21' 50.02"

MPOB License Information

No	Name Of The Site	Licence Number	Expiry Date	Scope Activity
1	H.L. Trading Sdn. Bhd.	502365602000	30.11.2020	Menjual dan Mengalih FFB
2	H.L. Agriculture Sdn. Bhd.	240700001000	31.10.2024	Menjual dan Mengalih FFB
3	Heng Leong Trading (Ho Ngan Nooi)	504825002000	30.09.2020	Menjual dan Mengalih FFB
4	Heng Leong Trading (Tan Beng Chuan)	240699201000	31.10.2024	Menjual dan Mengalih FFB
5	Heng Leong Trading (Tan Chim Lim @Tan Choon Lim)	575071001000	31.12.2022	Menjual dan Mengalih FFB
6	Heng Leong Trading (Tan Li Chin)	513185801000	30.09.2023	Menjual dan Mengalih FFB

Others Sustainability Certification

No	Name of the Site	Others Sustainability Certification
1.	-	-

1.4 Map Showing Geographical Location

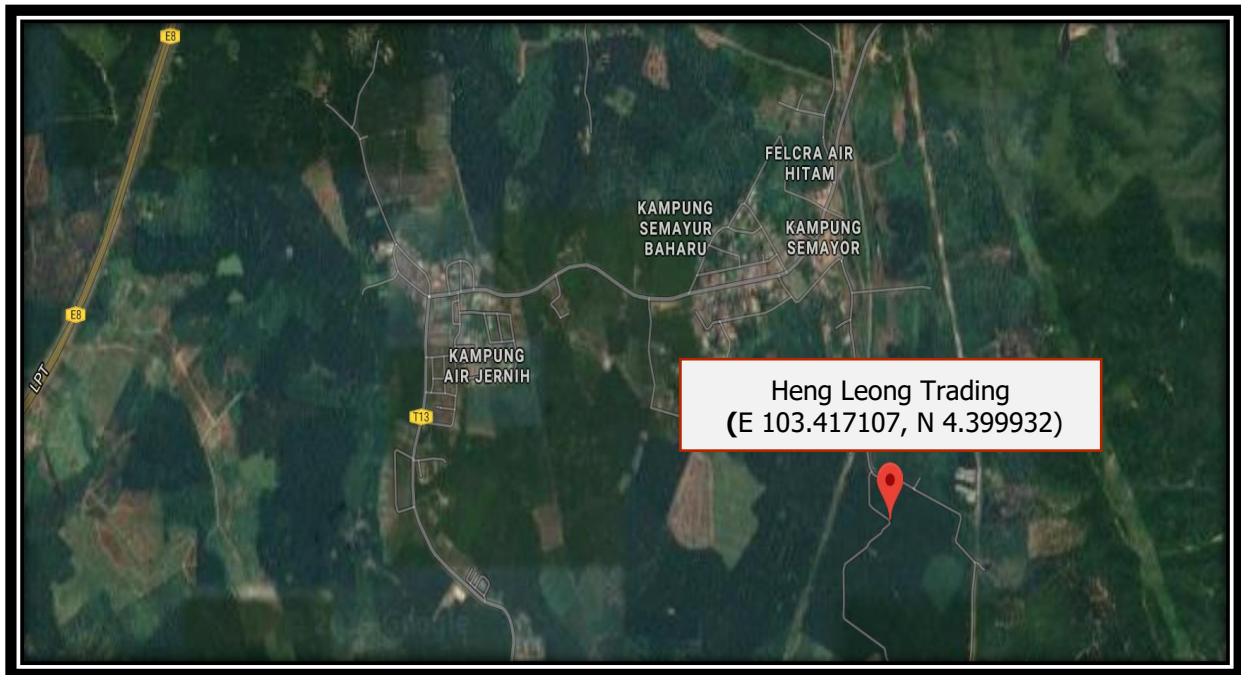
a) H.L. Trading Sdn Bhd / Heong Leong Trading / H.L. Agriculture Sdn Bhd



b) HL Trading & H.L Agriculture Sdn. Bhd.



c) Heng Leong Trading



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

Name of the Certification Unit	Area Summary (HA)		
	Land Title	Planted	Mature
H.L. Trading Sdn. Bhd.	264.4239	242.3000	229.0720
H.L. Agriculture Sdn. Bhd.	27.4455	27.4400	27.4400
Heng Leong Trading (Ho Ngan Nooi)	64.7450	64.7500	64.7500
Heng Leong Trading (Tan Beng Chuan)	39.7200	39.7200	39.7200
Heng Leong Trading (Tan Chim Lim @Tan Choon Lim)	37.2385	35.6500	32.3747
Heng Leong Trading (Tan Li Chin)	38.5046	37.2200	29.6800
Total	472.0775	447.0800	423.0367

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Conservation Area
H.L. Trading Sdn. Bhd.	-	-	-
H.L. Agriculture Sdn. Bhd.	-	-	-
Heng Leong Trading	-	-	-
Total	-	-	-

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit [November 2018-December 2019]	Actual Production for 12 Months [November 2018-December 2019]	Projected Production for next 12 Months [November 2018-December 2019]
H.L. Trading Sdn. Bhd.	4,500.00	4,583.290	5,423.933
H.L. Agriculture Sdn. Bhd.	750.00	767.960	753.595
Heng Leong Trading	5,100.00	5,428.240	4,995.778
Total	10,350.00	10,779.49	11,173.306



1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-HLT001-MSPO-00-2019
Initial certificate issued date	30 th December 2019
Certificate expiry date	29 th December 2024
Stage 1 assessment date	29 th October 2019
Stage 2 / Main Assessment	03 rd December 2019 – 05 th December 2019
Annual Surveillance 1 [ASA 1]	October 2020
Annual Surveillance 2 [ASA 2]	October 2021
Annual Surveillance 3 [ASA 3]	October 2022
Annual Surveillance 4 [ASA 4]	October 2023



1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohamad Razin bin Bakal [MRB]

Graduate in Degree of Accountancy with University Putra Malaysia. Having 17 years of working experience in various field in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administrative, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013, ISO 14001:2015 and ISO 9001:2015 from Sirim Berhad. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Management commitment and responsibility, Social responsibility, health, safety and employment condition and Development of new planting. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Razib bin Mohd Noor [RMN]

Competent Marine Engineer with more than 30 years of working experiences in a various plantation company in Malaysia, Papua New Guinea and Indonesia. Having a skill in Good Milling Practices (GMP) including the crop quality control. Qualified as Auditor for MSPO certification by SIRIM since 2018. Completed the ISO 9001:2015 Quality Management System Lead Auditor course by TOMC in May 2018 and MSPO SCCS Auditor by SIRIM in July 2019 respectively. Experienced in both palm oil mill and kernel crusher plant management, specifically boiler and process control. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Compliance to legal requirements and Best practices. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Sesumaran K. Subramaniam [SS]

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

During this assessment, he assessed on the aspect of Transparency and Environment, natural resources, biodiversity and ecosystem services. He is 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). The sampling was calculated and determined prior to the audit assessment. Therefore, total numbers of supply based assessed in the audit are 3 estates.

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

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

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

1.9 Audit Plan Information

Audit Date	03 rd December 2019 – 05 th December 2019
Name of site(s) visited	H.L. Trading Sdn. Bhd. H.L. Agriculture Sdn. Bhd. Heng Leong Trading
Total number of man-days spent	9 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	5	Open
Area of Concern	1	Open
Noteworthy /Positive Comments	4	No action requires

1.11 Stakeholder Consultation

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

GGC has published the public notification on 25th October 2019 and as to accommodate a stakeholders' consultation meeting for estate. Therefore, it was conducted on 03rd December 2019 – 05th December 2019 in H.L. Trading Sdn Bhd [Estates] 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 is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholder A	<ul style="list-style-type: none"> The estate is very supportive and compliance to the standard quality set collection centre Have good understanding about MSPO. Several times have been invited for training in the estates They have good understanding about complaint and grievance mechanism. 	No action requires	Positive findings

2.	Stakeholder B (Estate workers)	<ul style="list-style-type: none"> MSPO awareness, company policy and SOP are briefed among workers during muster call. Personal Protective Equipment are distributed free of charged by management. They have good understanding about complaint and grievance mechanism. They are very happy with the management and hopes to continue their contract for a long time. Company well managing the welfare, health and safety of their workers. Housing facilities is provided with water and electrical supply. They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018. 	No action requires	Positive findings
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1.12 Recommendation

The estates have 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 H.L. Trading Sdn Bhd [Estates]. 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 Stage 2 Audit Assessment.

