

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

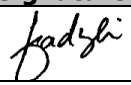


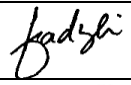
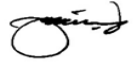
CERTIFICATION AUDIT REPORT

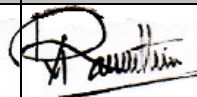
Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

The Nyalas Rubber Estates Limited

-Individual Certification-

MAIN ASSESSMENT AUDIT
28th June 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	24/08/19	Issued as Draft Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
A	03/09/2019	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	03/09/2019	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	05/09/2019	Issued as Final Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	06/09/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by The Nyalas Rubber Estates Limited					
Rev	Date	Description	Management Representative	Role	Signature
B	06/09/2019	Acceptance of the contents	Mr. Raventhiran S/O Vanoogopal	Estate Manager	

Declaration

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

WITH INTEGRITY WE SERVE



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

SECTION I : PUBLIC SUMMARY REPORT

1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **The Nyalas Rubber Estates Limited**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition.

This assessment was conducted onsite on **28th June 2019** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

1.2 Company details and Contact information

Company Name	THE NYALAS RUBBER ESTATES LIMITED
Business Address	The Nyalas Rubber Estates Limited, Asahan, P.O, 77100, Asahan Melaka.
Contact Person	Mr. Raventhiran S/O Vanoogopal
Office Telephone	06-5229678
E-Mail	hq@nyalasestate.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.	The Nyalas Rubber Estates Limited	Nyalas Estate, Asahan P.O 77100 Asahan, Melaka.	E 102° 29' 22.988"	N 2° 26' 43.805"

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Nyalas Estate (Guba / Meriang Div)	501827002000	31/12/2019	Menjual dan Mengalih FFB



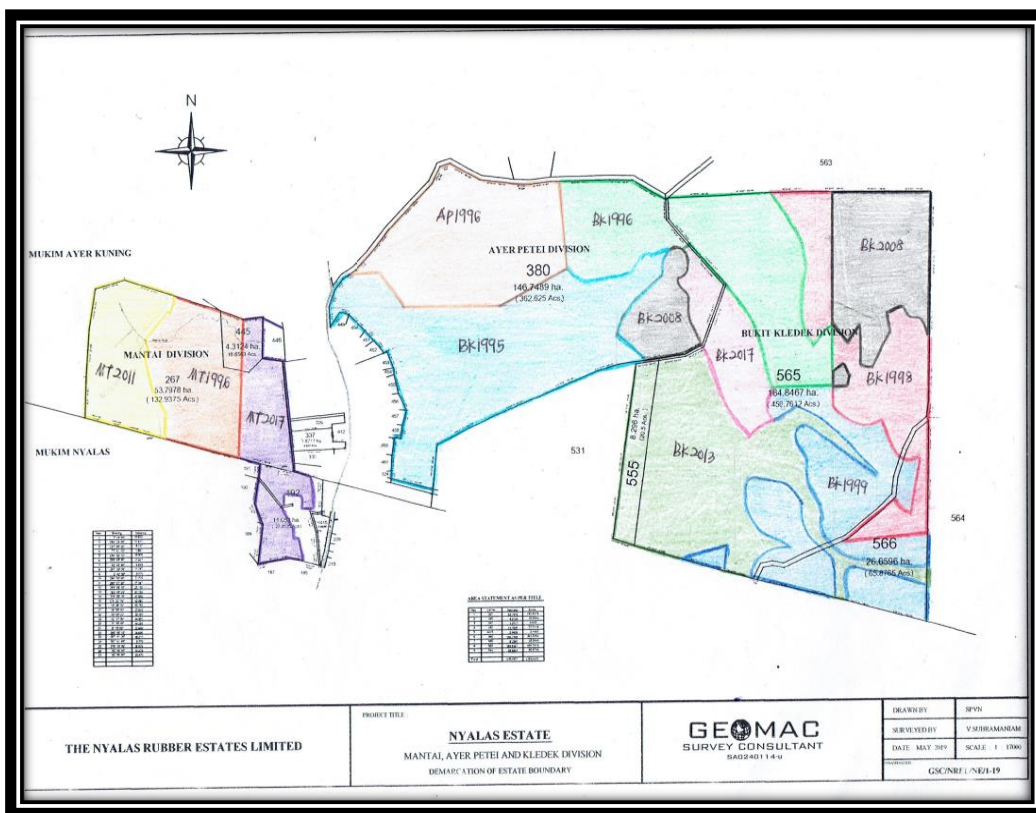
2	Nyalas Estate (Bukit Keledek Div)	501826102000	31/12/2019	Menjual dan Mengalih FFB
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Others Sustainability Certification

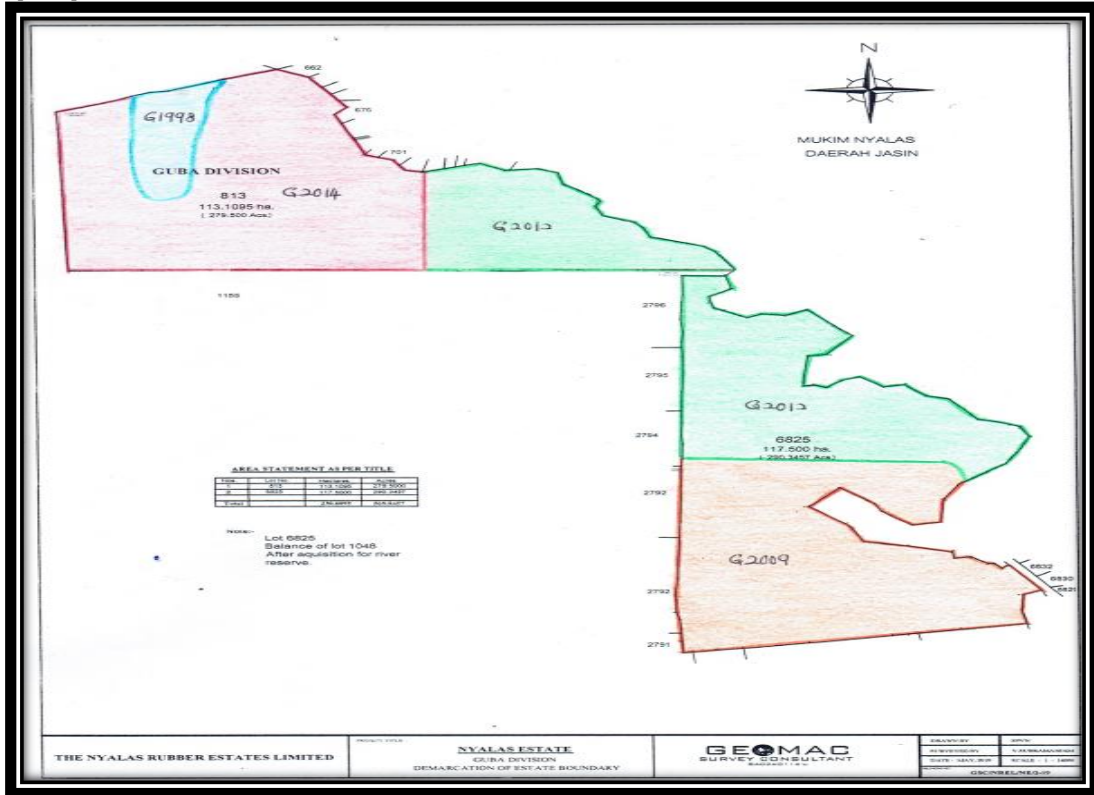
No	Name Of The Site	Others Sustainability Certifications
1.	NIL	NIL

