

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

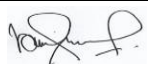
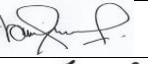

CERTIFICATION AUDIT REPORT


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

Kawayoi Plantation Sdn Bhd

- Individual Certification--

ANNUAL SURVEILLANCE AUDIT 1 6th July 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	10/8/2020	Issued as Draft Report	Ismadi bin Ismail	Lead Auditor	
B	07/10/2020	Issued as Final Report	Ismadi bin Ismail	Lead Auditor	
B	20/10/2020	Final Report Approved	Muhd Jamalul Arif	Certifier	

Acknowledgment by Kawayoi Plantation Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	22/10/2020	Acceptance of the contents	Ms. Winnie Osiang	Sustainable 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 Kawayoi Plantation Sdn Bhd [Estate]. During this Annual Surveillance Assessment 1(ASA 1), the audit team were briefed by Estate Manager, of the supply base disposition. The Estate is on Single Site Certification.

This assessment was conducted onsite on 6th July 2020 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	Kawayoi Plantation Sdn Bhd
Business Address	2-3, Lot 33, Block E, Lintas Square, Jalan Lintas, 88300 Kota Kinabalu, Sabah, Malaysia.
Contact Person	Mr. Roger Ling Wei Lee
Office Telephone	088-251711
E-Mail	roger.ling91@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.	Kawayoi Plantation Sdn Bhd	Kg. Inarap, Pinangah, Tongod, Sabah, Malaysia	116.837964	4.989614

MPOB License Information

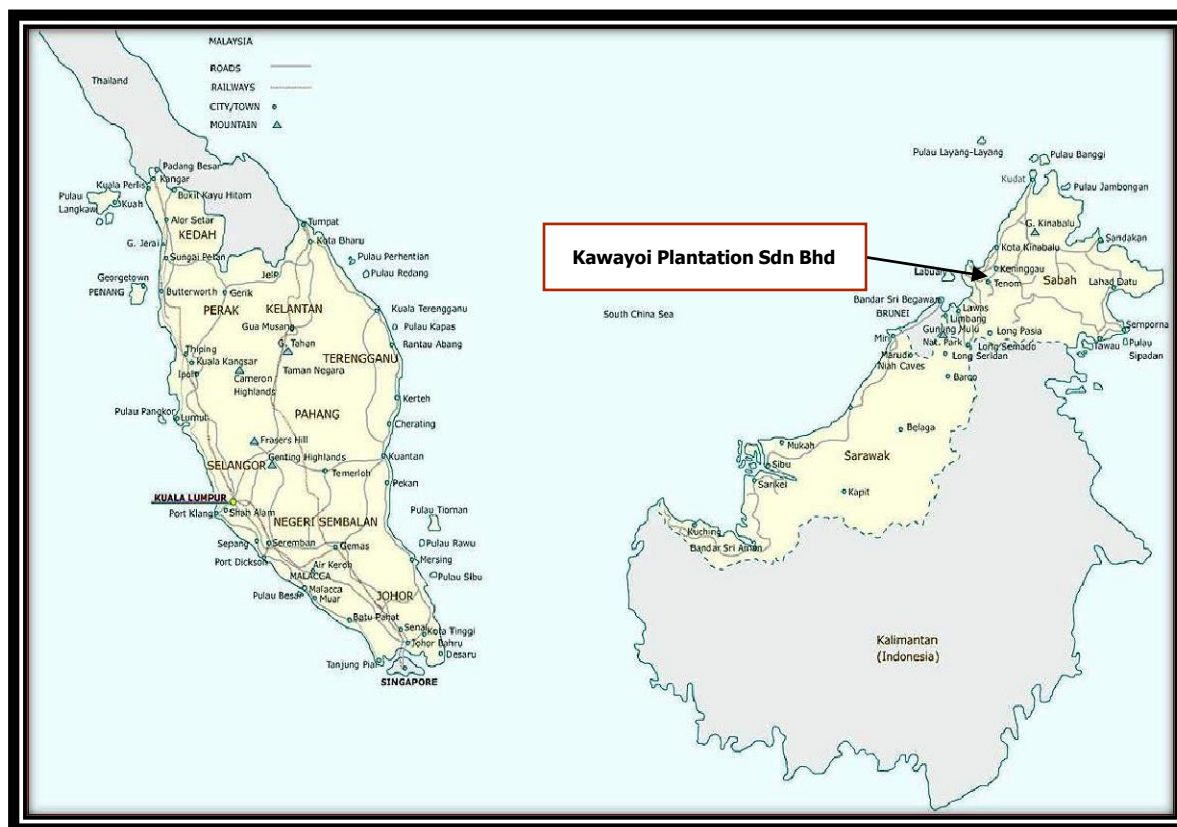
No	Name of the Site	Licence Number	Expiry Date	Scope Activity
1.	Kawayoi Plantation Sdn Bhd	613744002000	31/7/2020	Menjual Dan Mengalih FFB

Others Sustainability Certification

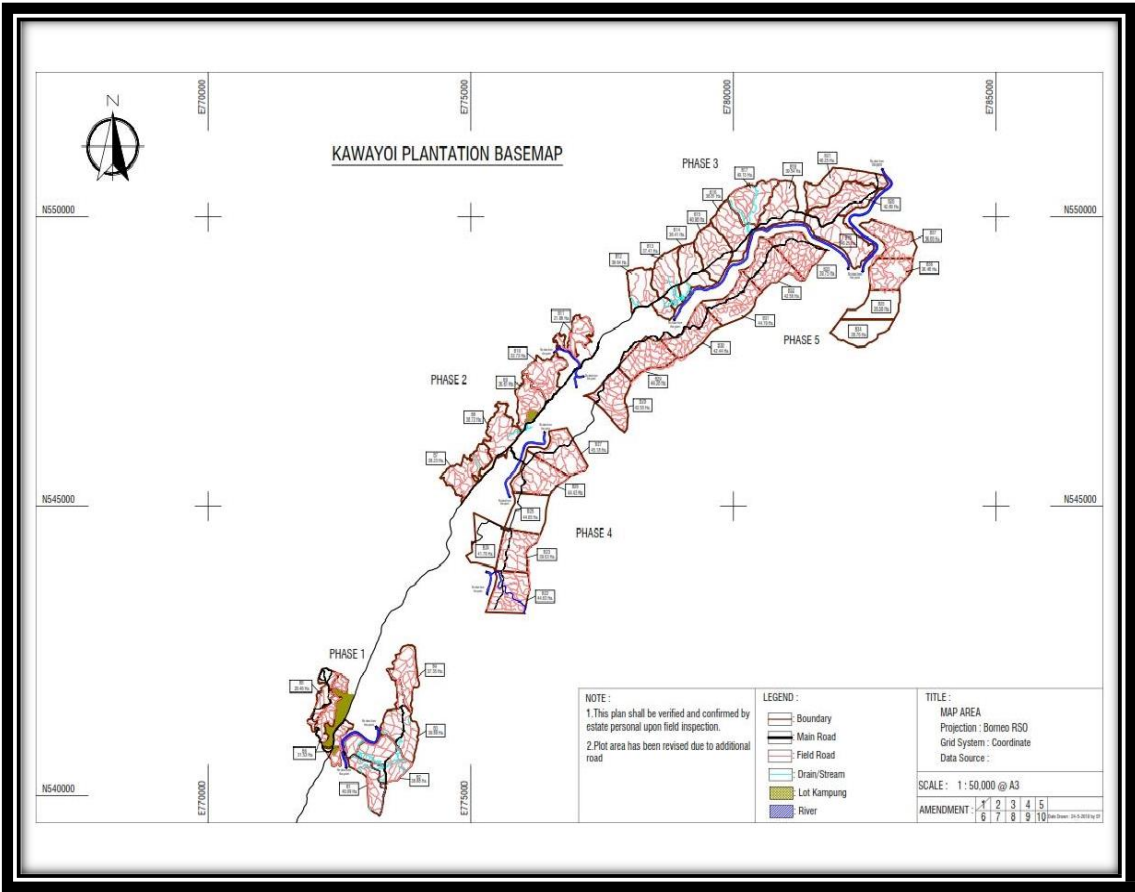
No	Name of the Site	Others Sustainability Certification
1.	Kawayoi Plantation Sdn Bhd	NIL

1.4 Map Showing Geographical Location

a) Kawayoi Plantation Sdn Bhd



b) Kawayoi Plantation Sdn Bhd



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Kawayoi Plantation Sdn Bhd	2,428.16	1,450.99	716.57
Total	2,428.16	1,450.99	716.57

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Kawayoi Plantation Sdn Bhd			875.36
Total			875.36

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Jun 2019-May 2020]	Projected Production for next 12 Months [Jun 2020-May 2021)
Kawayoi Plantation Sdn Bhd	2,805.00	3,617.44	4,015.00
Total	2,805.00	3,617.44	4,015.00

1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-KPSB001-MSPO-00-2019
Initial certificate issued date	08th August 2019
Certificate expiry date	07th August 2024
Stage 1 assessment date	18 th April 2019
Stage 2 / Main Assessment	12 th June 2019
Annual Surveillance 1 [ASA 1]	6 th July 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: Ismadi bin Hj. Ismail

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (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 Transparency, Safety and Health, Employment Condition, Social and community engagements, stakeholder's consultation and workers welfare. Able to speak and understand Bahasa Malaysia and English

Auditor

Name: Mohd Razin bin Bakal

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

Auditor

Name: Mohd Razib bin Mohd Noor

Competent Marine Engineer with more than 30 years of working experiences in a various plantation company in Malaysia, Papua New Guinea and Indonesia. Having a skill in Good Milling Practices (GMP) including the crop quality control.