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 0 major, 5 minor non-conformities and 1 area of concern have been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was "No Major Non-Conformity". Hence, the audit objectives as mentioned in the audit plan had been



achieved. Therefore, the lead auditor recommends to award the certificate of compliance MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders to H.L. Trading Sdn Bhd [Estates].

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary The MSPO Policy has been established and signed by the Mr. Tan Chim Lim @ Tan Choon Lim (Director) dated on 1st February 2019

The policy clearly stated that the committed to adopt the requirement of MSPO standards to deliver sustainable Fresh Fruit Bunch according to principles and criteria as listed below;

1. Management commitment and Responsibility
2. Transparency
3. Compliance to Legal Requirements
4. Social Responsibility, Health, Safety and Employment conditions
5. Environment, Natural Resources, Biodiversity and Ecosystem Services
6. Best Practice
7. Development of New Planting

As per audit and interviewed with estate workers, all workers are aware and answered to auditors very well about the MSPO Policy. Also sighted the implementation on site which HL Trading / Heng Leong Trading / HL Agriculture have displayed the policy on the notice board at Office and estates

In Compliance **Yes** No Not Applicable

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

Summary The commitment statement stated that HL Trading / Heng Leong Trading / HL Agriculture are committed for continual improvement practice via available best practices and technology in order to ensure the continuous production of fresh fruit bunches in a sustainable manner.

In Compliance **Yes** No Not Applicable

Criterion 2 Internal audit

Indicator 1 Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary Estates have established the Standard Operating Procedure Internal Audit Procedure – Doc. No:MSPO-HLT-01. Prepared by Ms. Nora (Clerk) and approved by Mr. Ting (Manager) effective from 1st April 2019

The Internal Audit procedure has outlined the followings steps:

1. Annual Internal Audit Plan
2. Audit Plan

3. Audit Checklist
4. Audit Report & Non Conformity Report

Internal Audit for estate was conducted by Mr. Haji Abdul Aziz Abu Bakar (Lead Auditor) dated on 25th – 26th September 2019. The strong and weak points have been identified then follow with non-conformities raised

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 Estates have established the Standard Operating Procedure Internal Audit Procedure – Doc. No: MSPO-HLT-01. Prepared by Ms. Nora (Clerk) and approved by Mr. Ting (Manager) effective from 1st April 2019

Seen the action taken by HL Trading / Heng Leong Trading / HL Agriculture for all the findings raised by the Internal Audit and subsequently all the findings have been closed accordingly. Total 6 Area of Concern were raised during the audit assessment.

In Compliance **Yes** No Not Applicable

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

Summary All the internal audit (MSPO) findings for last audit report was available and discussed during Management Review Meeting dated on 19th October 2019 at Meeting Room, Head quarters attended by 5 persons.

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 Estates have established the Standard Operating Procedure Management Review – Doc. No: MSPO-HLT-02. Prepared by Ms. Nora (Clerk) and approved by Mr. Ting (Manager) effective from 1st April 2019

Sighted the Management Review Meeting Minute Meeting dated on 19th October 2019 at Meeting Room, Head quarters. Total of 4 agendas have been discussed as follows ;

1. Internal Audit MSPO
2. Kajian pada status dari Internal Audit
3. Pengurusan Kelestarian MSPO



4. Lain – lain Hal

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 Sighted the Continual Improvement Plan for the year 2019 prepared by Mr. Ting Huong Leong (Estate Manager) and approved by Mr Tan Choon Lim (Managing Director) on 19th October 2019

Estates have developed Continuous Improvement Plan year 2019 as per listed below :

Operation Unit : HL Trading / Heng Leong Trading / HL Agriculture

A. Sosial

No	Programme	Target
1	Membina tandas dan septik tangka di Kongsi AJ 97AC	Nov'19
2	Membina tandas dan septik tangka di Kongsi 200AC	Nov'19
3	Membina rumah rehat di kawasan Aj 6AC	Done
4	Membina rumah rehat di Ladang Ibok	Dec'19
5	Membaiki atap rumah kongsi AJ 90AC	Dec'19
6	Membina tempat letak tractor di Air Jerniah 6AC	Done

B. Alam Sekitar

No	Programme	Target
1	Tapak Pelupusan Sampah AJ 90AC	Done
2	Tapak Pelupusan Sampah AJ 6AC	Done
3	Tapak Pelupusan Sampah 200AC	Done
4	Tempat pengutipan sampah dari MPK di Ladang BT 9	Done
5	Menyediakan tempat simpanan Scheduled Waste	Done
6	Memasang papan tanda dilarang memburu dan memancing	Done
7	Memasang papan tanda dilarang membakar	Done

C. Mekanisasi

No	Programme	Target
1	Penggunaan solar di rumah kongsi 200AC	Done
2	Penggunaan solar di rumah kongsi 200AC	Dec'19

D. Keselamatan dan Kesihatan Pekerja

No	Programme	Target
1	Gotong royong membersihkan setiap rumah kongsi	Done
2	Membina tempat basuhan tong racun 3kali	Done
3	Membuat ujian air telaga di kawasan 200AC	Done
4	Memasang Papan Tanda Keselamatan di jalan ladang	Done

E. Lain - Lain

No	Programme	Target
1	Memasang papan tanda hutan simpanan di AJ 50AC(A)	Dec'19

2	Membina tempat penyelenggaraan kenderaan	Done
3	Menanda dan mengekalkan Riparian Buffer zone	Done

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 Sighted the establishment of few new practices in all estate in order to improve the existing system includes;

1. Solar System at worker housing to improve the electrical consumption from government.
2. Change method of doing work form using midst blower to Conventional Knapsack spray
3. Constructed Schedule Waste storage
4. Adopted rubbish bin from MPK (Majlis Perbandaran Kemaman)

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 Sighted training conducted to implement all the new practices as listed bellows;

1. Taklimat Pemakaian PPE on 22nd June 2019
2. Taklimat Pengendalian Tractor on 22nd August 2019
3. Basic Emergency First Aid on 18th October 2019
4. Taklimat kebakaran & Demostrasi menggunakan alat pemadam api on 22nd October 2019
5. Latihan meracun menggunakan Knapsack on 28th May 2019
6. Taklimat Penggunaan Tenaga Solar on 02nd October 2019
7. Pengendalian Bahan Sisa Terjadual on 30th November 2019

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 HL Trading / Heng Leong Trading / HL Agriculture have established the Communication Procedure; Title: "Polisi Komunikasi"

Sighted, minute meeting with the internal stakeholders conducted on 19th August 2019 with total attendance of 15 stakeholders. The meeting was organized by Management of HL Trading / Heng Leong Trading / HL Agriculture at their Plantation Office.

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 List of documents maintained under "List of Publicly Available Document Record" dated 1st April 2019

Sighted the List of Documents and Classification as a guideline for estates to determine the confidentiality of the status or availability for public disclosure.

Evidence, 27 documents being classified under Non – confidential and 19 as confidential. All the documents are available in the Plantation Office. Requests for official documents through the estate office will have to go through the estate manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.

In Compliance **Yes** No Not Applicable

Criterion 2 Transparent method of communication and consultation

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

Summary HL Trading / Heng Leong Trading / HL Agriculture have established the Communication Procedure; Title: "Polisi Komunikasi". Procedure No : MSPO-HLT-03

The purpose of this procedure is to outline the arrangements for consultation and communication with its relevant stakeholders and how their concerns and views are addressed.

Interview with the stakeholders confirmed they have been informed and updated during the stakeholder meeting and that they are aware of the above process.

Flow chart has been established on the consultation and communication process for reference

In Compliance **Yes** No Not Applicable



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

Summary The person in charge for consultation and communication agenda with the relevant stakeholders is Mr. Ting Huong Hong & Ms. Nora Rafida Binti Abd Ghani

The Appointment letter of the person in-charge was signed by Mr.Tan Chim Lim (Director)

In Compliance **Yes** No Not Applicable

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

Summary The list of stakeholders is adequately maintained and keep current. List of External Stakeholders covering Government Agencies, Neighboring Communities and Suppliers being recorded and maintained properly.

