



Assessment Report

Date: 31st October, 1st & 2nd November

2019



[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

Company name	Agrow Resources Sdn Bhd Mountain Star Sdn Bhd Amalsterling (M) Sdn Bhd
Address	1. HSD 607, Lot PT 389, Mukim Kertau, 26500 Maran, Pahang 2. Lot PT 1410, 1411, 1412, Mukim Perak, 28000 Temerloh, Pahang. 3. GM 6745, Lot T 913, MukimMSPO Triang, 28300 Bera, Pahang
Report no	MS19MM349
Status of audit	Main Assessment If surveillance NA

Thank you for your trustful cooperation during our audit of your organisation. 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 organisation. This report may 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, organisational status (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: Yong Suan Hoo U.I. No: 61625-04-5265 Position: Director
Name	Mithole Leong	AGROW RESOURCES SDN BHD (ISSUES H) No. 6080, Kampung Peral, Machap Umbau Baru, 78000 Alor Gajah, Melaka.
Date	2 nd Nov 2019	
Email	admin@cciglobal.com	
Fax no	03-80732688	

Section A General Information

General

Audit objectives	<input checked="" type="checkbox"/>	To verify that the system initial implementation is in accordance to requirements of the standard adopted.
	<input 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 third years of implementation is in accordance to the standards adopted.
	<input type="checkbox"/>	Other, (please specify)
Integrate Assessment	No	
Issue of certificate	Yes	

Scope of Certification

Scope of certification in English	The Provision of Planting and Harvesting of Fresh Fruit Bunch (FFB) By Organised Plantation
Requirement not being applicable	P7 - Development of New Planting
Justification	The company doesn't have any new planting activities.
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details

Management Representative	Mr. Yong Swu Hwa
Alternate contacts	Mr. Yong Chin Yeng
Management Representative contact no.	019-9329009 / 016-6709289
E-mail address	chinyung_1995@hotmail.com
Fax Number	-
Fixed Line Number	-
NO OF SPOC/ GROUP MEMBERS	3

Section B Previous Audit Result

The result of the last audit system have 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 NIL 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
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
Michele Leong	Yong Swu Hwu Yong Chin Yeng	Director Supervisor
Team member		
NIL		
Trainee auditor		
NIL		
Observer		
NIL		

Section F Audit Process Matrix

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

Planned month & year	03/2019	03/2020	03/2021	03/2022	03/2023
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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Social impact assessment (SIA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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

Assessment man days for the next assessment: **3 md.** Recertification: **2024**

Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate

Section G Audit Summary

Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
Michele Leong	31/10/2019 & 01 & 02/11/2019	09:30
<p>Opening Meeting</p> <ul 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. <p>Closing Meeting</p> <ol style="list-style-type: none"> a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty b) the method and timeframe of reporting, including any grading of audit findings; c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification; d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit; e) the certification body's post audit activities; f) information about the complaint handling and appeal processes. g) Any diverging opinion that are not resolved. h) opportunity for the client to ask questions 		
Executive Summary		
<p>The 5 lots of estates were owned by Mountain Star (M) Sdn Bhd, Agrow Resources Sdn Bhd and Amalsterling (M) Sdn Bhd respectively which 3 companies established at Pahang.</p> <p>The audit was based on the MSP02503:2013 Part 3 Standard, procedure and applicable requirements. There is no issue during the 1st Stage Audit conducted on 17/10/2019 and found all the required document, procedure and forms are available. The audit is planned follow the audit plan which consists of documentation review and site visit amounted to 3 days.</p> <p>The audit was lead by Ms. Michele Leong who has more than 6 years in the sustainable certification and other management system certification such as RSPO, ISCC, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by SGS.</p> <p>The stakeholder consultation survey at the estate was conducted by Mr. Yong Swu Hwa who are having experience in safety and health practitioner in oil palm industry and attended the MSPO training for MSPO conducted by Consultant.</p> <p>From the audit, there are few finding been raised in the audit with total 2 Major CARs, 9 Minor CARs and 7 OFIs. The issues raised were been discussed with management team during closing meeting.</p>		

Stakeholder Consultation

Noted that positive responses from stakeholders survey conducted by estate on 01 & 02/11/2019. Below issue for the response toward estate:

i. Complaint

- No complaint

ii. Positive Practice By Estate

- Agreed to re-established price mechanism with FFB buyers
- Complaint procedure, MSPO Policies introduction been communicated to all stakeholders
- Maintain good relationship with FFB buyer and Fertilizer supplier

In conclusion, the stakeholder meeting had undergone successfully with no complaint from internal and external stakeholder. Hence, as a stakeholders are well aware on the requirement of MSPO and details on MSPO such estate complaint procedure, requirement with act for contractor, agreed to be audited by MSPO auditor & etc.