1.4 Map Showing Geographical Location

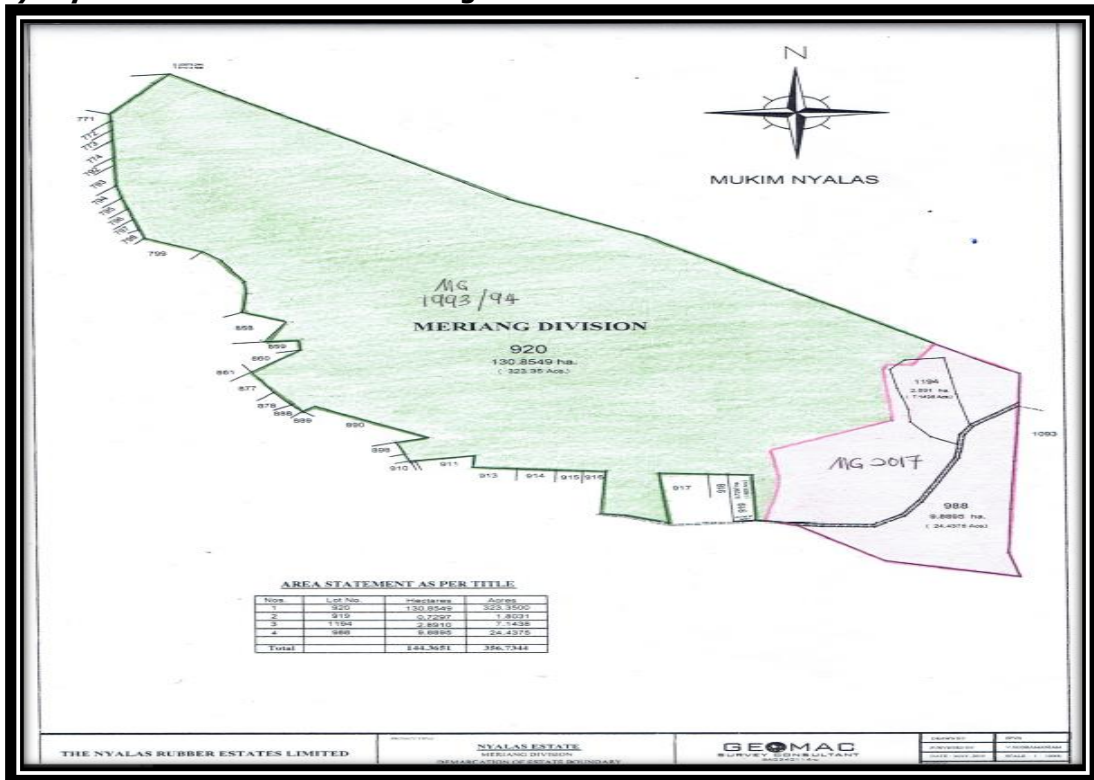
1) Nyalas Rubber Estate



2) Nyalas Rubber Estate – Guba Division



3) Nyalas Rubber Estate – Meriang Division



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Nyalas Estate	813.69	785.47	731.22
Total	813.69	785.47	731.22

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Nyalas Estate Estate			28.22
Total	NIL	NIL	28.22

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Jun 2018-May 2019]	Projected Production for next 12 Months [Jun 2019-May 2020]
Nyalas Estate	NIL	12,409.08	13,780.00
Total	NIL	12,409.08	13,780.00

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-TNR001-MSPO-00-2019
Initial certificate issued date	06 th September 2019
Certificate expiry date	05 th September 2024

Stage 1 assessment date	25 th April 2019
Stage 2 / Main Assessment	28 th June 2019
Annual Surveillance 1 [ASA 1]	June 2020
Annual Surveillance 2 [ASA 2]	June 2021
Annual Surveillance 3 [ASA 3]	June 2022
Annual Surveillance 4 [ASA 4]	June 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohd Fadzli bin Bistamam (P1, P6, P7)

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector.

Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs.

Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Able to write and speak in Bahasa Malaysia and English.

Auditor

Name: Hj. Ahmad bin Sukiman (P3, P5)

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Legal, Stakeholder's Consultation, Workers Welfare and Environment. Able to speak and understand Bahasa Malaysia and English.

Auditor**Name:** Surenthiran Panneerselvam (P2, P4)

He is graduated from University of Abertay Dundee, Scotland, UK majoring in PgDip/ MSc Oil and Gas Accounting and also graduated from Universiti Tenaga Nasional, Malaysia with a Bachelor's Degree in Accounting. Prior to joining Shell Business Operation as a Senior Cash Management Executive, he worked with Crowe Horwath as Senior Associate Auditor. He is equipped with experience in audit field, lecturing and accounting. Fully trained in Malaysian Sustainable Palm Oil (MSPO2530), Roundtable Sustainable Palm Oil (RSPO), ISO9001:2015 and ISO37001:2016. Completed and certified MSPO auditor course in year 2018 held by SGS Academy and ISO9001:2015 auditor course in year 2017 by TOMC. Able to communicate in both English and Bahasa Malaysia (written and spoken).

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was based on total number of estates (2) with medium risk factor (1.5). Total estates selected for this audit were two (2).

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	28 th June 2019
Name of site(s) visited	Nyalas Estate
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	2	To be closed during next Surveillance Audit



Area of Concern	1	No action requires
Noteworthy /Positive Comments	6	No action requires

1.11 Stakeholder Consultation

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

GGC has published the public notification on 20th May 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 28th June 2019 in Nyalas Estate to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details 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.	All Stakeholders	Most of the stakeholders who attended the meeting are aware about what is MSPO.	Management will continue briefing to all stakeholders on MSPO awareness	Positive findings
2.	All Stakeholders	Most of them has knowledge on the existence of a complaints/grievance mechanism. Further, they aware where they should direct their request/ complaints to. Only a few of them are unaware of the complaints/grievance mechanism.	Management will continue briefing to all stakeholders on MSPO's complaint and grievance mechanism available in their company.	Will review by next surveillance audit

3.	Neighboring estate	Has good communication with the estate management. Boundary markers are well discussed and agreed between both parties.		Positive findings
4.	Contractors (Quary in charge, Transporter, Supplier)	Aware of MSPO, and briefed by the estate management. Able to demonstrate the knowledge on complaint procedure. Interaction with the estate management is good.	Management will continue briefing to all stakeholders on MSPO's complaint and grievance mechanism available in their company.	
5.	Local communities	Requested to conduct sports event together with local communities surrounding.		Positive findings

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of The Nyalas Rubber Estates Limited. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

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

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of no NC raised. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to The Nyalas Rubber Estates Limited.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary Policy available title "Sustainable Palm Oil Policy" for MSPO implementation based on 7 principles in MS 2530: 2013 standards. Policy is approved by company Executive Director, Mr. A. Balaraman dated 23rd December 2017.

Policy also emphasized on continuous improvement, ensure protection and preservation of RTE species and high biodiversity values.

Record of briefing to workers sighted during the audit. Briefing was done on 24th June 2019 attended by 20 estate workers. Training / briefing was given by En. Muhammad Shafiq Bin Yusof. Workers understanding on the MSPO has been verified during interview session with estate workers.

In Compliance **Yes** No Not Applicable

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

Summary The company has established a MSPO Policy which stating their commitment to implanting the following sustainable practices. The policy was signed by the Executive Director/General Manager dated 23rd December 2017.

The company is committed to:

1. Comply with the requirements of sustainable plantation operations
2. Comply with all legal and specific requirements
3. Comply with and practice good social responsibility, health and safety and employment condition for our people
4. Safeguard the environment
5. Continuously improve our sustainable management system

In Compliance **Yes** No Not Applicable

Criterion 2 Internal audit

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

Summary Internal audit plan has been documented as per document dated 01st July 2018. For year 2019, audit was conducted on 02nd March 2019.

In Compliance **Yes** No Not Applicable

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

Summary Internal audit procedure sighted as document dated 01st July 2018 (Internal audit Procedure). The procedure contains details such as Purpose, Scope, Definitions, Audit frequency, Audit Schedule and Audit Notification.

Sighted the internal audit report done by the consultant SPO Consultancy Sdn Bhd, dated 02nd March 2019. Total of 4 Major NC, 2 Minor NC and 20 Observations raised by the internal auditor.

In Compliance **Yes** No Not Applicable

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

Summary The report has been reviewed as per document "Management Review on MSPO Internal Audit 2018".

In Compliance **Yes** No Not Applicable

Criterion 3 Management review

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

Summary Management review meeting regularly conducted by the estate management to discuss on estate performance and other matters on monthly basis. Latest meeting minute sighted dated 12th June 2019 recorded by Pn. Mazriani Binti Aripin.

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 The estate is having annual budget (Estimates 2018/2019 Particulars of estimated expenditure) for its operation improvement plan such as:

1. Replacing fertilizer roof
2. Repair at assistant quarters
3. Repainting Manager Bungalow
4. Renovate Div. Meriang Fertilizer store
5. Replacing water pipeline

In Compliance **Yes** No Not Applicable



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

Summary The company disseminate the new information and techniques or new industry standards and technologies through the training.

In Compliance **Yes** No Not Applicable

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

Summary The company disseminate the new information and techniques or new industry standards and technologies through the training.

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 Seen record of stakeholder meeting dated 19th September 2018 at Nyalas Estate Office, contractors have attended the meeting. Meeting minutes and photographs is available.

In total of 23 stakeholders attended the meeting, as meeting minutes, attendance record, photographs and training materials was made available.

No.	Stakeholders	Participants
1.	Internal stakeholder	7
2.	Local Communities	8
3.	Government authorities	1
4.	Local business	2
5.	Neighboring estate	4
6.	Contractors	1
	Total	23

During meeting, MSPO briefing was briefed to all stakeholders and issue raised was:

- Jalan ke tanah perkuburan India – antara Kuari ISB, Pejabat Tanah & Nyalas Estate.
- Kebersihan Kawasan rumah ibadat (Temple) selepas menjalankan perayaan.

- Meminta semua penternak yang mempunyai binatang ternakan supaya mengawai ternakan agar tidak memasuki Kawasan penanaman semula kelapa sawit.

Meeting minutes is prepared by Ms. Mazriani Binti Aripin and approved by Mr. Raventhiran, Estate Manager.

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 MSPO Policy, SOP document is publicly available document and contract agreement, financial budget and personal files is confidential documents.