Qualified as Auditor for MSPO certification by SIRIM since 2018. Completed the ISO 9001:2015 Quality Management System Lead Auditor course by TOMC in May 2018 and MSPO SCCS Auditor by SIRIM in July 2019 respectively. Experienced in both palm oil mill and kernel crusher plant management, specifically boiler and process control. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as it is on Single Site Certification.

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	6 th July 2020
Name of site(s) visited	Kawayoi Plantation Sdn Bhd
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	4	Closed
Minor Nonconformities	0	Not Applicable
Area of Concern	0	No action requires
Noteworthy /Positive Comments	3	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. GGC has published the public notification on 19th June 2019 (3rd Revised).

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as others aspects that they considered could be improved. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were 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 stakeholders. The details are as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Estate workers)	<ul style="list-style-type: none"> • Delay in salary payment to estate workers every month • Power supply to worker quarters • Road condition • Worker quarters require repair • Need treated water for drinking • Distribution of PPE not consistent • Not favourable with the Piece rated rate 	<p>Salary payment on June"2020 onward paid by 7th</p> <p>To be discussed with top management</p> <p>Estate in the midst of repairing Buldozer and farm tractor</p> <p>Construction of toilet at worker quarters is in progress. Expecting by Oct"2020 to complete</p> <p>To be discussed with top management</p> <p>To check with the estate record.</p> <p>To be discussed with top management</p>	Negative 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 Kawayoi Plantation Sdn Bhd. Estate Manager is in charge and ensures that

facility and his subordinates comply with the requirements and procedures stated in this manual. MSPO Compliance also being assist by Sustainability Department.

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 received during this Annual Surveillance Audit (ASA 1).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During Annual Surveillance Audit (ASA 1), based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there was four (4) majors have been raised to the facility that being audited. All the evidence submitted were found adequate and therefore all major non-conformities are closed. (Refer to Appendix B, non-conformity table for details).

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of all major non-conformity findings is closed. 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 Kawayoi Plantation Sdn Bhd.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

CHRA	Chemical Health & Risk Assessment
CoP	Code of Practise
CPO	Crude Palm Oil
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board

MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating Procedure

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary Kawayoi Plantation Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices:

- To operate sustainability management based on the principles and criteria contained in MS2530:2013 standard.
- To continuously improve our operation in line with social, environmental and economic aspects.
- Ensure protection and conservation for High Conservation Value and High Carbon Stock areas.
- Ensure protection and preservation of rare, threatened or endangered species and high biodiversity values.
- To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

The policy was signed by Director of Operation Kawayoi Plantation Sdn Bhd, Mr. Roger Ling Wei Lee, dated 01 June 2018.

External Stakeholder Meeting was planned to be conducted on 31st March 2020 at Balai Raya Kg Inarad 2. However, the meeting being postponed to 3RD August 2020

due to Movement Control Order by Government.

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

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

Summary Kawayoi Plantation Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices. The policy was signed by Director of Operation (Mr. Roger Ling Wei Lee) dated 01 June 2018.

The company is committed to continuously improve their operation in line with social, environmental and economic aspects based on the principles and criteria contained in MS2530: 2013 standards.

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 Kawayoi Plantation Sdn Bhd has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st July 2018.

Internal audit has been planned for the year 2020 as documented in "Annual Internal Audit Plan" prepared by Winne Osinggang and approved by the Director. Seen, the Internal audit at Kawayoi Estate being planned in March 2020.

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 Kawayoi Plantation Sdn Bhd has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st July 2018.

The purpose of this procedure is to describe the audit process conducted internally to determine Kawayoi Estate operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards.

The internal audit conducted by Miss Winnie Osinggang on 5th March 2020. 9 major, 1 minor and 2 Opportunity for Improvement being raised during audit.

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

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

Summary The Non – conformities being closed within the stipulated period by the Internal Auditor of 14 days from date audit report issued.

The report is available for Management Review Meeting in timely manner.

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 Kawayoi Plantation Sdn Bhd has established the Management Review Procedure. MSPO-02; Rev 0; Date 1/07/2018. Sighted the MSPO Management Review Meeting dated 9th March 2020 chaired by Haji Adzlie Teo, the General Manager. The meeting attended by 8 participants.

As per stated in the procedure, the estate manager is responsible for arranging the meeting, preparing meeting agenda, determine scheduled date and meeting minutes. The agenda shall be as listed below

1. Review action items from previous meetings.
2. Review the suitability of the policy.
3. Review process performance and product conformity including suitability and achievement of the quality objectives and other measures.
4. Review feedback from customers and other interested parties including data relating to customer perception of whether the organization has met customer requirements (include positive feedback as well complaints). Review customer delivery performance.
5. Review summary and status of non-conformities.
6. Review any changes or requirements that might affect the QMS, e.g. revisions to the MSPO standard, legal & regulatory issues or new processes.
7. Review resource issues such as:
 - Human – current adequacy and future needs, competency, training, organization chart and job descriptions (responsibility, authority and communication);
 - Facility – adequacy, suitability and maintenance of buildings, work environment and services (e.g. communications).
8. Any other business or quality planning. (e.g financial, social, environmental, statutory, regulatory, marketing, etc)

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 Kawayoi Plantation Sdn Bhd has established Sustainability Policy. The policy has been

approved by Director of Operation; Mr Roger Ling Wei Lee dated on 1st June 2018. Stated in the Sustainability Policy; Point no 2 – “To continuously improve our operations in line with social, environmental and economic requirements”.

Kawayoi Plantation Sdn Bhd has established the Management Review Procedure. MSPO-02; Rev 0; Date 1/07/2018, Appendix 2: Continuous Improvement Plan. The Continual Improvement Plan 2020 have been drawn -up by Estate Manager, Mr. Michael Philip on 9th March 2020 as stated below: -

	2020
Manager & Asst House - New	2
Staff House - New	9
New Workers Quarters 1 unit of 10 doors	1
20 units new Bathrooms & Toilets	5
To build permanent chemical store	1
Water Piping – to reinstall 30 units water piping in workers housing	30
Office	1

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 No new technology being introduced in the Estate. The management will adapt any new technology suitable for its operations from time to time

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 No new technology being introduced in the Estate. The management will adapt any new technology suitable for its operations from time to time

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 The Company has established the Stakeholder Communication & Consultation Procedure under No.MSPO-03 Rev:0 Dated 1 July 2018, Kawayoi Plantation Sdn Bhd. Communication and consultation process is also communicated through stakeholder meeting.

External Stakeholder Meeting was planned to be conducted on 31st March 2020 at Balai Raya Kg Inarad 2. However, the meeting being postponed to 3RD August 2020 due to Movement Control Order by Government

No record on request and response matter being addressed by stakeholders.

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 Sighted Reference Document List guideline as stated below: -

No	Reference Document	Confidential	Non-Confidential
1	Intrernal Process, Method and System	/	
2	Trade Supplier List	/	
3	Operations & Quality Procedures	/	/
4	Marketing Strategy, Projection and Plan	/	
5	FFB Supplier List	/	
6	Financial Statement & Business Data	/	
7	Contract Agreements	/	
8	Security and Health		/
9	Environmental		/
10	Administration and Human Resources		/
11	Business Strategy, Projection and Plan	/	
12	Salary Structure and Bonus Structure	/	

All these documents were sighted in the estate office.

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 The Company has established the Stakeholder Communication & Consultation Procedure under No. MSPO-03 Rev:0 Dated 1 July 2018, Kawayoi Plantation Sdn Bhd. The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.

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 transparency agenda is Mr Shabrina Junie appointed on 3rd June 2020 by the Manager, Mr Abnel bin Modalim @ Mohd Yusof

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 latest stakeholders list updated in 3rd July 2020 as below: -

	No of stakeholders
Government	32
Supplier / Contractor	15
Neighbouring Estate / Mill / Local Community	8
Non - Governmental	2

External Stakeholder Meeting was planned to be conducted on 31st March 2020 at Balai Raya Kg Inarad 2. However, the meeting being postponed due to Movement Control Order by Government

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 The company has established Kawayoi Plantation Sdn Bhd MSPO Procedure: FFB Traceability Ref No: MSPO – 04 Rev: O; Date: 1st July 2018. Sighted, the FFB Traceability process flows in the Estate. Harvesting operation being conducted by Check-roll / own harvesters and the mandore / supervisor is under Estate Management.