Estates Information

LIST OF GROUP MEMBERS

1. ESTATE INFORMATION

NAME OF ESTATE	LOCATION	COORDINATE
Agrow Resources Sdn Bhd	HSD 607, Lot PT 389, Mukim Kertau, 26500 Maran, Pahang	N3@ 24'25.992" E102@ 36'30.3372"
Mountain Star Sdn Bhd	Lot PT 1410, 1411, 1412, Mukim Perak, 28000 Temerloh, Pahang	N3@ 24'7.8588" E102@ 20'55.4496"
Amalsterling (M) Sdn Bhd	GM 6745, Lot T 913, Mukim Triang, 28300 Bera, Pahang	N3@ 18'1.746" E102@ 25'53.3928"

2. AREA STATEMENT AND FFB FORECAST

ESTATE	TOTAL AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR (2018)	YIELD TON/ YEAR
Agrow Resources Sdn Bhd	177.4	100%	2752.94	529.56 (CPO) 151.30 (PK)
Mountain Star Sdn Bhd	60.01	100%	884.65	170.30 (CPO) 48.66 (PK)
Amalsterling (M) Sdn Bhd	52.36	100%	720.05	138.61 (CPO) 39.60 (PK)

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	
	<p>Sighted that Policy for MSPO, Sustainability Policies; -</p> <ol style="list-style-type: none"> 1) Malaysian Sustainable Palm Oil (MSPO) Policy 2) Occupational Safety and Health Policy 3) Environment Policy 4) Social Policy 5) Zero Burning Policy <p>OBS The policies should display at estate office and worker housing areas with regular briefing to all employees. (4.1.1.1)</p>	
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	
	Sighted the policy established had shown emphasize towards commitment for continual improvement for principle 1 until principle 7.	
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.	
	IQA conducted for all 3 companies on 18/10/2019 by Mr. Tai Song Kee covering P1 – P6 as the principle & currently is not applicable.	
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	
	<p>Verified internal audit report without NC and date conducted on 18/10/2019 lead by Mr. Tai Song Kee.</p> <p>Sighted and verified the Internal Audit report with checklist, audit plan and schedule. Evidence of corrective action from the finding issues in the internal audit report verified.</p>	
4.1.2.3	Report shall be made available to the management for their review.	
	Sighted the management review minutes dated on 18/10/2019 had been discussed on finding issues of Internal Audit attended by Director, MR, Supervisor and Consultant.	
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.	
	<p>Sighted the MRM for all 3 companies dated on 18/10/2019 attended by Director, MR, and Supervisor. Minutes content covers continual improvement, complaints, internal audit, MSPO policies and effectiveness of management plans.</p> <p>CAR The recent management review minutes dated 18/10/2019 omitted the discussion results to all applicable principle 1 until principle 7. (4.1.3.1)</p>	
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.	
Sighted and Verified the management had listed the document for continual improvement plan for MSPO implementation. Below are the document been recorded and filed :		
<ul style="list-style-type: none"> • Environment, Safety and Health Management Plan • GHG Management Plan • Water Management Plan • Waste Management Plan (Scheduled Waste Plan & Domestic Waste Plan) 		
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.	
Verified with the management and interview with workers during site/field visit, no new techniques been established by the company.		
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.	
The estate doesn't have planned to buy or bring in new machinery or transport for operation in year 2019.		
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.	
Sighted the stakeholders survey reports with no negative environmental or social reported based on that survey.		
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.	
Sighted the communication, for internal normally the interaction between employee and employer through writing letter, notice or verbal.		
For external communication one of channel way through e-mail, meetings, training and briefing and phone call.		
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	
Sighted communication procedure PR-4 dated 01/08/2019 had established.		
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)	

Sighted appointment letter dated 01/08/2019 for Mr. Yong Chin Yung as responsible person for communication and consultation with defined responsibilities.	
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.
<p>Stakeholder list dated 01/08/2019 for each company as follows:</p> <p>Mountain Star (M) Sdn Bhd – FFB buyer (Semantan POM), community or neighbour, government bodies (MPOB Temerloh, clinic Temerloh, Police Station), Suppliers (Kenmart Jaya S/B, Hock Chong Trading (Triang) S/B), worker representatives.</p> <p>Agrow Resources Sdn Bhd – FFB buyers (CP POM, Xin Jian Fatt Sdn Bhd), community or neighbour, government bodies (MPOB Temerloh, clinic Kertau, Police Station), Suppliers (Kenmart Jaya S/B, Hock Chong Trading (Triang) S/B), worker representatives.</p> <p>Amalsterling (M) Sdn Bhd - FFB buyer (Sern Lee Enterprise), community or neighbour, government bodies (MPOB Temerloh, clinic Temerloh, Police Station), Suppliers (Kenmart Jaya S/B, Hock Chong Trading (Triang) S/B), worker representatives.</p>	
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).
Procedure for traceability has been established by the management, sighted the 'Standard Operating Procedure for Traceability of FFB' PR-5 dated 01/08/2019 with relevant forms 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 Harvesting (FFB Record Book), Send FFB to Ramp (Weighbridge ticket).	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system
Stated in the procedure, the regular inspection conducted in internal audit once a year. Verified the internal audit has inspected the record of the traceability.	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system
Sighted appointment letter dated 01/08/2019 for Mr. Yong Chin Yung as person-in-charge for traceability with defined roles & responsibilities.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.
<p><u>Mountain Star (M) Sdn Bhd</u> Weighbridge ticket (Semantan Palm Oil Mill) – FFB19007506W, dated 06/09/2019. Nett weight 5.66MT Weighbridge ticket (Semantan Palm Oil Mill) - FFB19007521W, dated 18/09/2019, Nett weight 6.45MT Weighbridge ticket (Semantan Palm Oil Mill) - FFB19007014W, dated 22/08/2019, Nett weight 7.06MT</p> <p><u>Agrow Resources Sdn Bhd</u> Weighbridge ticket (Xin Jian Huat Sdn Bhd) – P0067579, dated 01/08/2019. Nett weight 8.96MT</p>	

