



Assessment Report

Date: 23 To 24 June

2021


[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances.]

**MSPO 2530:2013
Part 3**

NAME OF CERTIFIED ENTITY	ZMMAS SDN BHD/ LINGKARAN WIDURI SDN BHD/ METRO ENTITY SDN BHD
MSPO CERTIFICATE NO & VALIDITY	MYMS8195289 valid until 7 August 2024
MAIN ADDRESS	A-139, GROUND FLOOR, JALAN AIR PUTIH, 25300 KUANTAN, PAHANG DARUL MAKMUR
REPORT NO	MS21SM 145
TYPE OF CERTIFICATION	GROUPING
TYPE OF AUDIT	DESKTOP REVIEW
AUDIT STAGE	SURVEILLANCE If surveillance No.2

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The assessment is based on sampling on the records, practice, documents and personnel; therefore, the final results of the assessment is of representative towards the system implementation of the organization. This report is generated to record as much of the system implementation information but may still limited due to the sampling. This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		Name: Designation:
Name	Aliff Abu Hurairah Bin Abas	Company stamp
Date	23-24 June 2021	
Email	admin@cciglobe.com; w.hidney@cciglobe.com	
Fax no	038073 2688	

Confidentiality:

The Auditor shall not at any time during his/her assignment or after the completion of his/her assignment disclose to any person any information on business dealings practice or affairs of the establishment or the establishment's clients or any other matters which may come to the knowledge of the auditor by reason of his/her assignment. The Auditor agrees that the material term of this assignment is to keep all Confidential Information absolutely confidential and to protect its release to unauthorized party. The Auditor agrees not to divulge, reveal, report or use any of the Confidential Information which the Auditor has obtained or which was disclosed to the Auditor by the Client as result of the assessment for purposes other than to fulfil the audit objective.

Together, we CARE.

Section A General Information

General	
Audit objectives	<input type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input checked="" type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in fifth years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Applicable National Standards	MS ISO/IEC 17021-1:2015, ACB-OPMC 1, ACB-OPMC 2, ACB-OPMC 3 & ACB-OPMC 4 and MS 2530-3:2013
Issue of certificate	Yes Changes in GPS Coordinates

Scope of Certification	
Scope of certification in English	Provision of Planting and Harvesting of Fresh Fruit Bunch (FFB) by Oil Palm Plantation
Requirement not being applicable	Principle 7 - Development of New Planting
Justification	There is no new planting developed by the management at point of audit
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Puan Siti Norkamariah bt Mohd Amin
Alternate contacts	Mr. Micheal Mikael Fan
Management Representative contact no.	019-225 9737
E-mail address	lingkaranwiduri@yahoo.com
Fax Number	09-9120700
Fixed Line Number	09-9120707
No of Group Members / SPOC	3

Section B Previous Audit Result

The result of the last audit system has been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any nonconformities identified. This review has concluded that:

<input type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

Section C Conclusion

The audit team conducted a process-based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

- ☐ CONGRATULATION and has
- ☒ CONGRATULATION however some processes need to address non-compliance(s) but others has
- ☐ SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

- ☒ demonstrated
- ☐ not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are 1 unresolved issue. Therefore, the audit team recommends that based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

- ☐ Granted (initial certification or recertification)
- ☐ Granted upon the acceptance of the noncompliance(s)
- ☐ Continued (surveillance)
- ☒ Continued (surveillance) upon the acceptance of the noncompliance(s)
- ☐ Withheld
- ☐ Suspend until satisfactory corrective action(s) is completed
- ☐ Others (please specify)

NOTE:

The assessment and recommendation for the initial or continue was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party.

Section D (For Recertification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Aliff Abu Hurairah Abas	Ms Siti Norkamariah bt Mohd Amin Mazila Ghazali	Estate Clerk (Zmmas)
Team member		Estate clerk (Lingkaran Widuri)
W. Hidney		
Trainee auditor		
Observer		

Section F Audit Process Matrix

Next Audit Matrix (legend "☑" plan to cover & covered, "☐" for uncover)

Planned month & year	6/2019	6/2020	6/2021	6/2022	6/2023
Internal Audits	☑	☑	☑	☑	☑
Stakeholder consultation / survey	☑	☑	☑	☑	☑
Use of logo	☑	☑	☑	☑	☑
Follow-up from previous audit finding	☑	☑	☑	☑	☑
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	☑	☑	☑	☑	☑
4.1.2 Internal audit	☑	☑	☑	☑	☑
4.1.3 Management Review	☑	☑	☑	☑	☑
4.1.4 Continual Improvement	☑	☑	☑	☑	☑
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☑	☑	☑	☑	☑
4.2.2 Transparent method of communication and consultation	☑	☑	☑	☑	☑
4.2.3 Traceability	☑	☑	☑	☑	☑
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	☑	☑	☑	☑	☑
4.3.2 Land use rights	☑	☑	☑	☑	☑
4.3.3 Customary rights	☑	☑	☑	☑	☑
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Social impact assessment (SIA)	☑	☑	☑	☑	☑
4.4.2 Complaints and grievances	☑	☑	☑	☑	☑
4.4.3 Commitment to contribute to local sustainable development	☑	☑	☑	☑	☑
4.4.4 Employees safety and health	☑	☑	☑	☑	☑

4.4.5 Employment conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best Practices					
4.6.1 Site management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting					
4.7.1 High biodiversity value	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.2 Peat land	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.4 Soil and topographic information	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.6 Customary land	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
Group Member Audit Matrix (Select Certification)	6/2019	6/2020	6/2021	6/2022	6/2023
Lingkaran Widuri Sdn Bhd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Zmmas Sdn Bhd	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Metro Entity Sdn Bhd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment: 6 md. Recertification: 5/2024

NOTE:

- (i) Recertification should be carried out minimum 2 months prior to the expiry of the certificate
- (ii) The Audit Programme shall include Stage 1 and Stage 2 audit, surveillance audits in the first, second, third and fourth years, and a recertification audit in the fifth year prior to expiration of certification.
- (iii) The recommended minimum on-site audit duration for individual and group certification respectively, which includes the opening meeting, site auditing, document verification, and closing meeting as documented in ACB – OPMC 2, Issue 2, 04 September 2020.
- (iv) Additional auditor days may be required for conducting post audit follow-up activities, such as verification on major non-conformities raised or addressing of any contentious stakeholder issues.

Section G Audit Summary

Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
AA , HN	23 June 2021	9.00am
Opening Meeting <ol style="list-style-type: none"> introduction of the participants, including an outline of their roles; confirmation of the scope of certification; confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; confirmation of formal communication channels between the audit team and the client; confirmation that the resources and facilities needed by the audit team are available; confirmation of matters relating to confidentiality; confirmation of relevant work safety, emergency and security procedures for the audit team; confirmation of the availability, roles and identities of any guides and observers; the method of reporting, including any grading of audit findings; information about the conditions under which the audit may be premature terminated; confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails; confirmation of the status of findings of the previous review or audit, if applicable; methods and procedures to be used to conduct the audit based on sampling; confirmation of the language to be used during the audit; confirmation that, during the audit, the client will be kept informed of audit progress and any concerns; opportunity for the client to ask questions. 		
Auditor	Date	Time
AA, HN	24 June 2021	5.00pm
Closing Meeting <ol style="list-style-type: none"> informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty the method and timeframe of reporting, including any grading of audit findings; the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification; the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit; the certification body's post audit activities; information about the complaint handling and appeal processes. any diverging opinion that are not resolved. opportunity for the client to ask questions. 		

Executive Summary

CARE Certification International (M) Sdn Bhd (CCI) is first private certification body originating from Malaysia, that been accredited by Standard Malaysia under the purview of Ministry of Science, Technology and Innovation (MOSTI). CARE Certification International have been fully complying to ISO 17021. The company is established with CARE of the needs of system certification and training in mind and is one of the leading multi-sector certification body in Malaysia.

CARE Certification International (M) Sdn Bhd (CCI) has vast experience in conducting audits related to MSPO certification. It has certified more than hundred palm oil estates throughout Malaysia. CCI has obtained accreditation from Standards Malaysia for its MSPO certification scheme, holding certificate No. MSPO 28122017 CB 06 since 28 December 2017.

This assessment was conducted on 23 -24 June 2021. The audit plan is included as Appendix 2 of this report. The approach to the audit was to treat the Company as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder was used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment. The computation of the sampling size is elucidated by the following formula as per table below.

This report will be externally reviewed by MSPO approved Peer Reviewer prior to certification decision by CARE Certification International (M) Sdn Bhd. CCI does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by the company, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. Structured worker interviews with male and female workers and staff were held in private at the workplace and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included in this report. The assessment findings for this Surveillance 2 are detailed in last section of this assessment report.