At field, both Estate mandore / supervisor will conduct FFB grading and recorded all the Fresh Fruit Bunches (FFB) that harvested by the harvester in Daily Bunch Record. The daily bunch record consists of the following information:

1. Harvester name

2. Block and area number
3. Date
4. Quantity
5. Grader's name and signature

Upon completion of field FFB Grading, the FFB will be loaded and transported to stumping point and recorded in the Bunch Record.

Later, the FFB being loaded into the lorry and transported to mill. The Estate will record all the data in Bunch Record / Fresh Fruit Bunch Dispatch Chit. The weighbridge operator at mill will key – in the following information in the system: -

1. Date
2. Gross/tare/net weight
3. Contract Number
4. Weighbridge ticket number
5. Total Bunches
6. Vehicle number
7. Name of driver
8. Seal Number
9. Time in / out

Finalizing key-in the information, the weighbridge operator will issue dispatch Chit, delivery Note and Dispatch Ticket. Further, at security post guard the security personnel will checked the following information :-

6. Date
7. Vehicle Number
8. Name of driver
9. Name of Supplying Estates and Field No
10. Time in / out

The FFB being transported to the designated Mill as per Contract.

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

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

Summary The Management team on harvesting holds the responsibility on regular inspection of traceability system.
Periodical inspections also being conducted through GM's and Director's visit

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

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

Summary The person in charge for transparency agenda is Mr Sabdi Sigar, appointed on 3rd June 2020 by the Manager, Mr Abdel bin Modalim

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

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

Summary FFB being sell to Pandewan Palm Oil Mill and being monitored by Head Office. Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by estate

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 on 3RD July 2020 of applicable laws and regulations that are applicable for the estate in the Legal Requirement Register: -

1. Occupational Safety and Health
2. Factories and Machinery
3. Uniform Building by Law
4. Pesticide
5. Electrical Supply
6. Petroleum (Safety Measurement)
7. Fire Services
8. Code of Practice for Safe Working in A Confined Space
9. Environmental Quality
10. Local Government
11. Housing and Amenities
12. Labour
13. EPF
14. SOCSO
15. Union
16. Minimum Retirement Age Act 2012
17. National Wage Consultative Council Act 2011, Minimum Wages Order 2018
18. Weights and Measures Regulations 1981
19. MPOB
20. Etc.

Non – Conformity - Major

1. Evidence, workers' wages for the month of April 2020 has been paid on 22nd May 2020 despite the date printed in the pay-slip date printed in was on 7th May 2020. The practice was not complied to the Sabah Labour Ordinance (Sabah Bab 67) Clause 108 (1) - The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due.
2. 49 units of Fire extinguishers and Permit Barang Kawalan Berjadual, No Series P:



S000055 – Diesel (Industry) 10,000 liter was expired on 2nd April 2020 and 6th June 2020 respectively

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

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

Summary Sighted Permits and Licenses being kept and monitored by the Company. The Company has the following documents;

No	Permit	Number	Expiry Date
1	MPOB	613744002000	31/7/2020
2	Trade License	PDKGU: 100-24/1	31/12/2020
3	Lesen Penggajian Pekerja		1/8/2020
4	Fire Extinguisher	49 units	24/4/2019
5	Permit Kawalan Berjadual – 10000-liter Diesel	B.PGK.SB(KGU) 019/19 (PKPB)	6/6/2020

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

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

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

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

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

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

Summary The Estate has nominated En Mohd Hafih Hamilin as a person responsible for monitoring compliance and tracking the update changes in regulatory requirements through a letter of appointment dated 3rd June 2020 signed by En. Abdel bin Modalim

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

Criterion 2 Land use rights

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

Summary The estate is managing communal land which was established under Schedule XI (section 68), Field Register 254000041 dated 26th March 2013 located in Kampong Kawayoi, Inarad, Tongod, Sabah Malaysia. The total area is 2,428.00 Ha.

The land is demised herein expressly as a communal title for the purpose of cultivation of agriculture crops of economic value. Sighted Area Statement for year 2020 covering 2428.16 Hectare. Details as listed herein: -

	Hectare
Mature	716.57
Immature	734.42
Total Planted	1450.99
Unplantable	101.81
Building Site	3.52
Swamps / Ravines	28.05
Road & Drains	99.41
Kg Area & Land cultivated by Local	559.74
Forest	184.64
Total Hectare	2428.16

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

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

Summary Sighted an agreement dated 01st July 2013 between "Benefisiari Kepada Geran Komunal FR254000041" and "Kawayoi Plantation Sdn Bhd". The total area is approximately 6,000 acres registered for 417 Beneficiaries. The agreement is valid for 60 years since it was signed. Sample taken on: -

1. M/s Doritah Aloysius – 770122-12-5268
2. Peter Justin Jr – 830126-12-5929
3. Tkos bt Bungkal – 620412-12-5705
4. Mamut bin Banor – 601230 -12 - 5241
5. Mrk Anthonny Bangkok – 850311-12-5144
6. Masangbun Ujat – 640713-12 5517

The agreement prepared by M.S Rickey Sedomon and Ahlan & Co.

The proportion of profit is 60% Kawayoi Plantation Sdn Bhd and 40% Beneficiaries Communal Title. Presently, RM300.00 being paid as advanced dividend to each beneficiary.

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 legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground.

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

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

Summary No customary right demonstrates in this vicinity.

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

Criterion 3 Customary land rights

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

Summary No customary right demonstrates in this vicinity.

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

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

Summary No customary right demonstrates in this vicinity.

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

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

Summary No customary right demonstrates in this vicinity.

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 SIA as per documented procedure MSPO Procedure: Social Impact Assessment (SIA) [Doc No: MSPO-09, Rev 00] dated 1st July 2018.

Sighted, SIA for Internal stakeholders conducted on 12th March 2020. The purpose of Social Impact Assessment is assessing on Access and Use Rights, Economic livelihoods and working condition, cultural and religion issues, health and education facilities and subsistence activities. 11 internal stakeholders being assessed and



responded. The respond included;

No	Faktor Social / Kriteria	Kesan Impak	Analisa Impak Sosial	Langkah mitigasi	Tarikh Akhir
1	Kemudahan pendidikan	Tidak ada kemudahan pendidikan yang di sediakan	Negative	Akan dikemukakan dengan pihak atasaan untuk mengadakan kelas di ladang	Berterusan
2	Kemudahan berkomunikasi	1. Tidak mengetahui saluran komunikasi yang di sediakan oleh syarikat 2. Tidak ada prosedur yang dipamerkan	Negative	1. Penerangan akan diberikan kepada semua 2. Prosedur dipamerkan di papan notis	Done
3	Masa bekerja	Tidak berpuas hati tentang kerja lebih masa	Positive	Kerja lebih masa perlu dilakukan dengan kebenaran pengurus ladang	Berterusan
4	Kemudahan kesihatan	1. Belum ada kemudahan kesihatan yang disediakan dan tidak mencukupi 2. Tidak ada medical claim	Positive	1. Syarikat memiliki pembantu perubatan yang akan melakukan pemeriksaan di dalam ladang setiap bulan 2. Dalam proses perbincangan dengan pihak pengurusan	Berterusan

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 Company has established the Standard Operating Stakeholder Communication & Consultant Procedure – Doc. No: MSPO-09 (Rev 0), Date : 1st July 2018. Prepared by Ms. Saulin Sigar (MSPO Staff) and approved by Mr. Lawrance Chan (Sustainable Executive) effective from 1st July 2018

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

The procedure has stated the timeline involve to resolves dispute stated under Clause 4. where "Penyelesaian sesuatu aduan atau cadangan yang dibuat akan mengambil masa 14 hingga 40 hari bergantung kepada kerumitan aduan yang diutarakan daripada Tarikh terima aduan tersebut".

Sighted flow chart of complaints and grievances designed for External and Internal Stakeholder in the company SOP.

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

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

Summary Company has established the Standard Operating Stakeholder Communication & Consultant Procedure – Doc. No: MSPO-09 (Rev 0), Date: 1st July 2018. Prepared by Ms. Saulin Sigar (MSPO Staff) and approved by Mr. Lawrance Chan (Sustainable Executive) effective from 1st July 2018. Sighted record of complaint for year 2020. No complaint was made thus far.

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

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

Summary In order to ease the employees and relevant stakeholders to lodge the complaint, the complaints and grievances form and box are available at estate office and worker quarters.

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

Indicator 4 Employees and the surrounding communities should be made aware that complaints

or suggestions can be made any time.