Weighbridge ticket (Xin Jian Huat Sdn Bhd) – P0067667, dated 09/08/2019, Nett weight 9.31MT
 Weighbridge ticket (CP POM) – 6286993, dated 14/08/2019, Nett weight 8.70MT

Amalsterling (M) Sdn Bhd

Weighbridge ticket (Xin Jian Huat Sdn Bhd) – P0067932, dated 06/09/2019, Nett weight 5.32MT
 Weighbridge ticket (Xin Jian Huat Sdn Bhd) – P0068045, dated 15/09/2019. Nett weight 3.40MT
 Weighbridge ticket (Xin Jian Huat Sdn Bhd) – P0068116, dated 21/09/2019, Nett weight 3.92MT

Sighted invoice from Semantan Palm Oil Mill – Mountain Star, Xin Jian Huat Sdn Bhd – Agrow Resources and Amalsterling, and CP Palm Oil Mill – Amalsterling stated total metric ton of the FFB per month and FFB price per metric ton.

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	
Verified the license and permit available. <ul style="list-style-type: none"> Mountain Star’s MPOB license - Menjual dan Mengalih FFB #523648002000, Valid till 31/09/2020 for 60.01Ha. Agrow Resources’s MPOB license - Menjual dan Mengalih FFB #616340002000, Valid till 31/03/2020 for 177.4Ha Amalsterling’s MPOB license - Menjual dan Mengalih FFB #616330002000, Valid till 31/03/2020 for 52.36Ha 		
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirement register	
Sighted the List of applicable Laws requirements: <ol style="list-style-type: none"> Land & Wildlife protection <ul style="list-style-type: none"> Wild Life Conservation Act 2010 Environment <ul style="list-style-type: none"> Environmental Quality Act 1974 EQ (Scheduled Waste) Regulation 2005 EQ (Prescribed Premises) (Crude Palm Oil) Regulation 1977 EQ (Declared activities) (Open burning) Order 2003 Social, Labour & Employee <ul style="list-style-type: none"> Employment Act 1955 Employee Provident Fund Act 1991 (ACT 452) Workers Minimum Standard of Housing & Amenities Act 1990 Minimum Wages Order 2018 Children & Young Person (Employment) Act 1966 Employee Social Security Act 2017 Immigration Act 1959/1963 Safety & Health <ul style="list-style-type: none"> Occupational Safety & Health Act, 1994 (Act 514) OSH Safety & Health Committee) Regulation 1995 OSH (Notification of accident, dangerous occurrence, occupational poisoning & occupational disease) Regulation 2004 F&M (Safety, health & welfare) Regulation 1970 OSH (USECHH) Regulation 2000 		

<ul style="list-style-type: none"> F&M Act (Safety, Health & Welfare) Regulation 1970 	
5. Pesticide Use	
<ul style="list-style-type: none"> Pesticide Act 1974 	
6. Palm Oil	
<ul style="list-style-type: none"> MPOB (Registration of Contracts) Regulation 2005 MPOB (Quality) Regulation 2005 MPOB (Licensing) Regulation 2005 CESS Order 2000/2001 	
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.
Refer to 4.3.1.2	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.
Sighted appointment letter for Mr. Yong Chin Yung as responsible person to monitor compliance and update changes in regulatory requirement.	
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
Verified all 3 companies' land titles with defined as below:	
<u>Mountain Star (M) Sdn Bhd (total hectare: 60.01Ha)</u> i) No. PT: PT 1410 Hectare – 20.0101 Ha Land Use - Pertanian Syarat Nyata - Tiada ii) No. Lot: 1411 Hectare – 20.0016 Ha Land Use - Pertanian Syarat Nyata – Tiada iii) No. Lot: 1412 Hectare – 20.0016 Ha Land Use - Pertanian Syarat Nyata – Tiada <u>Agrow Resources Sdn Bhd (Total 177.4Ha)</u> iv) No. Lot: PT 389 Hectare – 177.4 Ha Land Use - Tiada Syarat Nyata – Tanaman Kelapa Sawit sahaja <u>Amalsterling (M) Sdn Bhd (Total 52.36Ha)</u> v) No. Lot: Lot 913 Hectare – 52.3561 Ha Land Use - Tiada Syarat Nyata - Tanaman Kelapa Sawit sahaja	
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.