Sampling Calculation

Entity	Initial		Surveillance	Recertification
	Stage 1	Stage 2		
Oil palm estate (40.47 - 100 ha)	1	1.5	2	2
Oil palm estate (101 - 500 ha)	1	3	3	3
Oil palm estate (500 ha onwards)	2	3	4	4
Oil mill	2	3	3	3

Table 1: Recommended minimum on-site audit durations (man-days) for each Operating Unit

Conclusion:

A total of 2 estates were randomly sampled for this round of assessment. This is GROUPING Certification.

(i) Main Assessment Visit (MAV):

$$= \sqrt{}$$

(ii) Surveillance Assessment Visit (SAV):

$$1.6 = 1.5 \sqrt{3} \times 0.6$$

NOTE:

The details in above tables are developed to provide sufficient time under normal circumstances to adequately carry out auditing of a management unit against the certification standards for oil palm management under the MS 2530: Part 3; "General principles for oil palm plantations and organised smallholders". However, the time allocated to the various locations of complex audits must be documented to justify the allocated audit durations. The audit duration is calculated on the basis of 8 hours per day. Audit working days will be calculated to the nearest full or half day.

Summary of Assessment

The assessor(s) concluded that, based on all objective evidences reviewed, observed and discovered during this round of assessment, the Company Does Comply to the MS 2530: Part 3; "General principles for oil palm plantations and organised smallholders" standards and requirements. The following finding(s) were identified:

CATEGORY	Number of Finding (s)						
	P1	P2	P3	P4	P5	P6	P7
Major Nonconformity (Major NCR)							
Minor Nonconformity (Minor NCR)			1				
Observation (OBS)		1	1				
Opportunity for improvement (OFI)							

PRINCIPLE 1	The client has demonstrated an acceptable degree of commitment in embracing the MSPO standard requirements in its entirety through continuous internal compliance assessment as well as bolstering managerial and operational improvements continually.
PRINCIPLE 2	The client is able to maintain its transparency and efficiency in communicating data and information internally and/ or externally. The client has also established an effective system in upholding the traceability elements across its daily operations.
PRINCIPLE 3	Review of documents and physical observations during the audit stint indicated that the client is aware and abide all governing rules and regulations (with several exceptions, if applicable) pertaining its daily operations throughout.
PRINCIPLE 4	The client has demonstrated its ability in providing substantial amount of considerations towards the welfare of all stakeholders. The general and specific wellbeing of its employees (and contractors' employees) were also being sufficiently accounted for.
PRINCIPLE 5	It is evident that the Client has established a considerably holistic approach and plans in mitigating all potential negative environmental impacts arising from its oil palm plantation activities; while simultaneously enhancing the positive impacts.
PRINCIPLE 6	The Client has proved that all operations are governed by certain sets of procedures (with several exceptions, if applicable). Additionally, the Client was able to demonstrate its commitment in upholding proper governance against its business directions as well as contract management.
PRINCIPLE 7	The Client is able to ensure that its new planting exercise is being carried out lawfully and taking into account the surrounding social and environmental aspects. [Omit this entire statement if P7 is not applicable]

NOTE:

By the virtue of random sampling approach, there may exist chances of non-conformities not being identified during the assessment. Such occurrence shall therefore not be related with the assessor's competency and integrity in any way.

Stakeholder Consultation			
List of Stakeholders Interviewed	1. Sungai Terah Palm Oil Mill 2. Jabor Mill 3. Siti Norkamariah Mohd Amin	Position	1. Receiving mill 2. Receiving mill 3. Clerk
Inputs	1. All Stakeholders are aware of the grievances procedure introduced by the Management. 2. All stakeholders complemented the Management for its good rapport and relationship with the stakeholders. 3. All stakeholders were able to demonstrate their understanding towards the relevant MSPO standard requirements made applicable to them		
Management Response	Estate management will continue enhancing its rapport with the stakeholders		
Audit Team Conclusion	The stakeholder consultation was successfully conducted. No complaints or any matters worth of concerns/attention being raised by the stakeholders. The stakeholders were able to demonstrate substantial understanding towards the MSPO standard requirements.		

NOTE:

With reference to ABC- OPMC 4 Issue 2 dated 04 September 2020. Whenever deemed applicable, stakeholder consultation/ interview may be held in order to obtain the internal and external stakeholders' inputs on the Company's compliance towards the MSPO standards and stakeholders' views on areas where the Company could improve. Such consultation will be conducted professionally and in absolute isolation from the Company officials. All comments made by the stakeholders will be recorded and presented in this assessment report.

Competency Criteria of Audit Team

With reference to ABC- OPMC 1 Issue 2 dated 04 September 2020. This assessment has been conducted by the following approved assessor(s) which hold sufficient qualifications and experiences to conduct MSPO Assessment. CARE Certification International (M) Sdn Bhd holds copies of educational qualifications, certificates and audit logs for each of the audit team members. Summary of the Assessor's credentials are as follows:

Criteria	Requirement	Lead Auditor	Auditor
Education	Post-secondary education, college or university diploma/degree in one of the following i. Agriculture; ii. Science & Technology (e.g., Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii. Engineering, Process Technology; iv. Energy Management, Quality Management; v. Social Sciences and/or Anthropology; vi. Business Management; or vii. Other relevant related fields	Aliff Abu Hurairah Abas holds a Master of Science (Hons) Plantation Industry Management from Mara University of Technology (UiTM) Shah Alam	Diploma in Plantation Industry and Management (DPIM), MARA University of Technology, Kota Samarahan

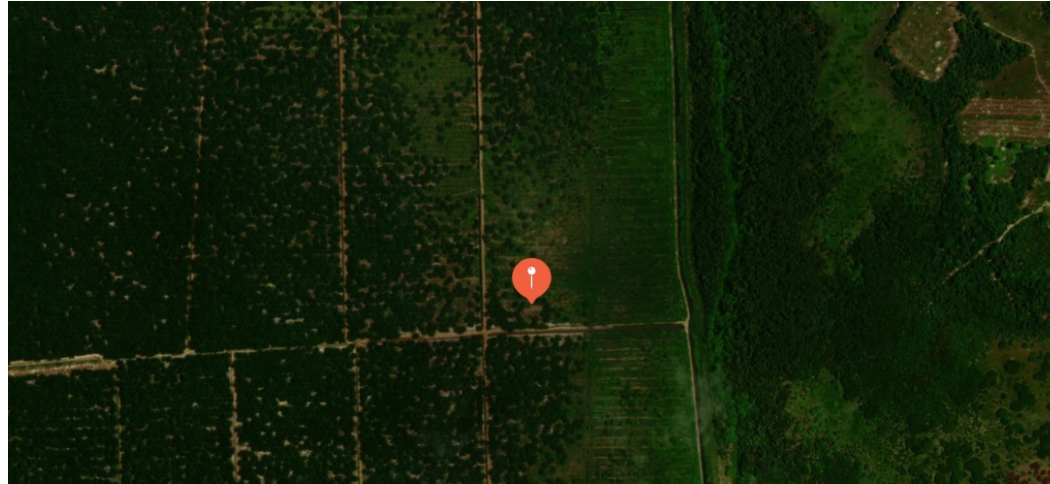
Work Experience	<p>Lead: At least five (5) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p> <p>Auditor: Post Secondary education: At least ten (10) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p> <p>Tertiary education: At least three (3) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p>	<p>He has more than 7 over years of experience in oil palm industry in which, previously working with MPOB as Research Officer and UiTM Jengka, Pahang as a lecturer under Faculty of Plantation and Industry Management.</p> <p>Currently a freelance MSPO Lead Auditor/Auditor and a consultant.</p>	<p>17 years of experience in oil palm operation specializing in quality management, occupational safety & health, food safety and CSR; in Sime Darby Plantations Bhd, Tradewinds Plantation Bhd and BOH Plantation Sdn Bhd</p>
Training	<p>i) Attended the MS 2530 series of standards training or other auditor competency trainings endorsed by MPOCC or MPOB (pre-2016).</p> <p>ii) shall have undergone 40 hours of accredited OR 40 hours of lead auditor course either in Quality Management Systems (QMS) or Environmental Management Systems (EMS) or Occupational, Health and Safety Management Systems (OSH)</p>	<p>He has successfully obtained competency of Lead Auditor courses for Malaysian Sustainable Palm Oil (MSPO 2530:2013) and Auditor/Lead Auditor Integrated Management System (IMS) (ISO 9001:2015 & ISO 14001:2015) course.</p> <p>Furthermore, he also is a qualified MPOB Code of Practice (CoP) Lead Auditor.</p>	<p>Successfully attended Integrated ISO 9001:2015 & ISO 14001:2015 Lead Auditor Course (PSV) and MSPO Auditor Course (OSH-ISIS) in January 2019</p>
Auditing Experience	<p>Lead: Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.</p> <p>Auditor: Conducted a minimum four</p>	<p>He had successfully completed more than 100 man-days assessment as MSPO Auditor within the last 2 years.</p> <p>Apart of MSPO audit, he also had performed MPOB Code of Practices (CoP) for Oil Palm Nursery (CoPN), Code of Good Agricultural Practices (CoGAP) and Code of Good Milling Practices (CoPM) certification under</p>	<p>Conducted more than 100 mandays of MSPO audit under the capacity of Lead Auditor and Auditor with several Certification Bodies in Malaysia</p>