List of confidential and non-confidential is made available during the audit. Below are the sample taken:

List	Confidential	Non-confidential
Payroll	√	
Personal file – workers/staff	√	
Financial estimate	√	
Accounting records	√	
FFB record	√	
Contract agreement	√	
Land title	√	
Daily record FFB		√

As per management SOP – Stakeholder Engagement – Clause 2 (iii) – A written request is preferred where possible. Request form is made available to the stakeholder if they require any confidential document to be acquired.

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 Sighted SOP for Stakeholder Engagement Procedure dated 1st July 2019. The SOP has identified mechanism for consultation and communication with the relevant stakeholder.

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 Letter of appointment of En. Norhafizan Bin Abd Aziz sighted date on 1st July 2018, as he is responsible for stakeholder consultation and communication for Nyalas Estate.

In Compliance **Yes** No Not Applicable

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

Summary List of stakeholders is made available, in total 20 stakeholders were listed and identified.

No.	Stakeholders	Number
1.	Contractors/suppliers	8
2.	Local communities	8
3.	Government bodies	4
	Total	20

External stakeholder meeting conducted on 19th September 2018 at Nyalas Estate Office. In total of 27 stakeholders attended the meeting:

Contractor/ supplier:

- Lee Chon Hin (C)
- Gan Kem Keong (C)
- Sri Bukit Kartong (M) Sdn Bhd (C)
- YYTK Enterprise (C)
- Maju SP Enterprise
- Nam Bee Co. Sdn Bhd
- Hup Thye Hardware Sdn Bhd
- Ship Yit Trading Sdn Bhd

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 Seen SOP for Traceability and Supply Chain procedure dated on 1st July 2019, regular inspection conducted on daily basis by the junior supervisor at the ground.

Fresh Fruit Bunch (FFB) Flow Chart is made available dated 1st July 2018.

Estate

- FFB harvested and carried to platform
- Bunch counter/ mandora will count and conduct grading at platform (Bunches Record)

- FFB loaded onto trailer and weighed at Estate Weighbridge (Internal Weighbridge ticket)
- FFB sent to the mill accordingly

Mill

- FFB weighed at Mill weighbridge (Mill Weighbridge ticket/ FFB delivery note)
- Delivery note is acknowledged by the mill and return to estate to record.
- FFB discharged into the mill ramp and transferred to the production floor for CPO production. (Mill production record)

In Compliance **Yes** No Not Applicable

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

Summary Seen SOP for Traceability and Supply Chain procedure dated on 1st July 2019, regular inspection conducted on daily basis by the junior supervisor at the ground.
To inspect traceability system during internal audit and review the system in the management review meeting.

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 PIC is Mr. Norhafizan Bin Abd Aziz, Asst Manager who is responsible for traceability system. Sighted letter of appointment dated on 1st July 2018, who is responsible to ensure traceability system matters, approved by Mr. Raventhuran a/ Vanoogopal, Estate Manager.

In Compliance **Yes** No Not Applicable

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

Summary Estate

- FFB harvested and carried to platform
- Bunch counter/ mandora will count and conduct grading at platform (Bunches Record)
- FFB loaded onto trailer and weighed at Estate Weighbridge (Internal Weighbridge ticket)
- FFB sent to the mill accordingly

Mill

- FFB weighed at Mill weighbridge (Mill Weighbridge ticket/ FFB delivery note)
- Delivery note is acknowledged by the mill and return to estate to record.
- FFB discharged into the mill ramp and transferred to the production floor for CPO production. (Mill production record)

Sales records available during the audit. Example sighted

Bunch record

Name: Kendi, Yasiih, Ramdah, Tahar

Date: 1/6/2019

Bunches: 478 bunches [MG-478/2009-220/2012-250]

FFB transporter chit

Date: 1/6/2019

Receiving No.: 29959

Vehicle no: MP8959

Field: MG93

FFB Despatch

Date: 1/6/2019

No.: 49976

Tonnage: 5,720 kg

Lorry No: MP8959

Destination: Nam Bee Company Sdn Bhd

Invoice: NB1073/18/19

Weighing slip

Date: 1/6/2019

Vehicle no: MP8959

Field: MG93

D/O No: 49976

Net weight: 5,720 kg

Grading Chit

Date: 1/6/2019

Vehicle no: MP8959

1st weight: 8,360 kg

A/C No: 027NRE

Mill weighbridge ticket

Date: 1/6/2019

WB ticket no: 968693

Vehicle No: MP8959

D/O order: 49976

Net weight: 5,640 kg

Mill: Nam Bee Company Sdn bhd

Remarks: NE035830

In Compliance **Yes** No Not Applicable



2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary The company has established and updated list of laws applicable to FFB plantation signed by the Estate Manager, Mr Raventhiran A/L Vanoogopal.

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

1. List if permit General Workers i.e. for 21 workers expiry 28.09.2019 until 30.06.2020.
2. Lesen MPOB (menjual dan mengalih FFB) for Nyalas Estates Guba/Meriang Division (363.50ha). No lesen 501827002000 expires 31.12.2019.
3. Lesen MPOB (menjual dan mengalih FFB) for Nyalas Estates Bukit Kledek Division (404.21ha). No lesen 501826102000 expires 31.12.2019.
4. Permit Barang Kawalan Berjadual (S/N M000103) for diesel storage (200 Liter/day) valid until 14.07.2019.
5. Perakuan Penentuan Timbang dan Sukat No. Siri Alat : C17200146 for 40mt weight of The Nyalas Rubber Estates Limited expires 01.10.2019
6. Sighted List of Fire Extinguisher (5 unit) for Nyalas Estate expiry 05.11.2019(4 unit) & 12.12.2019 (1unit)

Non-Compliance : Minor

Weekly housing inspection record was not available during the audit as required by Section 23 (2) WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990. The Visiting Hospital Assistant, Mr Rajamani A/L Manickam visited the estate twice a month of May 2019 i.e. 10.05.2019 and 24.05.2019 as reported in HA Book.

In Compliance Yes **No** Not Applicable

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

Summary List of all laws applicable to estate operations sighted during the audit. The list of laws applicable to FFB plantation covers the detail requirements that related to MSPO compliance. These documents include information on laws & regulation, amendment and new amendment.

All the 40 documents are in compliance with the applicable local, state, national and ratified international laws and regulations includes;

1. Environmental Quality Act 1974 (Act 127)
2. Environmental Quality Regulations, 1977
3. Environmental Quality (Assessment) Order, 1987
4. Environmental Quality (Schedule Waste) Regulations, 2005
5. Environmental Quality (Declared Activities) (Open Burning) Order, 2003

6. Environmental Quality (Industrial Effluent) Regulations, 2009
7. Environmental Quality (Sewage) Regulations, 2009
8. Environmental Quality (Clean Air), 1978
9. OSHA Act 1994 (Act 514)
10. OSHA, Safety & Health Committee Regulation, 1995
11. OSHA Regulations, 2000
12. OSHA Regulations, 2013
13. OSHA Regulations, 2014
14. Trade Union Act 1959
15. Factories and Machinery Act 1967
16. FMA, Noise Exposure Regulations, 1989
17. FMA, Safety, Health and Welfare Regulations, 1970
18. FMA, Fencing Machinery and Safety Regulations, 1970
19. Pesticides Act 1974 (Act 149)
20. Pesticides (Registration) Rules, 1988
21. Pesticides (Licensing for Sales & Storage) Rules, 1988
22. Pesticides (Labelling) Regulations, 1984
23. MPOB Act 1998 (Act 582)
24. MPOB (Licensing) Regulations, 2005
25. MPOB (Quality) Regulations, 2005
26. Industrial Relations Act 1967 (Act 177)
27. Employees Provident Fund 1991 (Act 452)
28. Children and Young Persons (Employment) Act 1966 (Act 350)
29. Employment Act 1955 (Act 265)
30. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
31. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order (Amendment) 2018
32. Land Conservation Act 1960 (Act 385) (Rev. 1989)
33. Land Development Act 1956 (Rev. 1991)
34. Land Acquisition Act 1960 (Rev. 1992)
35. National Land Code 1965 (Act 56)
36. Wildlife Conservation Act 2010
37. National Park Act 1980
38. Waters Act 1920 (Rev. 1989)
39. National Forestry Act 1984 (Act 313)
40. Protection of Wildlife Act (Am. 2006)

Sighted Nyalas Estate name list workers for labour quarters for 2019 with average 1.6 adults per house

In Compliance **Yes** No Not Applicable

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

Summary Based on interview with Mr Norhafizan Bin Ab Aziz (Assistant Manager) any new amendments or any regulations once received through the following manner:

- HQ Department
- Communication with law/enforcement officers



- Website

In Compliance **Yes** No Not Applicable

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

Summary Sighted appointment letter for the responsible person, Mr Norhafizan Bin Ab Aziz (Assistant Manager) approved by Mr Raventhiran A/L Vanoogopal (Estate Manager) on 01.07.2018.