Sighted and verified the land grant as per 4.3.2.1	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.
<p>CAR No objective evidences showed that the legal perimeter boundary markers were clearly demarcated and visibly maintained on the ground where practicable. (4.3.2.3)</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).
There is no land dispute issue as estate operations within own's land and owned by 3 companies. As of to-date there was no complaint on land matter.	
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.
No customary rights issue as estate operation in their own land.	
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available
No customary rights issue as estate operation in their own land.	
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.
No customary rights issue as estate operation in their own 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
Verified social impacts for the 3 companies as per SIA report dated 02/10/2019. Sighted the report content include the demography of the estate and the social impact with few positive aspect identified, i.e. provide workers safety and increase estate outputs and productivity.	
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

Sighted Complaint Procedure PR-8 dated 01/08/2019 stated verbal and written complaint using the Complaint Form which will be investigated and reply within one month. But during the Stage 2 visit, sighted no complaints is received either from internal or external parties.		
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.	
During the stakeholders meeting conducted on 02/11/2019, there is no issue raise among the external stakeholder that resulting in complaint.		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	
<p>CAR</p> <p>There is no objective evidence that the employees including contracted workers and affected stakeholders can access to the complaint form. (4.4.2.3)</p>		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	
So far there is no compliant recorded since August 2019 the implementation of MSPO.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	
Refer to 4.4.2.4		
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.	
<p>Agro Resources Sdn Bhd donated to Pertubuhan Pengurusan Rumah Kebajikan Warga Emas Sang Riang, Triang Bera, Pahang dated 23/01/2019 receipt number: 51235.</p> <p>Others companies provide a good rapport with immediate neighbor by helping each when request arise.</p>		
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	
Sighted the Safety & Health policy dated 01/08/2019 approved by Director Mr. Yong Swu Hwa. Training records to internal staffs and estate workers dated 14/10/2019.		
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
Refer to 4.4.4.1
b) The risks of all operations shall be assessed and documented
Sighted the HIRAC dated 01/10/2019 and noted was conducted for the activity of the estates and office operations including harvesting, spraying, manuring, fertilizer, storage, etc The identified high risk assessment identified as below: 1) Handling and mixing of chemical, grade 16 (High) 2) Spraying – inhale hazard and skin contact risk, grade 16 (High) Action taken: Awareness & briefing training,
c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i) all employees involved shall be adequately trained on safe working practices; and ii) all precautions attached to products shall be properly observed and applied.
All the 10 contracted estate workers for 3 companies were informed and trained on below safety handling and PPE usage topics: 1) First Aid Training dated 09/10/2019 2) PPE usage dated 10/10/2019 3) Spraying and PPE usage dated 10/10/2019 4) Harvesting and PPE usage dated 10/10/2019 Briefing with best practices instruction in the training program.
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).
Sighted the PPE distribution record to all the 10 estate workers dated 01/08/2019 as below: Safety booth, Apron, Mask, Glove, mask, goggle, and Helmet.
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.
Chemical handling and spraying SOP established for proper and safe handling of chemicals used in the estates.
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.
Mr. Yong Chin Yung has been appointed as PIC dated 01/08/2019 for safety. Interview on 31/10/2019 showed certain degrees of understanding his daily related safety & health practices which is adequate for his level as supervisor roles in the field.

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.		
According to auditee, only verbal overall meeting months covering daily operation and some safety issue. However no minutes maintained.		
OBS To maintain relevant two-way communication with their employees with regards to employee's health, safety and welfare. (4.4.4.2 g)		
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.		
Emergency procedure PR-11 dated 01/08/2019 with ERT committee organization chart with committee members such as fire fighters, first aiders, Spillage and cleaning team and etc. There emergency situation identified in the procedure including fire and field work related accidents with adequate steps on how to handle and control.		
OBS Drill report to enhance on details of emergency situation including details such as staffs involved, which estate site/company name, etc. (4.4.4.2 h)		
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		
First Aid Training conducted on 09/10/2019 to all field workers. First aid medication provided to workers at each company locations.		
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.		
Minor cuts sent to clinic for treatment. No major accident reported since MSPO implementation to-date.		
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	
Verified contracted employee's contract agreement as below: a) Ihsan, Harvester signed by both parties on 02/01/2019. b) Tarar, Sprayer signed by both parties on 02/01/2019. Sighted in the contract agreement are wages per day, termination of service, benefits and facilities, hours of work, etc.		
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.	