	(4) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	MPOB since 2013.	
General	A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language	Able to speak and understand Bahasa Malaysia and English language.	Able to communicate and understand Bahasa Malaysia and English well

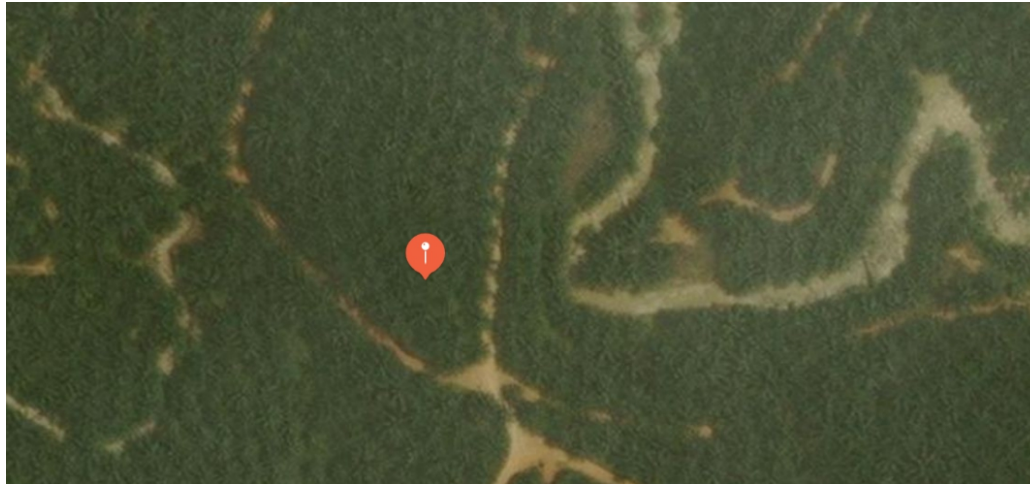
Details of Certified Entity (Grouping Certification)					
1. ESTATE INFORMATION:					
Category of the listed organisation is Estate					
NAME OF UNIT	MPOB LICENSE NO	LOCATION	GPS COORDINATES	CERTIFIED AREAS (HA)	PLANTED AREAS (HA)
ZMMAS SDN BHD	550246010200	MUKIM JABOR, KEMAMAN, TERENGGANU	3.56418, 103.17018	276.45	276.45
LINGKARAN WIDURI SDN BHD	549734002000	MUKIM ULU NENGGIRI, GUA MUSANG, KELANTAN	5.063108, 101.87062	202.35	202.35
METRO ENTITY SDN BHD	617312002000	MUKIM ULU NENGGIRI, GUA MUSANG, KELANTAN	4.70530, 101.68941	141.65	141.65
Other Sustainability Certification		NIL			
Note: (i) Maps showing geographical location, with close-up of the certified estates are attached as in Appendix 1 of this report. (ii) With reference to Circular MPOCC dated 2 April 2021					
2. AREA STATEMENT AND FFB FORECAST:					
Category of the listed organisation is Select					
NAME OF UNIT	CERTIFIED AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR (2020)	YIELD TON/ YEAR	
ZMMAS SDN BHD	276.45	276.45	5729.71	20.73	
LINGKARAN WIDURI SDN BHD	202.35	202.35	4615.34	22.81	
METRO ENTITY SDN BHD	141.65	141.65	-	-	
TOTAL	620.45	620.45	10345.05	16.67	

Appendix 1: Location and Field Map

ZMMAS SDN BHD



LINGKARAN WIDURI SDN BHD

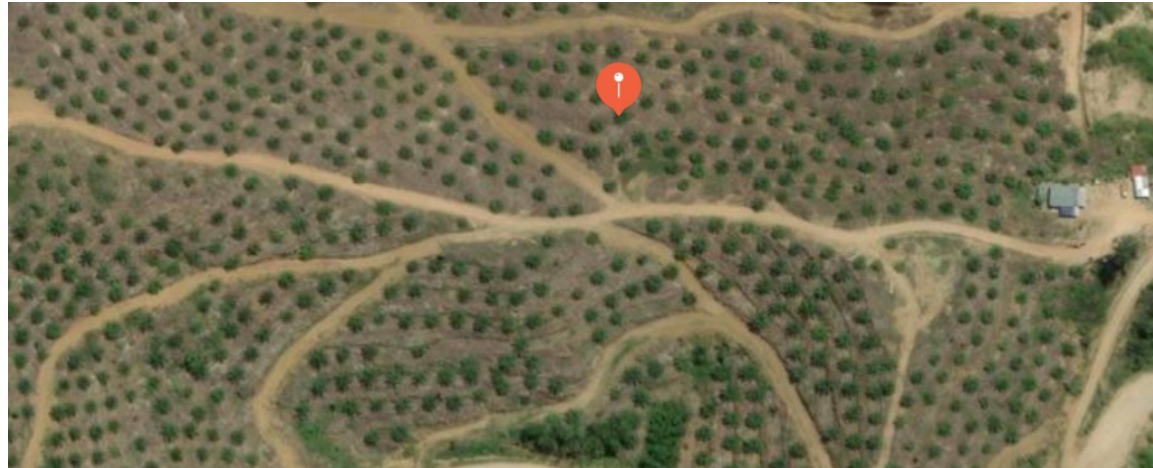


No 16-G, 16-1, Jalan Flora 1/1, Blossom Square Bandar Rimayu, 42500 Telok Panglima Garang, Selangor.

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METRO ENTITY



Appendix 2: Audit Plan

Attention to : Mr. Micheal Mikael Fan (013-916 9668) / Ms. C-Tey (09-567 8587)
 Client name : Zmms Sdn Bhd/ Lingkar Widuri Sdn Bhd/ Metro Entity Sdn Bhd
 Address : A-139, Ground Floor, Jalan Air Putih, 25300 Kuantan, Pahang



Audit Plan for: First/Main/**Surveillance 2**/Re-assessment Assessment Visit

Audit objective:

- To ensure that all elements of the proposed scope of registration and entire requirements of the management standard are effectively addressed by the client.
- Determination of the conformity of the company's management system
- Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.

Job code	MS21SM 145	Lead auditor	Mr Aliff Abu Hurairah (AA)
Scope of cert.	Part 3 : Provision Of Planting And Harvesting Of Fresh Fruit Bunches (FFB) By Oil Palm Plantation	Team member	Mr Hidney Wahid (HN)
Management std	MS2530:2013 Part 3	Trainee Auditor	NA
Revised No.	00	Witness Auditor	NA

Audit scope

- The assessment will be carried out on the client's MSPO management system documentation
- Reviewing the client's status and understanding regarding requirements of the MSPO standard, in particular with respect to the identification of key performance of significant aspects, processes, objectives and operation of the management system;
- To collect necessary information regarding the scope of the MSPO management system, processes and location(s) of the client, and related statutory and regulatory aspects and compliance (e.g. quality, environmental, legal aspects of the client's operation, associated risks, etc);

Date	Time	Assessor	Business area / process	Operation	Clause
23 June 2021 Day 1	0930	AA	Introduction by client Opening meeting		
	1000	AA	Site Visit : Lingkar Widuri Sdn Bhd	Fertiliser store, SW Store, Chemical store, harvesting, spraying, line site, Office, stakeholder premises	

