

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

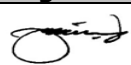
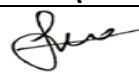
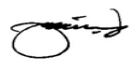
CERTIFICATION AUDIT REPORT

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

Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd
(HSYR & CGSB)

-Group Certification-

MAIN ASSESSMENT AUDIT
19th June 2019 – 20th June 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	27/06/19	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
A	09/07/19	Peer Review 1 Comments	Muhammad Sufyan bin Azmi	Peer Reviewer 1	
A	09/07/19	Peer Review 2 Comments	Mohamad Fitri bin Mustafa	Peer Reviewer 2	
B	10/07/19	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	11/07/19	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by HSYR & CGSB					
Rev	Date	Description	Management Representative	Role	Signature
B	11/07/19	Acceptance of the contents	Mr. Tan Lay Guan	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 **Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists K'lapa Bali Estate and Sungei Chinoh Estate.

This assessment was conducted onsite on **19th June 2019 – 20th 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	Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)
Business Address	Tingkat 4, 1-E, Lebuhr Penang, 10200 George Town, Pulau Pinang
Contact Person	Mr. Lim Ban Aik
Office Telephone	+604-262 6431
E-Mail	hsyrpenang@gmail.com

1.3 Certification Unit**Name of the Certification Unit**

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	K'lapa Bali Estate	35800 Slim River, Perak, Malaysia.	E 101°21'28"	N 3°50'56"
2.	Sungei Chinoh Estate	35700 Trolak, Perak, Malaysia.	E 101°22'30"	N 3°51'14"

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
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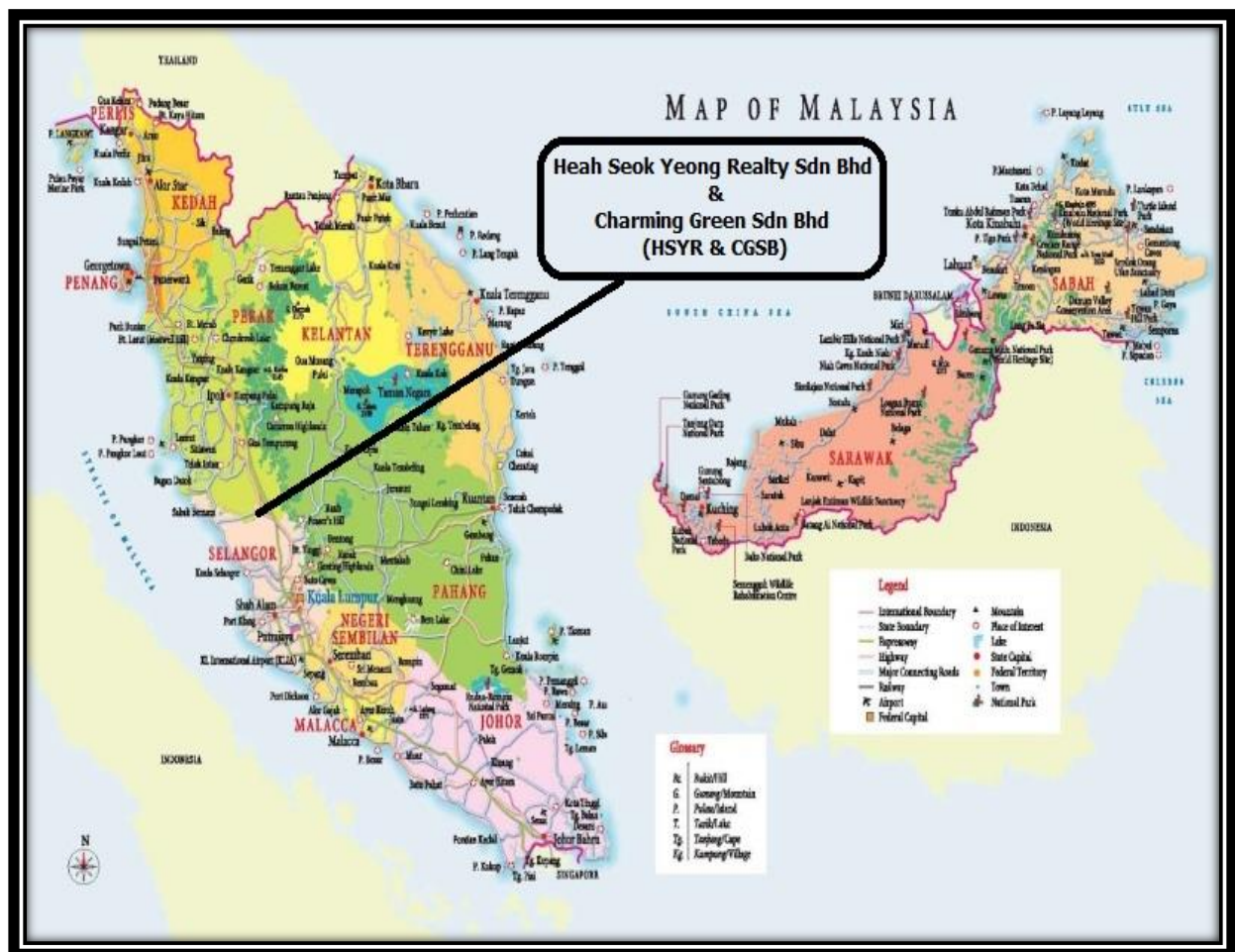
1.	K'lapa Bali Estate	503428302000	30/11/2019	"Menjual dan Mengalih FFB"
2.	Sungei Chinoh Estate	617224002000	29/02/2019	"Menjual dan Mengalih FFB"

Others Sustainability Certification

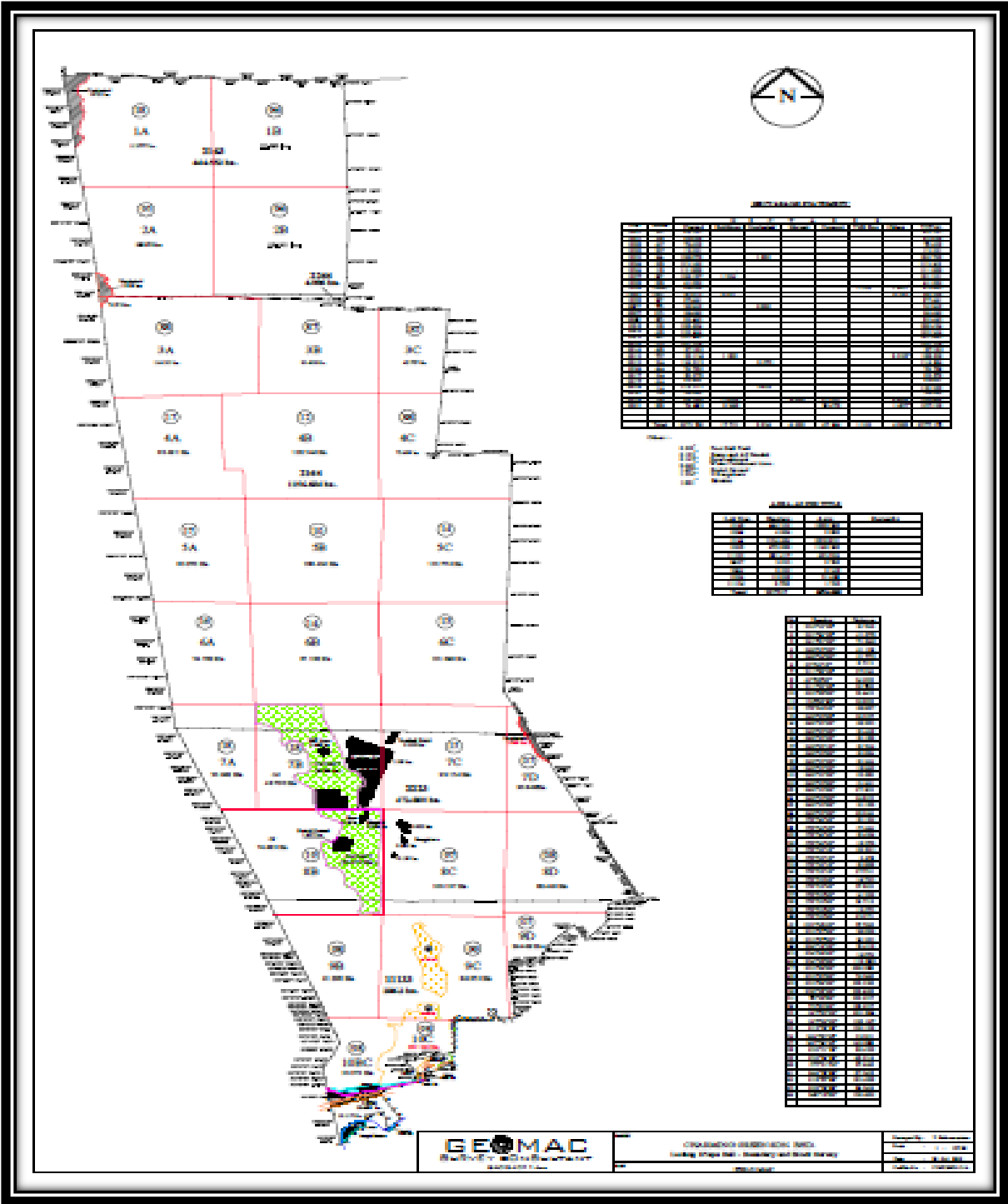
No	Name Of The Site	Others Sustainability Certifications
1.	K'lapa Bali Estate	NIL
2.	Sungei Chinoh Estate	NIL