Refer to Social Policy dated 01/08/2019 mentioned no discrimination and provide equal opportunity regardless of race, colour, sex, nationality etc. The company seeks to maintain a workplace free from discrimination.	
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.
The contracted entitle Agro Synergy Enterprise as contracted party to manage the workers at all 3 companies which payment to workers meet the minimum wages requirements, refer to 4.4.5.4	
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
<p>Verified the contracted workers payslip record, the pays has met with Minimum Wages Order 2018. Refer to Payslip for Month Aug & Sept 2019 of workers the sample as below:</p> <ul style="list-style-type: none"> • Wages for harvesting at Mountain Star (88.71MT x RM 55 = RM4,879.05) with cash voucher dated 31/08/2019 payment acknowledged by the workers Muhamad Jum, Wan and Hadi. • Wages for harvesting at Agrow Resources (190.32MT x RM50 = RM9,516.00) & wages for spraying at (50ekar x RM25 = RM1,250.00) Amounted to RM10,766 with cash voucher dated 30/09/2019 payment acknowledged by the workers Rusli, Ahmat, Sahyul, Ihsan, etc. • Wages for harvesting at Amalsterling (53.6MT x RM 50 = RM2680.00) & wages for pruning (650trees x RM1.60 = RM1,040.00) Amounted to RM3720 with cash voucher dated 31/08/2019 payment acknowledged by workers Tahar and Sap. 	
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.
<p>CAR No objective evidence showed that Personnel files of each employee are maintained by the companies that containing full names, gender, date of birth, date of entry, a job description, wage and the period of employment. (4.4.5.5)</p>	
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
<p>CAR The appointed candidate Mr. Yong Chin Yung as overall MSPO Officer was without Employee Agreement Contract. (4.4.5.6)</p>	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

Currently all the companies practice FFB harvesting book for all workers which been the basis for daily work calculation.	
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
For the monthly wages employees working hours as follows: Monday – Saturday: 07:30 – 17:00 with 1.5 hour lunch break	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements
Refer to 4.4.5.3	
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
Refer to 4.4.5.6	
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.
<p>Major CAR</p> <p>During site visit, sighted the condition of the living quarters is not meeting the requirements of the Worker's Minimum Standards Housing and Amenities Act 1990 (Act 446) with regards to basic sanitary facility and basic amenities. (4.4.5.11)</p>	
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
Management has established the Social Policy dated 01/08/2019 and include the commitment to the Prevention of Sexual Harassment and Violence in Bahasa.	
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.
<p>Management has established the Social Policy dated 01/08/2019 and include the commitment for Freedom of Association in Bahasa version.</p> <p>Noted no worker currently join any estate workers union.</p>	

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.	
No child or young person employed as the company Social Policy prohibit the employment of child below 15 years old.		
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.	
Sighted the 2019 Training Plan for all level of staffs within the estate. Type of training including daily field work, safety and health briefing, PPE usage, ERP and etc.		
Training records sighted: 1) Spraying and PPE usage dated 10/10/2019 2) Harvesting and PPE usage dated 10/10/2019 3) Fertilizer and PPE usage dated 10/10/2019		
Workers attendance recorded name such as Tahar, Ihsan, Rayab, Sahrul, Pahrul, Ahmat, etc.		
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.	
Refer to Training Procedure dated 01/08/2019, the training based on superior recommendation, propose by Mandor & approved by MR.		
4.5.6.3	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.	
Refer to 4.5.6.1		
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.	

<p>Sighted management establish “Environmental Policy” Dated 01/08/2019. The content of the policy are as below:</p> <p>a) Complying with relevant national legislation</p> <p>b) Adopting the principle of “Zero Burning”</p> <p>c) Ensuring safety and health of field work</p> <p>d) Promote Good Agriculture Practice (GAP)</p> <p>e) Promote and encourage GHG emission mitigation</p> <p>f) Increase awareness on biodiversity and prevention of environmental pollution</p> <p>g) Sourcing alternative means in protecting community and environment from negative impacts from estate activities</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives.</p> <p>b) The aspects and impacts analysis of all operations</p>
<p>EAI done on 01/08/2019 for office and estate activities for all relevant activities.</p> <p>Verified Aspect and Impact Assessment for below activity:</p> <p>1. Activity: Chemical container disposal</p> <p>Aspect: Uses herbicides, spillage of herbicides</p> <p>Impact: Water pollution, land pollution</p> <p>Existing control: Practice rinse 3x empty chemical container.</p> <p>2. Activity: Spray of herbicides</p> <p>Aspect: spray to grass near water source</p> <p>Impact: leachate to Land and aquatic pollution</p> <p>Existing control: refer to SOP spraying</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored</p>
<p>Environmental Management Plan has been established for below:</p> <p>a) Prevent legal offence</p> <p>b) Increase environmental awareness via training</p> <p>c) Prevent open burning</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan</p>
<p>Refer to 4.5.1.2</p>	
4.5.1.5	<p>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.</p>
<p>Refer to the Training Record and sighted training related to environmental and sample as below:</p> <ul style="list-style-type: none"> • MSPO Awareness briefing to all staffs – 03/10/2019 (Tai Jia Yi, Tai Song Kee, Koh Man Kiang, Yong Swu Hwa and Yong Chin Yung) 	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed</p>