Summary Sighted the Internal Stakeholder Meeting. For Internal Stakeholder Meeting, meeting with all workers was conducted on 31st March 2020 at muster call area, attended by all workers. The agenda for both meetings are;

- i. Briefing on Company Policy
- ii. Briefing on complaints and request procedure

No complaints or request made during the meeting. For external stakeholder, original meeting planned was 31st March 2020, due to Global issue of Pandemic Covid 19, the meeting was postponing to 3rd August 2020.

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 Even though no record of complaint made by the internal and external stakeholder, estate management still maintain the complaints and grievances record for the last 24 months.

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 Sighted Corporate Social Responsibility Record File for internal and external stakeholder as follow;

No	Date	CSR Activities
1	23.03.2020	Sumbangan kepada pekerja ladang semasa PKP. - Beras 600 bag - Gula 100 bungkus - Kopi 100 bungkus
2	18.04.2020	Sumbangan kepada pekerja ladang semasa PKP. - Beras 400 bag - Gula 100 bungkus - Kopi 100 bungkus

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

Criterion 4 Employees safety and health

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

Summary OSH policy sighted signed by Managing Director Mr. Roger Ling Wei Lee, dated 1st June 2018. OSH Plan has been established as per Occupational Safety and Health Program 2019

The policy was prepared in Bahasa Malaysia and English for easily understood by all level of its employees. OSH Plan for 2020 is available including objectives as follows:

1. Provide and ensure a safe and healthy working environment.
2. Ensure that all employees and stakeholder are given information, rules, instruction, training and supervision on safe working procedures.
3. Identify and investigate all type of accidents, diseases, poisoning and hazardous conditions and preventive measure not to repeat.
4. Compliance with legislative requirements especially the Safety and Health Act 1994 and the Factory and Machinery Act 1967.
5. Ensure that all employees and stakeholders carrying out work or field activities are provided with appropriate personal protective equipment and recognized standards.
6. Ensure that all contractors and suppliers comply with safety and health rules and regulations.
7. Nurture and enhance occupational safety and health through training to all employees and stakeholders.
8. Ensure the awareness of occupational safety and health policies is disseminated to be understood and practiced by employees and all stakeholders.

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 the Occupational Safety & Health Policy, established on 1st June 2018 which was approved by Mr. Roger Ling Wei Lee, Managing Director. The policy was prepared in Bahasa Malaysia and English for easily understood by all level of its employees.

Risk assessment was conducted through HIRARC based on the severity and the likelihood.

HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC sighted for the followings work operation: -

1. Tingkahlaku Semasa bekerja
2. Menanam Anak Pokok Kelapa Sawit
3. Memotong buah tandan segar
4. Penyemburan racun
5. Menabur Baja
6. Menabur Racun Tikus
7. Pemandu
8. Penyimpanan dan Pengurusan bahan di stor
9. ETC

The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan as follows: -

,	Topic	Month programme
1	Policies Awareness (Sustainability, Occupational Safety & Health, Environment, Sexual Harassment, Freedom of Association)	January 2020
2	Safe & Standard Operating Procedure	February 2020
3	SDS	February 2020
4	PPE	February 2020
5	SOP Handling of Chemical (USECHH)	March 2020
5	Accident & Emergency Procedure	March 2020
6	First Aid	March 2020
7	SOP Handling of Used Chemicals (SW)	February 2020
8	Taklimat Kesedaran Larangan Pembakaran Terbuka "Zero Burning"	February 2020

9	Taklimat Kesedaran HBV & RTE	February 2020
10	Taklimat Prosedur Komunikasi dan Konsultasi	March 2020
11	Taklimat system aduan & keluhan ladang	March 2020
12	Taklimat Pencegahan Gangguan Seksual & Keganasan	March 2020

Estate has provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record sighted for: -

1. Staff/AP
2. Harvesters
3. Field Workers
4. General Workers

Non-Conformity – Major

During the site verification at Phase 2 Block 7, seen no helmet and google being worn by two harvesters during harvesting. Thus, non-compliance with Prosedure Operasi Kerja Selamat dan Piawaian Operasi Bagi Sektor Perladangan bagi " Penuaian Buah / Pemangkasan Dahan Kelapa Sawit ".

Company has established the Standard Operating Procedure Pengendalian Bahan Kimia – Doc. No: CISB/MSPO/SOP-2 (Rev 0). Prepared by Mr. Saulin Sigar (Field staff) and Approved by Mr. Lawrance (Sustainable Staff) effective date on 26th February 2019

The company has appointed Rehpro Scientific Sdn. Bhd to carry out CHRA Assessment for Kawayoi Plantation Sdn Bhd. Site visit was carried out from 25th April 2020 (RSSB/CHRA/2020-023. Based on the recommendation by the Occupational Health Doctor, the medical surveillance must be carrying out 12-month interval. Sighted quotation from DAB OH Sdn. Bhd. (967104-U) dated 19th June 2020 for Medical Surveillance Service to 3 estates and mill (Kawayoi Plantation Sdn. Bhd. / Sinaron Sinua Plantation Sdn. Bhd. / Mutiara Erasmas Sdn. Bhd / Pandewan POM)

The Estate Manager Mr. Abnel b. Modalim was appointed as the Chairman of the Operating Unit OSH Committee. Sighted letters of appointment for all the committees "Jawatan Kuasa Keselamatan dan Kesihatan Pekerja Ladang (JKKP) bagi sesi 2020" signed by The OSH Chairman.

The OSH Committee meeting has been conducted as follows;

- a. 11th March 2020

Non-Conformity – Major

Evidence, merely one meeting being conducted since establishment of the Estate OSH Committee on 11th July 2019. The meeting was conducted on 11th March 2020.

Sighted the emergency procedure for the Kawayoi Plantation Sdn. Bdh., SHM – SSPSB - 04 dated 1st January 2019. Emergency response plan is available in local language. The ERP has been explained to all workers and staffs during training / morning muster. 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.

First Aid Training will be conducted in August 2020 by Mr. Wilder Joseph (Sustainability Staff). During field visit, sighted first aid box and records maintained by first Aiders at the work places area.

Estates have submitted JKPP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH JKPP 8 which submitted on 28th January 2020.

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

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

Summary Sighted the Social Policy., established on 1st June 2018 signed by Operation Director, Mr Roger Ling Wei Lee. Communication of the policy to workforce is through muster – call and the policies being displayed at the office notice boards. This policy covers: -

1. Compliance with established laws and regulations including labour laws, land title laws and workers’ housing
2. Ensure minimum retirement age policy is complying
3. Provide the relevant training and development associated with their roles and responsibility
4. Prohibit employing worker by coercion or under age
5. Paying salaries to employees and staff on a minimum a wage order
6. Respect and protect Human Rights and workers Rights (including temporary workers, contracts or foreign workers)
7. Freely of discrimination and prejudice against gender, race, religion, nationality and political views
8. Provide a harmonious work environment to employees, customers and stakeholders
9. Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.
10. Allow workers to join or form trade unions of their own choosing that enable them to exercise their rights, Company shall give them freedom to have their own representative to organize themselves for collective bargaining.

The Policy being displayed at notice boards outside the estate office. The Social Policy has been communicated to all External and Internal Stakeholders during the meeting.

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 the Social Policy., established on 1st June 2018 signed by Mr Roger Ling Wei Lee, Operation Director This policy covers: -

- g. Freely of discrimination and prejudice against gender, race, religion, nationality and political views.
- i. Provide workplace free of sexual harassment whether directly or

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..

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 Sighted the Social Policy., established on 1st June 2018 signed by Mr Roger Ling Wei Lee, Operation Director This policy covers: -
e. Paying salaries to employees and staff on a minimum a wage order

The salary is according to „Guidelines on the Implementation on the National Minimum Wages Order 2020“ as stated in the guidelines.

Interview with both Estate staff and workers confirmed that they understand the terms and conditions of their employment. Sample of wages as below;

No	Name	Nationality	Passport No ID / Malaysia	Wages April Gross	Wages April Net
1	Satto bin Ali	Indonesia	C3829151	1,200.24	1,200.24
2	Nikolaus Tukan	Indonesia	AU 177917	1,205.55	1,205.55
3	Muslee George	Malaysia	020307-12-1367	1,530.67	1,398.82

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 No contractor being engaged in the Estate.

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, the registration card being established for all workers. The registration card stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. Sample taken on Rosmah binti Amin (921126-12-5236) and Edi Saraka (AT 597581)

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 Sighted, Employment Contract between Kawayoi Plantation Sdn Bhd and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian. Sample taken on Rosmah binti Amin (921126-12-5236) and Edi Saraka (AT 597581)

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 The Management has established Time Recording System based on Attendance Record Book for staff and Pocket Check-roll to workers.

Working hours is 8 hours. From Saturday to Thursday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law.