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 Nyalas Estate land title is available and well maintained. The estate has the following land title and its Ownership;

Lot No	Hectare	Ownership
337	1.8717	TNRE
445	4.3124	TNRE
380	146.7489	TNREL
267	53.7978	TNREL
565	184.8467	TNREL
566	26.6596	TNREL
555	8.296	TNREL
Sub-total	426.5331	
192	11.053	TNREL
813	113.1095	NREL
920	130.8549	NREL
988	9.8895	NREL
1048	117.7633	NREL
4415	0.8686	NREL
919	0.7297	NREL
1194	2.891	NREL
Sub-total	387.1595	
TOTAL Land Title	813.6926	

Note : TNRE (The Nyalas Rubber Estates).

The land titles are under 'Permanent Status' (Selama-lamanya) except Lot No. 919 & 1194 i.e. 99 years.

Sighted evidence of annual payment of quit rent for 2019 paid to the following;



1. Kerajaan Negeri Sembilan, Daerah Tampin/Gemas amounted to RM41,782.00.
2. Kerajaan Negeri Melaka, Daerah Jasin amounted to RM24,058.00

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 Sighted 15 copies of land titles kept by the estate.

The Nyalas Estate has the following land title and Syarat-Syarat Nyata;

Lot No	Hectare	Syarat-syarat Nyata
337	1.8717	Getah
445	4.3124	Getah
380	146.7489	Tiada
267	53.7978	Tiada
565	184.8467	Pertanian
566	26.6596	Pertanian
555	8.296	Pertanian
Sub-Total	426.5331	
192	11.053	Tiada
813	113.1095	Tiada
920	130.8549	Tiada
988	9.8895	Tiada
1048	117.7633	Tiada
4415	0.8686	Tiada
919	0.7297	Tiada
1194	2.891	Tiada
Sub-Total	387.1595	
TOTAL Land Title	813.6926	

Note: Sighted letter of application “penukaran syarat-syarat nyata dalam geran tanah” from getah to kelapa sawit addressed to Pejabat Daerah Kecil dan Tanah Gemas dated 18.03.2019.

Total Land Titled Ha	= 813.6926ha
Less :	
Reserved Land	= 6.72ha
Swamp/Ravines	= 14.52ha
Building sites & roads	= 6.50ha
Right of way	= 0.16ha
Nyalas river acquired	= 0.32ha
Total planted area	= 785.47ha
Total as per Details of Acre Reconciliation Summary	= 813.69ha

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 Sighted map of Demarcation of Estate Boundary prepared by Geomac Survey Consultant as per the following reference;

1. GSC/NREL/NE/1-19
2. GSC/NREL/NE/2-19
3. GSC/NREL/NE/3-19

Sighted some samples of boundary stones during field visit.

In Compliance **Yes** No Not Applicable

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

Summary There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary rights

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile 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 estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership. Therefore, no maps for recognized customary rights is available.

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 estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile 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 Seen record of stakeholder meeting dated 19th September 2018 at Nyalas Estate Office, contractors have attended the meeting. Meeting minutes and photographs is available.

In total of 23 stakeholders attended the meeting, as meeting minutes, attendance record, photographs and training materials was made available.

No.	Stakeholders	Participants
1.	Internal stakeholder	7
2.	Local Communities	8
3.	Government authorities	1
4.	Local business	2
5.	Neighboring estate	4
6.	Contractors	1
	Total	23

Positive impact:

No.	Impact
1.	Bowling Tournament with Felda Management
2.	Bowling Tournament with Nyalas Community
3.	Donation to SJK(T) Ladang Bukit Kledek

No.	Impact	Pollution	Mitigation
1.	FFB lorries from estate fields to mill and return journey	Air quality Noisy Effluent into water source	Escorting tractor movement from office area to field and vehicle checklist inspection before work.

2.	Estate tractor/ Hilux for transporting water/ manure/ workers to field Bukit Kledak, Gubah & Meriang Division return journey.	Air quality Nosiy Effluent into water source	FFB lorries are reminded to drive slowly especially at Sekolah, Masjid Baru and Sekolah Nyalas.
3.	Poor condition of motorcycle/ non-usage of crash helmets by motorcycles	Air quality Nosiy Effluent into water source	3 years plan drawn up to ensure all motorcycles are maintain in road-worthy condition and motorcyclicsts use crash helmets

MINOR NC:

Social Impact Assessment (SIA) report was made available. However, there is no evidence that SIA assessment has been conducted as no date and attendance form attached. Furthermore, no evidence of SIA survey form (Kaji Selidik Penilaian Impak Sosial – Nyalas Estate) has been distributed to respondents prior to complete the SIA Assessment Report.

In Compliance Yes **No** Not Applicable

Criterion 2 Complaints and grievances

Indicator 1 A system for dealing with complaints and grievances shall be established and documented.

Summary Sighted SOP for Stakeholder Engagement Procedure dated 1st July 2019. The SOP has identified mechanism for consultation and communication with the relevant stakeholder

Complaint procedure as available in Clause 4 of SOP – Stakeholder Engagement procedure.

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 During audit, there is no complaint sighted as to date, as during field visit, no verbal complaint was noted as all system is in order.

In Compliance **Yes** No Not Applicable

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

Summary Complaint Form seen for External and Internal Stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office.

In Compliance **Yes** No Not Applicable

Indicator 4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

Summary As interviewed with Mr. Norhafizan, Asst Manager they have made the workers and stakeholders aware during internal stakeholders and external stakeholders meeting conducted at Nyalas Estate.

Record of stakeholder meeting dated 19th September 2018 at Nyalas Estate Office, contractors have attended the meeting. Meeting minutes and photographs is available and they were made aware of complaint procedure.

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 Complaint form is available at main office as they have allocated "Peti Aduan", as to date there is no complaint.

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 Corporate Social Responsibility Report (CSR) for the year 2019 available and as sampled:

- Pemberian wang hadiah kepada pelajar UPSR – SJK(T) Ldg Bukit Keledok dated 20th April 2019.
- Bowling Tournament conducted on 6th April 2019 at BK Temple.
- CSR – Donation for Masjid Baru dated 25th May 2019 at Meriang, Asahan. Sighted payment voucher and receipt [No. 27181]



All evidence sighted with photographs, receipts, and itinerary was made available.

In Compliance **Yes** No Not Applicable

Criterion 4 Employees safety and health

Indicator 1 An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.

Summary OSH policy sighted (Occupational Safety and Health) signed by Mr. A Balaraman, General Manager, dated 23rd December 2017.

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. OSH policy sighted (Occupational Safety and Health) signed by Mr. A Balaraman, General Manager, dated 23rd December 2017. Communicated during MSPO Daily Briefing.



- b. Sighted "Prosedur apabila berlaku kemalangan di tempat kerja – Kluang Estate" is made available in SOP file.

No	SOP	Policy No.
1	Memotong buah sawit	H-1
2	Menolak buah kelapa sawit dengan menggunakan kereta sorong	H-2
3	Memangkas pelepah kelapa sawit	H-3
4	Memunggah tandan sawit	H-4
5	Memotong buah kelapa sawit berhampiran kabel TNB	H-5
6	Meracun makhluk perosak	P-1
7	Menyembur racun rumpai	P-2
8	Meracun menggunakan pam racun bermotor (Mist blower)	P-3
9	Mengumpan racun tikus (Rat bait application)	P-4
10	Suntikan batang pokok dengan monocrotophos	P-5
11	Mengaplikasi furadan 3G	P-6
12	Meracun Kawasan kediaman	P-7
13	Pengeluaran racun	P-8
14	Membancuh racun	P-9
15	Membaja secara manual	F-1
16	Sungkupan tandan kosong (EFB Mulching)	F-2

No	HIRARC
1	Chemical spraying
2	Fertilizer application
3	Harvesting
4	Culvert maintenance
5	Chemical store
6	Desilting drains
7	Diesel store
8	External transport
9	Fertilizer store
10	FFB loading
11	Manual selective
12	Pruning
13	Rat Bait

14	Road Maintenance
15	Travelling to & from work
16	Transporting FFB
17	Transporting fertilizer
18	Chemical issue
19	Diesel issuance
20	WTP
21	Receive chemicals
22	Staking fertilizer
23	Unloading FFB
24	Loading FFB
25	Tractor driving
26	Transportation FFB to mill
27	Planting Oil Palm
28	Gardening
29	Office compound
30	Land preparation for replanting
31	Heat stress & UV light
32	Fire outbreak
33	Firearms
34	Estate machinery noise
35	AP
36	Bagworm treatment

HIRARC last updated 1st November 2018, and all record are kept and maintained.

- c. Estate has conducted training for the Staffs and Workers and this was sighted in the training file – Safety and Health Programme for the year 2019. However, training has been conducted as below:
- Training Chemical Class IV, dated 18th April 2019, sighted attendance record and photographs.
 - SOP Kerja Selamat Menolak Buah Kelapa Sawit, dated 4th April 2019 at Nyalas Estate Office, sighted attendance record and photographs.
- d. Sighted PPE issuance and replacement record is made available. List of allocation of PPE to estate personnel year 2019 sighted in PPE issuance file has been provided as per activity involved.
- e. SOP Chemical Handling is available [Penerangan pengendalian dan penggunaan bahan kimia]. Available with pictorial prosedur and listed with PPE required during handling chemical use.

Sighted letter of confirmation on medical surveillance has been conducted on 21st June 2018.

CHRA report is available in CHRA report, dated 23rd February 2019 [DOSH Registration: HQ/04/ASS/00/193] by ENV Consultancy & Monitoring Services Sdn Bhd.

Form F sighted, all recommendation action to be taken has been in place.

As per medical surveillance report:

- Hamjidi Bin Md Nor
- Senthil Kumar Selvam
- Subramaniam Periyaiya
- Sanowar

All the above-mentioned workers have gone through with medical surveillance checkup on 11th March 2019 at Poliklinik Perdana. No negatives results sighted for all the workers listed above.

- f. Seen letter of appointment for AJK Keselamatan & Kesihatan, Norhafizan Bin Abd Aziz, effective from 1st July 2018, approved by Mr Raventhiran a/l Vanoogopal. Organization chart is made available.
- g. OSH meeting minute sighted during the audit. Meeting conducted on:
- 27th July 2018
 - 25th October 2018
 - 25th January 2019

Latest OSH meeting was conducted on 23rd April 2019. Meeting minutes and attendance record is made available.

- h. ERP (Emergency response plan) sighted in document. Emergency Respond Plan Procedure and exit routes in file and notice board. Record seen "Carta Alir Proses Pertolongan Cemas", displayed with emergency contact name, contact number.

Training Emergency Response Plan conducted on 18th August 2018 at Kluang Estate, sighted attendance record and photographs of training conducted.

- i. Trained first aider is available in the estate. Training certificate (by SPO Consultancy Sdn Bhd – Mr. Raman Krishnan) sighted during the audit. First Aid Training conducted on 22nd June 2018, attendance record and photographs are made available.

- j. The management has registered under Mykkp online dated 26th February 2019.

Seen JKKP 8 submitted dated on 26th April 2019 [JKKP 8/38209/2018]. No accident recorded as to date.

In Compliance **Yes** No Not Applicable



Criterion 5 Employment conditions

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

Summary Policy sighted related "Good social practices policy", approved by Mr. A Balaraman, General Manager, dated 23rd December 2017.

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 Policy on workers' social life sighted in "Good social practices policy", approved by Mr. A Balaraman, General Manager, dated 23rd December 2017.. Some of the objectives listed in the policy:

- a. Maintain no discrimination practices and provided equal opportunity and treatment to all.
- b. Ensure that employees' payment and conditions meet the legal minimum standards.

As per interview with the following workers of Nyalas Estate: -

Interview workers:

En Hamjidi Bin Md Nor (Spraying/ Weeding)

En. Kanabathi a/l Marimuthu - Spraying

En Selvam Senthil Kumar – Spraying

En Jaher Miah – Harvester

Md Raton Miah - Harvester

In Compliance **Yes** No Not Applicable

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

Summary The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum wage order 2018. Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

Interview with both Estate staff and workers they understand the terms and conditions of their employment. Sampled of Nyalas Estate workers salary as per May 2019 payslip:-

List down the sample workers (payslips):

Shivalingam a/l Murugam (940227-06-5627)



General worker

May 2019		
Gaji	24 days x RM42.31	RM1,015.44
Paid holiday	1 day	RM42.31
Sick pay	1 day	RM42.31
OT	22 days	RM174.53
		RM1,274.59
Deduction:		
Advance		RM200.00
EPF		RM141.00
SOCSSO		RM6.25
SIP		RM2.50
NUPW		RM11.00
	Net Salary	RM913.84

Seen letter of appointment dated on 1st October 2015.

Muhammed Kala Mia (BQ0490487)

General worker

May 2019		
Gaji	24 days x RM42.31	RM1,015.44
Paid holiday	1 day	RM42.31
Sick pay	2 days	RM84.62
OT	27	RM214.19
		RM1,142.04
Deduction:		
Advance		RM200.00
TNB/ SAM		RM4.52
	Net Salary	RM1,142.04

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 As per interview with Asst Estate Manager, employment contract and payslip is kept in Nyalas Estate. Seen contract agreement between:

- Lee Chon Hin, dated 1st July 2018, [01/2018/2019]



Md Akramul Haque (BH 024357) - Bangladesh

Gross pay: RM1,753.21

Net pay: RM1,537.44

Total working days: 26 days

Abdul Tahar (BT 0369151) – Bangladesh

Gross pay: RM2,328.46

Net pay: RM2,103.94

- Gan Kem Keong, dated 1st July 2018 [02/2018/2019]
- Sri Bukit Kartong (M) Sdn Bhd, dated 1st July 2018, [03/2018/2019]
- Santharan a/l Nambiar, dated 1st July 2018 [CT004/2018/2019]

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 Name list for estate staff and workers sighted during the audit. Sighted at Nyalas Estate the Personal Particulars data for:

- Rahar a/l Kandasamy – 660627-04-5311 -Malaysian
- Hamjidi Bin Md Nor – 740704-04-5009 - Malaysian

The Labour Registration Card stated the Offered Position, Personal Details, Date Employed, Educational background and Family Data

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 Employment contract available during the audit. Employment contract stated the offered position, wages implied, working hours, working on holiday etc. The contract is in Malay as it is easy to be understood by workers.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of Malaysian, and Indonesian. Employment contract available during the audit. As sighted:

New contract format:
Rahar a/l Kandasamy

AOC
Employment contract was not fully changed into detailed format as provided by Jabatan Tenaga Kerja (JTK).



Summary as below:

- 15 local workers, 4 new contracts, 11 workers are yet to change the contract

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 Time recording is based on attendance book – Employee Attendance listed as below:

- Checkroll attendance
- Staff attendance book

Seen the working hours being displayed at the notice board. The office will be working from 6.30 am to 2.30pm and break time at 11.00 am to 11.30am

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

In Compliance **Yes** No Not Applicable

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

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

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

In Compliance **Yes** No Not Applicable

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

Summary All workers have been provided with regards to local workers, staffs and executives, all of them are covered under

- Staff – water, electricity (subsidies RM25)
- Transport to work
- Insurance /SOCISO

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 All workers are provided with housing facilities at workers linesite, clinic, football field, shop, crèche, TASKA and mosque. Water and electricity is provided free to all workforce.

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 policy of "Sexual Harassment and violence policy", listed as:

- Ensure employees are no subjected to verbal and non-verbal abuse or sexual harassment.
- Maintain condition at the work place that are free of harassment or violence of any kind.
- No form of harassment based on race, religion, gender, national status.

Approved by Mr. A. Balaraman, General Manager, dated 23rd December 2017.

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 Seen NUPW meeting minutes sighted, as meeting conducted on 25th October 2018 at Nyalas Estate, Melaka. Attendance record and photographs sighted in OSH File.

Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in Estate. Thus, their freedom is not restricted by estate management.

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 During field visit, there is no children and young person been employed as per record. There are no children below ages of 18 working in the estate and this was proven through checking the list of employees as well as their biodata and through estate visits. The workers were clear that no one below 18 years old should be employed.

In Compliance **Yes** No Not Applicable

Criterion 6 Training and competency

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

Summary Training programme was made available. however, file is available and maintained. Training conducted as per below:

- MSPO Introduction Training – 12th February 2018, at Nyalas Estate Office [Sighted photographs, training materials and meeting minutes as evidence].
- MSPO Introduction Training (Policy, Prosedur) – 10th February 2018, at Nyalas Estate Office [Sighted photographs, training materials and meeting minutes as evidence].
- MSPO Briefing conducted on 15th January 2018 at Nyalas Estate Office [Sighted photographs, training materials and meeting minutes as evidence].

No.	Training	Date
1.	Introduction to MSPO	15/1/2018
2.	OSH Committee and responsibilities	10/2/2018
3.	OSH Induction (all workers)	12/2/2018
4.	MSPO training -HIRARC	13/3/2018
5.	Chemical handling training	21/6/2018
6.	First aid training	22/6/2018
7.	ERP training	18/8/2018
8.	Chemical handling training for buldoze	11/10/2018
9.	Taklimat Pencegahan Kebakaran – Kebocoran Gas	31/10/2018
10.	Penggunaan Alat Keselamatan	7/3/2019
11.	SOP Training	4/4/2019
12.	Chemical Class IV – Penggunaan Racun Garlon Mix	18/4/2019
13.	ERP safety agenda	22/5/2019

In Compliance **Yes** No Not Applicable



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

Summary Seen Training Needs Analysis – Training Matrix which was prepared on 1st July 2018 for each worker (group) was made available during the audit. Below are the sample taken:

No.	Training	Workers
1.	Introduction to MSPO	Allocated as to Executives, staff, mandora, harvester, sprayer, general workers
2.	OSH Committee and responsibilities	
3.	Notification of accidents and dangerous occurrences	
4.	HIRARC	
5.	ERP	
6.	First aid	
7.	Fire fighting	
8.	PPE	
9.	Planting/ replanting	
10.	FronD pruning	
11.	Palm thinning	
12.	Water management, peat area, other area	
13.	Manuring	
14.	Pest & disease	
15.	Harvesting	
16.	Crop forecastting	
17.	Weeding & spraying	
19.	CHRA	

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 Comprehensive annual training plan for the year 2019 is made available, dated 1st July 2018.