Sighted environmental briefing records dated 14/10/2019 conducted by the management to employees where their concerns about environmental quality are discussed.		
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.	
Sighted the plan for managing non-renewable energy as below: <ul style="list-style-type: none"> • Diesel usage monitoring monthly baseline (Aug: 100L, 22L) • Electricity usage monitor monthly for baseline (Sept: 426kW) OBS The non-renewable energy plan should be specified for each company. (4.5.2.1)		
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	
Refer to 4.5.1.3		
4.5.2.3	The use of renewable energy should be applied where possible	
No renewable energy was identified by the Companies.		
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.	
Estate waste: oil palm fronts (decomposition & nutrient cycle), chopping palm tree. Domestic waste: tyre and empty container Schedule waste: empty chemical container (handle by contractor off site)		
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: <ol style="list-style-type: none"> Identifying and monitoring sources of waste and pollution. Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products. 	
Refer to Solid Wastes Handling procedure that covering scheduled waste disposal under Best Practice procedures.		
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.	
CAR <ol style="list-style-type: none"> No objective evidences showed that the EQ (Scheduled Waste) Regulation 2005 was fulfilled as during the site visit no segregation of waste generated at the workers' housing area. There is no record of Scheduled Waste maintained by all the 3 companies. During the site visit, sighted burning of domestic waste and sign of diesel oil spillage found from truck 		

parking bay at Amalsterling worker housing area. (4.5.3.3)	
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 pesticide containers.
Communicated to out sourced party for chemical containers control such as empty pesticide containers will be rinsed 3 times & punctual before dispose at the contractor premises.	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.
Refer to 4.5.3.3	
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
Diesel consumption program is controlled by the out sourced party.	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented
Refer to 4.5.1.3	
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.	
The estate depends on river & rain water as the main source of water for its oil palm trees. Agrow Resources has spring water for worker housing.	
OBS: To conduct water quality test for drinking from the spring water at Agrow Resources estate. (4.5.5.1)	
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities	
There are no activities in the estate field that cause negative impact into natural waterways, thus no need monitoring any outgoing water quality.	
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.).	

The activity taken to optimize water usage such:	
<ul style="list-style-type: none"> To harvest rain water for general usage (staff housing). 	
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.	
Verified during site visit, rivers that eventually flow to Pahang River found crossing the estates compound.	
<p>Major CAR</p> <p>The minimum 3m riparian buffer zone requirement was found not being fulfilled along the river that crossing the Agrow Resources Sdn Bhd and Amalsterling (M) Sdn Bhd compound. (4.5.5.1 d)</p>	
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	
Refer to 4.5.5.1 d)	
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	
Verified during site visit, no bore well was being used.	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.
Verified during site visit, no bunds, weirs and dams constructed passing through estate waterways.	
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).
Road side drain and proper frond stacking implemented as water harvesting practices in the estate.	
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.	
Based on Biodiversity Report dated 01/10/2019 by consultant, there were no high biodiversity value habitats identified few common species that according to the IUCN Redlist status at least concern such as Babi Hutan, Biawak, Ular Sawa Batik, Bangau, Burung Murai Batu etc. There is one identified as VU status for Beruk.	
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.	
The IUCN Redlist was referred to determine the status of the biodiversity identified, as refer to Biodiversity Assessment, the status of biodiversity is Least Concern (LC).	
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		
Since there is no rare, threatened or endangered species, or high biodiversity value identified, no further action taken with regards to protecting such species.		
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts		
OBS To enhance measures to resolve human-wildlife conflicts such as displaying signage on “prohibit hunting activities” and awareness briefing on biodiversity to workers & staffs. (4.5.6.2)		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	
Refer to 4.5.6.2 b)		
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.	
Refer to Environmental Policy dated 01/08/2019, estate management will ensure no open burning activity during replanting palm oil. Verified during site visit, no replanting has been done. However the Mountain Star plans for replanting by early 2020.		
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.	
No 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.	
No 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.	
Verified during site visit, no replanting has been done.		
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.	
Sighted SOPs documents on estates operation including harvesting, spraying, manuring, fertilizer, etc. Harvesting operation: Operation at Agrow Resources interviewed with harvester (Rahrab) - The cutter is followed the SOP and Good Agriculture Practice in harvesting operation which is to maintain the 0% unripe bunches. Sighted during site visit workers were doing harvesting with wearing proper PPE such as rubber shoes, sickel cover & etc.		