1230	HN	Stakeholder consultation	Office	
	AA	Document review: Principle 1: Management commitment & responsibility - Criterion 1: Malaysian Sustainable Palm Oil (MSPO) Policy - Criterion 2: Internal audit - Criterion 3: Management review - Criterion 4: Continual improvement	Office	4.1 4.1.1 4.1.2 4.1.3 4.1.4
	HN	Principle 2: Transparency - Criterion 1: Transparency of information and documents relevant to MSPO requirements - Criterion 2: Transparent method of communication and consultation - Criterion 3: Traceability	Office	4.2 4.2.1 4.2.2 4.2.3
	1330	LUNCH		
	AA	Stakeholder consultation	Stakeholder premises	
	HN	Principle 3: Compliance to legal requirement - Criterion 1: Regulatory requirements - Criterion 2: Land use rights - Criterion 3: Customary land rights	Office	4.3 4.3.1 4.3.2 4.3.3
	AA	Principle 4: Social responsibility, health, safety and employment condition - Criterion 1: Social impact assessment - Criterion 2: Complaints and grievances - Criterion 3: Commitment to contribute to local sustainable development - Criterion 4: Employees safety and health - Criterion 5: Employment conditions - Criterion 6: Training and competency	Office	4.4 4.4.1 4.4.2 4.4.3 4.4.4 4.4.5 4.4.6
	HN	Principle 5: Environment, natural resources, biodiversity and ecosystem services - Criterion 1: Environmental management plan - Criterion 2: Efficiency of energy use and use of renewable energy - Criterion 3: Waste management and disposal - Criterion 4: Reduction of pollution and emission including greenhouse gas	Office	4.5 4.5.1 4.5.2 4.5.3 4.5.4

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		AA	<ul style="list-style-type: none"> Criterion 5: Natural water resources Principle 6: Best practices <ul style="list-style-type: none"> Criterion 1: Site management Criterion 2: Economic and financial viability plan Criterion 3: Transparent and fair price dealing Criterion 4: Contractor 	Office	4.5.5 4.6 4.6.1 4.6.2 4.6.3 4.6.4
24 June 2021 Day 2	0930	AA	Introduction by client Opening meeting		
	1000	AA	Site Visit : Metro Entity Sdn Bhd	Fertiliser store, SW Store, Chemical store, harvesting, spraying, line site, Office, stakeholder premises	
		HN	Stakeholder consultation	Office	
		AA	Document review: Principle 1: Management commitment & responsibility <ul style="list-style-type: none"> Criterion 1: Malaysian Sustainable Palm Oil (MSPO) Policy Criterion 2: Internal audit Criterion 3: Management review Criterion 4: Continual improvement 	Office	4.1 4.1.1 4.1.2 4.1.3 4.1.4
		HN	Principle 2: Transparency <ul style="list-style-type: none"> Criterion 1: Transparency of information and documents relevant to MSPO requirements Criterion 2: Transparent method of communication and consultation Criterion 3: Traceability 	Office	4.2 4.2.1 4.2.2 4.2.3
	1230		LUNCH		
	1330	AA	Stakeholder consultation	Stakeholder premises	
		HN	Principle 3: Compliance to legal requirement		4.3

		AA	<ul style="list-style-type: none"> Criterion 1: Regulatory requirements Criterion 2: Land use rights Criterion 3: Customary land rights Principle 4: Social responsibility, health, safety and employment condition <ul style="list-style-type: none"> Criterion 1: Social impact assessment Criterion 2: Complaints and grievances Criterion 3: Commitment to contribute to local sustainable development Criterion 4: Employees safety and health Criterion 5: Employment conditions Criterion 6: Training and competency 	Office	4.3.1 4.3.2 4.3.3 4.4 4.4.1 4.4.2 4.4.3 4.4.4 4.4.5 4.4.6
		HN	Principle 5: Environment, natural resources, biodiversity and ecosystem services <ul style="list-style-type: none"> Criterion 1: Environmental management plan Criterion 2: Efficiency of energy use and use of renewable energy Criterion 3: Waste management and disposal Criterion 4: Reduction of pollution and emission including greenhouse gas Criterion 5: Natural water resources 	Office	4.5 4.5.1 4.5.2 4.5.3 4.5.4 4.5.5
		AA	Principle 6: Best practices <ul style="list-style-type: none"> Criterion 1: Site management Criterion 2: Economic and financial viability plan Criterion 3: Transparent and fair price dealing Criterion 4: Contractor 	Office	4.6 4.6.1 4.6.2 4.6.3 4.6.4
	1600	AA	Report Preparation		
	1700		Closing meeting		

Note
Company Information:

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Risk Assessment (Applicable for Remote Audit ONLY)					
Date of Remote Audit: 23-24 June 2021		Name of Auditor/s: AA,HN			
A. Management Responsibility		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company have a management person responsible for the sustainability issues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	The responsible person for both estate: Lingkar Widuri: Zmmas: Puan Siti Norkamariah
2	Has the company conducted the internal audit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Lingkar Widuri: 24-25 May 2021 Zmmas: 17-18 June 2021
3	Has the company organized Management review meeting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Lingkar Widuri: 22 June 2021 Zmmas: 19 June 2021
4	Has the company provided transparent information on the company's operations for the public access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Information related to operation is available
5	Has the company kept real time monitoring records of the estate/mill operation activities? (FFB/CPO sales record)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to FFB sales record and internal harvesting record.
B. Social Aspect		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company have a policy covering the following - respect for human right, - no forced labour, - no child labour, - working condition, - wages & benefits, - non-discrimination, - freedom of association and collective bargaining *Please refer to Principle 4 Criteria 5 Indicator 14 (MSPO Standard)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to MSPO policy, Safety and Health Policy, Social policy signed by Director dated on 1 March 2019
2	Has the site established a management system in place to manage the social issue policies described in question 1?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	Referring to Social Management Plan as listed in this report
3	Has the company resolved any complaints or grievances received from the stakeholder?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	NIL stakeholder complaint recorded
4	During this pandemic of COVID 19, has the company established any guideline or SOP's as to follow the Majlis Keselamatan Negara (MKN) requirement? Are the SOPs updated to the latest standard?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to the minutes of safety meeting to discuss on Covid 19 measurement
		No = 0 Yes = 1			
No	Questionnaire	No	Yes	Rating	Remark
5	Has the company received any complaint from stakeholder?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	NIL stakeholder complaint recorded from the last

					review
6	Is there is any COVID 19 cases in the premise area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	No case reported as of to date
C. Economic Aspect		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company have long term financial management plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to Business management plan as stated in this report
2	Is there a system in place to monitor the implementation of the management plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to minutes of meeting to monitor the performance as stated in this report
D. Environment Aspect		No = 0 Yes = 1			
No	Questionnaire	No	Yes	Rating	Remark
1	Is there any endangered, rare and threatened species observed at the operation site or around it?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	Company declared no endangered, rare or threatened species at site and this is supported by 2019 Biodiversity report and 2021 Biodiversity managemet plan as stated in this report
2	If yes, is there any effort to protect it?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	Company declared no endangered, rare or threatened species at site and this is supported by 2019 Biodiversity report and 2021 Biodiversity managemet plan as stated in this report

Additional Verification for operational sites:

Remark: If the rating for this area shown double High risk been tick, remote audit will not be proceeded. However, if the rating were click double Low or Low and High consideration for remote audit may be proceed depending on the total risk rating scored.

1	How many nonconformity has / nonconformities have been raised during the previous audit? * If more than 3 major nonconformities or total nonconformities are more than 10 findings, please tick High risk column.	LOW	<input checked="" type="checkbox"/>	HIGH	<input type="checkbox"/>
2	Have the previous nonconformities been adequately resolve with sufficient evidence?	LOW	<input checked="" type="checkbox"/>	HIGH	<input type="checkbox"/>

	* If yes please click LOW				
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Decision/ Justification	Remote Audit based on the justification that the company scored 3 points after addressing all the criteria and properly attended to the findings from last review.	Total Score	2
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Total score between 0-4 : Low Risk	Total score between 5-9: Medium Risk	Total score between 10 and above: High Risk
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To be filled by Auditor: Methods and Techniques of MSPO Audit Processes being conducted via Video Conferencing and document sharing via email and whatsapp

NOTE:

With reference to Guidance on Remote Audits due to Covid-19 Pandemic Restrictions, Version 3 Updated Circular (22 March 2021)