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

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

Summary The working hour and break time has been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

Sighted in the Contract Agreement the rate of overtime which agreed by both parties. There is no complaint received regarding payment or forced to work on overtime during site interview.

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

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

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

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

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

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

Summary For local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations and For Indonesian workers, they will be covered under SOCSO.

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, sport facilities and creche ayah. Gravity Water and solar electricity is provided free to all workforce.

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

Indicator 12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.

Summary Sighted the Social Policy., established on 1st June 2018 signed by Mr Roger Ling Wei Lee, Operation Director. This policy covers: -

- i. Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.

The Policy being displayed at notice boards outside the estate office. The Social Policy has been communicated to all External and Internal Stakeholders during the meeting.

For Internal Stakeholder Meeting, meeting with all workers was conducted on 31st March 2020 at muster call area attended by all workers. For external stakeholder, original meeting planned was 31st March 2020, due to Global issue of Pandemic Covid 19, the meeting was postponing to 3rd August 2020.

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

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

Summary Sighted the Social Policy., established on 1st June 2018 signed by Mr Roger Ling Wei Lee, Operation Director. This policy covers: -

f. Respect and protect Human Rights and workers Rights (including temporary workers, contracts or foreign workers)

The Policy being displayed at notice boards outside the estate office. The Social Policy has been communicated to all External and Internal Stakeholders during the meeting.

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 Child and young person policy is incorporated in the Social Policy. The policy was approved by Mr. Roger Ling Wei Lee dated 1st June 2018.

The policy on Children and young persons shall not be employed or exploited. has been stated under the following number:

d". Prohibit employing worker by coercion or under age

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 Training and Development policy is incorporated in the Social Policy established on 1st June 2018 signed by Operation Director, Mr Roger Ling Wei Lee. The statement is under the following number:

c" Provide the relevant training and development associated with their roles and



responsibility

The Estate has a comprehensive annual training plan. The training plan for 2020.

,	Topic	Month Programme	Status Done
1	Policies Awareness (Sustainability, Occupational Safety & Health, Environment, Sexual Harassment, Freedom of Association)	January 2020	13.01.2020
2	Safe & Standard Operating Procedure	February 2020	
3	SDS	February 2020	
4	PPE	February 2020	
5	SOP Handling of Chemical (USECHH)	March 2020	
5	Accident & Emergency Procedure	March 2020	
6	First Aid	March 2020	
7	SOP Handling of Used Chemicals (SW)	February 2020	
8	Taklimat Kesedaran Larangan Pembakaran Terbuka "Zero Burning "	February 2020	
9	Taklimat Kesedaran HBV & RTE	February 2020	
10	Taklimat Prosedur Komunikasi dan Konsultasi	March 2020	
11	Taklimat system aduan & keluhan ladang	March 2020	
12	Taklimat Pencegahan Gangguan Seksual & Keganasan	March 2020	
13	Policies Awareness (Sustainability, Occupational Safety & Health, Environment, Sexual Harassment, Freedom of Association)	January 2020	13.01.2020

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 Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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

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

Summary All workers involved in the operations have been adequately trained in safe working practice. The estate has 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 2020 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 Environmental policy signed by Managing Director, Mr. Roger Ling Wei Lee dated 01.06.2018 and seen Document No: MSPO-06 Pelan Pengurusan Alam Sekitar dated 01.07.2018.

The policy covers the followings: -

1. Melaksanakan operasi perladangan mengikut peraturan yang berkaitan dengan alam kualiti alam sekitar.
2. Mengamalkan polisi Amalan Pembakaran Sifar untuk kawasan baharu dan penanaman semula dalam situasi yang dibenarkan.
3. Memastikan aktiviti ladang mematuhi syarat syarat dalam industri semasa.
4. Merancang dan memantau melaksanakan mengawal ketetapan aktiviti untuk mengurangkan kesan pencemaran dan pelepasan termasuk gas rumah hijau.
5. Menggalakan dan meningkatkan kesedaran keatas pemeliharaan alam sekitar melalui latihan, ceramah kepada pekerja, kakitangan dan pihak berkepentingan.
6. Memastikan polisi Alam Sekitar ini difahami dan diamalkan oleh kakitangan, pekerja dan pihak berkepentingan.

Sighted Training on Sustainable, Environmental, Safety & Health and Social Policy has been conducted to External stakeholders.

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

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

Summary The estate has conducted Environmental Aspect Impact as per document Environmental Aspect Impact Assessment Guidance for Estate dated 07. 01.2020 prepared by the Environmental officer and approved by the Estate manager, covering all estate operations which may have major impacts on the environment.

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 Kawayoi Estate have established a mitigation plan documented in document Environmental Aspect Impact Assessment Guidance for Estate dated 01/07/2020-reference number: - MSPO - 06.

Aspect	Impact	Mitigation measure	Monitoring program	Continuous Improvement	Timeline
Generation of empty chemical container	Land contamination	Empty chemical containers shall be triple rinses and punctured and disposed of through authorized collector	Empty chemical containers should be not used for other than premix or spraying To ensure that the empty chemical container not in used at the housing area	To get approval from DOE to carry out the triple rinse approval and proper premix facility.	monthly
Disposal of the clinical waste	Land contamination	To contain in the clinical waste bin	Monitor by the estate hospital assistant	-	monthly

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

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

Summary Program to promote positive impacts to the environment has been established. Estate established planning to upgrade / build Schedule waste store, Lubricant store, workshop and general store with time bound plan.

The letter with supporting document was sent to the DOE Kota Kinabalu Sabah office regarding the approval for the recycling of used chemical container and empty used fertilizer bags prepared by the environmental officer Ms Juliana Sagap dated 2nd July 10,

2019 awaiting the approval from the DOE.

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

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

Summary Training on spraying technique and handling was conducted by the Field conductor/environmental officer Mr Elmer D. Balandi Denius on 19.12.2019. The training attended by 9 sprayers.

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 Meeting minutes and attendance list verified. Environmental committee meeting was conducted on 7th January 2020 attended by 6 participants.

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

Criterion 2 Efficiency of energy use and use of renewable energy

Indicator 1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.

Summary Diesel monthly consumption monitoring sighted during the audit. Consumption of Diesel monitored since 2019 to establish the baseline values and trends. Solar Panel were installed at the line site to reduce diesel consumption.

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 2020.

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

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

Summary At the moment, there is no renewable energy been practiced at all Estates

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 All waste products and sources of pollution identified and documented under Schedule Waste Management Procedure namely Prosedur MSPO – Pengurusan Bahan Buangan.
List of schedule waste sampled as follows:

Description	Date generated	Date disposed	No of Day - Difference
SW 305 Spent Lub oil	27.6.2019	12.12.2020	168
SW 306 Spent Hydraulic oil	27.6.2019	12.12.2020	168
SW 410 Filters/ used gloves	27.6.2019	12.12.2020	168

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 Identifying and monitoring sources of waste and sources of pollution identified and documented under Schedule Waste Management Procedure, Pengurusan Bahan Buangan.
List of schedule waste clearly stated in Annex 1 for instance improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products available.

Jenis bahan buangan	Punca	Program mitigasi	Program pemantauan
SW 102 battery	Workshop	Bahan buangan terjadual dihantar ke Pusat pengumpulan Pendawan Mill	Rekod penyimpanan distore dan penghantaran ke Pendawan mill dibuat
SW 305 Lub oil terpakai	Workshop	(Disimpan /lupuskan mengikut akta Alam sekitar 1974(bahan terjadual 2005)	sama
SW 306 Hydraulic oil terpakai	Workshop		sama
SW 410 Filters/ used gloves	Workshop		sama
Tyre terpakai	Workshop	Dikitar semula sebagai pasu bunga	Memastikan ia digunakan untuk

			landskap saja
Biodegradable buangan dapur memasak	Linesite/of fice	Dilupuskan dikawasan pelupusan sampah ladang	Rekod penghantaran ke landfill
Non biodegradable tin plastic bottle	Linesite / office	Program kitar semula .Pengasingan mengikut bahan buangan	Rekod Penjualan bahan kitar semula
Karong baja kosong	Operasi membaja diladang	Cuci 3 kali bilas untuk digunakan sebagai penyimpanan biji lerai	Penggunaan karung yang dicuci dan dibilas 3 kali di rekodkan
Gallon Racun kosong	Operasi meracun di ladang	Cuci 3 kali bilas dan di gunakan untuk premixed gallon sahaja	Penggunaan gallon yang dicuci dan dibilas 3 kali di rekodkan

Non - Conformity

During site verification, evidence waste was not disposed appropriately;

- Storage of Schedule Waste (SW 409) without proper container and label.
- The Non-Biodegradable item such as plastic, bottle and aluminum tin were disposed at the land area

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

Indicator 3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

Summary The Kawayoi Plantation Sdn Bhd of its MSPO Procedure on the Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 as to ensure proper and safe handling, storage and disposal is developed. Refers to dokumen SSOP11.01.01 effective date 02 June 2019.