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.	
<p>Site visit sighted management maintains the soil erosion by done the selective spraying at the drain area. No any evidence of chemical application by blanket spraying an effect the soil or surface contamination.</p> <p>Planting of cover crop is made to retain the soil structure and conservation. Sighted the covers crops planted along the main drain and trenching. Sighted the field drain, collection drain, and main drain was properly constructed to make sure the water flows are moving in good condition.</p>		
4.6.1.3	A visual identification or reference system shall be established for each field.	
<p>OBS To mark the fields with suitable information such as Block, year planting (field no), total hectare, etc. (4.6.1.3)</p>		
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.	
<p>Verified, the estate has established 5 years budget plan which addressed the financial viability of the companies operation.</p> <p>Sighted budget for Financial Year 2019 as per following:</p> <p><u>Agrow Resources Sdn Bhd</u> Estimated FFB Production: 2574MT Estimated OER: 19% Estimated Operation Cost: RM752.46k Estimated Cost per ton : RM292/Ton</p> <p><u>Mountain Star (M) Sdn Bhd</u> Estimated FFB Production: 800MT Estimated OER: 19% Estimated Operation Cost: RM175k Estimated Cost per ton : RM219/Ton</p> <p><u>Amalsterling (M) Sdn Bhd</u> Estimated FFB Production: 800MT Estimated OER: 19% Estimated Operation Cost: RM200k Estimated Cost per ton : RM250/Ton</p>		
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	
<p>CAR There is no long term replanting program (3 – 5 year) established as the replanting plan for Mountain Star scheduled end 2019. (4.6.2.2)</p>		

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.	
Refer to 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.	
Verified the Supervisor has plan to monitor crop harvesting, spraying, pruning and fertilizer plan monthly.		
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.	
<p>Verified the estate selling FFB as follows:</p> <ul style="list-style-type: none"> • Agrow Resources to buyer Kelapa Sawit C.P. Sdn Bhd FFB Payment Statement dated 31.08.2019 for total 166.160MT x RM384.81 = RM63,940.03 with payment via online bank payment. • Mountain Star to buyer FFB Payment Statement No: TR01904525 dated 30.09.2019 for total 60.25MT x RM376.65 = RM22,693.16 (after deduct CESS & transport cost) with payment via online bank payment • Amalsterling to buyer Sern Lee Enteprise FFB Payment Statement dated 18.09.2019 for total 41.34MT x RM369.02 = RM15,255.29 (after deduct processing fee) with payment via online bank payment <p>CAR No objective evidences showed that the pricing mechanism for the FFB selling has been documented for the 3 companies. (4.6.3.1)</p>		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	
<p>Sighted the payment to main contractor Agro Synergy Enterprise from Agrow Resources for July 2019 contracted work via bank cheque No: AB001076 dated 31/07/2019 and Mountain Star payment for contracted work dated 31/08/2019 via bank cheque No: PBB022428.</p> <p>Verified the payment for purchasing fertilizer with fair and transparent. Payment also made in timely manner. Sighted Invoice# 191000227 from Hock Chong Trading (Triang) S/B dated 05/10/2019 purchasing fertilizer.</p>		
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	
Verified from site visit, the contractor Agro Synergy Enterprise engaged for estate operation understood the MSPO requirements, including all their workers.		

4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	
<p>CAR</p> <p>No Contract Agreement for the contracted services provider between Agro Synergy Enterprise with all 3 companies. (4.6.4.2)</p>		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	
No obstruction by management, where auditor has undergone site visit during audit session assisted by estate representatives.		
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	
Verified harvesting FFB based on Nett weight from the mill. All contracted works performed at the estate are checked and verified by the estate personnel. Verified the claim form made by contractor were verified and approved by estate manager.		
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.	
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	
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.	
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.	
Not Applicable		
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external	

	stakeholders.	
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.	
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.	
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	
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	
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.	
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.	
Not Applicable		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion	
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
Not Applicable	
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
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
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.
Not Applicable	
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.
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.
Not Applicable	
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.
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.
Not Applicable	

Observation for Improvement

Details
<ol style="list-style-type: none"> 1. The policies should display at estate office and worker housing areas with regular briefing to all employees. (4.1.1.1) 2. To maintain relevant two-way communication with their employees with regards to employee's health, safety and welfare. (4.4.4.2 g)