AUDIT CHECKLIST			
Verification of previous visit			
Certificate Number	MYMS8195289	Expiry Date	7 August 2024
Stage of Previous Audit	Surveillance Year 1	Date of Audit	4-5 June 2020
No of Findings	1 Non-Conformance/s	1 Observation/s	
Status/ Remark	All the findings raised during last year assessmenet were found to be satisfactorily implemented by the management during this year assessment		
Verification of MSPO Logo			
There was no misused of MSPO logo at point of audit			
P1: Management Commitment & Responsibility			
Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy		
Indicator	Requirement	Findings	
4.1.1.1	A policy for the implementation of MSPO shall be established	Conformity	
The management of both estates had established, maintained and documented the "Polisi Pelaksanaan Dan Komitmen MSPO" dated 28/01/2019, approved by CEO. Verified the policies and sighted the commitment of the management on the compliance to all 7 MSPO principles.			
It was noted that the communication of the policy by displayed he policy at the notice board. Policy was brief to workers during morning muster.			
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	Conformity	
Sighted the policy established had shown emphasize towards commitment for continual improvement for principle 1 until principle 7. The Policy contain: 1. Management Commitment and Responsibility 2. Transparency and Traceability 3. Comply with all applicable statutory and regulatory requirement. 4. Social Responsibility, safe and healthy workplace for our employees. 5. Environment, natural resources, biodiversity system and ecosystem services 6. Best practices 7. Development of new plantings			
Criterion 2	Internal Audit		
Indicator	Requirement	Findings	
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	Conformity	
The management of both estates had established and maintained the documented Internal Audit Checklist/Procedure dated 1 December 2018 as seen during day of audit. Seen the internal audit plan, prepared by Mr. Zulkifli for both estates to be carried out in the month of June 2021.			
4.1.2.2	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	Conformity	

The management had established and maintained the documented Internal Audit Checklist/Procedure dated 1 December 2018 as seen during day of audit. The internal audit was carried out by both estate as shown in details below:

Estate Lingkaran Widuri

Date: 24-25 May 2021

No of issue: 1

NC status: Closed

Estate: Zmmas

Date: 17-18 June 2021

No of issue: 1

NC status: Closed

4.1.2.3	Report shall be made available to the management for their review.	Conformity
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The internal audit report was made available for management to review.

Criterion 3	Management Review	
Indicator	Requirement	Findings
4.1.3.1	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.	Conformity

Sighted the minutes of meeting of management review as seen in the evidence below:

Record: Minutes of meeting, management review

Estate: Zmmas Sdn Bhd

Date: 19 June 2021

Time: 9am

Chairman: Mr. Michael Fan

Attendees: 19

Management review:

1. Internal audit
2. OSH and environmental matters
3. Covid 19
4. MSPO implementation system

Record: Minutes of meeting, management review

Estate: Lingkaran Widuri

Date: 22 June 2021

Time: 9am

Chairman: Mr. Michael Fan

Attendees: 5

Management review:

1. Internal audit
2. OSH matters and environmental matters

3. Covid 19		
4. MSPO implementation system		
Criterion 4	Continual improvement	
Indicator	Requirement	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Conformity
The Company's for both estates' continual improvement plan was reviewed and verified. It was observed that the Company is aspired to procure its best efforts in continually improving the social, environmental, monitoring and operational aspects of its oil palm plantation operations.		
4.1.4.2	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.	Conformity
It was noted and verified that any intentions or plans to adopt new information, techniques, industry standards or technology are incorporated into the above-mentioned plan for consideration and deliberation. Interview with the Estate representatives indicated that the top-level Management is in the view that adopting new methodologies, techniques or technologies is economically and practically not feasible at present. However, the Company is open and ready to accept such assimilation once the situation deems fit.		
4.1.4.3	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.	Conformity
As per 4.1.4.2		
P2: Transparency		
Criterion 1	Transparency of information and documents relevant to MSPO requirements	
Indicator	Requirement	Findings
4.2.1.1	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.	Conformity
The management of both estates had established, maintained and documented the "Komunikasi (Aduan dan Permohonan)" dated 1 December 2018. As stated in the said procedure, the communication for complaint and requested of information by stakeholder.		
4.2.1.2	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.	Conformity
Refer to the Communication Procedure established, all the information requested by stakeholder will be decided by the management before going public. It was noted some of the documents publicly available include policy, procedures and SOP reely access by the stakeholders.		
Criterion 2	Transparent method of communication and consultation	
Indicator	Requirement	Findings
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders	Conformity
The management of both estates had established, maintained and documented the "Komunikasi (Aduan dan Permohonan)" dated 1 December 2018. As stated in the said procedure, the communication for complaint and requested of information by stakeholder		
4.2.2.2	A management official shall nominated officials at the operating unit responsible for issues related to indicator 1 (4.2.2.1)	Conformity
The management of both estates has appointed respectable person as the Communication Officer for the Estate		

as seen below:

1. Lingkaran Widuri: Mohd Fadzli Ishak dated 1 January 2021
2. Zzmas: En Mikall Fan bin Abdullah dated 01/12/2018

4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	Observation
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The management of both estates had established, maintained and documented the list of stakeholders as seen during audit day. The list consists of:

1. Government agency
2. neighboring community
3. Supplier
4. FFB Buyer

OBS 1:

Sighted "Senarai Pihak Berkepentingan". However, noted that there is no evidence that the management for both estates are monitoring and maintaining credentials of stakeholders' relevant to their operations.

Criterion 3	Traceability	
Indicator	Requirement	Findings
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	Conformity

The management had established and maintained the documented Traceability Procedure dated 1 April 2019. A clear procedure and proper guideline to trace the FFB production from harvesting until deliver to the mill comply with certification under Malaysia Sustainable Palm Oil. Identified by management the Flow and the records such as:

- i) FFB delivery record
- ii) Weighing logbook
- iii) Customer weighbridge ticket

4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	Conformity
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The management had kept a proper maintenance of records used for traceability such as daily daily harvesting record, FFB delivery record, weighbridge ticket and monthly sales record. These records were sighted and maintained during day of audit (for month of May 2021).

4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	Conformity
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The management of both estates has appointed respectable person, namely En Mr Mohamed Salahuddin Mohd Asri as the Traceability Officer as seen in the appointment letter dated 1 January 2021 signed Managing Director

4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	Conformity
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Sighted records of FFB delivery was available on site as shown below:

Estate: Zmmas

1. Buyer: Sime Darby Jabor Palm Oil Mill
2. Ticket Number: 108122
3. Date: 8 June 2021
4. Vehicle number: CEH 1392
5. Net weight: 8510kg

Estate: Lingkaran Widuri

1. Buyer: Sg. Terah Palm Oil Mill

2.DO Number: P0094712

3.Date: 21 May 2021

4.Vehicle number: WB3314L

5.Net weight: 13,890kg

P3: Compliance to legal requirements

Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
4.3.1.1.	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations	Nonconformity

Zmmas

MPOB Licence:

Ref no: 502460102000

Valid until 31 October 2021

Area: 276.45ha

Covid 19 Swab test

Workers: C572****, C****438

Clinic: Syed Badaruddin Sdn Bhd

Date: 17 March 2021

Results: Negative

Quit rent:

Lot no: 154, 155

Year: 2020

Workers work permit:

Worker:C****369, C572****

Valid until: 9 April 2022

Lingkaran Widuri

MPOB Licence:

Ref no: 549734002000

Valid until 31 May 2022

Area: 202.35ha

Certificate of Fitness:

Ref no: JTK/ KEL/ 43/2019

Date: 11 June 2019

Covid 19 Swab test

Workers: B****7155, B****0670

Clinic: Primer Gua Musang Sdn Bhd

Date: 21 March 2021

Results: Negative

Workers work permit:

Workers: B****7155, B****0670

Valid until: 9 January 2022

Water Usage permit:

Ref no:PMT/BA (KA) 005/2020

Date: 21 January 2020, valid until 21 January 2022

the management had provided mineral water as source of drinking as seen in the record provided by the management. Sighted also the signature of recipients for month of June 2021.

Levy payment:

Ref no: D10/WPA3000034/06/21

Date: 18 June 2021

OBS 1:

Lingkaran Widuri

The management had stored diesel for operation carried out in the estate. However, the permit for diesel storage was not yet obtained by the management. Sighted the accepted application of said permit from KPDNKK dated on 27 June 2021. Will be verified during next assessment.

Zmmas

The management had obtained permit for diesel storage, ref no: KPDNHEP/KMN/25-18/20 DSK for 200L/day. However, the permit was expired on 6 January 2021. It was noted that the management is currently in the process of renewal as seen in the KPDNHEP website, ref no: PK2021594 shown by management during audit day. Will be verified during next assessment.

NC 1:

Zmmas

There was no evidence to show that the management has paid for a levy on CPO as required under Section 6 (3) Windfall Profit Levy Act 1998 during day of audit.