In Compliance ☒ Yes ☐ No ☐ Not Applicable

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

Summary During site visit it was seen that the chemical containers are been triple rinse and punctured to prevent contamination of water source or to human health. 57 pieces of container is still in the store and yet to dispose.

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 disposal area is more than a ½ Kilometer away from the housing and water course

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 Assessment of polluting activities in the estate conducted on the 07.01.2020 sighted in document "MSPO-06 Lampiran 1: Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Ladang".

Environmental aspect	Environmental impact	Mitigation measure	Monitoring program	Continuous improvement plan
Use of petrochemical for estate power supply	Global warming Depletion of non renewable resource	Generator running hour as scheduled be monitored closely	Recording the diesel consumption.	To apply the renewable energy if available
Use of petrochemical for estate transportation and heavy machineries	Land and water contamination	Stopped the spillage Handle the soiled contaminant into a proper drum.	Schedule maintenance to follow GHC monitoring	Monitoring by the driver/operator to reduce any breakdown incident
Human sewage from linesite/office	Water and land pollution	Stop any leakage/overflow. Contractor to maintain the septic tank repair	House /office inspection	Repair /upgrading of toilet and bath room. new housing as per Worker housing Act 1990 or other applicable act
Domestic waste –biodegradable & Non-biodegradable	Land and water course contamination	Desilting on any permanent water body /within riparian zones Transfer the solid waste to the collection facility.	Segregation of recyclable waste such as plastic paper, glass, tins Training on this segregation awareness	To promote the recycling program. To sell the segregated product as an incentive

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

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

Summary The action plan has been established and implementation is ongoing. As evidence, sighted the environmental management plan for the year 2020 developed to prevent or minimize the pollution.

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

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).
The water management plan may include:

- a) Assessment of water usage and sources of supply.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.
- e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
- f) Where bore well is being used for water supply, the level of the ground water table should be measured at least annually.

Summary Plan documented in Document No: MSPO-08 (Water Management Plan), dated 01.07.2018. Sources of water used for the estate have been identified in document "Identification of Water Source". Analysis of drinking water has been conducted and results as follows: -

Parameter	units	Malaysia water Quality Class IIB	Sample W1 upstream	Sample W2 Down stream
Turbidity	Mg/l	50	15	45
TS Solid	Mg/l	50	18	33
O & G	Mg/l	0.04	Not detected	Not detected
Ammonia Nitrogen	Mg/l	0.3	Less than 0.01	0.10
Nitrate	Mg/l	7	Less than 0.01	Less than 0.01
Phosphate	Mg/l	0.2	Less than 0.01	Less than 0.01

Non - Conformity

During site visit, demarcation of buffer zone is visible through the signages. However, sighted the sprayed area are sparse within the buffer zone area at Block 7 Phase 2.

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 Evidence, no bunds, weirs and dams across the river

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 Sighted during site visit, the house being provided with 200 gallon of PVC water tank.

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 Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities done through a survey on 20th April 2019. Rare and threatened species such as:

- a) Kera
- b) Musang Tanggalong
- c) Beruk
- d) Musang Binturong
- e) Landak Borneo
- f) Teledu
- g) Mengkira
- h) Musang Belang Tenggiling
- i) Ular sawa Panjang
- j) Ular Sawah Darah

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

Indicator 2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:
a) Ensuring that any legal requirements relating to the protection of the species are met.
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

Summary Measures to Discouraging any illegal or inappropriate hunting taken by installing signboard that shows the restriction to hunting in estate area. Sighted "No hunting" signboard during the sight visit in Phase 7

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

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

Summary Management plan sighted in document estate HBV Assessment Report. Management plan was effectively implemented. Verified the Meeting minutes and attendance for Training and awareness programme on HBV to prohibit any activities within wildlife corridor boundary as stated in the point number 3 under HBV Management Plan.

The estate monitored the Assessment area through High Bio Diversity Monthly Monitoring Report.

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 Policy for zero burning practice sighted as per "Polisi Alam Sekitar Kawayoi Plantation Sdn Bhd. SOP for new planting sighted as per "Agricultural Technical Policy No. 2: Land Clearing & Preparation". Point number 2.2.3 stating :Clean clearing with Zero Burning method should be practiced at all time

During site visit there are no trace of burning, zero burning policy is implemented.

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

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

Summary No replanting works carried out in the estate.

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 No replanting works carried out in the estate.

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

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

Summary No replanting works carried out in the estate.

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 Kawayoi Plantation Sdn Bhd established Standard Operating Procedure for estates as listed below:

No.	SOP	Policy No.
1	Pre-development survey, assessment and planning	ATP 1 – 1
2	Land clearing & preparation	ATP 2 - 2
3	The management of oil palm nursey	ATP 3 - 3
4	Road construction	ATP 4 – 4
5	Soil conservation	ATP 5 - 5
6	Establishment & maintenance of mucuna bracteate and other legumes cover crop	ATP 6 - 6
7	Planting & supplying	ATP 7 – 7
8	Palm replacement	ATP 8 – 8
9	Manuring	ATP 9 – 9
10	Pest and disease management	ATP 10- 10
11	Weed control	ATP 11 - 11
12	Bunch census	ATP 12 – 12
13	Harvesting	ATP 13 - 13
14	Frond pruning	ATP 14 -14
15	Water management	ATP 15 – 15
16	Environment	ATP 16 – 16

Person in charge will monitor the work flow and ensure all operations as per guided in the SOP. All SOP and procedures are kept and will be updated periodically.

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 Seen in the Agricultural Technical Policy No.1, Pre-Development Survey, Assessment and Planning under b. Soil Suitability and Topography, Table 1 Land Suitability Classification Based on Terrain stated:-

Terrain Class	Ave. angle of slope	Complex Slope Mapping Units	Oil Palm Suitability Classification
Flat	0-2°	C1	Highly Suitable
Undulating	2-5°	C2	Highly Suitable
Rolling	6-15°	C3	Suitable
Hilly	16-25°	C4	Moderately Suitable
Very Steep	>25°	C5	Unsuitable

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

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

Summary The estate has a visual reference system to identify each field or block. Each field has the signboard with block and phase number, hectare and month & year planting.

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

Criterion 2 Economic and financial viability plan

Indicator 1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

Summary Estate had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

Sighted, Kawayoi Estate Cashflow document for 4 years from 2020 until 2023. Sample as follows: -

Kawayoi Estate				
	2020	2021	2022	2023
FFB Production	5,033 MT	8,309 MT	14,422 MT	20,396 MT
CAPEX (RM)	3,190,000	3,876,000	4,386,000	4,886,000
Gross Revenue @ RM300/MT	1,509,000	2,492,000	4,326,000	6,118,000

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

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

every 3-5 years.

Summary No replanting program, as the first phase planted in year 2013.

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

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

Summary Estate had an annual budget for the financial year 2020. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

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.

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 Sighted, Contract Agreement on "Membekal dan membeli tandan buah segar sawit" between Kawayoi Plantation Sdn Bhd and Pandewan Palm Oil Mill Sdn Bhd dated 1st November 2018.

The Contract valid from 1st November 2018 until 1st November 2022.

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 The Contract Agreement is fair and transparent. Seen, under clause 7. Syarat – Syarat Pembayaran stated " Pembayaran akan dilakukan secara online kepada pembekal. Pembayaran dalam masa 30 hari daripada tarikh invoice dikeluarkan.

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 No contractor being engaged in the Estate.

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

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

Summary No contractor being engaged in the Estate.

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 No contractor being engaged in the Estate.

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 No contractor being engaged in the Estate.