No.	Training	
1.	Safety performance training	15/7/2019
2.	Risk assessment training	15/7/2019
3.	ERP Training	19/8/2019
4.	Spray/ Weeding Training	23/9/2019
5.	Fire drill & Fighting Training	19/8/2019

6.	Loading FFB training	14/10/2019
7.	Chemical handling	23/9/2019
8.	PPE Training	23/9/2019
9.	First aid training	11/11/2019
10.	Harvesting training	14/10/2019
11.	Vehicle safe driving techniques	16/12/2019
12.	Froned thinning/ pruning	14/10/2019
13.	Disposal of domestic waste	13/1/2020
14.	Manuring training	17/2/2020
15.	5's training	13/1/2020
16.	Vehicle maintenance training	16/3/2020
17.	Chemical mixture operator calibration training	20/4/2020
19.	Team building training	4/5/2020
20.	Schedule waste management training	15/6/2020
21.	MSDS/ CSDS Application training	20/4/2020

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 The Nyalas Rubber Estates Limited has established Environmental Policy signed by the Executive Director/General Manager, Mr A. Balaraman dated 23rd December 2017.

Based on the Environmental Policy, the estates are committed towards implementing the following practices:

- Comply with all environmental legislations and other requirement
- Prevent pollution and continuously improve the environmental program.
- Use natural resources in an ecologically sustainable manner by implementing best management practices
- Avoid, minimize and mitigate any adverse environment impacts caused by the plantation and mill operations.
- Maintain open channels of communication with stake holders in regard to environmental issues.
- Ensure all employees are aware of the Company's environmental policy, are motivated to conform, are aware of their own responsibilities and are given the support and training necessary to accomplish them.

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

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

Summary The Nyalas Rubber Estates Limited has established its Environmental Management Plan dated 01.07.2018 which covers the following;

1. Ecological
2. Soil erosion
3. Air pollution
4. Biomass generation
5. Water pollution (agro-chem & fertilisers)
6. Water pollution (onsite workforce)
7. Water pollution (mill operations)
8. Noise pollution
9. Greenhouse gas emissions
10. Other consideration.

The Company has conducted environmental impact assessment for all its' activities in year 2019. The environmental assessment findings are recorded in document titled "Environment Impact Assessment" prepared on 01.07.2018.

The environment impact assessment covers 7 section/location includes the following;

1. Production and office
2. Parking area
3. Maintenance
4. Store
5. Chemical storage area
6. Line sites
7. Plantation area.

The Company has also conducted environmental aspect impact (normal water) for all its' activities in year 2019. The environmental assessment findings are recorded in document titled "Environment Aspect Impact (Normal Water)" prepared on 17.07.2018 covers 20 work activities of the plantation includes elements of aspect and impact identification (work activity, environmental aspect, environmental impact, existing control), risk assessment (likelihood, severity, risk rating), risk control (recommendation and legislation). The activities includes;

1. Spraying of herbicides for weed control in the field
2. Manuring of fertilizer on palms
3. Replanting/felling/chipping/shredding
4. Drainage works
5. Pumping water for watering
6. Fishing/electric shock
7. Buffalo crossing and resting in river
8. Hindu prayer at the river bank
9. Poor manage of linesite, sanitation drains

10. Use of lorry and tractor in estate operation
11. Mixing chemical
12. Spraying of herbicides
13. Filling diesel
14. Changing lubricant
15. Dumping of non-biodegradable
16. Dumping of domestic waste
17. Spraying
18. Manuring
19. Fuel used (transport)
20. Electricity for used of loose fruit separator

In Compliance **Yes** No Not Applicable

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

Summary The environmental improvement plan to mitigate the negative impact was incorporated in the environment management plan. For example;
 Work activity: Scheduled waste from estate operations.
 Specific Concerns: Management of toxic waste (or scheduled waste)
 Mitigation plan: Provide safe disposal of toxic waste, provide measures to contain all pollution waste (bunds, oil traps and other measures), develop waste water treatment systems to contain and treat waste water, develop a system to separate solid waste to avoid toxic and non-biodegradable material into landfills (and disposal methods).

In Compliance **Yes** No Not Applicable

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

Summary The programme to promote the positive impacts on environmental (continuous improvement plan) documented in the estimated expenditure 2019/2020 includes;

Details
1. Replace roof 1 block fertilizer & chemical store
2. Construction of car park at office compound
3. Construction of 30ft x 15ft ramp for wash tractor/ hilux
4. Replacing old GI pipeline with polypiles for office
5. Purchase of new tractor

In Compliance **Yes** No Not Applicable

Indicator 5 An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives of the environmental management



and improvement management plans and are working towards achieving the objectives.

Summary Sighted individual training analysis year 2019 on the aspect of environments includes the following;

1. MSPO – Training Environmental Policy

Sighted training implementation as below;

Programme	Nyalas Estate
	Date done (Attendees)
Cleanliness awareness programme	20.06.2019 (15psn)
Taklimat Alam Sekitar – alam sekitar, sumber-sumber asli, biodiversity dan perkhidmatan ekosistem	18.06.2019 (11psn), 20.05.2019 (12psn)
Taklimat Alam Sekitar –Pentingnya kitar semula	12.06.2019 (12psn)

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 Environment Training held on 07.03.2019 at Nyalas Estate Office attended by 44 persons. Briefing on environmental policy among others discussed on matter related to labour quarter cleanliness, domestic waste and landfill and recycle programme.

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 For the year 2019, the diesel consumption for Nyalas Estate as follow;

Month	Litre	FFB	Litre/mt FFB
January	3,156	933.17	
Feb	3,194	1,050.32	
Mar	3,278	1,031.79	
Apr	3,721	1,237.10	
May	3,950	1,324.12	
Total	14,299	10,148.99	1.41

For the year 2019, the electricity usage (kWH) for Nyalas Estate as follow;



Month	kWH	FFB	kWH/mt FFB
January	4,451	933.17	
Feb	4,611	1,050.32	
Mar	4,537	1,031.79	
Apr	4,305	1,237.10	
May	4,899	1,324.12	
Total	22,803	10,148.99	2.25

Sighted Energy Usage Reduction Plan 2019 approved by Estate Manager covers 5 methods of reduction plan, includes;

1. Use of LED bulb which has low voltage bulb high brighten.
2. Use of old tractor to be replaced by new tractor with high fuel efficiency. This is be done in stage.
3. Trap rain water from roof and store it for washing and cleaning. This will reduce of water from tube well which will also electricity usage.
4. Energy lights are turned off at night. No waste electricity.
5. Energy electrical appliances are turned off whenever not in use.

In Compliance **Yes** No Not Applicable

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Summary Sighted annual estimate of non-renewable energy being established for the year 2019 as follow;

Estate	Estimated diesel usage	Estimated FFB	Fuel Efficiency
	Liter	Ton	Liter/ton FFB
Nyalas	40,440	13,630	2.97

Sighted annual estimate of electricity usage being established for the year 2019 as follow;

Estate	Estimated Electricity usage	Estimated FFB	Electricity Efficiency
	kWH	Ton	kWH/ton FFB
Nyalas	49,620	13,630	3.64

In Compliance **Yes** No Not Applicable

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



Summary Solar panel has been installed at the Manager’s bungalow of Nyalas Estate’s in order to reduce the usage of its daily electricity usage.

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 SOP for Scheduled Waste Handling Doc Ref NY/SWH/4.5.3.3 established on 15.05.2019.

Sighted scheduled waste record established by the estate;

Code	Source	Date of 1 st generated	Balance as at 04.05.2019
SW410	Used chemical boxes	01.01.2019	1.5kg
SW410	Used gloves & rags	01.01.2019	6.0kg

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 Sighted Waste Management Action Plan 2019 dated 01.06.2019 focused on the following types of waste;

1. Scheduled waste – spent lubricant (SW305), spent hydraulic (SW306), rags, plastics, papers or filters contaminated with SW (SW410), empty pesticide container, used batteries (SW102), tyres and tubes
2. Domestic waste - rubbish
3. Industrial waste – EFB, scrap metal, re-use empty container

Sighted an identification and list of waste as shown in the method of disposal office, household and human waste;

No	Source
1	Used chemical boxes
2	Used gloves & rags
3	Computer
4	Box
5	Urine, Excrement



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 The Nyalas Rubber Estates Limited has established Standard Operating Procedure for Chemical Handling dated 15.05.2019. Packaging, labelling and storage of chemicals are the importance aspects of handling chemicals which due to their toxic characteristics can pose risks to human health and environment if not managed properly.

Estate has listed down the methods of chemicals handling includes;

1. All containers are to be labelled and colour-coded and identified.
2. Chemicals are to be stored in a building non-related to miscellaneous items.
3. A dedicated concreted store for chemicals and pesticides should be available.
4. Shelves for liquid and powdered chemicals are to be installed.
5. All chemicals are to be recorded in a Chemical Register available from DOSH which is to be signed monthly by the Manager.
6. Powdered chemicals should be stored on the top shelves with liquid chemicals on lower shelves and the floor in a cement bounded area.
7. Class 1 chemicals should be kept in a separate cubicle within the store, appropriately labelled and hazard warning board placed at the entrance, with a metal grille door.
8. Opened containers (liquid) are to be placed on plastic trays to trap spills.
9. Spills on the floor are to be covered in sawdust or sand and swept, collected by dustpans and placed in plastic bags for disposal. Contaminated materials are to be buried a distance away from residential sites and waterways.
10. Laminated copies of recent MSDS for chemicals (obtainable from suppliers) are to be displayed at each individual chemical place.
11. Spill mitigating tools such as sand, sawdust, dustpan, broom, dustbin and plastics bags should be available and the area is to be labelled as "Spill mitigating tools".

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 The establishment of Standard Operating Procedure for Chemical Handling dated 15.05.201912.0 is to provide guidance for assessors to conduct an assessment of the health risks arising from the use, handling, storage or transportation of chemicals hazardous to health at the workplace as required by USECHH Regulations, 2000.

Empty pesticide containers to be treated as follow;

1. Empty containers are to be triple-rinsed and stored in a dedicated area.



2. Containers for reuse should be appropriately labeled and 3 holes are to be punctured at the base of those for disposal, and dispose through an accredited vendor.

After mixing the chemicals, to ensure the following;

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

In Compliance **Yes** No Not Applicable

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

Summary Domestic waste for linesite area is well managed by the estate. All domestic wastes are disposed at landfill located at MT 96 (1km from line site) of Nyalas Estate.

In Compliance **Yes** No Not Applicable

Criterion 4 Reduction of pollution and emission including greenhouse gas

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

Summary All activities contributing to pollution in the estate has been accessed as per document of Environmental Impact Assessment dated 01.07.2018 includes the following 17 work activities;

1. Usage of computer, light, plan
2. Usage of toilet
3. Printing/scanning
4. Usage of air condition
5. Ventilation system
6. Usage of parking area
7. Usage of lubricant oil
8. Fertilizers storage
9. Scheduled waste
10. General waste
11. Diesel tank
12. Chemical storing (liquid) at storage area
13. Disposal of items (general and domestic waste)
14. Discharge of waste water
15. Application of chemicals (solid and liquid)
16. Good agriculture practice
17. Transportation

In Compliance **Yes** No Not Applicable

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

Summary Action plan and monitoring sighted in document of Environmental Management Plan" dated 01.07.2018.

One of the action plan is on water pollution due to agro-chemicals and fertilizers application activities. The action/mitigation plan carried out by the estate are;

1. Avoid fertilizer application close to water bodies or on rainy days.
2. Improve efficiency of fertilizer application (research)
3. Develop reduction plans for high-risk agro-chemicals
4. Develop plans to reduce chemical exposure in sensitive areas workers, settlements, waterways)

The estate has recommended additional monitoring & Action plan on water pollution due to agro-chemicals and fertilizers application activities as follow;

1. Surface and ground water quality monitoring – from lab.
2. Monitoring of surface water including DO, TSS, turbidity, COD, BOD, faecal coliform, oil & grease, agro-chemicals (nitrate, phosphate)
3. Ground water monitoring including agrochemicals (nitrate, phosphate)
4. Monitor efficiency of fertilizer inputs (measure leaf samples vs soil samples)

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 established by the estates dated 01.07.2018

Syarikat Air Melaka Berhad has been identified as a water source for domestic consumption. Therefore the water test shall be excused.

The estates outlined it water management plan as follow;

1. Rainfall data to be monitored and maintained daily.
2. Water logged area, damage roads and flooding area to be marked in the estate's map.
3. Road repair and road construction to focus on damage roads due to no proper water management system.



4. Water quality monitoring programme on parameters such as pH, total suspended solid, BOD, COD, Ammoniacal-N, pesticide residue and phosphorus.
5. Water test for treated water from treatment plant. This estate is exempted as the water supply comes from Syarikat Air Melaka Berhad.

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 5 rivers are passing through the Nyalas Estate land. Buffer zone has been established and demarcated.

No bunds or dams being constructed across the river of Sg Batang Tekah, Sg Mantai, Anak Sg Meriang, Chabang Sg. Merlang & Sg Nyalas,

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 There were road side drains constructed along the main roads to divert and conserve water at designated points.

In Compliance **Yes** No Not Applicable

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

Indicator 1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:

- a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
- b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Summary The management has identified several species of wildlife found in the estate such as:

1. Kura-kura
2. Burung Hantu
3. Burung Murai
4. Kera
5. Burung Merbok
6. Ayam Hutan
7. Burung Serindit
8. Burung Terkukur
9. Burung Gembala Kerbau
10. Burung Pipit
11. Burung Raja Udang



12. Burung Punai
13. Burung Wak-Wak
14. Burung Gagak
15. Tikus
16. Biawak
17. Ular sawa
18. Tikus
19. Babi Hutan
20. Tikus

No RTE species identified in the estate. Proper signage (No fishing and no hunting) has been displayed at strategic locations in the estate.

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 An appropriate measures has been taken by the management such as:
1. Displaying of proper signage at estate boundary with jungle and other strategic places.
2. Briefing to workers on RTE and Biodiversity in the estate

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 Sighted Biodiversity Management Plan established by the estates includes;
1. Training awareness on wildlife conservation
2. Talk by Perhilitan on wildlife protection.
3. Legal impact on illegal hunting.
4. Biodiversity conservation.
5. Monthly census of wildlife by watchman.
6. Monitor and prevent hunting of wild animals

In Compliance **Yes** No Not Applicable

Criterion 7 Zero burning practices

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

Summary No burning of OP residue during replanting activities in the estate.
The Nyalas Rubber Estates Limited committed towards implementing the following practices on environment:

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

Sighted signage of zero burning being erected by the estate at the strategic locations.

In Compliance **Yes** No Not Applicable

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

Summary No significant risk of diseased palm was reported. Estate replanting programme based on estate's operation policies and agronomic practices.

In Compliance **Yes** No Not Applicable

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

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

In Compliance **Yes** No Not Applicable

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

Summary The following practices has been implemented by the management during replanting:

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

In Compliance **Yes** No Not Applicable

2.6 Principle 6 : Best practices

Criterion 1 Site management

Indicator 1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

Summary Nyalas Estate established Standard Operating Procedure for estates, Doc No. 3.2.3.1 d/PKLS, dated 1st February 2018 as listed below

No.	SOP	Policy No.
1	Memotong buah sawit	H-1
2	Menolak buah kelapa sawit dengan menggunakan kereta sorong	H-2
3	Memangkas pelepah kelapa sawit	H-3
4	Memunggah tandan sawit	H-4
5	Memotong buah kelapa sawit berhampiran kabel TNB	H-5
6	Meracun makhluk perosak	P-1
7	Menyembur racun rumpai	P-2
8	Meracun menggunakan pam racun bermotor (Mist blower)	P-3
9	Mengumpan racun tikus (Rat bait application)	P-4
10	Suntikan batang pokok dengan monocrotophos	P-5
11	Mengaplikasi furadan 3G	P-6
12	Meracun Kawasan kediaman	P-7
13	Pengeluaran racun	P-8
14	Membancuh racun	P-9
15	Membaja secara manual	F-1
16	Sungkupan tandan kosong (EFB Mulching)	F-2

Kluang Rubber Estate established Standard Operating Procedure for estates. Person in charge (Mr. Lum Man Ka) will monitor the work flow and ensure all operations as per guided in the SSOP.

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 During replanting operations, the management will establish legume cover planting (LCP) and maintain ground covers to avoid soil erosion and water surface runoffs.

Terrace planting method sighted in estate hilly areas.

In Compliance **Yes** No Not Applicable

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

Summary Maps are made available showing separation of estates.

Divison 1 – Guba Division (Melaka)
 Division 2 – Meriang Division (Melaka)
 Division 3 – Ayer Petei & Bukit Kledek (Melaka & N. Sembilan)

Total hectarage = 813.62 Ha
 Planted = 785.49 Ha

Estate blocks markings are sighted during estate site visit conducted with the estate management.

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 Nyalas estate had an annual budget for the financial year 2019 is made available. Sighted "Estimates 2019/2020" for Nyalas Estate. The business plan includes General charges, upkeep of buildings, cultivation of mature and immature oil palm and capital expenditure.

For year 2020,

ITEMS	2020
FFB (MT)	13,928
Cultivation (RM/MT)	89.16
Harvesting (RM/MT)	84.30
CPO Price (RM/MT)	2,200.00
PK Price (RM/MT)	1,650.00
Estimate Oil Palm Income (RM/MT)	167.14

In Compliance **Yes** No Not Applicable

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



Summary No replanting programme as the last replanting program made in the year

- 2017 – 57.36 Ha

Sighted Statement of Expenditure for the year ending 30th June 2019.