Consultation and communication and records of action taken in response to input from stakeholders properly maintained in file. Sighted stakeholder meeting minutes.

In Compliance **Yes** No Not Applicable

Criterion 3 Traceability

Indicator 1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

Summary SOP on traceability is available as referred to: "FFB TRACEABILITY PROCEDURE"; Ref : MSPO-HLT-04; Dated on 19th October 2019.

The purpose of this procedure is to establish a suitable identification and traceability of oil palm Fresh Fruit Bunch (FFB) production Traceability form the plantation activities to the Crude Palm Oil milling operation.

In Compliance **Yes** No Not Applicable

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

Summary FFB Traceability Inspection book "Crop Book" was made available, and checked by Mr. Ting Huong Hong & Ms.Nora Rafida Binti Abd Ghani, on daily basis, monthly progress report are established to check on the harvested area and examine target achieved.

In Compliance **Yes** No Not Applicable

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



Summary The person in charge for consultation and communication agenda with the relevant stakeholders is Mr. Ting Huong Hong & Ms. Nora Rafida Binti Abd Ghani .

The Appointment letter of the person in-charge was signed by Mr. Tan Chim Lim (Director)

In Compliance **Yes** No Not Applicable

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

Summary The records and documents related to FFB traceability such as bunch chit, weighbridge tickets and daily FFB delivery records were adequately maintained all estates.

Sampled and verified Weighbridge docket number as below;

1. WB docket Number : P0000028 dated on 1st October 2019
2. WB docket Number: P0000022 dated on 1st October 2019
3. WB docket Number : P0000030 dated on 1st October 2019

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 HL Trading / Heng Leong Trading / HL Agriculture have established the Pematuhan terhadap undang undang as documented in the MSPO P3 file.

Below are the sample of the acts and guidelines: -

1. Environmental quality act 1974
2. Environmental Quality Scheduled waste regulation 2008
3. Wildlife conversation act 2010
4. Local Government Act 1976
5. Uniform building by law 1986
6. Land acquisition act 1960
7. Akta industry perkhidmatan air 2006
8. Act 149 : Pesticides Act 1974
9. Act:139 : Factory and Machinery Act 1967
10. Road transport act 1987
11. Occupational Safety and Health Act 1994
12. Act 155 Immgration Act 1953/63
13. Act 265 Employment act 1955

14. Act 446: workers minimum standards of housing act
15. Act4 : Employees social security act 1969
16. MPOB Act
17. Employment provident fund
18. Minimum retirement age Act 2012

In Compliance **Yes** No Not Applicable

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

Summary Sighted lists of permits/licenses which has been monitored and updated periodically. The sample are as follows: -

1. H.L. Agriculture Sdn Bhd
Lesen Pengendali dari Suruhanjaya Pengangkutan Awam Darat
License :142421W(LC), Expiry date : 31st October 2020
2. H.L. Trading Sdn Bhd
Kelulusan bersyarat Pekerja asing dari Kementerian Dalam Negeri ,Bahagian
Pengurusan Pekerja Asing
Rjukan : KDN/16031/JGAYJ3936884, Expiry date : 21st January 2021
3. MPOB license :
 - i) H.L Agriculture Sdn Bhd (T084719D)
License No 240700001000
Expiry date : 31st October 2024
 - ii) H.L. Trading Sdn Bhd (142421-W)
License No :502365602000, Expiry date : 30th November 2020
 - iii) Ho Ngan Nooi (441051-X) of Heng Leong Trading.
License No :504825002000, Expiry date : 30th September 2020
 - iv.) Tan Chim Lim of Heng Leong Trading
License No:575071-0010000, Expiry date : 31st January 2022
 - v) Tan Beng Chuan of Heng Leong Trading
License No : 240699201000, Expiry date : 31st October 2024

In Compliance **Yes** No Not Applicable

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

Summary Any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:

1. Enquiring the laws books publisher
2. Communication with law/enforcement officers
3. Website

In Compliance **Yes** No Not Applicable

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

Summary The legal requirements register updated as and when there are any new amendments or any new regulations coming into force by Ms. Tan Li Chin who is the person in charge of legal compliance.

The Appointment letter of the person in-charge was signed by Mr. Tan Chim Lim. (Director) dated on 1st April 2019.

In Compliance **Yes** No Not Applicable

Criterion 2 Land use rights

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

Summary The estates land title is available and well maintained. The sample evidence for all estates include;

Land title status	Grant No	Lot No	Mukim
Free hold	14999	339	Kemasik
Free hold	4541	627	Kemasik
Free hold	8594	93	Hulu Chukai

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 have demonstrated legal ownership of their land by having legal land titles to the land. The land grant stated that Free Hold status.

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 Non-Conformity – Minor
The boundary markers have not been properly established.

The boundary markers have not been properly established. Evidence of the legal boundary which were not clearly demarcated. The current marker are mostly only identified by the drains, fencing, streams, or frond arrangements.

Thus, a Minor non confrmity was raised.

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

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

Summary No 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 land rights

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

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

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

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

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

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

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

Summary There is no customary land in or surrounding the estates. There are also no land disputes or claims involving the estates. The estates have 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 Sighted latest SIA done by respective estate for HL Trading (AJ 90 AC) dated on 1st October 2019, Heng Leong Trading (200AC and AJ6AC) dated on 5th October 2019 and HL Agriculture (Bt 9 Ibok) dated on 3rd October 2019. All the SIA reports were prepared by Ms. Nora Rafida binti Abd Ghani and Approved by Mr. Ting Huong Leong.

Sample impact taken for HL Trading (200 AC) are:

1. SIA Survey Criteria : Tiada tempat pengumpulan dan pelupusan sampah
Impact : Negative
Mitigation Plan : Membina tapak pelupusan sampah

Sample impact taken for HL Trading (AJ 90 AC) are:

1. SIA Survey Criteria : Atap perumahan bocor
Impact : Negative
Mitigation Plan : Membaiki atap kuarters

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 Estates have established the Standard Operating Procedure Communication & Consultation Stakeholder – Doc. No: MSPO-HLT-03. Prepared by Ms. Nora (Clerk) and approved by Mr. Ting (Manager) effective from 1st April 2019.

This procedure is a reference to management and staff in handling of any complaints and grievance from any stakeholder including individuals, government organization and non-govermenetn organization concering the implementation of MSPO.

Sighted Flow chart of complaints and grievances designed for External and Internal Stakeholder in the SOP

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 Estates have established the Standard Operating Procedure Communication & Consultation Stakeholder – Doc. No: MSPO-HLT-03. Prepared by Ms. Nora (Clerk) and approved by Mr. Ting (Manager) effective from 1st April 2019

The procedure and flowchart are to specify steps for identification and verification of complaints and grievance in order to ensure management is committed to an open and transparent approach to resolve grievances with the involvement of affected stakeholders.

It was confirmed through interviewed that all staffs and workers are understand about this procedure. During the visit and documents verification there is no complaint at the moment in the record.

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 In order to ease the employees and relevant stakeholders to lodge the complaint, the manager's contact number was provided at the complaint box for reference to get the complaint form.

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 Sighted the External Stakeholder Meeting conducted on 19th August 2019 to surrounding communities at Lot 49 & 50 attended by 15 persons. The agenda discussed are

1. Pendedahan dan Penerangan MSPO
2. Pendedahan dan Penerangan mengenai Polisi Syarikat
3. Pematuhan kepada prinsip
4. Audit MSPO
5. Procedure Aduan
6. Procedure untuk mendapatkan maklumat syarikat
7. Pendedahan kepentingan penjagaan alam sekitar
8. Emergency respon plan (ERP)
9. Lain – Lain Hal

In Compliance **Yes** No Not Applicable



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

Summary No complaint received for all estates since the implementation of MSPO in October 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 The contribution made to the internal and external stakeholders as below;
 i. Sumbangan wang RM 1000.00 kepada Pusat Penjagaan Kanak – kanak Terencat Akal Kuantan
 ii. Sumbangan Wang RM 2000.00 kepada Persatuan Hakka Kemaman Terengganu
 iii. Sumbangan Wang RM 300.00 kepada Persatuan Memperbaiki Akhlak Che Seng Khor

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 Sighted the "Occupational Safety and Health Policy". Established on 1st February 2019 which was approved by Mr. Tan Chim Lim @ Tan Choon Lim (Director). Local OSH Policy has been prepared in both languages (English and Bahasa Malaysia) for easily understood by all levels of its employees.