Lingkaran Widuri

There was no evidence to show that the management had obtained / plan to apply for permit to generate electricity as required under Section 9 (1) Electrical Supply Act 1990

4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	Conformity
<p>The management of both estates had established, maintained and documented the List of legal register and update on 1 March 2021. List of Legal document sighted that has been covered all the related palm oil industry. There are laws and regulations identified in the legal register. Some of applicable laws sighted includes:</p> <ol style="list-style-type: none"> 1) OSHA and regulations 1994 (Act 514) 2) Electrical Supply Act 1990 3) Environmental Quality Act 1974 4) Malaysian Palm Oil Board Act 1998 5) Employment Act 1974 		
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Conformity
<p>Review of the legal register as cited in 4.3.1.2 confirms that all legal requirements are updated and enforceable. Latest regulation updated into the list include:</p> <ol style="list-style-type: none"> 1. Diseases Control and PRevention Act 1988 2. Safe Work Procedure for Prevention of Covid 19 at Workplace 3. Windfall Profit LEvy Act 1998 		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Conformity
<p>The management of both estates has appointed respectable person, namely En Yong Fwu Liang dated 1 January 2021 as the Legal Officer for the Estate to monitor compliance of regulatory requirement, track and update the changes in regulatory requirement, perform any further function that may be required by employer to enable the implementation of MSPO.</p>		
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users	Conformity
<p>It was noted that the Management of both estates are aware of its legal boundary stones surrounding its establishment. Field maps depicting the boundary stone locations were also reviewed.</p>		
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	Conformity
<p>Verified sample of the land titles and information are as below:</p> <p>Estate: Zmmas</p> <p>Lot no:</p> <p>528</p> <p>531</p> <p>530</p> <p>529</p> <p>Kategori Penggunaan Tanah: NIL Syarat Nyata : NIL</p> <p>Estate: Lingkaran Widuri</p> <p>Lot no:</p> <p>5437</p> <p>5506</p> <p>Kategori Penggunaan Tanah: Pertanian Syarat Nyata : Kelapa Sawit</p>		
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Conformity
<p>It was noted that the Management is aware of its legal boundary stones surrounding its establishment. Field maps depicting the boundary stone locations were also reviewed.</p>		

4.3.2.4	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).	Conformity
An interview with the Management Representative and verification of complaints / communication records indicated that no land ownership dispute arose thus far.		
Criterion 3	Customary rights	
Indicator	Requirement	Findings
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	Conformity
Estate operation is not under customary right land.		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	Conformity
Estate operation is not under customary right land.		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	Conformity
Estate operation is not under customary right land.		
P4: Social Responsibility, Health, Safety and Employment Condition		
Criterion 1	Social impact Assessment (SIA)	
Indicator	Requirement	Findings
4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones	Conformity
<p>Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. Noted that the management has documented "Social Impact Assessment (SIA)" on 1/4/2019, and was recently updated on 1/2/2021. Action plan to mitigate the social impact is adequately deliberated within the "Pelan Impak Sosial 2021".</p> <p>Noted that the following were highlighted;</p> <ol style="list-style-type: none"> 1. Pengendalian hal berkaitan masalah sosial 2. Bekalan Air Bersih di perumahan pekerja menggunakan "tube well" 3. Membenarkan jalan utama ladang kepada orang Felda Chiku 		

Criterion 2	Complaints and grievances	
Indicator	Requirement	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented	Conformity
Complaint and grievance procedure is adequately deliberated within the "Komunikasi (Aduan dan Permohonan)", established on 1/12/2018. Process for handling complaint/ grievances were appropriately outlined within the procedure. Sighted the flow chart for the complaint and grievance process.		
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	Conformity
Complaint and grievance procedure is adequately deliberated within the "Komunikasi (Aduan dan Permohonan)", established on 1/12/2018. Process for handling complaint/ grievances were appropriately outlined within the procedure. Sighted the flow chart for the complaint and grievance process.		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Conformity
Interview with sampled stakeholders confirmed that they are aware of the availability of complaint boxes and complaint forms on-site and that they are aware of the complaint/ grievance procedure established by the management and complaint can be lodged directly to the management at any given time.		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	Conformity
Interview with sampled stakeholders confirmed that they are aware of the availability of complaint boxes and complaint forms on-site and that they are aware of the complaint/ grievance procedure established by the management and complaint can be lodged directly to the management at any given time.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	Conformity
Complaint and grievance procedure is adequately deliberated within the "Komunikasi (Aduan dan Permohonan)", established on 1/12/2018. Process for handling complaint/ grievances were appropriately outlined within the procedure. Sighted the flow chart for the complaint and grievance process. Noted that there is no complaint received by the management as of yet.		
Criterion 3	Commitment to contribute to local sustainable development	
Indicator	Requirement	Findings
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	Conformity
Objective evidence to show that the management is actively partaking into local community's sustainability development as the following:		
1. Sumbangan Kewangan dan Tawaran Tajaan Kelantan United FC - 25/9/2019 2. Sumbangan hamper Hari Raya to NGO - 23/5/2020 3. Sumbangan hamper Hari Raya to workers - 24/5/2020 4. JKK Pos Pulat - Monthly		

Criterion 4	Employees safety and health	
Indicator	Requirement	Findings
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented	Conformity
Verified the "Polisi Keselamatan & Kesihatan", dated 1/3/2019. Interview with the sampled stakeholders confirms that the management has adequately communicated the policy through briefings and meetings. Noted that the policy is being displayed on-site.		
4.4.4.2	The occupational safety and health plan shall cover the following:	
a) A safety and health policy, which is communicated and implemented		Conformity
As per 4.4.4.1		
b) The risks of all operations shall be assessed and documented		Conformity
<p>"HIRARC" was established on 1/12/2018, adequately covers all essential activities within the estate operation as the following;</p> <ol style="list-style-type: none"> 1. Pejabat 2. Sekuriti 3. Kawalan rumpai 4. P&D 5. Pengurusan sempadan 6. Bancian 7. Pemangkasan 8. Pembajaan 9. Pekerja am 10. Penyeliaan tempat kerja 11. Penuaian 		
c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:		Conformity
<ol style="list-style-type: none"> 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. 		
<p>Sighted "Program Latihan 2021" which incorporates the relevant training topics as the following:</p> <ol style="list-style-type: none"> 1. Latihan Prosedur Racun Tikus 2. Latihan Prosedur Membaja 3. Demostrasi bancuhan racun/ rawatan air 4. Pengenalan Safety Data Sheet (SDS) 5. Demostrasi Kemalangan/ Keracunan (First Aid) 6. Demostrasi Tumpahan minyak/ bahan kimia <p>Records for training conducted prior to this assessment were sighted and verified for both estates.</p>		

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).	Conformity	
PPE issued to estate's workers is appropriately recorded and documented within the "Rekod Pemberian PPE kepada Pekerja", commensurating with the risk identified within the documented HIRARC mentioned in 4.4.4.2 (b)		
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.	Conformity	
The management has established and maintained "Prosedur Pengurusan Bahan Kimia", dated 1/12/2018 which outlined procedure for chemical handling, storage, purchasing, mixing and waste disposal. Verified that the management has conducted and documented CHRA for both estates by Hj Shaari Chin (JKKP HIE 127/171-2(124)) on 18/3/2019.		
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.	Conformity	
Management has nominated the following OSH Officer for the estate. Interview with the appointed officer confirmed that he is aware of his appointment and was able to described his responsibility 1. Lingkaran Widuri - Mohamed Salahuddin Mohamad Asri (1/1/2021) 2. Zzmas - Mikael Fan Abdullah (14/9/2018)		
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.	Conformity	
The management is maintaining communication on OSH through OSH meeting and daily briefing. Noted that the most recent OSH meeting conducted as the following; 1. Lingkaran Widuri - 5/4/2021 2. Zzmas - 5/3/2021		
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	Conformity	
Verified "Prosedur Kecemasan Dan kemalangan", dated 1/4/2019. Interview with the sampled stakeholders confirmed that the ERP are complied and understood accordingly.		
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	Conformity	
First aid kit is included in the "Program Latihan 2021". Noted that first aid kit is available on site.		
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	Conformity	
Noted that there was no incident occurred in FY2020. The management has submitted JKPP8 for FY2020 on 27/1/2021 as per the requirement stated within the Occupational Safety And Health Act 1994, Sec 32 (1)		
Criterion 5	Employment conditions	
Indicator	Requirement	Findings
4.4.5.1	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	Select
The management has established "Polisi Kemasyarakatan Dan Hak Asasi Manusia", dated 1/4/2019, which appropriately emphasizes the following:		

1. Comply with the Employment Act 1955, Industrial Relation Act 1967 etc
2. Provide equal opportunity and treatment to all employees
3. Employee remuneration and employment terms and conditions
4. Prevent all forms of sexual harassment

Interview with the sampled stakeholders confirms that the management has adequately communicated the policy through briefings and meetings and that they are aware of the establishment of such policy by the management.

4.4.5.2	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.	Conformity
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The commitment to equal opportunity is evident in the "Polisi Kemasyarakatan Dan Hak Asasi Manusia" Social Policy".
Refer to 4.4.5.1.