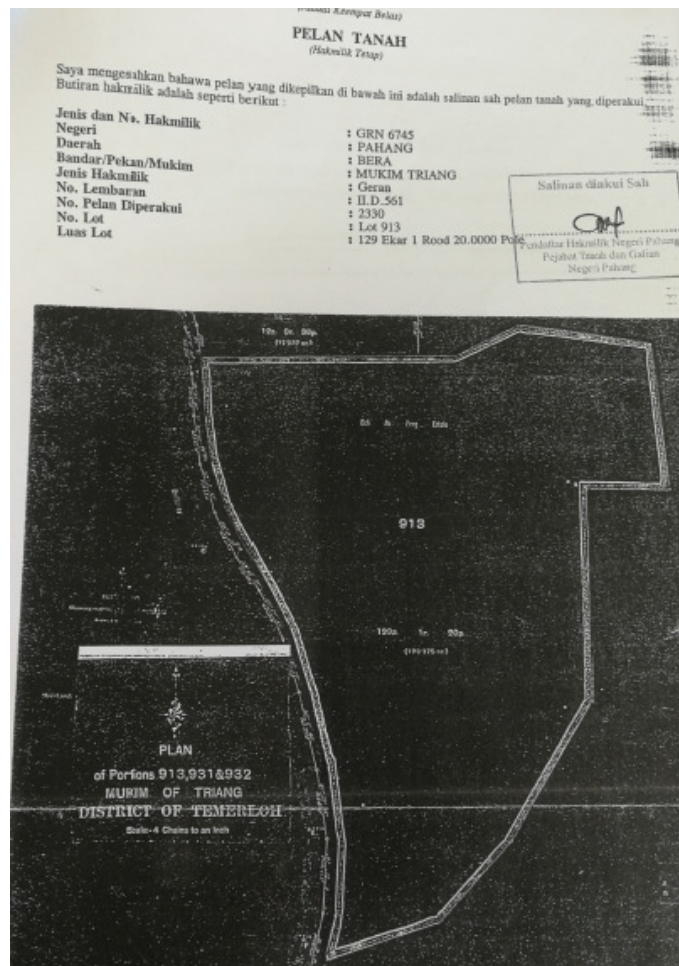
3. Drill report to enhance on details of emergency situation including details such as staffs involved, which estate site/company name, etc. (4.4.4.2 h)
4. The non-renewable energy plan should be specified for each company. (4.5.2.1)
5. To conduct water quality test for drinking from the spring water at Agrow Resources estate. (4.5.5.1)
6. To enhance measures to resolve human-wildlife conflicts such as displaying signage on “prohibit hunting activities” and awareness briefing on biodiversity to workers & staffs. (4.5.6.2)
7. To mark the fields with suitable information such as Block, year planting (field no), total hectare, etc. (4.6.1.3)

During the assessment 11 nonconformity was identified.

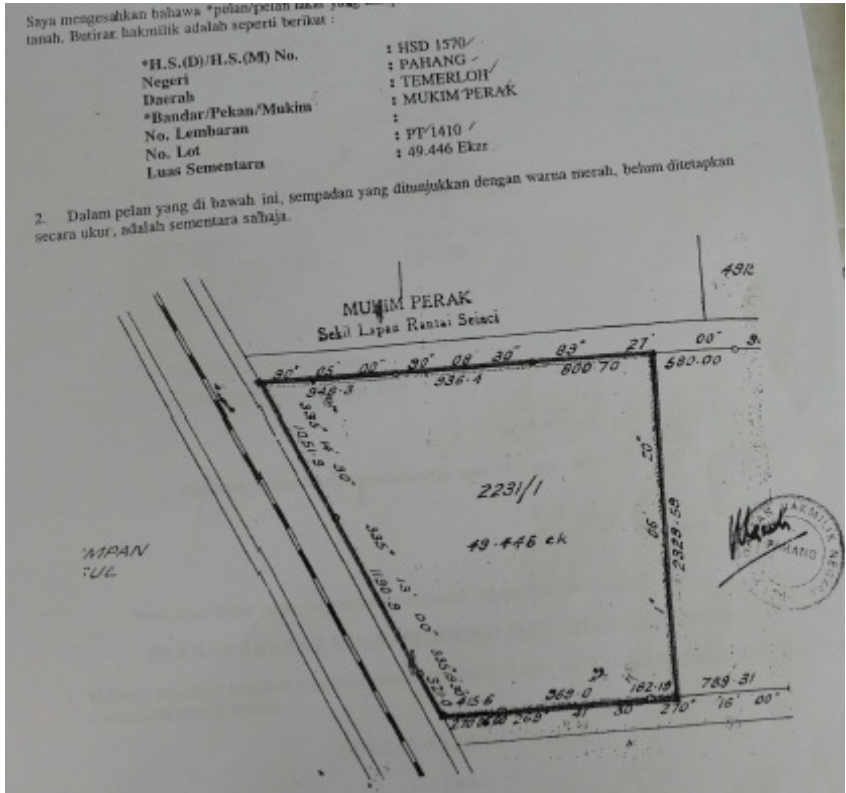
Refer to CAR form for details

Appendix 1

MAP OF AMALSTERLING ESTATE (LOT 913)



MAP OF MOUNTAIN STAR ESTATE (PT1410)



MAP AGROW RESOURCES ESTATE (PT389)