- The policy outline the commitment to following :
1. Compliance with Occupational Health and Safety Act 1994 and regulation make hereunder
 2. Provide training to all concern on health and safety measure to promote safe and health work culture.
 3. Providing information and relevant PPE as and when deem necessary
 4. Assessment will be carried out as far as practical on risk of hazards in all activities carried out in the workplace and reduce the risk and hazard accordingly

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

- a) Sighted the "Occupational Safety and Health Policy". Established on 1st February 2019 which was approved by Mr. Tan Chim Lim @ Tan Choon Lim (Director). Local OSH Policy has been prepared in both languages (English and Bahasa Malaysia) for easily understood by all levels of its employees.

The policy has been communicated to worker during the taklimat given as follows;

Sighted the Internal Stakeholder Meeting conducted on 17th April 2019 to all workers at the respective muster ground attended by 38 workers. The agenda of the meeting is briefing about All Policy including OSH Policy and Objectives

- b) HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC sighted for the followings work operation :-
 1. Repairing Road
 2. Harvesting
 3. Applying Fertilizer in Field
 4. Chemical Spraying in Field
 5. Chemical Issue

6. Chemical Preparation
7. Etc

HIRARC documentation is adequate to address any hazard situation should need Arises.

- c) The estate have a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes:-
1. Training on Policies Keselamatan dan Kesihatan
 2. Latihan ERP
 3. Latihan Penuaian / Pemungghahan BTS
 4. Latihan Menyembur racun
 5. Latihan Menabur baja
 6. Latihan pengendalian kenderaan
 7. Latihan pengurusan sisa pepejal
- d) All estates have provided appropriate PPE for all workers in their operation. PPE Issuance and replacement record. Sighted for:-
1. Field staff
 2. Harvesters
 3. Field Workers
 4. General Workers

During field visit, sighted the workers have been trained with safety and the workers wear the PPE.

- e) Estates have established the Standard Operating Procedure Pengendalian Bahan Kimia – Doc. No: SOP 09/10/11/12/13/14 & 15. and effective date on 1st April 2019

The estates have appointed Occumed Consultancy & Services Sdn. Bhd. to carry out CHRA Assessment for H. L. Trading Sdn. Bhd, Heng Leong Trading and H.L Agriculture Sdn. Bhd. The assessment was carried out on 12th March 2019 by Dr. Yasriza bin Yahaya (JKKP HIE 127/171/2(8)).

- f) Person incharge of OSH is Mr. Ting Huong Leong. The Appointment letter of the person in-charge was signed by Mr. Tan Chim Lim. (Director) on October 2019.
- g) There is no OSH Committee as the total worker in all estates are less 40 employee. However the all estates management have taken initiative to discuss issue related to employee's health, safety and welfare during muster call.
- h) Sighted the emergency procedure for the Estate. Emergency response plan is available in local language The ERP has been explained to all workers and staffs during training. Emergency response plan include the emergency contact number,

and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point. All these procedure pasted on the notice board for further reference.

- i) First Aid Training was conducted on 26th November 2019 by Mr. Ting Huong Leong Sighted picture, training material and attendance list attended by 6 person.
- j) Estates have register with MyKKP on 18th April 2019. Based on their record, no accident and injuries recorded thus far. Accident report will be reporting according to rules and regulation stated by JKKP

In Compliance **Yes** No Not Applicable

Criterion 5 Employment conditions

Indicator 1 The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.

Summary Sighted the "Social Policy". Established on 1st February 2019 which was approved by Mr. Tan Chim Lim @ Tan Choon Lim (Director)

- The estates have committed to carry out this policy in all estates operations through
- 1. Creating equal opportunities and anti discrimination
 - 2. Freedom of association
 - 3. Non-sexual harassment
 - 4. Reproductive right
 - 5. Free from child labour
 - 6. The human rights & business ethics

The policy was displayed in the notice boards for all estates office for reference.

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 All workers enjoy the same scale of pay and provided with equal housing and work facilities.

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

During interviews, it is clearly that no forced labour in all estates.

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

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines. Interview with Estate staff and workers and with male and female confirmed that they understand the terms and conditions of their employment. Sighted sample of worker wages as below;

No	ID	Nationality	Wages
1	101/003	Indonesia	1,146.15
2	109/003	Indonesia	1,268.28
3	120/003	Indonesia	1,591.00
4	018	Malaysia	1,720.00
5	005	Indonesia	1,210.00
6	011/001	Malaysia	1,500.00
7	103/003	Indonesia	1,696.04
8	108/003	Indonesia	1,796.38

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 payment for employees of contractors was monitored by the management through obtaining the pay slips from the contractors for all their workers.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

Sample of payment for the contract work done for month of October 2019 as below;

Name : Zainolee bin Faridah
Emp Code : 790113115779
Month of October 2019 – RM 4,946.00

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 All estates have established a system to record their worker particular which consist of the following information ;

1. Name
2. Identity Number
3. Pay Rate
4. Designation
5. Sex
6. Date of Birth
7. Marital Status
8. Race
9. Date Joined and Resigned
10. Address

Workers employed consisted of local and Indonesian.

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 Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined. The contract agreement for worker covers local and foreign workers and the term and conditions are documented are above the industry minimum standard.

Employment contracts were available in language that understood by the workers. The contract provide a details about the payments and employment conditions such as period of working, working hour, medical assistance, housing, holiday, annual leave, period of notice to terminate the contract, etc.

The contract agreement is signed by 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 Monday to Saturday. The overtime maximum is 104 hours according to Malaysian Law.

Daily attendance recorded during muster call. Estate has used pocket check-roll as a working time recording system.

In Compliance **Yes** No Not Applicable

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

Summary The working hour and break time has been clearly stated in the Employment Contract.

Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

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 Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. During interview with workers confirmed that they are being paid according the stipulated minimum wage

No	ID	Nationality	Wages
1	101/003	Indonesia	1,146.15
2	109/003	Indonesia	1,268.28
3	120/003	Indonesia	1,591.00
4	018	Malaysia	1,720.00
5	005	Indonesia	1,210.00
6	011/001	Malaysia	1,500.00
7	103/003	Indonesia	1,696.04
8	108/003	Indonesia	1,796.38

In Compliance **Yes** No Not Applicable



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

Summary All workers have been provided with medical, accident insurance coverage, free legalization cost, Insurance, annual leave and sick leave. Since I Jan 2019 foreign worker are cover under SOCSO

With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

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 The workers quarters was found habitable and in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Treated potable water and electricity were provided to the housing for free of charge.

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 Sighted the "Sexual Harassment". Established on 1st February 2019 which was approved by Mr. Tan Chim Lim @ Tan Choon Lim (Director)

Policy has been prepared in both languages (English and Bahasa Malaysia) for easily understood by all levels of its employees.

The policy to prevent all forms of sexual harassment and violence at the workplace has been incorporated in the Social Policy.

In Compliance **Yes** No Not Applicable

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

Summary Sighted the "Human Right Policy". Established on 1st February 2019 which was approved by Mr. Tan Chim Lim @ Tan Choon Lim (Director)



Policy has been prepared in both languages (English and Bahasa Malaysia) for easily understood by all levels of its employees.

The policy of Freedom of association and The human right & business ethics at the workplace has been incorporated in the Social Policy. Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in estates.

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 Sighted the "Children and Young Person". Established on 1st February 2019 which was approved by Mr. Tan Chim Lim @ Tan Choon Lim (Director)

Policy has been prepared in both languages (English and Bahasa Malaysia) for easily understood by all levels of its employees.

The policy of free from child labour at the workplace has been incorporated in the Social Policy. There are no children below ages of 18 working in the HL Trading / Heng Leong Trading / HL Agriculture and this was proven through checking the list of employees as well as their biodata and through verification visits at estate. 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 All estates has established a comprehensive annual OSH training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers.