1.4 Map Showing Geographical Location

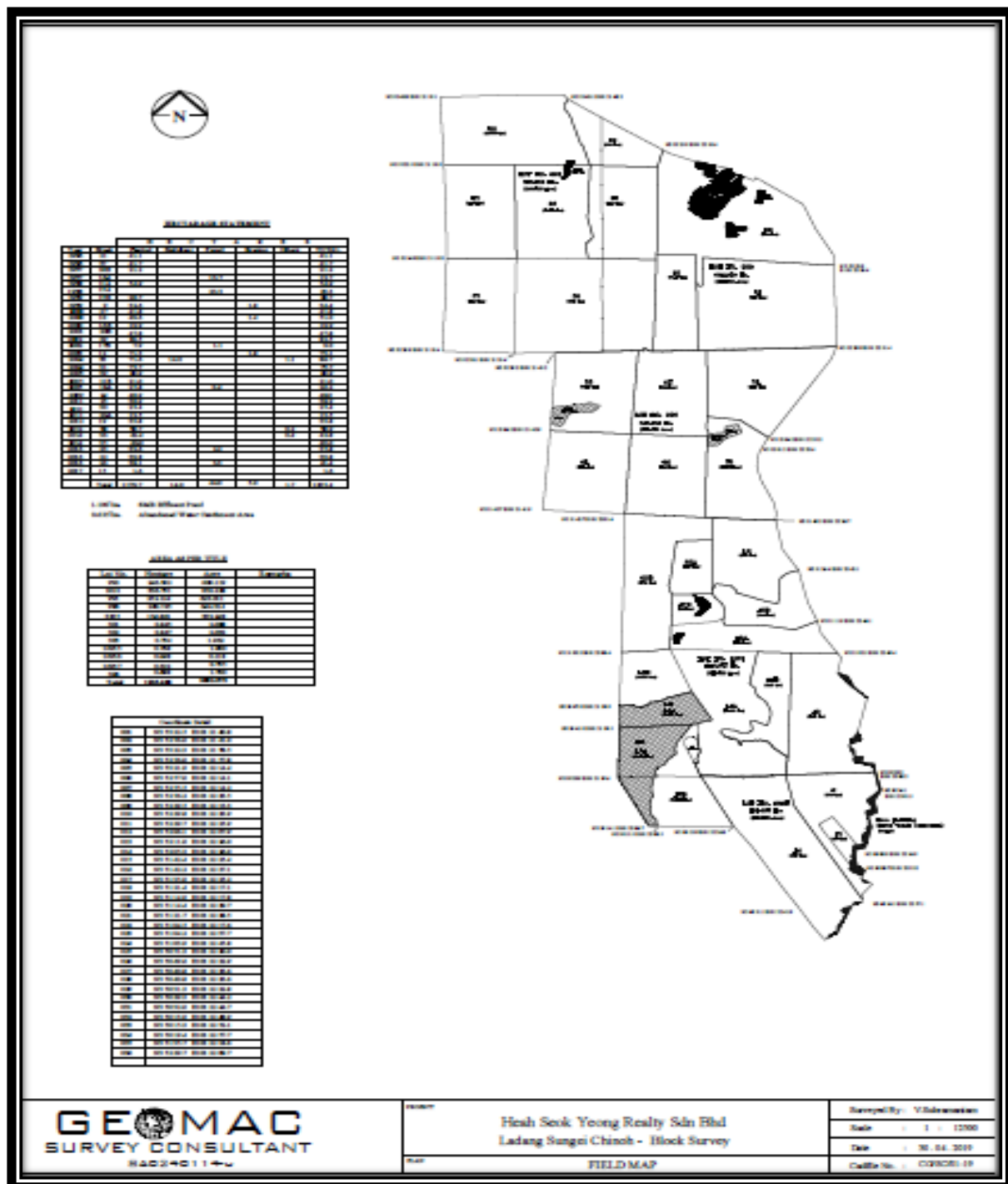
1) Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)



2) K'lapa Bali Estate



3) Sungei Chinoh Estate



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
K'lapa Bali Estate	2,377	2,272	1,679
Sungei Chinoh Estate	1,235	1,170	1,057
Total	3,612	3,442	2,736

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
K'lapa Bali Estate	0.2	32.56	-
Sungei Chinoh Estate	0.8	3.78	-
Total	1.0	36.34	-

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]
K'lapa Bali Estate	NIL	22,239	32,300
Sungei Chinoh Estate	NIL	17,241	20,200
Total	NIL	39,480	52,500

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-KBSC001-MSPO-00-2019

Initial certificate issued date

11th July 2019

Certificate expiry date

10th July 2024



Stage 1 assessment date	03 rd May 2019
Stage 2 / Main Assessment	19 th June 2019 – 20 th June 2019
Annual Surveillance 1 [ASA 1]	April 2020
Annual Surveillance 2 [ASA 2]	April 2021
Annual Surveillance 3 [ASA 3]	April 2022
Annual Surveillance 4 [ASA 4]	April 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

Graduate in plantation management with more than 7 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Lead Auditor/Auditor in several certification programme. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia, Indonesia, Australia, Pakistan, India, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3rd Batch) held by MPOB. Member of GGC MSPO audit team.

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur.

During this assessment, he assessed on the aspect of Transparency, Legal, Safety and Health, Social, Stakeholder's Consultation, Workers Welfare, Environment, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Tn. Hj. Ahmad bin Sukiman

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, Employment Condition and Environment. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Wan Mohd Azlan bin Wan Ngah

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

During this assessment, he assessed on the aspect of Management commitment & responsibilities, Stakeholder's Consultation, Workers Welfare and Best Practices. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was applied. Therefore, total numbers of supply based assessed in the audit are 2 estates.

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

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

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

1.9 Audit Plan Information

Audit Date	19 th June 2019 – 20 th June 2019
Name of site(s) visited	1. K'lapa Bali Estate 2. Sungei Chinoh Estate
Total number of man-days spent	6 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No Action Required
Minor Nonconformities	0	No Action Required
Area of Concern	2	No Action Required
Noteworthy /Positive Comments	5	No Action Required

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 10th May 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 19th June 2019 – 20th June 2019 in Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) 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.	Stakeholders A (Sprayers Gang)	- MSPO awareness, company policy and SOP are briefed among workers during muster call. - Personal Protective Equipment are distributed free of charged by management. - They have good understanding about complaint and grievance mechanism.	No action required	Positive findings
2.	Stakeholders B (Harvesting Gang)	- Complaints and grievances from workers were solved completely internally. - Briefing of PPE awareness will be done very morning during muster ground.	No action required	Positive findings
3.	Stakeholders C (Female Workers)	- They have good understanding about MSPO. - They have good understanding about complaint and grievance mechanism. - PPE given by company – free. - They reported that no sexual harassment and violence case was happened in the workplace. - They were treated equally with no discrimination based on gender.	No action required	Positive findings
4.	Stakeholders D (Estate Contractors)	- The company has good relation with supplier and there is no issue with company's performance. - He is clear that if he employs a worker, he has to officially inform estate management. - He also knows the working hours, minimum salary, Socso & EPF (for local workers) that has to be paid	No action required	Positive findings

		as he has been briefed in the Stakeholders meeting. • Payment was done in timely manner to the contractors/suppliers. • No other issues raised.		
5.	Stakeholder E (Neighbouring Estate)	• They have good relationship with the management. • There is no conflict ever happened with mill & estate.	No action required	Positive findings
6.	Stakeholders F (Government Agencies)	• They have good relationship with the management. • The management will provide assistance whenever they requested • No big case or issues reported to them. • Department satisfied with the Management. There was No Illegal Logging and encroachment to the Jungle Reserve	No action required	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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB). Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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

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

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was no major non-conformity findings. Therefore, the Lead Auditor recommends a certificate of compliance **"MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders"** is awarded to **Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)**.

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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) has established the Sustainability Policy. Date: 1st June 2019. Approved by Mr. Lim Ban Aik (Director).

Communication and consultation process are also communicated through training programs and the records with attendance lists was sighted. As evidence in K'lapa Bali Estate, sighted the latest Stakeholders Meeting on 08th March 2019. Attended by 49 participants.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) has established the Sustainability Policy. Date: 1st June 2019. Approved by Mr. Lim Ban Aik (Director).

Stated in the Sustainability Policy:

"Company is committed to ensuring that its products are produced in a sustainable manner. This is realised through continuous balanced assessment and development of its operations while simultaneously conserving and improving the natural environment, uplifting the socio-economic conditions and respecting the human rights of its employees and local communities. These important aspects are incorporated not only in its daily operations but also in decision making processes".

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 As per interviewed with Estate Manager, the frequency of internal audit is performed once a year. Sighted the internal audit programme planned by Internal Audit team from Head Quarters.

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 Company has established Standard Operating Procedures No.21 Sustainability Internal Audit. Date Revised on 02nd Jan 2019.

As evidence in Sungei Chinoh Estate, the Internal Audit was conducted on 04th April 2019 - 05th April 2019 by Internal Auditors (Mr. Tan Kee Chong, Ms. Demi Koi, Mr. Fabian Lim and Mr. Tee Aun Seng). There are 6 Non Conformities has been raised by Internal Audit Team for year 2019 audit.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All findings from internal audit was responded by the Estate Management timely and the report is available for Management Review.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Management review

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

Summary For K'lapa Bali Estate and Sungei Chinoh Estate, management review done on 11th April 2019. Attended by 10 participants.

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 Management had established Action Plan for Continual Improvement For Year 2019. Dated 10.01.2019 signed by Mr. Tan Lay Guan (Estate Manager) on the Following Aspect:

Klapa Bali Estate:

- OSH
 - Annual Medical Surveillance - Done 21st March 2019
 - CHRA - Done 27th March 2019
- Social & Welfare
 - Formation of Guest Workers Welfare Committee - Done 17th January 2019
 - To establish Gender Committee. Done 15th January 2019.

- Environment-Riparian and Biodiversity
 - To promote IPM-Started 1st January 2019 - On going
 - Incomplete marking of riparian area. – Done 31st March 2019

Sungei Chinoh Estate:

- OSH
 - To implement from January 2019 to May 2019.
- Social and Welfare
 - To implement from January 2019 to August 2019
- Environment, Riparian, Biodiversity
 - To implement from March 2019 to August 2019

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary There is a new application of new technology implemented during the certification period. The current practices continued and guide by Mr. Lim Ban Aik (Director). As evidence in K'lapa Bali Estate:

- 1) From wheel barrow to infield collection system.
- 2) Mechanical spreader.