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

2.7 Principle 7 : Development of new planting

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

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

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

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

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

areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

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

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

Criterion 2 Peat land

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

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

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

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

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

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

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

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

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

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

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

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

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

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

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

Criterion 4 Soil and topographic information

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

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

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

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

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

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

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

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

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

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

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

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

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

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

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

Criterion 6 Customary land

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -



Details of Noteworthy / Positive Findings


- 1) Good cooperation and commitment from the management and staff
- 2) Good positive feedback received from internal and external stakeholders.
- 3) Proactive and highly committed Management Team in establishing directions for the middle and upper management in complying with the MSPO certification

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
05 th July 2020	TBA	➤ Travelling to Kota Kinabalu – Keningau, Sabah.	IBI	MRB RMN
06 th July 2020	08:00 – 09:00	➤ Opening Meeting at Kawayoi Estate: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	IBI	MRB RMN
	09:00 – 13:00	Kawayoi Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	IBI	MRB RMN
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	IBI	MRB RMN
	13:00 – 14:00	➤ Lunch	IBI	MRB RMN
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	IBI	MRB RMN
	16:00 – 16:30	➤ Verify any outstanding issues and auditor discussion.	IBI	MRB RMN
	16:30 – 17:00	<ul style="list-style-type: none"> ➤ Closing Meeting at Kawayoi Estate: <ul style="list-style-type: none"> ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	IBI	MRB RMN



Appendix B: Non-Conformity details


Non-Conformities Identified During This Audit			
Major Nonconformities:	4		
Company Name	Kawayoi Plantation Sdn. Bhd.		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N2-MSPO-2019		
NC No. / Ref.	N2/MSPO/MAJOR/01	Date Detected	06/07/2020
Site(s) concern	Kawayoi Plantation Sdn. Bhd.	Target Completion	90 days
Normative Reference and Requirement	4.3.1.1 Major All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Non-Compliance to the local, state and national laws and regulations		
NC Objective Evidence:			
1. Evidence, workers' wages for the month of April 2020 has been paid on 22 nd May 2020 despite the date printed in the pay-slip date printed in was on 7 th May 2020. The practice was not complied to the Sabah Labour Ordinance (Sabah Bab 67) Clause 108 (1) - The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due. 2. 49 units of Fire extinguishers and Permit Barang Kawalan Berjadual, No Series P: S000055 – Diesel (Industry) 10,000 liter was expired on 2 nd April 2020 and 6 th June 2020 respectively.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			



1. Payment of salary was late due to MCO (covid19). Main office in Sibul was closed due to Covid19 cases and delivering cash payment was restricted during that time. 2. Lack of monitoring and communication between estate and HQ (Purchasing Department) was ineffective and Lack of monitoring on permit / licenses in estate.	
Corrective action planned (to be filled by client):	
1. Payment of salary will be paid according to Sabah Labour Ordinance (Cap 67). Section:108 Payment of wages: Sub Sec (1) <i>The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due.</i> 2. To service fire extinguisher immediately and to renew "permit barang kawalan berjadual" immediately.	
Preventive Action (to be filled by client):	
. To ensure salary will be paid accordingly, staff – in charge to submit check roll report end of the month and manager's to follow up the process at all time and ensure the payment made not later than 7 days. . To do close monitoring on fire extinguisher by staff in –charge and to send fire extinguisher 1 month before expired date and to renew permit 2 months before expired date by estate admin.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 10/8/2020	Lead Auditor Signature: 


Company Name	Kawayoi Plantation Sdn. Bhd.		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N2-MSPO-2019		
NC No. / Ref.	N2/MSPO/MAJOR/02	Date Detected	06/07/2020
Site(s) concern	Kawayoi Plantation Sdn. Bhd.	Target Completion	90 days





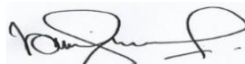
Normative Reference and Requirement	<p>4.4.4.2 Major</p> <p>The occupational safety and health plan shall cover the following:</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>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 meeting are kept and the concerns of the employees and any remedial actions taken are recorded</p>
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern
Description of Non-Conformity	<p>Non-Compliance toward "Procedure Operasi Kerja Selamat" and Occupational Safety and Health (Safety and Health Committee) Regulation 1996, Regulation 21.</p>
NC Objective Evidence:	
<p>d) During the site verification at Phase 2 Block 7, seen no helmet and google being worn by two harvesters during harvesting. Thus, non-compliance with Prosedure Operasi Kerja Selamat dan Piawaian Operasi Bagi Sektor Perladangan bagi " Penuaian Buah / Pemangkasan Dahan Kelapa Sawit</p> <p>g) Evidence, merely one meeting being conducted since establishment of the Estate OSH Committee on 11th July 2019. The meeting was conducted on 11th March 2020.</p> <p>Thus, Incompliance to Occupational Safety and Health (Safety and Health Committee) Regulations 1996 Part IV Meetings Of Safety And Health Committee, 21. Frequency of meetings of committee. (1) A safety and health committee shall meet as often as may be necessary commensurate with the risks attendant on the nature of work at the place of work but shall not meet less than once in three months.</p>	
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
<p>d) Lack of supervision from mandore and field staff.</p> <p>g) Overlook on frequency of meeting by staff in – charge (Safety & Health Officer).</p>	
Corrective action planned (to be filled by client):	
<p>d) To give PPE to the workers and awareness briefing to the workers.</p> <p>g) To do OSH meeting as required by Safety and Health Committee Regulations 1996.</p>	
Preventive Action (to be filled by client):	

d) All of workers need to wear PPE while working. Field staff and mandore to supervise workers PPE and to give warning letter to stubborn workers.	
g) Schedule of OSH meeting to be followed by estate OSH committee.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 10/8/2020	Lead Auditor Signature: 

Company Name	Kawayoi Plantation Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N2-MSPO-2019			
NC No. / Ref.	N2/MSPO/MAJOR/03	Date Detected	06/07/2020	
Site(s) concern	Kawayoi Plantation Sdn. Bhd.	Target Completion	90 days	
Normative Reference and Requirement	4.5.5.1 Major The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). (d) Protection of watercourse and wet lands			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Sighted, spraying activities at buffer zone area.			
NC Objective Evidence: During site visit, demarcation of buffer zone is visible through the signages. However, sighted the sprayed area are sparse within the buffer zone area at Block 7 Phase 2.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client): Lack of monitoring by field staff.				
Corrective action planned (to be filled by client): To put "X" mark with red paint in each of palm inside riparian area. To put riparian signboard and "Di Larang Melakukan Aktiviti Meracun & Membaja".				
Preventive Action (to be filled by client):				

To do close monitoring in all riparian area and to brief and remind all of workers during morning muster call or before work started.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 10/8/2020	Lead Auditor Signature: 

Company Name	Kawayoi Plantation Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N2-MSPO-2019			
NC No. / Ref.	N2/MSPO/MAJOR/4	Date Detected	06/07/2020	
Site(s) concern	Kawayoi Plantation Sdn. Bhd.	Target Completion	90 days	
Normative Reference and Requirement	4.5.3.2 Major A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Non-Compliance to the SOP Waste Management Plan, MSPO – 05 dated 1 st July 2019			
NC Objective Evidence: During site verification, evidence waste was not disposed appropriately; iii. Storage of Schedule Waste (SW 409) without proper container and label. iv. The Non-Biodegradable item such as plastic, bottle and aluminum tin were disposed at the land area.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client):				

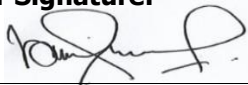
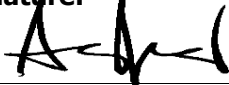
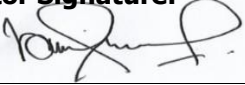
i)	Lack of monitoring by staff in –charge. Store keeper knowledge on scheduled wastes was inadequate.
ii)	Lack of monitoring from staff in – charge and there"s no company that specialist in recycles items in Keningau area. Recycle bin was not used properly.
Corrective action planned (to be filled by client):	
i)	To follow up surat kebenaran penggunaan karung baja terpakai dan gelen racun terpakai from Department of Environment.
ii)	To separate all recycle items in landfill and housing site immediately, to ensure recyclable items separated to 3 types, namely, Plastic, Glass & Aluminium. To build main recycle hut (collection center), collect all together (3 estates) and send to Kota Kinabalu.
Preventive Action (to be filled by client):	
i)	To record, store and handle the items as per surat kebenaran DOE.
ii)	To do close monitoring and ensure all the recycle item separated before domestic waste send to landfill.
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 10/8/2002	Lead Auditor Signature: 

Minor Nonconformities:	0
Area of Concern:	0




Non-Conformities Identified During Previous Audit


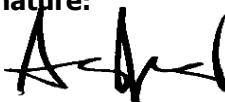
Major Nonconformities:


7

Company Name		Kawayoi Plantation Sdn Bhd	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input checked="" type="checkbox"/>
		Surveillance	<input type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organized Smallholders	
Client Number		GGC-N2-MSPO-2019	
NC No. / Ref.	N2/MSPO/MAJOR/01	Date Detected	12 th June 2019
Site(s) concern	Kawayoi Estate	Target Completion	90 days
Normative Reference and Requirement	4.1.2.3 Major Report shall be made available to the management for their review.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit.		
NC Objective Evidence: No evidence, the non – conformities raised during Internal Audit being closed for Management Review			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Lack of awareness			
Corrective action planned (to be filled by client): The Internal Audit is now closed for Management Review			
Preventive Action (to be filled by client): To ensure the upcoming internal audit be closed before Management Review			
Review of corrective/preventive action (to be filled by Lead Auditor) All the Non- Conformities raised have been closed by the Internal Lead Auditor on 18 th June 2019. All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes No	
Date Verified: 11 th July 2019		Lead Auditor Signature: 	