A comprehensive training which has been identified for all estates as listed below:-

1. Training on Policies Keselamatan dan Kesihatan
2. Latihan ERP
3. Latihan Penuaian / Pemunggaran BTS
4. Latihan Menyembur racun
5. Latihan Menabur baja
6. Latihan pengendalian kenderaan
7. Latihan pengurusan sisa pepejal



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 All workers involved in the operations have been adequately trained in safe working practice. As evidence, sighted the training needs analysis prepared by estate management for all workers.

In Compliance **Yes** No Not Applicable

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

Summary All workers involved in the operations have been adequately trained in safe working practice. All estates have a comprehensive annual training plan for its staffs and workers and this was sighted in the training need analysis.

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

List of training which has been implemented by all estates as listed below;

1. PPE Training dated on 28th November 2019
2. Training on ERP dated on 19th September 2019
3. Pesticide handling training dated on 28th May 2019
4. Vehicle handling training dated on 20th August 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 HL Trading / Heng Leong Trading / HL Agriculture its Environmental Policy signed by Mr. Tan Chim Lim @ Tan Choon Lim (Director) dated on 1st February 2019 with the objective in maintaining sustainability between environmental conservation and plantation businesses.

As stated in it Environmental Policy, HL Trading / Heng Leong Trading / HL Agriculture are committed and responsible for continual improvement in safe guarding the environment to achieve the goal of sustainable development through;

- Mematuhi undang-undang dan peraturan alam sekitar
- Mengamalkan dasar pembakaran sifar bagi pembukaan ladang baharu dan penanaman semula.
- Mencegah pencemaran, mengurangkan pembaziran dan penggunaan sumber (banan-banan api dan tenaga), serta komited kepada pemulihan kitar semula dan pelupusan bahan-bahan sisa dengan cara yang betul.
- Melaksanakan amalan baik pertanian dan pengurusan unfuk mengurangkan hakisan tanah demi mengekalkan degradasi tanah.
- Memupuk dan memberi kesedaran pemuliharaan alam sekitar kepada semua pekerja dan pihak berkepentingan.
- Melindungi kawasan Cerun
 - Cerun yang melebihi 25°, mestilah dikecualikan dari pada mana-mana permbangunan ladang baru dan program penanaman semula.
 - Untuk cenun yang kurang darn 25, tanaman dan tumbuh-tumbuhan yang sedia ada hendaklah diselenggarakan dengan sewajarnya
- Zon Penampan sungai
- Zon penampan hendaklah dikekalkan pada kedua-dua belah tebing sungai berpandukan kepada jadual.

Environmental policy and management plan communicated to all level of employees during meeting on 26th October 2019. Sighted picture, training material and attendance list attended by all workers from the respective estates

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 Sighted "Environmental Management Plan "Document Ref: MSPO-HLT-10; Dated 1st April 2019"comprises with Appendix 1: Environment Aspect Impact Assessment; Doc Ref : MSPOHLT10 Dated: 21st October 2019.

Sighted Environment Aspect Impact Assessment for below operations in all estates :-

1. Chemical residues wasted into water sources
2. Smoke emission of tractor / lorry
3. Generation of empty chemical containers
4. Disposal of fertilizer bags into the ground
5. Emission of greenhouse gases from the nitrogen fertilizer usages
6. Frond stacking
7. Cutting of fruit stalk
8. Transportation of FFB to Mill
9. Pesticides spills
10. Fertilier spills

11. Use of petrochemical for transporaton activities
12. Oil Leakage from tractor / lorries
13. Disposal of scrap iron
14. Site clearing, construction of roads
15. Use generator for supoly electricity to workers quarter
16. Human sewage waste generated from workers housing area
17. Domestic waste from workers housing area
18. Disposal of non biodegradable waste
19. Disposal of domestic waste
20. Spilage from Schedule waste collection

Non-Conformity – Minor

Environmental Aspect Impact Assessment plan was not monitor and implement effectively

1. Weekly inspection of worker’s housing was established however domestic waste from workers housing was not monitor according to Management Plan For Environmental Aspect Impact Assessment dated on 21st October 2019.
2. Sighted oil leakage from tractor at Workshop Parking Bay.

Thus, a Minor non comfirmity was raised.

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 HL Trading / Heng Leong Trading / HL Agriculture have established Environment Improvement Plan 2019 which was incorporated in the environmental aspect and impact assessment sheet which has included the mitigation measure to address all the Enviroenemnt issue as per stated in “Environmental Aspect Impact Assessment” dated 21st October 2019.

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

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

Summary Sighted Continual Improvement Plan 2019 in respect of environment includes;



SOSIAL
<ul style="list-style-type: none"> • Membina tandas dan septik tangki di Kongsi AJ 97AC • Membina tandas dan septik tangki di Kongsi 200AC • Membina Rumah Rehat di Kawasan AJ 6AC • Membina Rumah Rehat di Ladang Ibok • Membaiki atap rumah kongsi AJ 90AC • Membina tempat letak tractor di Air Jernih 6AC
ALAM SEKITAR
<ul style="list-style-type: none"> • Tapak pelupusan sampah AJ 90AC • Tapak pelupusan sampah AJ 6AC • Tapak pelupusan sampah 200AC • Tempat pengutipan sampah dari MPK di Ladang BT9 • Menyediakan tempat simpanan Scheduled Waste • Memasang papan tanda dilarang memburu dan memancing • Memasang papan tanda dilarang membakar
MEKANISASI
<ul style="list-style-type: none"> • Penggunaan Solar di Rumah Kongsi 200AC • Penggunaan Solar di Rumah Kongsi AJ 90AC
KESELAMATAN DAN KESIHATAN PEKERJA
<ul style="list-style-type: none"> • Gotong Royong membersihkan setiap rumah kongsi • Membina tempat basuhan tong racun 3kali • Membuat ujian air telaga di kawasan 200AC • Memasang Papan Tanda Keselamatan di jalan Ladang
LAIN-LAIN
<ul style="list-style-type: none"> • Memasang papan tanda Hutan Simpanan di AJ 50AC(A) • Membina tempat penyelenggaran kenderaan • Menanda dan mengekalkan kawasan Riparian Buffer Zone

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 Comprehensive Training Program for the environmental management and improvement are available for all levels of employees comprises as below: -

- Taklimat / Polisi
- Polisi Keselamatan & Kesihatan
- Latihan ERP
- Penuai / Pemunggaah BTS



- Menyembur Racun
- Menabur Baja
- Pengendalian Kenderaan
- Pengurusan Sisa Berjadual

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 Sighted "Environmental Meeting were conducted on 21st October 2019 attended by 3 person. Record of attendance, meeting materials and photographs of the meeting were available during audit

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 Records on the consumption of non-renewable energy and the baseline values is available during audit.

Management Plan to Optimization for non-renewable energy as below: -

No	Area Concern	Action Plan	Responsibility	Status
Diesel				
1	Diesel tumpah semasa mengisi minyak	SOP mengisi diesel	Manager	Ongoing
		Pemantauan dan latihan mengisi minyak di dalam kenderaan	Manager, Supervisor	
2	Berlaku kebocoran pada tangki lori	Pemeriksaan harian	Driver Supervisor	Ongoing
3	Kenderaan tidak berfungsi dengan baik	Penyenggaraan kenderaan mengikut jadual yang telah ditetapkan	Manager, Supervisor Driver, Mekanik	Ongoing
4	Penggunaan kenderaan berterusan tiada rehat	Mematikan enjin kenderaan semasa rehat	Driver Supervisor	Ongoing



5	Pemanduan di kawasan jalan yang tidak rata	Latihan mematuhi SOP pengendalian kenderaan	Manager Supervisor	Ongoing
Air				
1	Berlaku kebocoran	Pemeriksaan pada sistem paip Menukar paip yang rosak	Manager, Supervisor	Ongoing
2	Pembaziran air	Menggunakan air hujan untuk menyiram bunga dan membasuh kenderaan	Driver, Pekerja Ladang	Ongoing
		Pastikan paip air ditutup selepas digunakan	Manager, Supervisor	Ongoing
Elektrik				
1	Penggunaan yang berlebihan	Mematikan suis lampu dan peralatan elektrik selepas digunakan	Manager Supervisor	Ongoing
2	Kerosakan pada peralatan elektrik	Pemeriksaan berkala dilakukan untuk memastikan tiada peralatan elektrik yang rosak digunakan	Manager Supervisor	Ongoing
3	Sambungan pendawaian tidak betul	Pemeriksaan ke atas pendawaian elektrik di perumahan pekerja	Manager, Supervisor	Ongoing
		Menggantikan pendawaian yang rosak dan lama		

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 Non-Conformity – Minor
Estimated non-renewable energy monitoring record for contractors’ operations not available during audit.

Thus, a Minor non conformity was raised.

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

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



Summary Use of renewable energy implemented. Sighted one Solar Panel Installed to block 200 acres for energy supply to worker housing

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 Sighted "List of Waste Products-Dated: 1st April 2019; prepared by Hamidah Binti Mohammad Zubir

List of wastes identified are as below: -

Location	Item Description	Source of waste	Type of waste
Store	Used lubricants	Fossil fuel, spillage	Scheduled
Store	Used batteries	Normal usage	Scheduled
Store	Tyres and tubes	Repair and maintenance	Scheduled
Store	Empty paint cans	Normal usage	Scheduled
Store	Disposed weedicide/Pesticide containers	Normal usage	Scheduled
Store	Rags, papers, plastic contaminated with lubricants	Repair and maintenance	Scheduled
Workers' housing	Food/vegetable/fruit scraps	Domestic consumption	Domestic
Workers' housing	Glass bottles	Domestic consumption	Recyclable
Workers' housing	Paper-based containers and wastepaper	Domestic consumption	Recyclable
Workers' housing	Plastic-based containers and wrappings	Domestic consumption	Recyclable
Workers' housing	Cigarettes and tobacco-related waste	Domestic consumption	Domestic
Workers' housing	Kerosene for lighting	Fossil fuel, spillage	Scheduled
Workers' housing	Cooking oil	Domestic consumption, spillage	Scheduled
Estate	Lubricant contaminated soil	Spillage	Scheduled
Estate	Cigarettes and tobacco-related waste	Workers' consumption	Domestic
Estate	Empty fertiliser bags	Normal usage	Recyclable

Area of Concern (AOC)

No evidence sighted during the audit. Environmental Aspect Impact Assessment has been established dated on 21st October 2019, however the Environmental Aspect for empty pesticides container was not documented clearly.



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 a) Sighted waste Management Action Plan 2019; Dated 01st April 2019.

A waste management plan to avoid or reduce pollution developed as below: -

Location	Item Description	Type of waste	Action to be Taken
Store	Used lubricants, Rags, papers, plastic contaminated with lubricants	Scheduled	<ul style="list-style-type: none"> Collect & store used lubricants and lubricant-contaminated waste in designated areas Put up "Used Lubricants" sign Store items under lock and key Dispose items through authorised contractor
Store	Empty weedicide/ Pesticide container	Scheduled	<ul style="list-style-type: none"> Establish SOP on disposing empty pesticide/weedicide containers Establish SOP on triple rinsing Collect and store weedicide/pesticide containers in designated areas Store items under lock and key Put up "Used Weedicide/Pesticide" sign Dispose items through authorised contractor Re-use containers for the same purpose
Store	Used batteries	Scheduled	<ul style="list-style-type: none"> Collect and store in designated bin Store items under lock and key Dispose items through authorised contractor
Store	Tyres and tubes	Scheduled	<ul style="list-style-type: none"> Collect and store in designated bin Store items under lock and key Dispose items through authorised contractor
Store	Empty paint cans	Scheduled	<ul style="list-style-type: none"> Collect & store empty paint cans in designated areas Put up "Used Paint Cans" sign Store items under lock and key Dispose items through authorised contractor Re-use for storing non-food items

Workers' housing	Food/vegetable/fruit scraps	Domestic	<ul style="list-style-type: none"> • Compost food scraps where appropriate • Dispose in designated bins • Create awareness on hygiene • Establish collection schedule • Establish landfill/collection SOP • Regular inspection of workers' housing areas
Workers' housing	Glass bottles Paper-based container and wastepaper Plastic-based containers and wrappings	Recyclable	<ul style="list-style-type: none"> • Prepare landfill area away from water course and residential area • Establish landfill/collection SOP • Establish collection schedule • Create awareness on hygiene • Regular inspection of workers' housing areas
Workers' housing	Cigarettes and tobacco-related waste, general rubbish	Domestic	<ul style="list-style-type: none"> • Create awareness on hygiene • Dispose in designated bins • Establish collection schedule • Establish landfill/collection SOP • Regular inspection of workers' housing areas
Estate	Lubricant contaminated soil	Scheduled	<ul style="list-style-type: none"> • Collect & store contaminated in designated areas • Dispose contaminated soil through authorised contractor
Estate	Empty fertiliser bags	Recyclable	<ul style="list-style-type: none"> • Re-use for storing non-food items • If not reusable, then dispose in designated bins for recycling

b) Estate converting empty herbicide chemical containers in to into value-added products. After triple rinse the practice was to store water for the purpose of mixing chemical.

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 HL Trading / Heng Leong Trading / HL Agriculture has establish Standard Operating Procedure for handling of used chemicals sighted under "Keselamatan Penggunaan Racun" Document Reference Number:- SOP-10; Dated 1st April 2019

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 the Plantations Procedure "Keselamatan Penggunaan Racun" Document Reference Number:- SOP-10; Dated 1st April 2019

Sighted all pesticides containers are treated according to the Pesticide Board recommendation of the triple rinsing and puncture.

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 HL Trading / Heng Leong Trading / HL Agriculture have established;

- a) " Waste Management Procedure"Ref.No:MSPO-HLT-11;Dated:01-April-2019
- b) "Handling Domestic Waste Procedure"Ref.No:MSPO-HLT-12;Dated:01-April-2019
- c) "Handling Schedule Waste Procedure"Ref.No:MSPO-HLT-13 ;Dated:01-April-2019

As per the procedures developed all Domestic waste disposed in a way to minimize the risk of contamination of the environment and watercourses as per outline in the Waste Management Plan.

In Compliance **Yes** No Not Applicable

Criterion 4 Reduction of pollution and emission including greenhouse gas

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

Summary The assessment of polluting activities is identified and documented in the environmental impact assessment and management plan.

Data on the level of Greenhouse gases (GHG) emissions are monitored and compiled on yearly basis through the GHG calculation methodology.

Sighted in Appendix 1: Environment Aspect Impact Assessment; Doc Ref: MSPOHLT10 dated on 21st October 2019.

In Compliance **Yes** No Not Applicable

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

Summary An action plan to reduce identified significant pollutants and emissions established in waste management plan 2019.

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 Sighted Water Management Plan Procedure no : MSPO-HLT-14;Dated on : 01st April 2019

a) Assessment of water usage and sources of supply sighted as below for H.L Trading Sdn. Bhd. / H.L Agriculture Sdn. Bhd. / Heng Leong Trading

Identification of Water Sources

Sources of Water	Use of Water
River/Stream	Watering plants Premixing herbicide
Rainwater	Watering plants Vehicle washing Premixing herbicide
Syarikat Air Terengganu (SATU)	Drinking Daily use
Underground Water (Tube well)	Daily Use Premixing herbicide



Water Management Plan for Estate

Source of Water	Management Action	Responsibility	Period
River / Stream	Create buffer zone	Estate Manager	Training for sprayer twice a year
	Continue training of sprayer to minimize accidental overspray near buffer zones within water course.	Estate Manager	
	Restoration of natural vegetation in riparian area where been removed.	Estate Manager	At appropriate time interval
	Regular inspection to ensure no bunds, weir and dam constructed across main river or waterways.	Estate Manager	Regularly inspection
Rainwater	Collect rainwater in to storage tank from roof of staff quarters. Use for chemical premix, washing vehicle and watering plant.	Estate Manager	At appropriate time interval
Syarikat Air Terengganu (SATU)	Record water usage. Inspect and replace leaky pipes or plumbing fittings.	Estate manager	Monthly
Tube Well	Water to be used for non-drinking No action required	Estate manager	Annual

- b) Outgoing water may have negative impacts is monitored quarterly by the respective estates
- c) Management plan to reduce water wastage was established for refereance. Sighted water storage tank with water storage capacity 3,000 liters in all three sites. Collection of rainwater is a practice for all estates
- d) Protection of water courses done by providing training for sprayers to minimize accidental overspray near buffer zones and within water courses.