There is no new application of new technology implemented during the certification period for Sungei Chinoh Estate. The current practices continued and guide by Mr. Lim Ban Aik (Director).

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 Trainings were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. As evidence, sighted the training conducted for the implementation of new technique at Sungei Chinoh Estate;

- 1) Safe Driving Technique training on 25th April 2019. Conducted by Mr. Mazuki.

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

Sustainability Manual has been established by Headquarters under SOP No. 16: Stakeholders Management; Dated 01st June 2013 revised on 2nd January 2019 as the consultation and communication procedures to relevant stakeholders. SOP has outlined the

- request & response,
- consultation & communication
- complaint & grievance

The objective to ensure estate is connected to the relevant stakeholders e'g government departments, agencies, business partners and neighboring communities.

Sighted, latest meeting with the external stakeholders was held on 8th March 2019 attended by 49 external stakeholders and conducted by Mr. Tan Lay Guan (Estate Manager). The meeting is collaboration with Sungei Chino Estate.

Estate had the training to their workers on 07th May 2019. Conducted by Mr. Fabian Lim Chin Wen (Estate Assistant Manager). Attended by 71 participants.

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

As per interviewed with Mr. Tan Lay Guan (Estate Manager), some of the documents publicly available and some of the documents need to get permission from HQ level. Sighted the "Master List of Sustainability Documents"; Date 15th May 2019: Version 1.0.

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

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Transparent method of communication and consultation

Indicator 1

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

Summary

Sustainability Manual has been established by Headquarters under SOP No. 16: Stakeholders Management; Dated 01st June 2013 revised on 2nd January 2019 as the consultation and communication procedures to relevant stakeholders. SOP has outlined the

- request & response,
- consultation & communication
- complaint & grievance

The objective to ensure estate is connected to the relevant stakeholders e.g government departments, agencies, business partners and neighboring communities.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary The person in charge for consultation and communication in K'lapa Bali Estate is Mr. Fabian Lim Chin Wen dated 2nd January 2019. Approved by Mr. Tan Lay Guan (Estate Manager).

For Sungei Chino Estate, the person in charge for consultation and communication is Mr. Tee Aun Seng dated 2nd January 2019. Approved by Mr. Tan Lay Guan (Estate Manager).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Sighted the list of stakeholders prepared by Mr. Fabian Lim Chin Wen dated 1st April 2019.

- Government / Statutory Bodies
 - MPOB
 - DOSH
 - JTK
 - KPDNKK
 - DOE
 - Department of Environment
 - Department of Lands and Mines
 - Bomba
- NGO
 - All Malayan Estates Staff Union (AMESU)
 - National Union of Plantation Workers (NUPW)
 - MAPA
 - MPOA Security Service Sdn Bhd
- Neighbouring Community/Plantations
 - Kampung Kuala Slim
 - Kampung Jaya
 - Sg Chino Estate
 - Lima Blas Estate
 - Bukit Basaout Estate
 - Tg. Malim POM
 - Syarikat Cahaya Muda Peram POM

- Estate Community
 - NUPW Chairman
 - Women's committee chairman
 - Surau Committee
 - Temple Committee

Meeting with the stakeholders was held on 08th March 2019. It involved 49 participants from external stakeholders. All discussion details sighted in "Stakeholders Meeting Minutes for Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)".

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 Sighted the Standard Operating Procedure of FFB Traceability under No 17 with an objective all FFB are traceable and transparent to the respective harvesting fields. The SOP dated 01st June 2013 and revised on 2nd January 2019.

Sighted all records done by estate management. From field to the mill. Estate will record all the bunch that harvest by the harvester using "KP Form". Then the record will transfer to Crop Book and Crop Summary by Estate Staffs. Then salary will be generated by estate system (Lintaramax).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2	The management shall conduct regular inspections on compliance with the established traceability system.
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Summary The management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Director, Agronomist and Internal Auditors visit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.

During estate visit, sighted the weighbridge operator able to demonstrate on how the system tracks the FFB input.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3	The management should identify and assign suitable employees to implement and maintain the traceability system.
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Summary The person in charge for traceability in K'lapa Bali Estate is Mr. Inthiran Anamalai dated 2nd January 2019. Approved by Mr. Tan Lay Guan (Estate Manager). For Sungei Chinoh Estate, the person in charge for traceability is Mr. K. Muniandy dated 2nd January 2019.

Approved by Mr. Tan Lay Guan (Estate Manager). Both of them were trained by HQ team to maintained all the requirements.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary FFB being sell to Tanjung Malim POM and Syarikat Cahaya Muda Perak (Oil Mill) Sdn Bhd. Decision being made by Purchasing Department.

Sighted all records done by estate management. From field to the mill. Estate will record all the bunch that harvest by the harvester using "KP Form". Then from field, the FFB will weight by weighbridge operator and will key in the data as per procedure. The weighbridge operator will print the weighbridge ticket and give to the driver. The FFB arrives in a mill in trucks or trailers.

Sighted the records of delivery or transportation of FFB. This record will be maintained. The documents are kept by the both site (estate and mill).

As evidence in Klapa Bali Estate,

- FFB Records:
 - Syarikat Cahaya Muda Perak POM
 - Weighbridge Ticket: 0727114
 - Vehicle No: AGY9229
 - Date: 15th June 2019
 - Quantity: 30,110 kg
 - Transporter: TMK601 – Tan Man Kong Transport Sdn Bhd

As evidence in Sungei Chino Estate,

- FFB Records:
 - KL Tg. Malim POM
 - Weighbridge Ticket: A223119
 - Vehicle No: AJH9009/T/A5774
 - Date: 13th June 2019
 - Quantity: 29,640 kg
 - Transporter: TMK601 – Tan Man Kong Lorry Transport Sdn Bhd

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary

The company has established and updated list of applicable laws and regulations that are applicable for the estate as per List of Summary of Applicable Laws and Regulations signed by the Estate Manager, Mr. Tan Lay Guan on 19.04.2019.

Sighted permits/licenses being monitored and updated by the Assistant Manager and verified by the Estate Manager dated 31.01.2019.

1. Permit Barang kawalan berjadual No Permit A017416 (8,000 liters) expires 19.09.2019.
2. Permit Barang kawalan berjadual No Permit A017433 (10,000 liters) for Heah Seok Yeong Realty Sdn Bhd expires 01.10.2019.
3. Lesen MPOB (menjual dan mengalih FFB) for Charming Green Sdn Bhd (2,376.52ha). No lesen 503428302000 expires 30.11.2019.
4. Lesen MPOB (menjual dan mengalih FFB) for Heah Seok Yeong Realty Sdn Bhd (1,155ha). No lesen 617224002000 expires 29.02.2020.
5. SPAN license, Class Licence No. SPAN/JKSP/PT/800-4(1)/10/17 for a period 22.05.2017 to 21.05.2020.
6. Perakuan Penentuan Timbang dan Sukat No. Siri Alat : 123650591 expires 28.08.2019
7. Perakuan Penentuan Timbang dan Sukat No. Siri Alat : 154950124 for Heah Seok Yeong Realty Sdn Bhd expires 29.05.2020
8. Pump Gun License No. L1280148, L1276922, L1276904 and BL30860A14 – kept in K'lapa Bali Estate office.
9. Pump Gun License No. L33248E and L14908E – kept in Sungei Chinoh Estate office.
10. Slip Perakuan Pendaftaran for Visiting Medical Officer, Mr Vigneswaran a/l Sithamparapillai, I.C. No. 490529-06-5141 for a period 29.08.2018 to 28.08.2021.
11. Sijil Pendaftaran No. Q2051, Hospital Assistant (Gred Tiga), Mr Inthirakumar a/l Balakrishnan.
12. Sighted List of Fire Extinguisher (29 unit) expiry 25.06.2019 – Office Complex (11units), Staff Complex (11unit), Linesite (7unit)
13. Sighted List of Fire Extinguisher (18 unit) for Heah Seok Yeong Realty Sdn Bhd expiry 05.03.2020 & 07.04.2020 – Office Complex (10units), Staff Complex (7unit), Linesite (1unit)
14. Letter to Ketua Pengarah Tenaga Kerja dated 10.06.2019 related to "Permohonan Permit untuk membuat potongan gaji pekerja" for "penggunaan elektrik yang dibekalkan terus dari Tenaga National Berhad (TNB).
15. Letter from Heah Seok Yeong Realty Sdn Bhd to Ketua Pengarah Tenaga Kerja Tapah dated 07.06.2019 related to "Permohonan Permit untuk membuat potongan gaji pekerja" for "penggunaan elektrik yang dibekalkan terus dari Tenaga National Berhad (TNB).

One area of concern has been raised to both estates. As per interviewed with MPOB Officers, the MPOB Licence should be declared with the planted hectare. As evidence, sighted:

Estate	Ha as per MPOB License	Planted Ha
K'lapa Bali Estate	2,376.52	2,272.00
Sungei Chinoh Estate	1,155.00	1,170.00

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary The list covers the detail requirements that related to MSPO compliance. These documents include information on title of documents, regulatory authority/summary, requirements, current status and remarks.

All 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 Act (Scheduled Waste Regulations) 2005
3. Environmental Quality (Sewage) Regulations 2009
4. OSHA Act 1994 (Act 514)
5. OSH (Classification, Labelling and safety Data Sheet of Hazardous Chemicals) Regulations 2013
6. OSH (Control of Industrial Major Accident Hazards) Regulations 1996
7. OSH Regulations (Safety & Health Committee) 1996
8. OSH (NADOPOD) Regulations 2004
9. OSH (USECHH) Regulations 2000
10. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)

Sighted HA (Mr. Inthira Kumar) visit, 4 times in May 2019 for both estates. As evidence:

No.	K'lapa Bali Estate	Sungei Chinoh Estate
1	07.05.2019	04.05.2019
2	15.05.2019	13.05.2019
3	21.05.2019	20.05.2019
4	29.05.2019	30.05.2019

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Based on interview with Mr. Fabian Lim Chin Wen (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 For K'lapa Bali Estate, sighted letter of appointment for the responsible person, Mr. Fabian Lim Chin Wen (Assistant Manager) approved by Mr. Tan Lay Guan (Estate Manager) on 02.01.2019.

Meanwhile, for Sungei Chinoh Estate the responsible person is Mr. Gopi Balakrishnan (Office Administrator) approved by Mr. Tan Lay Guan (Estate Manager) on 02.01.2019.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2 Land use rights

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

Summary Both estate's land title are available and maintained. As evidence in K'lapa Bali Estate;

- 1) Lot No 2223 – 472.8744ha
- 2) Lot No 2164 – 1,156.5897ha
- 3) Lot No 2163/2264 – 448.5529ha
- 4) Lot No 1826 – 13.4305ha
- 5) Lot No 11133 – 286.2ha
- 6) Lot No 3944 – 0.2216ha
- 7) Lot No 8627 – 3.953ha
- 8) Lot No 11134 – 0.708ha

Total as per title = 2,382.53ha

Syarat-syarat Nyata: "Tanaman Kelapa Sawit" except the following Land Title;

Lot No	Syarat-syarat Nyata
2164	Getah
2163/2264	Getah
3944	Perniagaan – Pusat Latihan/Sekolah
8627	Perniagaan- Lapangan Terbang

Sighted "Borang Permohonan Tukar Syarat sebanyak 2 permohonan kepada kelapa sawit" addressed to Pejabat Tanah Batang Padang, Sungkai, Perak for Lot No. 2163/2264 – 448.5529ha and Lot No. 2164 – 1,156.5897ha dated 10.04.2019.

Sighted evidence of annual payment of quit rent for 2019 paid to Kerajaan Negeri Perak – Bil Cukai Tanah dan Parit/ Tali Air amounted to RM306,599.00.

For Sungei Chinoh Estate, land title is available and well maintained. As evidence, sighted the following land title and Syarat-syarat Nyata;

Lot No	Hectare	Syarat-syarat Nyata
992	248.5778	Pertanian
1021	342.9705	Pertanian
991	252.1238	Dusun
986	263.6523	Dusun
3235	134.8613	Dusun
301	0.8448	Getah
302	0.8473	Getah
303	0.7942	Getah
16915	0.7685	Getah
16916	0.0484	Getah
16917	0.3223	Getah
306	0.688	Getah
Total Land Title	1,246.4992	

Sighted "Borang Permohonan Tukar Syarat sebanyak 7 permohonan kepada kelapa sawit" addressed to Pejabat Tanah Batang Padang, Sungkai, Perak Ref No. PTBP (D) 27/3007 (A&B) dated 06.03.2019. Sighted also "Borang Permohonan Tukar Syarat sebanyak 3 permohonan kepada kelapa sawit" addressed to Pejabat Tanah Batang Padang, Sungkai, Perak Ref No. PTBP (D) 27/3013 dated 10.04.2019.

Sighted evidence of annual payment of quit rent for 2019 paid to Kerajaan Negeri Perak – Bil Cukai Tanah dan Parit/ Tali Air amounted to RM120,564.00.

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 Both estates demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles are kept in the both estates office. Evidence of annual payment of quit rent the state government is available in the form of receipts.

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 estate map demarcated with Boundary and Block Survey. As evidence in,

- K'lapa Bali Estate (132 GPS Coordinates). Sighted during the site;;

Boundary Markers No	Longitude	Latitude
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	E	N
Stone No. 1 Block 8B	101°21'05.4"	03°49'18.06"
Stone No.7 Block 10C	101°21'51.05"	03°48'38.2"

- Sungei Chinoh Estate (26 GPS Coordinates). Sighted during the site;;

Boundary Markers No	Longitude E	Latitude N
Stone No. 8 Block 21	101°12'50.76"	03°30'51.47"
Stone No.17 Block 12	101°13'32.52"	03°29'43.44"

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 both estates. 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 both estates. There are also no land disputes or claims involving both estates. 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 both estates. There are also no land disputes or claims involving both estates. 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 both estates. There are also no land disputes or claims involving both estates. The company has proper legal land title for the land ownership.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Criterion 1 Social impact assessment (SIA)

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

Summary Sighted latest SIA done by K'lapa Bali Estate on March 2019. Survey was conducted with 30 randomly selected respondents. The respondents randomly choose among workers and other stakeholders in estate. The SIA is prepared by Mr. Ravindaran Subramaniam (Estate Assistant Manager) and approved by Mr. Tan Lay Guan (Estate Manager) on 28th March 2019.

For Sungei Chinoh Estate, sighted latest SIA done on March 2019. Survey was conducted with 8 randomly selected respondents. The respondents randomly choose among workers and other stakeholders in estate. The SIA is prepared by Mr. Tee Aun Seng (Estate Assistant Manager) and approved by Mr. Tan Lay Guan (Estate Manager) on 29th March 2019.

The purpose of this study is to measure and to understand both positive and negative social impacts resulting from "Internal SIA Questionnaire" prepared by estate management. Management had developed management plan to promote positive impacts and mitigate negative impacts resulting from the changes. Seen, mitigation action and response is well recorded in SIA Report. The questionnaire is in Bahasa Malaysia which is easier for workers to understand.

Estate reviewed the Internal SIA in March 2019. Covered for:

- Section A: Access and use rights
- Section B: Economic Livelihoods and Working Conditions
- Section C: Cultural and Religious Value
- Section D: Health and Education Facilities

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 Sustainability Manual has been established by Headquarters under SOP No. 16: Stakeholders Management; Dated 01st June 2013 revised on 2nd January 2019 as the consultation and communication procedures to relevant stakeholders. SOP has outlined the

- request & response,
- consultation & communication
- complaint & grievance

Mechanism in order to handle issues highlighted by stakeholders (both internal and external stakeholders). All the complaints and grievances were handled by the Estate Manager. A complaint and grievances logbook is kept in the office.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary Both estates have established Stakeholder Logbook to address any request & response, consultation & communication and complaint & grievances. Sighted, all the complaint and grievances being resolve in an effective, timely and appropriate manner.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form at estate 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 Sighted, latest meeting with the external stakeholders was held on 8th March 2019 attended by 49 external stakeholders and conducted by Mr. Tan Lay Guan, The Estate Manager. The meeting is collaboration with Sungei Chinoh Estate. Sighted in the minutes of meeting the "Transparency – Stakeholder Complaints and Grievances".

For K'lapa Bali Estate, estate had the training to their workers on 07th May 2019; Conducted by Mr. Fabian Lim Chin Wen (Estate Assistant Manager). Attended by 71 participants.

Meanwhile for Sungei Chinoh Estate, estate had the training to their workers on 12th February 2019; Conducted by Mr. Tee Aun Seng (Estate Assistant Manager). Attended by 48 participants.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary Sighted all internal complaints filled and responded and records maintained. No evidence of external complaints from stakeholders using complaints forms. No major negative impacts given during Stakeholders Meeting.

As this is 1st year implementation of MSPO, no negative complaints made by internal and external stakeholders since the system introduced in year 2018.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Commitment to contribute to local sustainable development

Indicator 1 Growers should contribute to local development in consultation with the local communities.

Summary Both estates are committed and have contributed to local development. The contribution made to the internal and external stakeholders.

The estates have maintained all corporate social responsibility (CSR) for the development of local communities. In general the CSR performed by the company consist of the following:

- a) Contribution for the local communities programme
- b) Contribution for the school programme
- c) Contribution for the stakeholders

As evidence in K'lapa Bali Estate, sighted, a letter on

- "Memohon Sumbangan Sukan Tahunan SK Kuala Slim kali ke 22, 2019 from Guru Besar, SK Kuala Slim dated 9th April 2019 amounting RM100.00".
- "Memohon bantuan Membaiki dan Menceriakan Kawasan Sekolah".

Sighted todate cost of CSR done by estate management in year 2018. Total is RM 3,100.00

For Sungei Chinoh Estate, sighted todate cost of CSR done by estate management in year 2018. Total is RM 32,850.00.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Employees safety and health

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

Summary Sighted, Occupational Safety and Health Policy of Charming Green Sdn Bhd dated 24th February 2017 signed by Director, Mr. Lim Ban Aik.

2019 OSH Plan sighted with specific objective. Sighted Occupational Safety and Health (OSH) Training Programme Year 2019 for K'lapa Bali Estate and Sungei Chinoh Estate. Training covered as per below:

- Harvesting and Collection Operations
- Integrated Pest Management

- Premix and Waste Management
- Manuring
- Safe Driving Techniques
- Rat Baiting
- Important of PPE
- Emergency Response (ERP)
- Company Policy
- First Aid Training

In K'lapa Bali Estate, sighted latest training for First Aid Training on 15th June 2019. Conducted by Mr. Inthirakumar A/L Balakrishnan (HA) and attended by 126 participants.

For Sungei Chinoh Estate, sighted latest training for Emergency Response Procedure (Fire Drill) Training on 15th May 2019. Conducted by Mr. Tee Aun Seng (Estate Assistant Manager) and attended by 11 participants.

During field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.

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

Sighted, Occupational Safety and Health Policy of Charming Green Sdn Bhd dated 24th February 2017 signed by Director, Mr. Lim Ban Aik.

Risk assessment was conducted through HIRARC for K'lapa Bali Estate and Sungei Chinoh Estate based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).

HIRARC sighted for the followings work operation :-

1. P&D Census
2. Tall Palm Census
3. Trunk Injection
4. P&D Spraying
5. FFB Infield Collection
6. Driver
7. Cutting and Collection
8. Manuring

The estates have a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers.

- Harvesting and Collection Operations
- Integrated Pest Management
- Premix and Waste Management
- Manuring
- Safe Driving Techniques
- Rat Baiting
- Important of PPE
- Emergency Response (ERP)
- Company Policy
- First Aid Training

Both estates have provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record. Sighted for:-

- Staff
- Harvesters
- Field Workers
- General Workers

Sighted, the Standard Operating Procedure No 13 for handling of chemicals to ensure chemicals are mixed and ready to be used and to ensure all chemicals are handled in a proper way.

CHRA report dated 27th March 2019 by Ganesraoo a/l Nagarajoo (JKKP HIE 127/171-2(357)). The CHRA will be expired on 26th February 2024.

In K'lapa Bali Estate, medical Surveillance was conducted for 10 workers on 4th April 2019 by Dr Vigneswaran A/L Sithamparapillai; Occupational Health Doctor; JKKP KES HQ/08/DOC/00/311.

For Sungei Chinoh Estate, medical Surveillance was conducted for 8 workers on 03rd April 2019 by Dr Vigneswaran A/L Sithamparapillai; Occupational Health Doctor; JKKP KES HQ/08/DOC/00/311.

Person incharge of OSH is Mr. Tan Lay Guan, The Manager dated 1st January 2019 signed by the Director.

OSH Meeting is conducted quarterly in 2018/2019. Notice of meeting, minutes of meeting and attendance for the meeting are available in the file. As evidence in K'lapa Bali Estate, the committee meeting has been conducted as follows :-

- a. 12/03/2019 – 16 Participants
- b. 10/06/2019 – 16 Participants

For Sungei Chinoh Estate, the committee meeting has been conducted as follows :-

- a. 18/03/2019 – 12 Participants
- b. 18/06/2019 – 12 Participants

Sighted the Emergency Procedure for the Estate Emergency response plan available in local language (Malay and English). Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.

In K'lapa Bali Estate, ERP Chart 2019 indicates En Inthira as First Aider for Estate. Sighted, the distribution list of First Aid Kits for 2018/2019 to the person in-charge of 23 workplaces. Sighted latest training for First Aid Training on 15th June 2019. Conducted by Mr. Inthirakumar A/L Balakrishnan (HA) and attended by 126 participants.

For Sungei Chinoh Estate, ERP Chart 2019 indicates Mr. Inthirakumar A/L Balakrishnan (HA) as First Aider for Estate. Sighted, the distribution list of First Aid Kits for 2018/2019 to the person in-charge of 10 workplaces. Sighted latest training for First Aid Training on 15th June 2019. Conducted by Mr. Inthirakumar A/L Balakrishnan (HA) and attended by 7 participants.

Both estates have sent JKKP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. Sighted the latest JKKP 8 was sent on 16th January 2018.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5	Employment conditions
Indicator 1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.

Summary Sighted in the Sustainability Policy signed by Director, Lim Ban Aik dated 1st June 2019 under 2.2 Respect and Recognise the Rights of all employees.

Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) is committed to ensuring that the rights of all employees, including contract, temporary and migrant workers, are respected according to local, national and ratified international laws and that international best practices are adopted where legal frameworks are not yet in place.

The Good Social Practices covering:-

1. No forced or bonded labour
2. No Child Labour
3. Occupational safety and health
4. Employment Contracts
5. Freedom of Association and Right to Collective Bargaining
6. Minimum Income Standards
7. Working Hours
8. Record Keeping
9. Equal Employment Opportunities
10. Access to Education
11. Harassment and Violence
12. Whistle- blowing
13. Business Integrity
14. Grievance Redress Procedure

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.
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Summary Sighted in the Sustainability Policy signed by Director, Lim Ban Aik dated 1st June 2019 under 2. Drive Positive Socio – Economic Impact for people and communities.

Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) respects, supports and uphold fundamental human rights, and does not engage in discrimination based on race, religion and gender. Reproductive rights in line with the country's law shall also be respected.

All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed through interview with workers at estate and also through verification of contracts of service and pay slips of workers.

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

During interviews, it is clearly stated no forced labour at estate. Each employee has an employment contract either local or foreigner.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary Pay and conditions are documented in the appointment letter of the staff and workers. Interview with both estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. No confinement history and no illegal or forced deduction as per this audit period.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2018'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100 as stated in the guidelines.

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.

As evidence in Sungei Chinoh Estate, sampled of worker salary taken:

- 1) Biswas Biswajit (L9216170)
 - General Worker
 - May 2019 – RM 1,620.81
 - Apr 2019 – RM 1,511.03
 - Mar 2019 – RM 1,145.82
- 2) Mahto Ninod (N9597160)
 - Harvester
 - May 2019 – RM 1,432.23
 - Apr 2019 – RM 1,386.44
 - Mar 2019 – RM 1,100.00
- 3) Roy Nirmal (R4887240)
 - Sprayer
 - May 2019 – RM 1,627.88
 - Apr 2019 – RM 1,492.72
 - Mar 2019 – RM 1,084.95

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2018'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100 as stated in the guidelines.

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.

As evidence in K'lapa Bali Estate, seen contract Yue Tractor Earth Works and his workers:

- Muniandy A/L Selvaraj
- Muniandy A/L Selian
- Rajasingam A/L Ramalingam

For Sungei Chino Estate, seen contract Tang Man Kong Lorry Transport Sdn Bhd and his workers:

- Subramaniam A/L Chengodan
- Chan Kam Choon

Base on the records of Contract Agreement with Contractor and his worker, the contractor is adhering the law in the payment to his workers.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Sighted, in the estate System (Lintramax) the details of the workers biodata. The records contain full names, date of birth, date joined, 1st work date, marriage status, nationality, gender, race, salary type, date of birth, passport/NRIC.

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 stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. The contract is in Malay/English/Hindi/Bangladesh 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 local, Indonesian, India and Bangladesh.

All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed through interview with workers from the estate and also through verification of contracts of service and pay slips of workers.

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

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law. During site visit, sighted above data displayed at notice board. During site visit, sighted above data displayed at notice board. Check roll book being use for the workers attendance record.

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 Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law. Sighted gazette public holidays 2019 displayed on notice board.

Verified with Mr. Fabian Lim Chin Wen (Estate Assistant Manager) during interview on working hours and overtime. His workers are clear with 8 hours working and above is overtime with a maximum of 104 hours per month.

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.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary All workers have been provided with medical and accident insurance. Tune Protect Malaysia. is appointed as insurance provider to foreign workers

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

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

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All workers are provided with housing facilities at workers linesite. Water is provided free and electricity is borne by the workers. Sanitary and waste disposal is prepared by Estate. Welfare Amenities: Surau, football field, Clinic and sundry shop.

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 in the Sustainability Policy signed by Director, Lim Ban Aik dated 1st June 2019 under 2.,X1 Harassment and violence. The policy stated Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) and its suppliers/ contractors shall not tolerate any type of harassment or violence.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Sighted in the Sustainability Policy signed by Director, Lim Ban Aik dated 1st June 2019 under 2.,vi Freedom of Association and Right to Collective Bargaining.

Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) and its suppliers/ contractors shall recognize and respect the right of employees to form and join trade unions of their choice subject to the provisions of relevant national legislation.

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 are not restrict 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 As per "Social and Human Rights Policy", no children below ages of 18 working in the estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed. As per interview with Mr. Tan Lay Guan (Estate Manager), the management ensure no children and young person are employed.

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

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 6 Training and competency

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

Summary Both estates a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2019 was sighted.

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

1. Harvesting and Collection Operations
2. Integrated Pest Management
3. Premix and Waste Management
4. Manuring
5. Safe Driving Techniques
6. Rat Baiting
7. Important of PPE
8. Emergency Response (ERP)
9. Company Policy
10. First Aid Training

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable



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

Summary All workers involved in the operations have been adequately trained in safe working practice. As evidence, sighted the training needs prepared by the Estate Assistant Manager for each individual worker.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All workers involved in the operations have been adequately trained in safe working practice. Both estates have a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2019 was sighted.

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

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Criterion 1 Environmental management plan

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

Summary Company has established Environmental Policy signed by Mr. Lim Ban Aik, Director on 02nd January 2018.

Based on the Environmental Policy, Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB) is committed towards implementing the following practices:

- Compliance with all relevant statutory and regulatory requirements or relevant laws
- Compliance with RSPO and MSPO certification principles and criteria.
- Implement zero burning on all oil palm cultivation activities
- Continuous monitoring of agrochemicals use
- Educate and continuous training to all stakeholders and plantation personals on environmental issues and updates.
- Incorporate alternative and newer methodologies where deem as beneficial and applicable for both the plantation and the environment.

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 Both estates have conducted environmental risk assessment (ERA) for all its' activities in year 2019. As evidence in K'lapa Bali Estate, the environmental assessment findings are recorded in document titled "Environmental Risk Assessment" prepared by Mr. Fabian Lim Chin Wen (Assistant Manager), approved by the Estate Manager on 15.03.2019

The environmental risk assessment covers 19 work activities of the plantation covering elements of work activity, environmental impacts, environmental impact assessment (severity/quantity/probability), assessment (SxQxP), significance, mitigation measure and monitoring program and frequency.

Sighted the Environmental Risk Assessment (ERA) prepared by Mr. Fabian Lim Chin Wen (Assistant Manager), approved by Estate Manager 15.03.2019 covers 19 operations such as:

- Nursery (planting & transplanting of seedlings)
- Nursery (watering)
- replanting (land preparation)
- replanting (transplanting)
- weeding (spraying with chemicals)
- weeding (scheduled waste – chemical container)
- pruning (cutting & stacking of palm fronds)
- circle sanitation (racking of debris)
- EFB mulching (placement of EFB)
- road & paths (construction and maintenance)
- upkeep drains, boundaries (upkeep)
- P & D management (application of pesticides,
- manuring
- harvesting & collection (harvesting)
- harvesting & collection (transporting FFB)
- domestic waste landfill
- line site (accommodation)
- workshop (vehicles repairs and maintenance)

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 action plan to mitigate the negative impact was incorporated in environmental risk assessment (ERA) for all its' activities. As evidence in:

K'lapa Bali Estate:

- Work activity: Scheduled waste programme – chemical containers.
- Environmental impacts: Soil contamination
- Mitigation measures: Used chemical containers should be triple rinsed and punctured to render them neutral/safe and send to waste managers.

Sungei Chino Estate:

- Work activity: Application of pesticides.
- Environmental impacts: Potential soil and water contamination and disposal of used pesticide containers
- Mitigation measures: Washing from spraying equipment should not be discharge into drains. Schedule waste on disposal of used pesticide containers by triple rinsing and punctured to render it neutral and safe.

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) includes;

Issue	Mitigation /Action Plan
Reduce chemicals use	Establish beneficial plants along roads and boundaries
Marking of riparian zone	Marking with barricade tape or red paint
Potential Erosion at river and edges	To plant soil holding plants such as vertiver grass at drain edges and river edges.
Increase biodiversity	Empty land to be planted with trees or flowers apart from oil palm.
Spillage of fertilizer at fertilizer store to nearby water course	To apply for budget to upgrade fertilizer store or to construct new store.

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 the environmental training programme for year 2019. It includes;

- 1) Linesite/office cleaning (SOP) – office staff
- 2) Premix and waste management (SOP – premix/store keepers)
- 3) MSPO awareness – all staff & workers
- 4) Highly toxic chemicals - chemical handlers
- 5) Company policy – all staff & workers
- 6) Manuring (SOP) - manurers

7) Riparian zone – all workers except harvesters

Sighted training implementation as below;

Programme	K'lapa Bali Estate	Sungei Chinoh Estate
	Date done (Attendees)	Date done (Attendees)
Linesite/office cleaning (SOP)	07.02.2019 (4psn) 08.04.2019 (4psn)	13.02.2019 (1psn)
MSPO awareness	06.05.2019 (26psn) 08.05.2019 (41psn) 14.05.2019 (11psn)	14.01.2019 (66psn)
Premix and waste management (SOP)	13.03.2019 (2psn)	18.03.2019 (1psn)
Riparian zone awareness	16.03.2019 (9psn)	22.03.2019 (26psn)
Manuring (SOP)	21.01.2019 (15psn)	22.03.2019 (5psn)
Highly Toxic Chemicals	01.04.2019 (6psn) 02.04.2019 (7psn) 04.04.2019 (5psn)	07.05.2019 (51psn)

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 In K'lapa Bali Estate, sighted "2nd Welfare and environmental committee meeting minute 2019" held on 03.04.2019 attended by 3 executives, 2 staffs and 6 workers representatives discussed the following;

- 1) Open burning is not allowed, including slash and burn at green book area and burning of rubbish.
- 2) No spraying is allowed at drain edges and rivers as well as designated riparian zone.

Meanwhile in Sungei Chinoh Estate, sighted "Minit Mesyuarat Kebajikan dan Alam Sekitar 02/2019" held on 22.04.2019 attended by 2 executives, 3 staffs and 8 workers representatives discussed the following;

- 1) Syarat-syarat MSPO secara ringkas termasuk kebersihan di kawasan perumahan pekerja.
- 2) Latihan yang telah dijalankan pada bulan Februari dan March 2019 meliputi SOP, menyembur racun, menabur baja, pembersihan di kawasan perumahan dan pejabat.

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

Estate has maintained record of Diesel Monitoring for a period of 2016 - 2018. In K'lapa Bali Estate, sighted histogram chart of diesel consumption per ton FFB (2018) with baseline value of 1.88 litres/ton FFB. For the year 2019, the diesel consumption as follow;

Month	Litre	FFB
January	2,622	1,887
Feb	2,885	1,606
Mar	1,787	1,693
Apr	3,263	2,149
May	2,624	1,768
Total	13,181	9,106

Estate has maintained record of Electricity Consumption per FFB (MT) for a period of 2016 - 2018. Sighted histogram chart of electricity consumption per FFB (MT) (2018) with baseline value of 4.50 kWh/ton FFB.

For the year 2019, the electricity usage (kWh) as follow;

Month	kWh	FFB
January	8,107	1,887
Feb	7,834	1,606
Mar	7,975	1,693
Apr	8,368	2,149
May	8,830	1,768
Total	41,114	9,106

Sighted Energy Usage Reduction Plan 2019 prepared by Mr. Fabian Lim Chin Wen (Assistant Manager), approved by Estate Manager covers 8 methods of reduction plan, includes;

1. Conversion of florescent lighting to energy saving bulbs or LED bulb.
2. Conversion of street lamps to LED light bulbs
3. Utilize fan and minimize the use of air conditioners

4. Reduce vampire power by unplugging all electrical appliances
5. Electricity appliance are switch off when not in used
6. Rain water harvesting at bungalow
7. Silt pit to harvest rain water in field
8. Machineries and vehicle to maintain and service periodically.

In Sungei Chinoh Estate, the diesel consumption for 2019 as follow;

Month	Litre	FFB
January	3,195	1,585.94
Feb	3,281	1,518.03
Mar	4,406	1,571.19
Apr	3,880	1,569.40
May	2,235	1,227.16
Total	16,997	7,471.72

Total Litre/mt FFB is 2.27

The electricity usage for 2019 as follow;

Month	kWH	FFB
January	3,375	1,585.94
Feb	2,999	1,518.03
Mar	3,861	1,571.19
Apr	3,744	1,569.40
May	4,319	1,227.16
Total	18,298	7,471.72

Total kWH/mt FFB is 2.45

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 (Liter)	Estimated FFB (MT)	Fuel Efficiency (Liter/MT FFB)
K'lapa Bali	132,383	30,000	4.41
Sg Chinoh	49,200	20,000	2.46

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

Estate	Estimated Electricity Usage (kWH)	Estimated FFB (MT)	Electricity Efficiency (kWH/MT FFB)
K'lapa Bali	96,541	30,000	3.22
Sg Chinoh	76,800	20,000	3.84

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary There was no opportunity to use renewable energy in estate. Operation of vehicle is fully dependent on fossil fuel.

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 Charming Green Sdn Bhd and Heah Seok Yeong Realty Sdn Bhd has established SOP 15.0, Title: Waste Management dated 01.01.2013, revised and approved by Estate Manager on 02.01.2019 with the objective to ensure waste materials are handled and store accordingly.

Sighted Identification of Waste consist of batteries, spent lubricant, used PPEs, lubricant containers – metal, lubricant containers – plastic, clinical waste, chemical containers – plastic, chemical containers – metal and fertilizer bags.

Sighted inventory of scheduled waste established by K'lapa Bali Estate;

Code	Source	Date of 1 st generated	Balance as at 17.06.2019
SW409	Fertiliser bag	18.03.2019	6,000pcs
SW409	Herbicide containers 20L	Disposed to G-Planter 290pcs on 13.06.2019	0pcs
SW409	Herbicide containers 4L	Disposed to G-Planter 43pcs on 13.06.2019	0pcs
SW410	PPEs	Disposed to G-Planter 4.2kg on 13.06.2019	0pcs
SW404	Used Syringe & Needles	02.01.2019	45pcs

Sighted the G-Planter UPPCR Collection Form dated 13.06.2019 for 290pcs of 20L plastic pesticide containers, 43pcs of 4L metal drum and 4.2kg used PPEs but has yet reported to e-swis due to system failure (as informed by Mr. Fabian Lim Chin Wen (Assistant Manager)

Sighted inventory of scheduled waste established by Sungei Chino Estate;

Code	Source	Date of 1 st generated	Balance as at 12.06.2019
SW409	Fertiliser bag	04.06.2019	606pcs
SW409	Herbicide containers 20L	Disposed to G-Planter 103pcs on 13.06.2019	0pcs
SW409	Herbicide containers 4L	Disposed to G-Planter 125pcs on 13.06.2019	0pcs
SW409	Herbicide containers 250g	Disposed to G-Planter 420pcs on 13.06.2019	0pcs
SW410	PPEs – Apron, nitrile glove, face masks N95	Disposed to G-Planter 2kg on 13.06.2019	0pcs
SW404	Used Syringe & Needles	07.01.2019	23pcs

Sighted the G-Planter UPPCR Collection Form dated 13.06.2019 for 103pcs of 20L plastic pesticide containers, 125pcs of 4L PVC containers, 420pcs containers (250g) and 2kg used PPEs but has yet reported to e-swis.

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 a waste management plan established on the following;

- Clinical waste – syringe, needle, swab
- Batteries
- Lubricant containers – plastic
- Lubricant containers – metal
- Fertilizer bags
- Spent lubricants/ oil filter
- Chemical containers – plastic
- Chemical containers – metal
- Used PPE – apron, respirator, nitrile glove

The estate management also promoting a recycle program among the employees and encouraged them to do so. Sighted the recycle bins were placed at the main location such as main line site.

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

Charming Green Sdn Bhd and Heah Seok Yeong Realty Sdn Bhd has established Standard Operating Procedure No. 12.0 on Pre-mix and Chemical Handling dated 01.01.2013, revised and approved by Estate Manager on 02.01.2019 with the purpose to ensure chemicals are mixed and ready to be used and all chemicals are handled in a proper way.

Estate has also maintained record of Monitoring Pesticide Usage for a period of 2019 i.e. Chemical Store Record includes;

- 1) Monocrotophos
- 2) Glyphosate
- 3) Contest (Cypermethrin)
- 4) Surfactant
- 5) Rat bait
- 6) Amine
- 7) Garlon
- 8) activator
- 9) Metsulfuron methyl
- 10) Furadan
- 11) Aluminium sulphate
- 12) Soda Ash
- 13) Tricel
- 14) Foxil
- 15) Snap
- 16) Mitac
- 17) Basagran

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 No. 12.0 on Pre-mix and Chemical Handling is to ensure chemicals are mixed at designated area with access to clean water and appropriate tools for measuring.

After mixing the chemicals,

1. All tools, measuring cups, measuring jugs, containers, and chemical drums are washed thoroughly.
2. All tools, measuring cups, measuring jugs and containers are dried and kept at designated area.
3. Grey water from the sump is recycled into empty jerry cans/premix drums for next premix session.
4. All PPEs are rinsed and hang to dry before keeping into designated area.

5. Empty chemicals containers are punctured and triple rinsed to render as neutral/safe before sending to SW store.

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 Block 6C (2km from linesite) of K'lapa Bali and Block 31 (2km from line site) of Sg Chinoh 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 The assessment of polluting activities are identified and documented in the environmental impact assessment and management plan. From the EIA, it will be evaluated for the impact and any impact will be included in the management plan.

Sighted the GHG Emission assessment was conducted by the estate dated for year 2018.

Estate	Planted Ha	FFB (MT)	tCO ₂	tCO ₂ /mt FFB
K'lapa Bali	1,664	21,232.64	4,497.79	0.212
Chinoh	1,042	15,567.48	4,099.23	0.263

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Sighted Environmental Improvement Plan/Pollution Prevention Plan for 2019 with the objective to reduce significant pollutant and emission. As evidence in K'lapa Bali Estate, the plan was prepared by Mr. Fabian Lim Chin Wen (Assistant Manager), approved by Estate Manager on 15.04.2019 include;

- 1) Implementation of calibrated fertilizer bowl
- 2) Calibration of CKS and nozzle
- 3) Continuous check on running hours and servicing as and when required

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:
- Assessment of water usage and sources of supply.
 - Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
 - 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.).
 - 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.
 - Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
 - Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary Company has established the MSPO Procedure; Title: Water Management Plan Procedure dated 01.09.2018.

For K'lapa Bali Estate, sighted identification of water source;

- 1) River water (Sg Telau)
- 2) Surface water
- 3) Local Authority
- 4) Rain water

Sighted record of monitoring of water consumption per capita for 2018 and current year 2019.

Year	Volume (cum)	No of Head	Cubic meter Per Day
2018	21,679	190	59.39
2019 (Todate May)	9,836	166	59.25

Sighted location points of taking water samples from river – Sg Telau, upstream and downstream. Sighted certificate of analysis for water sampling taken at designated points (incoming & outgoing). Analysis done by Kuala Lumpur Kepong Berhad, Kota Damansara, Petaling Jaya. Sighted Certificate of Analysis for incoming and outgoing water samples from sampling points of KBE A and KBE B. The result that was reported on 02.04.2019 indicated the following;

Parameter	KBE A (incoming)	KBE B (outgoing)	Compliance Limits (Class IIB Standards)
COD (mg/L)	25	26	25
BOD (5days @ 20°C) (mg/L)	6	5	3

Sighted Certificate of Analysis from Jabatan Kimia Malaysia for treated water samples taken in 06.08.2018;

Parameter	Treatment tank	Labour line
Total Coliform Count	< 1	< 1

Sighted map of riparian zone at K'lapa bali Estate (map & signage) for Sg. Telau. Observed Riparian Zone Awareness Training conducted on 16.03.2019 attended by 9 executives/staff.

For Sungei Chinoh Estate, Lembaga Air Perak has been identified as a water source for consumption. Sighted record of monitoring of water consumption per capita for 2018 and current year 2019.

Year	Volume (cum)	No of Head	Cubic meter Per Day
2018	8,878	77	115.30
2019 (Todate May)	3,780	92	41.09

Sighted Certificate of Analysis for incoming and outgoing water samples from sampling points of Sample A and Sample B. The result that was reported on 02.04.2019 indicated the following;

Parameter	Sample A (incoming)	Sample B (outgoing)	Compliance Limits (Class IIB Standards)
COD (mg/L)	24	26	25
BOD (5days @ 20°C) (mg/L)	7	7	3

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

Summary As per interview with Mr. Fabian Lim Chin Wen (Assistant Manager), no bunds or dams being constructed across the river of Sg Telau (passing through K'lapa Bali Estate). No river passing through the Sungei Chinoh state.

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 Based on interview with Estate Assistant Manager, there were road side drains constructed along the main road.

Based on interview with Mr. Fabian Lim Chin Wen (Assistant Manager), there were road side drains constructed along the main road and also silt pit at hilly area (Block 5B,5C and 8D).

Site visit confirms the road side drain has been implemented in the estate compound.

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

Sighted Biodiversity Report resulted from the survey conducted by K'lapa Bali Estate dated 10.04.2019 which was carried out by 10 respondents. Sighted "Borang Soal Selidik – Senarai Semak Pemantauan Fauna).

Sighted fauna and flora observed by the assessor from Perhilitan Daerah Tapah;

1. Fauna – wild boar, oriental pied hornbill, common kingfisher, peregrine falcon, red jungle fowl, monitor lizard, little egret, python, long-tailed macaque.
2. Flora – brazil nut, pokok ara sungai, betel nut palm.

For Sungei Chinoi Estate, sighted Biodiversity Report, verified by the Estate manager on 09.04.2019, resulted from the survey conducted by the estate dated 27 & 28.03.2019 which was carried out by 8 respondents. Sighted "Borang Soal Selidik – Senarai Semak Pemantauan Fauna).

Sighted fauna and flora observed by the assessor from Perhilitan Daerah Tapah;

1. Fauna – wild boar, oriental pied hornbill, common kingfisher, peregrine falcon, red jungle fowl, monitor lizard, little egret, python, long-tailed macaque.

Flora – brazil nut, pokok ara sungai, betel nut palm

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.
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Summary

In K'lapa Bali Estate, HCV evaluation plan has been established for planted area along the jungle boundary (Gunung Besout) and along the Sg Telau buffer zones even though no RTEs being identified during the survey processes.

For Sungei Chinoh Estate, HCV evaluation plan has been established for planted area at 3 hot spots;

1. Abandoned water catchment pond
2. Along the boundary of Sg Trolak (incoming spot)
3. Along the boundary of Sg Trolak (outgoing spot)

Interviews with the workers indicated that they can demonstrate a good understanding towards the environment issues. They are aware that they are not allowed to hunt or poaching the wild animals in the estate compound.

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 – K'lapa Bali and Sungei Chinoh Estates (2019 – 2024) for 3 hot spots identified by the estate.as stated in the Biodiversity report.

1. Immediate Action Plan
 - a. To mark out the river inlet and outlet point in map.
 - b. To identify buffer zone in map.
 - c. To educate workers & staffs on the important of riparian zone.
 - d. To identify the forest reserve boundary and estate.
 - e. Mark out the boundary between forest reserve and estate in map.
 - f. Spraying and manuring will not be done at any riparian zone.
 - g. Drains edges are not allowed to be sprayed.
2. Medium Term Action Plan
 - a. To put up signage at river inlet & outlet point and mark physical for workers to identify the riparian.
 - b. To notify authority on illegal activities affecting river riparian zone.
 - c. Put up signage for no hunting nearby forest boundary.
 - d. File report to authority on illegal hunting.
 - e. To continuous monitor the species between boundary and highlight any RTEs species found.
 - f. Barn owl boxes are to be place at strategic areas to promote barn owl population in the estate.
 - g. Rat baits are only use after census with rat damage indicates more than 9%.
 - h. Drains edges are not allowed to be sprayed.
3. Long term action plan
 - a. Set up SOP on management of riparian zone.
 - b. Train workers on management of riparian zone like to no chemical spraying inside buffer zone.
 - c. To set up buffer zone between estate and forest reserve.
 - d. To put up signage of buffer zone.
 - e. Paraquat and it derivatives shall not be used in the estate.

- f. Estate does not permit hunting and fishing in the estate. This also includes keeping of any rare and endangered species of flora and fauna. Signboards of no hunting and no fishing are placed at strategic areas.

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 Charming Green Sdn Bhd and Heah Seok Yeong Sdn Bhd are committed towards implementing the following practices on environment:

- Implement zero burning on all estates practices.
- The replanting technique deals with oil palms which have reached the end of their economic life, which are mechanically felled with excavators, shredded and pulverize in situ or left decomposed along planting rows.

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

Interview with ground employees shows that they are aware and understand the company's zero burning policy.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary Estate replanting programme for 2019-2023 based on SOP 2.0: Replanting. No significant risk of diseased palm was reported. No replanting programme for Sungei Chinoh Estate as the palm has not reach the end of its economic life.

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 Mr. Tan Lay Guan (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 As per interview with Mr. Tan Lay Guan (Estate Manager), old standing palms are precision felled and the entire palm bole and root mass are uprooted. The felled palm

trunks and fronds are chipped and shredded to pieces about 3" thick, shredded and pulverized in situ or spread evenly over the entire planting row.

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 Both estates have implemented Good Agriculture Practice (GAP) as seen from visit to the estate and seen from the document and also interviewing the workers.

Estate have 2 types of Manuals-

Standard Operating Procedures (21). As examples:

- Nursery Operations
- Replanting
- Upkeep Mature/Immature Oil Palm
- Roads & Paths
- Upkeep Drains
- Boundaries
- Oil Palm Pest Management
- Manuring Immature and Mature Oil Palm
- Harvesting and Collection
- Loading/Transporting FFB
- Upkeep Office/Linesite/Housing

Safe Operating Procedures (17). As examples:

- Chemical Store
- Trunk Injection Against Bagworm/Nettle Caterpillar
- Shoot Drenching Against Rhinoceros Beetle
- Rat Baiting
- Termite (White Ant) Treatment.
- Leaf Pest Foliar Spraying
- Strip Spraying
- Spot Spraying
- Manual Manuring Application
- Raw Water Treatment

Regular inspection and supervision are conducted by Mandore, Supervisor, Executives as well as HQ Department.

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 Company has established the Standard Operating Procedure 2.0; Replanting. Date revised on 02nd Jan 2019.

- 2.4.9 Terracing
 - "Where the terrain ranges from rolling – hilly to steep with gradient from 6 degrees to 20 degrees should be constructed at an average horizontal interval of 7.9 meters."

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Both estates have a visual reference system to identify each field or block. Each field has the signboard with block number, year of planting, material & hectare only. As evidence in Sungei Chinoh Estate:

- Block: 23
- Ha: 33
- Year of Planting: 2016
- Clone: Felda Yangambi

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 Both estates had an annual budget for the financial year 2019-2021. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2019 until 2021.

It also incorporated item such as general charges, estate maintenance, general services, fixed assets and etc. Sighted documented Business and Management Plan prepared by Mr. Tan Lay Guan (Estate Manager).

K'lapa Bali Estate

FY	2019	2020	2021
Ha	1,849	1,941	1,948
Total crop	30,000	33,000	33,000
Estimate OER %	20.00	20.00	20.00
KER	5.00	5.00	5.00

Ex-Estate Cost/Mt	251	260	260
FFB Price	411	450	450

Sungei Chino Estate

FY	2019	2020	2021
Ha	1,153	1,173	1,093
Total crop	20,000	33,000	33,000
Estimate OER %	2100	2300	2300
KER	5.00	5.00	5.00
Ex-Estate Cost/Mt	222	230	230
FFB Price	420	460	460

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 There is replanting programme available for year 2018 -2023 for K'lapa Bali Estate. Data as per below:

Financial Year	Year	Total Ha	Progeny/Clone proposed
2018	1993 1989 1990	209	DXP AA Hybrida 1&2
2019	1987	85	DXP AA Hybrida 1&2
2020	1991	75	DXP AA Hybrida 1&2
2021	1995	101	DXP AA Hybrida 1&2
2022	1996	115	DXP AA Hybrida 1&2
2023	1996	111	DXP AA Hybrida 1&2

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

Both estates had an annual budget for the financial year 2019-2021. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2019 until 2021.

It also incorporated item such as general charges, estate maintenance, general services, fixed assets and etc. Sighted documented Business and Management Plan prepared by Mr. Tan Lay Guan (Estate Manager).

K'lapa Bali Estate

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KER	5.00	5.00	5.00
Ex-Estate Cost/Mt	222	230	230
FFB Price	420	460	460

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary

The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure are shown therein. Monitored by HQ Management Meeting involved of the Directors.

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 The pricing mechanisms for products and services is decided by the management team before negotiation done with the buyers/contractor/suppliers.

The company will make an announcement for tender for other services like ffb transportation, replanting and hiring excavator.

Sighted the contract agreement between (Charming Green Sdn Bhd) K'lapa Bali Estate with Tang Man Kong Lorry Transport Sdn Bhd (FFB Transport). The contract shall remain in force for 2 Years (as per clause 2 of per the Agreement) commencing from 1st January 2019 until 31st December 2021. Stamp Duty of this Agreement was made on 19.04.2019. Agreed Rate of Payment as stated in SECOND SCHEDULE of the Agreement.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All contracts are kept in both estates' office. As evidence in K'lapa Bali Estate, sighted the Contract Agreement between estate with Tang Man Kong Lorry Transport Sdn Bhd (FFB Transport) sealed on 01.01.2019. Payment will be paid 30 days after the estate received the invoice from contractors.

One area of concern has been raised to Sungei Chinoh Estate. Estate has been paid to the contractors within 30 days after the contractors send their invoices. However, there is no clear statement in work order between estate and their contractors for duration of payment after completion of work.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Contractor

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

Summary All the contractors are aware that estate will be certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement. As evidence, sighted the latest Stakeholders Meeting on 08th March 2019. Attended by 49 participants.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All contracts are kept in both estates' office. As evidence in K'lapa Bali Estate, sighted the Contract Agreement between estate with Tang Man Kong Lorry Transport Sdn Bhd (FFB Transport) sealed on 01.01.2019. Payment will be paid 30 days after the estate received the invoice from contractors.

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 Both estates were audited by Global Gateway Certifications Sdn Bhd MSPO audited on 19th June 2019 - 20th June 2019. Sighted audit plan dated 11th June 2019 (3rd Revised) which have been accepted address to Mr. Lim Ban Aik, (Director). All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary Estate verified the work done by the contractors before all the payment paid to the contractors. Estate also inspect the contractor's workers. As per interviewed and also during site visit, the workers aware with OSH requirement. As example, the workers wear the PPE during the work task that given to them.

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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).

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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).

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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).
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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB). 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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB). 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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB). 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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB). 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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB). 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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).

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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).

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 Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB).

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
18 th June 2019	TBA	➤ Travelling from Ampang, Selangor to Slim River, Perak.	MS	AS/WMA
19 th June 2019	08:00 – 09:00	➤ Centralize Opening Meeting at Ladang K'lapa Bali Estate: • Presentation by the manager/coordinator • Presentation by Lead Auditor ➤ Confirmation of assessment scope and finalize Audit plan	MS	AS/WMA
	09:00 – 13:00	Ladang K'lapa Bali Estate ➤ 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.	MS	AS/WMA
	10:30 – 12:30	➤ 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.	MS	AS/WMA
	13:00 – 14:00	➤ Lunch/Rest	MS	AS/WMA
	14:00 – 16:00	➤ 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.	MS	AS/WMA
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day.	MS	AS/WMA

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
20 th June 2019	09:00 – 13:00	Sungei Chinoh Estate ➤ Document Audit: • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and	MS	AS/WMA



		records, payment records, complaint records, workers records, training records, permits, CIP, etc.		
	10:30 – 12:30	➤ 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. ➤ Centralize Stakeholder Consultation	MS	AS/WMA
	13:00 – 14:00	➤ Lunch/Rest	MS	AS/WMA
	14:00 – 15:00	➤ 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.	MS	AS/WMA
	15:00 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MS	AS/WMA
	16:00 – 17:00	➤ Centralize Closing Meeting at Sungei Chinoh Estate: ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment	MS	AS/WMA
21 st June 2019	TBA	➤ Travelling back from Slim River, Perak to Ampang, Selangor.	MS	AS/WMA

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit

Major Nonconformities:	Non-was raised during this audit.
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Minor Nonconformities:	Non-was raised during this audit.
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Area of Concern:	The following NC's were raised for this audit.
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Company Name	Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)												
Stage of Audit	Initial Stage 1	☐	Initial Stage 2	☒									
	Surveillance	☐	Recertification	☐									
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders												
Client Number	GGC-Q1-MSPO-2019												
NC No. / Ref.	Q1/MSPO/AOC/01	Date Detected	20 th June 2019										
Site(s) concern	K'lapa Bali Estate & Sungei Chinoh Estate	Target Completion	-										
Normative Reference and Requirement	4.3.1.1 Area of Concern All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.												
NC Type	☐ Major ☐ Minor ☒ Area of Concern												
Description of Non-Conformity	Hectare stated on MPOB License different than the planted hectare												
NC Objective Evidence: As per interviewed with MPOB Officers, the MPOB Licence should be declared with the planted hectare. As evidence, sighted:													
<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Estate</th> <th>Ha as per MPOB License</th> <th>Planted Ha</th> </tr> </thead> <tbody> <tr> <td>K'lapa Bali Estate</td> <td>2,376.52</td> <td>2,272.00</td> </tr> <tr> <td>Sungei Chinoh Estate</td> <td>1,155.00</td> <td>1,170.00</td> </tr> </tbody> </table>					Estate	Ha as per MPOB License	Planted Ha	K'lapa Bali Estate	2,376.52	2,272.00	Sungei Chinoh Estate	1,155.00	1,170.00
Estate	Ha as per MPOB License	Planted Ha											
K'lapa Bali Estate	2,376.52	2,272.00											
Sungei Chinoh Estate	1,155.00	1,170.00											
Lead Auditor Signature:		Client Signature:											
													

Company Name	Heah Seok Yeong Realty Sdn Bhd & Charming Green Sdn Bhd (HSYR & CGSB)			
Stage of Audit	Initial Stage 1	☐	Initial Stage 2	☒
	Surveillance	☐	Recertification	☐
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-Q1-MSPO-2019			
NC No. / Ref.	Q1/MSPO/AOC/02	Date Detected	20 th June 2019	
Site(s) concern	Sungei Chinoh Estate	Target Completion	-	
Normative Reference and Requirement	4.6.3.2 Area of Concern All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.			
NC Type	☐ Major ☐ Minor ☒ Area of Concern			
Description of Non-Conformity	No evidence is available during the audit.			
NC Objective Evidence: Estate has been paid to the contractors within 30 days after the contractors send their invoices. However, there is no clear statement in work order between estate and their contractors for duration of payment after completion of work.				
Lead Auditor Signature: 		Client Signature: 		

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) K'lapa Bali Estate and Sungei Chinoh Estate management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Mr. Kanasan A/L Sellamuthu – LKB
- 2) Mr. Ellengsewaran A/L Gopal – LSC
- 3) Mr. Anbualagan A/L Subramaniam – Temple
- 4) Mr. Karanjit Signh Randana – Syarikat Cahaya Muda
- 5) Mr. Mohd Radzi bin Shamsul – LHDN
- 6) Mrs. Aina Farini binti Abdan – LHDN
- 7) Mr. Nasarudin bin Abd Hamid – JPJ
- 8) Ms. Maizura binti Amat Kaulan – Jabatan Hutan
- 9) Mr. Gopi A/L Balakrishnan – Kg. Baru Trolak
- 10) Mr. Mohd Syukri – MPOB
- 11) Mr. Mohamad Azizul – MPOB
- 12) Mrs. Ong Poh Hoon – LKB Shop
- 13) Mr. C. Ramakrishnan – BRB
- 14) Mr. Yue Chee Seong – YUE
- 15) Mr. Too Chee Wei – KLK Tg. Malim POM