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 Sighted in annual budget year 2019, there is estimated expenditure for the year 2019 made available during Stage 2 audit.

In Compliance **Yes** No Not Applicable

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

Summary Estate performance is recorded on monthly basis. Sighted progress report for Nyalas Estate (May 2019). The report contains details such as:

1. Weather and rainfall statistics
2. Labour strength
3. Yield performance
4. Building and machinery
5. Health & Safety
6. Estate work program
7. Summary of contract

In Compliance **Yes** No Not Applicable

Criterion 3 Transparent and fair price dealing

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

Summary Record seen in estimated income and expenditure statement for year 2018 & 2019, stated the prices of FFB [CPO & PK].

Contract agreement sighted between Lee Chon Hin, dated 1st July 2018, [01/2018/2019]. For FFB harvesting the agreed rate:

1. Field MG1993/94 – RM 40.00/MT
2. Field BK 1995 - RM 40.00/MT
3. Field RP 1996 - RM 40.00/MT
4. Field BK 1999 - RM 38.00/MT

5. Field BK 2008 – RM 36.00 MT

Payment to this contractor for May 2019 sighted as per contract ledger No: 057/2019. For FFB harvesting job, example payment made to the contractor as follows:

1. Field MG93/94 – 217.92 MT – RM 8,716.80
2. Field BK1995 – 155.60 MT – RM 6,224.00
3. Field BK98/99 – 243.35 MT – RM 9,247.30

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 Seen record of contract agreement between contractors is available as below:

- Lee Chon Hin, dated 1st July 2018, [01/2018/2019]
- Gan Kem Keong, dated 1st July 2018 [02/2018/2019]
- Sri Bukit Kartong (M) Sdn Bhd, dated 1st July 2018, [03/2018/2019]
- Santharan a/l Nambiar, dated 1st July 2018 [CT004/2018/2019]

Payment made to contractors sighted during the audit conducted. Seen record of contract agreement between contractors is available as below:

- Lee Chon Hin, dated 1st July 2018, [01/2018/2019]
- Gan Kem Keong, dated 1st July 2018 [02/2018/2019]
- Sri Bukit Kartong (M) Sdn Bhd, dated 1st July 2018, [03/2018/2019]
- Santharan a/l Nambiar, dated 1st July 2018 [CT004/2018/2019]

Payment made to contractors sighted during the audit conducted.

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 Sighted "Penerangan Tentang MSPO"- dated 12th December 2017 at Kluang Estate Main Office. Attendance record is available.

Seen record of stakeholder meeting dated 19th September 2018 at Nyalas Estate Office, contractors have attended the meeting. Meeting minutes and photographs is available. Statement regarding MSPO has been included in contract agreement between the contractors and estate management.

In Compliance **Yes** No Not Applicable

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



Summary Contract agreement of contractors are made available as below:

- Lee Chon Hin, dated 1st July 2018, [01/2018/2019]
- Gan Kem Keong, dated 1st July 2018 [02/2018/2019]
- Sri Bukit Kartong (M) Sdn Bhd, dated 1st July 2018, [03/2018/2019]
- Santharan a/l Nambiar, dated 1st July 2018 [CT004/2018/2019]

In Compliance **Yes** No Not Applicable

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

Summary The estate is audited by Global Gateway Certifications Sdn Bhd auditor dated on 28th April 2018 (Stage 2). Sighted audit plan which have been received and accepted by the estate management.

In Compliance **Yes** No Not Applicable

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

Summary Estate management will verify the work done by the contractor before the payment paid to the contractor. As interview with the Estate Manager, he will ensure proper PPE usage during work done.
Field supervisor will monitor on daily basis, as physical visit.

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 Nyalas Estate.

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

Criterion 2 Peat land
Indicator 1 New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

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

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)
Indicator 1 A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**



Criterion 4 Soil and topographic information

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land

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



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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

Indicator 5 Identification and assessment of legal and recognised customary rights shall be documented.

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

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

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

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan


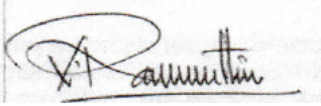
AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
27th June 2019	TBA	Auditors Travel to Tangkak, Johor (Overnight in Tangkak)	FB	SP AS
28 th June 2019	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at Nyalas Estate: • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	FB	SP AS
	09:00 – 13:00	Nyalas Estate <ul style="list-style-type: none"> ➤ Document Audit: • 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. 	FB	SP AS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: • 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. 	FB	SP AS
	13:00 – 14:00	Lunch / Break	FB	SP AS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review • 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. 	FB	SP AS
	16:00 – 16:30	<ul style="list-style-type: none"> ➤ Preparation for Closing Meeting 	FB	SP AS
	16:30 – 17:00	Closing Meeting <ul style="list-style-type: none"> ➤ Presentation of findings by the audit team ➤ NC closure dateline (if any) ➤ Questions and answers ➤ Final summary by team leader 	FB	SP AS
			End of assessment	

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit


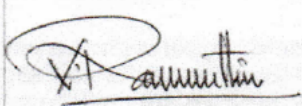
Major Nonconformities:	No NC's was raised for this audit.
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Minor Nonconformities:	The following NC's was raised for this audit.
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Company Name	The Nyalas Rubber Estate Ltd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/MINOR/01	Date Detected	28 th June 2019	
Site(s) concern	Nyalas Estate	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.4.1.1 Minor Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during audit.			
NC Objective Evidence:				
Social Impact Assessment (SIA) report was made available. However, there is no evidence that SIA assessment has been conducted as no date and attendance form attached. Furthermore, no evidence of SIA survey form (Kaji Selidik Penilaian Impak Sosial – Nyalas Estate) has been distributed to respondents prior to complete the SIA Assessment Report.				
Lead Auditor Signature:		Client Signature:		
				
Root cause Analysis (to be filled by client):				
Document used for to conduct assessment were not maintained and no proper documentation of the event.				
Corrective action planned (to be filled by client):				

A proper team and PIC formed and new set of "Kajian Selidik Penilaian Impak Sosial" survey form being issued with proper evidence of date and time.	
Preventive Action (to be filled by client):	
Upon completion, PIC to report to management and management to review in Management Meeting.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Evidence will be verified during next Annual Surveillance Audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified:	Lead Auditor Signature:


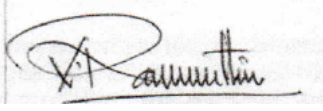
Company Name	The Nyalas Rubber Estates Limited			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/MINOR/02	Date Detected	28 th June 2019	
Site(s) concern	Nyalas Estate	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.3.1.1 Minor All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Incompliance to Section 23 (2) WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990			
NC Objective Evidence:				
Weekly housing inspection record was not available during the audit as required by Section 23 (2) WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990. The Visiting Hospital Assistant, Mr Rajamani A/L Manickam visited the estate twice a month of May 2019 i.e. 10.05.2019 and 24.05.2019 as reported in HA Book.				

Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
VMO and HA records were not properly spelled out.	
Corrective action planned (to be filled by client):	
New format has been introduced.	
Preventive Action (to be filled by client):	
Additional regular supervision to be conducted by estate staff with proper team.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Evidence will be verified during next Annual Surveillance Audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified:	Lead Auditor Signature:

Area of Concern:	The following area of concern was raised for this audit.
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Company Name	The Nyalas Rubber Estate Ltd			
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	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/AOC/01	Date Detected	26 th June 2019	
Site(s) concern	Nyalas Estate	Target Completion	-	
Normative Reference and Requirement	4.4.5.6 Area of Concern 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.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			



Description of Non-Conformity	Incomplete records
NC Objective Evidence: Employment contract was not fully changed into detailed format as provided by Jabatan Tenaga Kerja (JTK). Summary as below: <ul style="list-style-type: none">• 15 local workers, 4 new contracts, 11 workers are yet to change the contract	
Lead Auditor Signature: 	Client Signature: 



Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Nyalas Estate management team and staff
- 2) Local workers
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Lee Chon Hin – Contractor
- 2) Gan Kem Keong – Contractor Internal transport
- 3) Mr. Yap – TTYK Enterprise
- 4) Mr. Chua – Nam Bee CO. Sdn Bhd (Oil Mill)
- 5) Mr. Lee – Hup Thye Hardware Sdn Bhd
- 6) Balai Polis Nyalas
- 7) Balai Polis Air Kuning Selatan
- 8) Sekolah Menengah Kebangsaan Nyalas
- 9) Mrs. Pupa – Temple Guba
- 10) Mr. Machapo – Temple Bukit Keledek
- 11) Mr. A. Velaithan – Kuari ISB Sdn Bhd
- 12) Mr. Ganesan Nagarajoo – Chimpul Estate
- 13) Mr. Mohd Akhir Ayob – JAPERUN Nyalas
- 14) Mr. Abdullah – Ketua Kampung Mantai
- 15) Muhammad Afiq Bin Baharum – Penternak
- 16) Azli Bin Rahmat – Penternak
- 17) Norsham Bin Hj. Ali - Penternak