Non-Conformity – Minor

Traces of herbicide spraying sighted near the water course [GPS coordinates (N 4.364190, E 103.392350) -(H. L Trading) and (N 4.414254, E 103.366478) (HENG LEONG TRADING)] without maintaining the buffer zone.

Thus, a Minor non comfirmity was raised.

- e) Natural vegetation in riparian areas was maintained very well.



- f) Where bore well is being use for water supply in HENG LEONG TRADING SDN BHD near Block 200acres.

Non-Conformity – Minor

Bore well is being use for water supply in HENG LEONG TRADING SDN BHD near Block 200acres. The level of the ground water table not measured at least annually.

Thus, a Minor non comfirmity was raised.

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 There is no river or waterways across the estate area. Thus, not applicable.

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 Collection of rainwater practiced. sighted water storage tank with water storage capacity 3,000 liters in all three sites

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 Estate have established procedure for "Rare, Threatened and Endangered Species & High Biodiversity Management". Document number: Ref No : MSPO-HLT-15

As per the procedure following forms to be used as guidance for the estates to manage high biodiversity value.

Sighted Estates monitoring mechanism for RTE in document name " Kehadiran Haiwan Luar di Sempadan dan Kawasan Ladang "



Sighted a survey conducted by estate to Identify Rare, Threatened and Endangered Species among its employees.

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 have established procedure for "Rare, Threatened and Endangered Species & High Biodiversity Management". Document number: Ref No : MSPO-HLT-15 **comprises;**

The objectives of this procedure are to provide the necessary guidance:

1. Steps for identification of high biodiversity value habitats and rare and threatened ecosystem
2. Conservation status on legal protection, population status and habitat requirements of rare threaten, or endangered species
3. Mitigation for protection of rare, threatened, endangered species, or high biodiversity value and ecosystem

In Compliance **Yes** No Not Applicable

Indicator 3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.

Summary Management established and effectively implemented Biodiversity Management Plan-2019 with regards to identification of high biodiversity value habitats such as rare and threatened ecosystems and conservation status on legal protection, population status and habitat requirements of RTEs.

Rare, Threatened and Endangered Species & High Biodiversity Management "Appendix 2: Biodiversity Management Plan (HCV CLASSIFICATION)" Doc Ref: HLT / HLA / HLE;
Dated on :17th October 2019, Prepared by : Ms Hamidah binti Mohd Zubir and Approved by : Mr. Ting Huong Leong.

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	As stated in the Environmental Policy, HL Trading / Heng Leong Trading / HL Agriculture. is committed towards implementing the Zero Burning practices in all plantation activities.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop..
Summary	No controlled burning is practiced as per HL Trading / Heng Leong Trading / HL Agriculture - Work specifications No1;Land clearing on the zero burning technique. Estate Practicing zero burning
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.
Summary	As per interview with person in charge, no special approval needed to do open burning. Estate has adopted Zero Burning Policy
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched..
Summary	SOP is available as referred to: HL Trading / Heng Leong Trading / HL Agriculture - Work specifications No1;Land clearing on the zero burning technique. No open burning activity or traces during site visit
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 HL Trading / Heng Leong Trading / HL Agriculture have developed Standard Operating Procedure for their best practices, and appointed Mr Ting Huong Leong and Puan Nora Raioda Bt Abd Ghani to be persons in charge of the best practices and approved by the Mr Tan Chim Lim (Director) dated 01st April 2019. There are 28 SOP in the listed register. These includes the following;

- 1) SOP-01 Occupational Safety Responsibilities
- 2) SOP-02 Manuring
- 3) SOP-OP-03 Pruning
- 4) SOP-OP-04 Harvesting
- 5) SOP handling of FFB
- 6) SOP safe working of used chemical container
- 7) SOP of fire extinguisher handling
- 8) SOP of worker housing
- 9) SOP -36 boundary stone foundation
- 10) SOP – 38 Tapak pelupusan sampah

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 HL Trading / Heng Leong Trading / HL Agriculture have developed a policy on the protection of slope and water course.

Where by, it specifically mentioned:

- 1) Area of more than 25 degrees is exempted from planting of oil palm.
- 2) The gradient of less than 25 degrees the planting and the cover crops should be maintained accordingly
- 3) Waterwat buffer zone. It should have retained the buffer zone on both sides of the water way accordingly

In Compliance **Yes** No Not Applicable

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

Summary Non-Conformity – Minor

The H L Trading, H L Agriculture, SB Heng Leong Trading had no visual reference system to identify each field or block. During the site visit on the 15 plots, we found the marking/identification for the field/block is not properly established.

Thus, a Minor non conformity was raised.

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 HL Trading / Heng Leong Trading / HL Agriculture have an annual budget for the financial year 2019 -2021. The budget includes the projected FFB production, Upkeep maintenance – chemical and fertiliser, FFB Production and FFB transport.

In Compliance **Yes** No Not Applicable

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

Summary No replanting for all estates within next 5 years.

In Compliance **Yes** No Not Applicable

Indicator 3 The business or management plan may contain:
a) Attention to quality of planting materials and FFB.
b) Crop projection: site yield potential, age profile, FFB yield trends.
c) Cost of production: cost per tonne of FFB.
d) Price forecast.
e) Financial indicators: cost benefit, discounted cash flow, return on investment.

Summary HL Trading / Heng Leong Trading / HL Agriculture have an annual budget for the financial year 2019 - 2021. The budget includes the projected FFB production, Upkeep maintenance – chemical and fertilizer, FFB Production and FFB transport.
Sample of the estimate is as follows:-

Sighted sample record of estimated for HL Trading as below;

FY	2019	2020	2021
Mature (Ha)	229.07	242.30	242.30
FFB Production (MT)	4749.87	5498.05	6,321.73
Yield (MT/Ha)	20.7	22.69	26.09
Production Cost (RM)	1,290,021.39	1,469,531.76	1,541,590.31
RM/MT	271.93	267.28	243.86

In Compliance **Yes** No Not Applicable

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

Summary The estates performance is recorded in the Summary Expenses & Costing for the year 2019 - 2021. Details on the actual expenses i.e. Upkeep maintenance – chemical and fertilizer, FFB Production were captured in the progress report commented by the General Manager in the Memo as shown on 13th November 2019 report.

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 H.L Agriculture has made a contract agreement with Zainolee bin Faridah Address No 163 Felda Jeranagu Barat ,21820 Ajil Teranganu.

The work and terms as follows:-

1. Upah sewa lori upah RM 300/hari
2. Upah Shovel fees untuk angkut tandan kosong RM 2.00/trip
3. The driver should be compliance JPJ regulation
4. And others terms

The contract agreement was signed by both parties .The effective date was 1st January 2019

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 Sighted the payment voucher To the contractor Zainolee bin Faridah being rental of lorry for EFB evacuation. Sighted payment voucher for month of October 2019 and confirmed that Payment have paid before 10th every month. The payment was received by the contractor and duly accepted

In Compliance **Yes** No Not Applicable

Criterion 4 Contractor

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

Summary The local contractor Mr. Zainolee bin Faridah has attended the MSPO/ ERP awareness training on 10th November 2019 @ Rumah Kongsi BT 9. It been conducted by Puan Nora Rafida Abd Ghani.

In Compliance **Yes** No Not Applicable

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

Summary Sighted the Surat Perjanjian Kontrak Tahunan (January 2019- December 2019) between H L Agriculture (084719D) di panggil syarikat dan Zainolee bin Faridah di alamat No 163 Felda Jerangau Barat 21820 Ajil Terengganu untuk membekalkan keendaraan dan pemandu untuk kerja ladang.

Bayaran upah seperti berikut:-

1. Upah sewa lori pada kadar RM 300/ hari
2. Shovel fees bagi pengangkutan tandan kosong RM 2.00/ Trip
3. Bayaran upah saja tanpa bayaran lain lain seperti EPF Socso

Dipersetujui oleh kedua dua pihak .dan ditanda tangan oilih kontraktor dan Pegarah besar.

In Compliance **Yes** No Not Applicable

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

Summary The estate was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 3rd – 5th December 2019. All the auditors are qualified MSPO auditor. As per agreed, all estates have accepted the GGC MSPO Auditors to verify through a physical inspection if required for audit purposes.

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 Payment paid before 10th every month. Sighted the payment voucher to the contractor Zainolee bin Faridah being the rental of lorry for EFB evacuation or other estate activities. Sighted payment voucher for month of October 2019 and confirmed that Payment have paid before 10th every month

Prior to the payment, the Senarai Laporan Kerja Kenderaan input, daily lorry movement record must be checked and signed. However, the senarai laporan kerja input was not properly endorsed by the management.

In Compliance **Yes** No Not Applicable

2.7 Principle 7 : Development of new planting

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

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

Criterion 2 Peat land

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

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

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

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

In Compliance 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 all estates.

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 all estates.

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 all estates.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

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

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

In Compliance Yes No **Not Applicable**



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

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

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land

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

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

In Compliance 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 all estates.

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 all estates.

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 all estates.

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 all estates.

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 all estates.

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) Proactive and highly committed shown by HL Trading / Heng Leong Trading / HL Agriculture in establishment and implementation of MSPO
- 2) Good cooperation and commitment from the management and staff
- 3) Good relationship being maintained with external stakeholders.
- 4) Good positive feedback received from internal and external stakeholders's meeting

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
03 rd December 2019	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Centralize Opening Meeting at H.L Trading Sdn Bhd: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Auditplan. 	MRB	RMN/SS
	09:00 – 13:00	H.L Trading Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MRB	RMN/SS
		<ul style="list-style-type: none"> ➤ Field Inspection / Interview: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MRB	RMN/SS
	13:00 – 14:00	➤ Lunch/Rest	MRB	RMN/SS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MRB	RMN/SS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MRB	RMN/SS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
04 th December 2019	08:00 – 13:00	Heng Leong Trading <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MRB	RMN/SS



10:30 – 12:30	<ul style="list-style-type: none"> ➤ Field Inspection / Interview: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. ➤ Stakeholder Consultation 	MRB	RMN/SS
13:00 – 14:00	➤ Lunch/Rest	MRB	RMN/SS
14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MRB	RMN/SS
16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	MRB	RMN/SS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
05 th December 2019	08:00 – 13:00	H.L Agriculture Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MRB	RMN/SS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Field Inspection / Interview: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MRB	RMN/SS
	13:00 – 14:00	➤ Lunch/Rest	MRB	RMN/SS
	14:00 – 15:00	<ul style="list-style-type: none"> ➤ Continue document audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MRB	RMN/SS



15:00 – 16:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues and auditor discussion. 	MRB	RMN/SS
16:00 – 17:00	<ul style="list-style-type: none"> ➤ Centralize Closing Meeting at H.L Agriculture Sdn Bhd: <ul style="list-style-type: none"> • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	MRB	RMN/SS





Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit

Major Nonconformities:	Non-were raised during this audit.
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Minor Nonconformities:	The following NC's were raised for this audit.
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Company Name	H.L. Trading Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-AW1-MSPO-2019			
NC No. / Ref.	AW1/MSPO/MINOR-01	Date Detected	5 th December 2019	
Site(s) concern	HL Trading Sdn Bhd HL Agriculture Sdn Bhd Heng Leong Trading	Target Completion	Next Surveillance	
Normative Reference and Requirement	4.3.2.3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	The boundary markers have not been properly established.			
NC Objective Evidence:				
Evidence of the legal boundary which were not clearly demarcated. The current marker are mostly only identified by the drains, fencing, streams, or frond arrangements.				
Lead Auditor Signature:		Client Signature:		
				
Root cause Analysis (to be filled by client):				



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



Company Name	H.L. Trading Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-AW1-MSPO-2019			
NC No. / Ref.	AW1/MSPO/MINOR-02	Date Detected	5 th December 2019	
Site(s) concern	HL Trading Sdn. Bhd.	Target Completion	Next Surveillance	
Normative Reference and Requirement	4.5.1.2 The environmental management plan shall cover the following: b) The aspects and impacts analysis of all operations.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Environmental Aspect Impact Assessment plan was not monitor and implement effectively			
NC Objective Evidence:				
1. Weekly inspection of worker's housing was established however domestic waste from workers housing was not monitor according to Management Plan For Environmental Aspect Impact Assessment dated on 21 st October 2019.				
2. Sighted oil leakage from tractor at Workshop Parking Bay.				



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



Company Name	H.L. Trading Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-AW1-MSPO-2019			
NC No. / Ref.	AW1/MSPO/MINOR-03	Date Detected	5 th December 2019	
Site(s) concern	H.L TRADING SDN BHD H.L AGRICULTURE SDN BHD HENG LEONG TRADING	Target Completion	Next Surveillance	
Normative Reference and Requirement	4.5.2.2 The oil palm premises shall estimate the direct usage of non-renewable 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.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Estimated non-renewable energy monitoring record for contractors' operations not available during audit.			





NC Objective Evidence:	
Estimated non-renewable energy monitoring record for contractors' operations not available during audit.	
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
Corrective action planned (to be filled by client):	
Preventive Action (to be filled by client):	
Review of corrective/preventive action (to be filled by Lead Auditor)	
NC Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified:	Lead Auditor Signature:

Company Name	H.L. Trading Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-AW1-MSPO-2019			
NC No. / Ref.	AW1/MSPO/MINOR-04	Date Detected	5 th December 2019	
Site(s) concern	H.L TRADING SDN BHD HENG LEONG TRADING	Target Completion	Next Surveillance	





Normative Reference and Requirement	4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: b) Protection of water courses and wetlands, f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern	
Description of Non-Conformity	Protection of water courses not implemented and ground water from bore well not measured	
NC Objective Evidence: 1. Traces of herbicide spraying sighted near the water course [GPS coordinates (N 4.364190, E 103.392350) -(H. L Trading) and (N 4.414254, E 103.366478) (HENG LEONG TRADING)] without maintaining the buffer zone. 2. Bore well is being use for water supply in HENG LEONG TRADING SDN BHD near Block 200acres. The level of the ground water table not measured at least annually.		
Lead Auditor Signature: 	Client Signature: 	
Root cause Analysis (to be filled by client): 		
Corrective action planned (to be filled by client): 		
Preventive Action (to be filled by client): 		
Review of corrective/preventive action (to be filled by Lead Auditor) 		
NC Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date Verified:	Lead Auditor Signature:	



Company Name	H.L. Trading Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-AW1-MSPO-2019			
NC No. / Ref.	AW1/MSPO/MINOR-05	Date Detected	5 th December 2019	
Site(s) concern	HL Trading Sdn Bhd HL Agriculture Sdn Bhd Heng Leong Trading	Target Completion	Next Surveillance	
Normative Reference and Requirement	4.6.1.3 A visual identification or reference system shall be established for each field.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No notable evidence of block /field identification or marking.			
NC Objective Evidence: During the site visit on the sample of 15 plots selected, we found the marking/identification for the field/block was not properly established.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client):				
Corrective action planned (to be filled by client):				
Preventive Action (to be filled by client):				
Review of corrective/preventive action (to be filled by Lead Auditor)				
NC Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input type="checkbox"/> No		

Date Verified:	Lead Auditor Signature:
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Area of Concern:	The following AOC's was raised for this audit.
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Company Name	H.L. Trading Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-AW1-MSPO-2019			
NC No. / Ref.	AP1/MSPO/AOC-01	Date Detected	5 th December 2019	
Site(s) concern	H.L. Trading Sdn. Bhd.	Target Completion	-	
Normative Reference and Requirement	4.5.3.1 All waste products and sources of pollution shall be identified and documented.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during the audit.			
NC Objective Evidence:				
Environmental Aspect Impact Assessment has been established dated on 21 st October 2019, however the Environmental Aspect for empty pesticides container was not documented clearly.				
Lead Auditor Signature:		Client Signature:		
				

Appendix C: List of Stakeholders Contacted

Internal Stakeholders

1. Management team and staff
2. Local Workers

External Stakeholders

1. Peladang (Weighbridge Manager)