4.4.5.3	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.	Conformity
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It was concluded during the review that the employees' pay and condition meet legal minimum standards and as per the agreed contract. Checked and verified that the workers payslip as the following:

Lingkaran Widuri

1. Bukran - Harvesting
2. Yudi - Harvesting

Zzymas

1. Rafiqul - Harvesting

Noted that the payment are in consistent with the industry minimum standards and as per the sampled collective agreement.

4.4.5.4	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	Conformity
Noted that the management does not engage any contractors for services within its operation.		
4.4.5.5	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.	Conformity
Checked and verified the "Employee Register", which maintained the details on employees' Name, Nationality, Date of birth, date of entered, date start employment, passport no, passport expiry date, visa number, visa expiry date, etc		
4.4.5.6	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	Conformity
With reference to 4.4.5.3, the management has appropriately documented employment contracts for all employee. Document review concluded that the contract agreement were done in a transparent and fair manner, demonstrated with the acceptance of contract by both parties		
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	Conformity
Workers' attendance are monitored through "Checkroll Book". Working hours are in accordance to the employment agreement.		
4.4.5.8	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	Conformity
Refer to 4.4.5.7		
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements	Conformity
With reference to 4.4.5.3, it was concluded that the employment agreements were done in a transparent and fair manner, demonstrated with the acceptance of agreement by both parties. The payslips for the month of April 2021 for the sampled workers mentioned in 4.4.5.3 confirms that they are paid based on the employment agreement and in accordance to the industry minimum standards		
4.4.5.10	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	Conformity
With reference to the employment contract, the management has provided appropriate social benefits to its employee, i.e medical, bonus, increment, SOCSO, EPF, training & development etc.		
4.4.5.11	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.	Conformity
Noted that Zzymas does not host any living quarters within its operation.		

Noted that Lingkaran Widuri is monitoring the living quarters within its estate. Sighted "Pemantauan Mingguan Kawasan Perumahan".		
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace	Conformity
Management commitment of sexual harassment and violence prevention at workplace is evident in the "Polisi Kemasyarakatan Dan Hak Asasi Manusia"Social Policy". Refer to 4.4.5.1.		
4.4.5.13	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.	Conformity
The management's commitment to honor the workers' rights to join or form a trade union is evident in the "Polisi Kemasyarakatan Dan Hak Asasi Manusia"Social Policy". Refer to 4.4.5.1.		
4.4.5.14	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.	Conformity
Document review on the employee list, noted that there are no children or young person's exploitation by the management. Interview with the sampled stakeholders confirmed that no such practice observed within the estate operations.		
Criterion 6	Training and competency	
Indicator	Requirement	Findings
4.4.6.1	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.	Conformity
<p>The management has established an annual training programme for FY2021 as sighted within "Program Latihan 2021" which incorporates training topics as the following:</p> <ol style="list-style-type: none"> 1. Latihan berkaitan undang-undang (cth: OSHA, FMA, EQA & lain-lain) 2. Pengenalan Polisi Syarikat 3. Siasatan kemalangan 4. Latihan Prosedur Racun Tikus 5. Latihan Kompetensi Pemandu Traktor 6. Latihan Prosedur Penuai 7. Demostrasi Kemalangan/ Keracunan (First Aid) 		

4.4.6.2	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.	Conformity
"Keperluan Latihan 2021" was sighted and verified, covering all employees engaged by the management. The topics listed within the training needs analysis commensurate with that of annual training programme mentioned in 4.4.6.1.		
4.4.6.3	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.	Conformity
The management has appropriately demonstrates commitment for continuous training programme by documenting training programme and TNA as mentioned in 4.4.6.1 and 4.4.6.2.		
P5 Environment, Natural Resources, Biodiversity and Ecosystem Services		
Criterion 1	Environmental management plan	
Indicator	Requirement	Findings
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	Conformity
<p>The company had established and maintained the documented "Polisi Alam Sekitar" dated 28/01/2019 and approved by the Director. Sighted the commitment on the environmental as below:</p> <p>a) Comply with all legal requirements b) Increasing awareness in environmental c) Improve efficiency in energy use and waste</p> <p>Based on the interview session with the sample employees, it was noted that they have awareness on this policy.</p>		
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations	Conformity
<p>a) As per 4.5.1.1 b) The management of both estates has established Environment Aspect Impact Assessment dated 01/12/2018 for estate activities in the estate. Sample of assessment as shown below: Activity: Chemical Spraying Aspect: Chemical spraying Impact: Ground and Water pollution Severity (3), Likelihood 2, Score 6. Mitigation: SOP of Riparian Zone and SOP spraying</p>		
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	Conformity
<p>Seen that the management had developed a environmental management plan for year 2021 prepared by Pn. Siti Kamariah dated 1 February 2021 as shown below:</p> <ol style="list-style-type: none"> 1. To establish Schedule Inventory Record 2. To provide briefing to workers on zero burning practices 3. To establish bund surrounding the store 		

4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan	Select
As per 4.5.1.3		
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	Select
<p>It was noted that the Management has conducted briefing on Environmental aspects as shown below:</p> <p>Estate: Zmmas</p> <p>Document: Attendance record and minutes of meeting</p> <p>Topic: Schedule waste management</p> <p>Date: 5 March 2021</p> <p>Chairman: Mr. Michael</p> <p>Attendees: 19</p> <p>Estate: Lingkaran Widuri</p> <p>Document: Attendance record and minutes of meeting</p> <p>Topic: Schedule waste management</p> <p>Date: 5 April 2021</p> <p>Chairman: Mr. Mikael Fan</p> <p>Attendees: 5</p>		
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed	Conformity
<p>It was noted that the Management has conducted a meeting to discuss on Environmental aspects as shown below:</p> <p>Estate: Zmmas</p> <p>Document: Minutes of meeting</p> <p>Date: 5 March 2021</p> <p>Chairman: Mr. Michael</p> <p>Attendees: 19</p> <p>Estate: Lingkaran Widuri</p> <p>Document: Minutes of meeting</p> <p>Date: 5 April 2021</p> <p>Chairman: Mr. Mikael Fan</p> <p>Attendees: 5</p>		

Criterion 2	Efficiency of energy use and use of renewable energy	
Indicator	Requirement	Findings
4.5.2.1	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.	Conformity
The management of both estates had established a record of non-renewable energy usage that includes diesel and electricity. The usage was monitored on monthly basis that includes actual and baseline values as sighted in the diesel and electricity usage provided by the management.		
4.5.2.2	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.	Conformity
As per 4.5.2.1		
4.5.2.3	The use of renewable energy should be applied where possible	Conformity
Lingkaran Widuri The management used solar energy to generate electricity for domestic supply in the estate. Sighted record of monitoring on solar usage for year 2021 during day of audit.		
Criterion 3	Waste management and disposal	
Indicator	Requirement	Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Conformity
The management of both estates had established, maintained and documented the procedure "Pengendalian Bahan Buangan" and listed waste as below: a) Used empty container b) Used engine oil c) used battery d) Used fertilizer bag e) Domestic organic waste The waste management plan was developed on 1 January 2021 (Lingkaran Widuri) and 1 February 2021 (Zmmas) that listed several wastes generated by estate and action to manage said wastes		
4.5.3.2	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. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	Conformity
As per 4.5.3.1		
4.5.3.3	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.	Conformity
The management of both estates had established, maintained and documented the procedure Pengendalian Bahan Kimia" dated 01/12/2018. The schedule waste inventory record established was updated by Pn Siti Kamariah.		
4.5.3.4	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	Conformity

	pesticide containers.	
Noted all the empty pesticide container are reuse for the weeding activity. As per 4.5.3.3		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	Conformity
Sighted waste management plan for domestic waste was established and updated on 1 January 2021. Based on waste management plan, the domestic waste generated by both estates will be managed and monitored by: 1. Monitoring of Linesite 2. Prepare landfill area away from water course and residential area 3. Establish Collection Schedule and Person In Charge		
Criterion 4	Reduction of pollution and emission	
Indicator	Requirement	Findings
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent	Conformity
As per 4.5.1.2b		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	Conformity
Zmmas Part of the plan to reduce pollutants and emissions generated by estates was to service machineries used in the estate. Sighted the record of lorry (CEH 1392) inspection record carried out by Mr. Heryusdi Mohd Tahir and verified by Mr. Micheal Fan.		
Criterion 5	Natural water resources	
Indicator	Requirement	Findings
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	
a) Assessment of water usage and sources of supply.		Conformity
Both estates supply water for domestic consumption as below: Zmmas: Syarikat Air Terengganu Lingkaran Widuri: Spring water the management had provided mineral water as source of drinking as seen in the record provided by the management. Sighted also the signature of recipients for month of June 2021		
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities		Conformity
Lingkaran Widuri & Zmmas Based on the past year report and interview session with the sample employees, it was confirms that no natural waterways traverse through the estate		
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.).		Conformity
Lingkaran Widuri & Zmmas The establishment of silt pits in the Estate was dedicated predominantly to collect rainwater for effective palm tree irrigation, nutrient uptake and soil moisture conservation. The maintenance of softgrasses also was seen to serve		