Company Name	Kawayoi Plantation Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N2-MSPO-2019		
NC No. / Ref.	N2/MSPO/MAJOR/02	Date Detected	12 th June 2019
Site(s) concern	Kawayoi Estate	Target Completion	90 days
Normative Reference and Requirement	4.1.3.1 Major 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.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence all the non-conformities being closed.		
NC Objective Evidence: Evidence, the Management review being conducted without the closure of all non- conformities raised by the Internal Auditor. Thus contradict with MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1 st July 2018 under No 5, Procedure Explanation; Follow-up Audit and Audit Report input to Management Review.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Lack of awareness			
Corrective action planned (to be filled by client): The NCs raised in the Internal Audit are closed, hence Management Review could be conducted			
Preventive Action (to be filled by client): To ensure procedure to be complied with			
Review of corrective/preventive action (to be filled by Lead Auditor) Management Review have been conducted on 28 th June 2019 after all the Non-conformities being closed by Internal Lead Auditor on 18 th June 2019. All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.			
NC Closed: Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified: 11 th July 2019		Lead Auditor Signature: 	


Company Name	Kawayoi Plantation Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N2-MSPO-2019		
NC No. / Ref.	N2/MSPO/MAJOR/03	Date Detected	12 th June 2019
Site(s) concern	Kawayoi Estate	Target Completion	90 days
Normative Reference and Requirement	4.2.1.1 Major 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.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence MSPO Policies being communicated to all Internal Stakeholders.		
NC Objective Evidence: Sighted briefing on MSPO Policies and compliances being conducted to 35 internal stakeholders dated 23 rd March 2019. No evidence, the remaining 120 internal stakeholders being briefed thus far.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Lack of awareness			
Corrective action planned (to be filled by client): All Internal Stakeholders are briefed on MSPO policies and compliances. Date of briefing: 25 th June 2019.			
Preventive Action (to be filled by client): To ensure all new workers are briefed on MSPO policies.			
Review of corrective/preventive action (to be filled by Lead Auditor) Sustainability training have been conducted to all internal stakeholders dated 25 th June 2019. All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.			
NC Closed: Yes <input type="checkbox"/> No <input type="checkbox"/>		Site verification: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	

Date Verified: 11 th July 2019	Lead Auditor Signature: 
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Company Name	Kawayoi Plantation Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N2-MSPO-2019			
NC No. / Ref.	N2/MSPO/MAJOR/04	Date Detected	12 th June 2019	
Site(s) concern	Kawayoi Estate	Target Completion	90 days	
Normative Reference and Requirement	4.4.2.2 Major The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during the audit.			
NC Objective Evidence: Evidence, all the complaints raised by the stakeholders dated 11 th December 2018 by Saulin Sigar on "Meningkatkan tahap penggunaan wifi dan Penambahan printer", 18 th January 2019 and 10 th January 2019 are some without names and being resolve in an effective, timely and appropriate manner as per Kawayoi Plantation Sdn Bhd, Prosedur Pengendalian Aduan dan Cadangan, updated on 25 th February 2019.				
Lead Auditor Signature:		Client Signature:		
				
Root cause Analysis (to be filled by client):				
Lack of awareness				
Corrective action planned (to be filled by client):				
The complaint forms are filled in with details. Date resolved are stated.				
Preventive Action (to be filled by client):				
To ensure the procedure is complied with				
Review of corrective/preventive action (to be filled by Lead Auditor)				
All the evidences submitted were found adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.				
NC Closed:	Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes No		

Date Verified: 11 th July 2019	Lead Auditor Signature: 
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Company Name	Kawayoi Plantation Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N2-MSPO-2019			
NC No. / Ref.	N2/MSPO/MAJOR/05	Date Detected	12 th June 2019	
Site(s) concern	Kawayoi Estate	Target Completion	90 days	
Normative Reference and Requirement	4.5.1.3 Major An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Contradicting between Environmental Improvement Plan and actual practice.			
NC Objective Evidence: Kawayoi Estate have established a mitigation plan under Prosedur Pelan Pengurusan Alam Sekitar (EMP) lampiran 1, dated 1/7/2018-reference number: -MSPO -06. Sighted, under No 8, the mitigation plan stated " Setiap bekas bahan kimia yang terpakai tidak dibenarkan untuk digunakan semula". However, based on the interview with sustainability personnel the chemical containers are still being reused to store water for the purpose of spraying. Thus, contradict with the Environmental Management Plan statements.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client): Lack of awareness				
Corrective action planned (to be filled by client): The procedure & EMP statement are amended according to the statutory and regulatory requirement.				
Preventive Action (to be filled by client): To ensure procedure to be set up in accordance with the statutory and regulatory requirement.				
Review of corrective/preventive action (to be filled by Lead Auditor) Seen, the Environmental Management Plan being amended on 17 th June 2019. The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.				

NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 11 th July 2019	Lead Auditor Signature: 

Company Name	Kawayoi Plantation Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-N2-MSPO-2019			
NC No. / Ref.	N2/MSPO/MAJOR/06	Date Detected	12 th June 2019	
Site(s) concern	Kawayoi Estate	Target Completion	90 days	
Normative Reference and Requirement	4.5.3.3 Major 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.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Standard Operating Procedure for handling of used chemicals are not according to Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 .			
NC Objective Evidence: Procedure for handling of used chemicals and schedule waste sighted in MSPO: Pengurusan Bahan Buangan. Chemical Handling Prosedur Pengoperasian dan Keselamatan, No Dokumen KAWAYOI.SSOP.30.02.02,NO.Rujukan: KAWAYOI/OSH-SSOP-: stated V Bungkus atau bekas yang telah dirosakkan mesti dibungkus dengan beg plastic yang lebih besar bagi mengurangkan risiko pencemaran semasa pengendalian. vi Bungkus serpihan tersebut mestilah ditanam sekurang kurangnya satu meter dari paras tanah di tapak penimbunan/pelupus yang telah dikhaskan dan mempunyai papan tanda amaran) Stating that chemical containers has to be buried 1 meter deep inside the land fill.				
Lead Auditor Signature:			Client Signature: 	
Root cause Analysis (to be filled by client): Lack of awareness				
Corrective action planned (to be filled by client): The procedure for handling of used chemicals and schedule waste is amended accordingly.				
Preventive Action (to be filled by client): To ensure procedure to be set up in accordance with the statutory and regulatory requirement.				
Review of corrective/preventive action (to be filled by Lead Auditor)				

Seen, the Standard Operating Procedure on Chemical Handling being amended on 17th June 2019. The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.

NC Closed: ☒ Yes ☐ No

Site verification: ☐ Yes ☒ No

Date Verified:

11th July 2019

Lead Auditor Signature:



Company Name	Kawayoi Plantation Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N2-MSPO-2019		
NC No. / Ref.	N2/MSPO/MAJOR/07	Date Detected	12 th June 2019
Site(s) concern	Kawayoi Estate	Target Completion	90 days
Normative Reference and Requirement	4.5.3.4 Major 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.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	a) No evidence on record for empty pesticide containers disposed in an environmentally and socially responsible way is available. b) Schedule wastes not disposed as per Environment Quality Act 1974; Environment Quality (Scheduled Wastes) Regulations 2005		
NC Objective Evidence:			
a. There are no record for empty pesticide containers disposed in an environmentally and socially responsible way. During an interview with Jessica Luiroz (working since 2018) told that empty chemical containers were sent to collecting point but there are no traceability was recorded.			
b. During the site visit sighted the lubricant containers inside the land fill. The containers was not disposed as per Environment Quality Act 1974; Environment Quality (Scheduled Wastes) Regulations 2005.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Lack of awareness			
Corrective action planned (to be filled by client):			

- a. The collection (of empty pesticide container) record is updated
- b. The lubricant containers are removed from the land fill.

Preventive Action (to be filled by client):

- a. Records will be checked on a regular basis.
- b. Continuous awareness will be carried out among internal stakeholders.

Review of corrective/preventive action (to be filled by Lead Auditor)

The evidence submitted was adequate and the major non-compliance is closed. Continuous implementation will be further verified in the next assessment.

NC Closed: ☒ Yes ☐ No

Site verification: ☐ Yes ☒ No

Date Verified:

11th July 2019



Lead Auditor Signature:

Minor Nonconformities:

Non-were raised during previous audit.

Area of Concern:

1

Company Name	Kawayoi Plantation Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-N2-MSPO-2019		
NC No. / Ref.	N2/MSPO/AOC/01	Date Detected	12 th June 2019
Site(s) concern	Kawayoi Estate	Target Completion	nil
Normative Reference and Requirement	4.5.1.4 A programme to promote the positive impacts should be included in the continual improvement plan.		
Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of	Continual improvement plan records and documents without document reference number.		
Objective Evidence: Improvement Plan available with the time bound plan of implementation. Document reference number not available for improvement plan.			
Lead Auditor Signature: 		Client Signature: 	

Appendix C: List of Stakeholders Contacted

Internal Stakeholders

- 1) Kawayoi Plantation Sdn Bhd Management team and staff
- 2) Local Workers Representatives
- 3) Foreign Workers Representatives

External Stakeholders

NIL