similar functions		
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.		Conformity
Lingkaran Widuri & Zmmas Based on the past year report and interview session with the sample employees confirmed that was no natural waterways traverse through the Estate.		
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.		Conformity
Per findings in 4.5.7.1 (d), a restoration plan/schedule was not established		
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.		Conformity
Lingkaran Widuri & Zmmas No bore well is used for water supply.		
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Conformity
Lingkaran Widuri & Zmmas Per findings in 4.5.5.1 (d), construction of such structures was not observed during the field walkabout.		
4.5.5.3	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).	Conformity
Lingkaran Widuri & Zmmas The establishment of the water drainage system in the Estate was dedicated predominantly to collect rainwater for effective palm tree irrigation, nutrient uptake and soil moisture conservation.		
Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area	
Indicator	Requirement	Findings
4.5.6.1	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.		Conformity
Refer to Biodiversity Management Report dated 1 May 2019 established and maintained by both estates, sighted the identification of the species such as monkey, snakes, owl and birds as below: 1) Wild bores- Status IUCN: LC 2) Monkeys- Status IUCN; LC 3) Landak raya- Status IUCN: LC 4) Lizards: Status IUCN: LC 5) Owls: Status IUCN: LC 6) Ayam Hutan: Status IUCN: LC		
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.		Conformity
As per 4.5.6.1a		

4.5.6.2	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	Conformity
Refer to Biodiversity Management plan dated 1 January 2021, the management of both estates had plan to: 1. Elephant threat at plantation - To demarcated area of potential threat into the estate map 2. To display and maintained appropriate signages in the estate 3. To plant more beneficial plants in the estate		
b)	Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts	Conformity
It was noted that "No Hunting" and "No Fishing" signboard were placed at the estate entry and estate border to the nearer Villages.		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	Conformity
As per 4.5.6.2a and 4.5.6.2b		
Indicator 7	Zero burning practices	
Indicator	Requirement	Findings
4.5.7.1	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.	Conformity
The company of both estates had established and maintained the documented "Polisi Alam Sekitar" dated 28/01/2019 and approved by the Director. Sighted the commitment on the environmental as below: a) Comply with all legal requirements IT was noted also that based on the Waste Management Plan, the management commit to prevent open burning by providing landfill area away from water course and residential area		
4.5.7.2	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.	Conformity
Not applicable, no special approval requested and no required by estate management.		
4.5.7.3	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.	Conformity
Not applicable, no special approval requested and no required by estate management.		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Conformity
Not applicable, no special approval requested and no required by estate management.		
P6: Best Practices		
Criterion 1	Site management	
Indicator	Requirement	Findings
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	Conformity
Verified operating procedures for SOP estate activities, covering vital operations within the estates as the following: 1. Menuai dan Mengakut BTS ke ramp		

2. Pengurusan Rumpai 3. Mengangkut BTS ke Kilang/Pusat Pengumpulan Buah 4. Menebas dan Mencantas Anak kayu 5. Membaja		
4.6.1.2	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.	Conformity
Document review confirm that the estate is established on an undulating and hilly terrains. None of the area within the estate is established on area of more than 25-degree elevation and there is no incident of soil erosion being observed. The management has adequately practicing proper terracing, silt pit, frond stacking and maintaining soft grass to prevent soil erosion.		
4.6.1.3	A visual identification or reference system shall be established for each field.	Conformity
Verified the field block visual identification is stenciled at the palm trees and also displayed in signage at the boundary/corners. Information on the planting year, field number and area size are shown.		
Criterion 2	Economic and financial viability plan	
Indicator	Requirement	Findings
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Conformity
Noted that the management is constantly monitor its operation's economic and financial viability via "Business Plan 2020-2021" as the following: 1. Anggaran hasil (tan) 2. Anggaran OER (%) 3. Anggaran kos operasi (RM) 4. Anggaran kos (RM/tan) 5. Anggaran harga sawit (RM/tan) Also sighted "Belanjawan Operasi Ladang" which demonstrate the management's commitment to monitor its performances.		

4.6.2.2	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	Conformity
Replanting programme is sighted within the "Belanjawan Operasi Ladang - Pelan Penanaman Semula". However, noted that the management is not planning any replanting in the near future.		
4.6.2.3	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.	Conformity
As per 4.6.2.1		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Conformity
The company's performance is monitored by the top management utilizing the business management plan described in 4.6.2.1.		
Criterion 3	Transparent and fair price dealing	
Indicator	Requirement	Findings
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Conformity
Sighted purchase agreement between the management and the receiving mill as the following. Pricing agreement transpired between the management and the mills are clearly defined within the agreement and all parties have signed the document to indicate their acceptance to its T&C.		
1. Lingkaran Widuri - Sungai Terah Palm Oil Mill 2. Zymas - Jabor Mill		

4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	Conformity
Sighted purchase agreement between the management and the receiving mill as the following. Pricing agreement transpired between the management and the mills are clearly defined within the agreement and all parties have signed the document to indicate their acceptance to its T&C.		
Criterion 4	Contractor	
Indicator 1	Requirement	Findings
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information	Conformity
Noted that the management does not engage any contractors for services within its operation.		
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Conformity
Noted that the management does not engage any contractors for services within its operation.		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	Conformity
Noted that the management does not engage any contractors for services within its operation.		
4.6.4.4	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	Conformity
Noted that the management does not engage any contractors for services within its operation.		
P7: Development of new plantings		
Criterion 1	High biodiversity value	
Indicator	Requirement	Findings
4.7.1.1	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.	Select
Not Applicable		
4.7.1.2	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	Select
Not Applicable		
Criterion 2	Peat Soil	
Indicator	Requirement	Findings
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	Select
Not Applicable		

Criterion 3	Social and Environmental Impact Assessment (SEIA)	
Indicator	Requirement	Findings
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	Select
Not Applicable		
4.7.3.2	SEIA shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.	Select
Not Applicable		
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	Select
Not Applicable		
4.7.3.4	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.	Select
Not Applicable		
Criterion 4	Soil and topographic information	
Indicator	Requirements	Findings
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation	Select
Not Applicable		
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure	Select
Not Applicable		
Criterion 5	Planting on steep terrain, marginal and fragile soils	
Indicator	Requirements	Findings
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	Select
Not Applicable		
4.7.5.2	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.	Select
Not Applicable		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion	Select
Not Applicable		
Criterion 6		
Indicator	Requirements	Findings

4.7.6.1	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	Select
Not Applicable		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	Select
Not Applicable		
4.7.6.3	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	Select
Not Applicable		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	Select
Not Applicable		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	Select
Not Applicable		
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	Select
Not Applicable		
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.	Select
Not Applicable		
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	Select
Not Applicable		

Audit Findings	
OBS 1: 4.2.2.3	Sighted "Senarai Pihak Berkepentingan". However, noted that there is no evidence that the management for both estates are monitoring and maintaining credentials of stakeholders' relevant to their operations
OBS 2: 4.3.1.1	Lingkaran Widuri The management had stored diesel for operation carried out in the estate. However, the permit for diesel storage was not yet obtained by the management. Sighted the accepted application of said permit from KPDNKK dated on 27 June 2021. Will be verified during next assessment
The management had obtained permit for diesel storage, ref no: KPDNHEP/KMN/25-18/20 DSK for 200L/day.	

However, the permit was expired on 6 January 2021. It was noted that the management is currently in the process of renewal as seen in the KPDNHEP website, ref no: PK2021594 shown by management during audit day. Will be verified during next assessment.

NC 1: 4.3.1.1

Zmmas

There was no evidence to show that the management has paid for a levy on CPO as required under Section 6 (3) Windfall Profit Levy Act 1998 during day of audit.

Lingkaran Widuri

There was no evidence to show that the management had obtained / plan to apply for permit to generate electricity as required under Section 9 (1) Electrical Supply Act 1990

During the assessment_1_nonconformities were identified.

All Non-conformance will be further detailed in CAR Form # CCI-QP-07-3B

Note:

The assessment has been assessed and summary of the findings by Principle and Criteria – MS 2530-3:2013

Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders.