



Assessment Report

Date: 16th March to 16th March

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	3N Estate Sdn Bhd
Address	MDLD 3908, Lot 15, Taman Mewah, Jln Dam, 91100, Lahad Datu, Sabah.
Report no	MS18MM0023
Status of audit	Main Assessment If surveillance NA

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 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, 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	Mohamad Zulkefli Bin Md Isa	Company stamp
Date	16/03/2019	
Email	admin@cciglobe.com	
Fax no	038073 2688	

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	Quake Pau Siew
Alternate contacts	Chee Teng Heng
Management Representative contact no.	+6012 780 4818
E-mail address	abid_emas@yahoo.com
Fax Number	089-880172
Fixed Line Number	089-880171
NO OF SPOC/ GROUP MEMBERS	1

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
Mohamad Zulkefli Md Isa	Mr. Quake Pau Siew	Management Executive
Team member	Mr. Jonathan Terong	MSPO Officer
Nurdini (DN)	Mr. Ashari Malik	MSPO Officer
Trainee auditor	Mr. Amin Babari	Manager Abid Emas 1
NA	Mr. Supardi Rahman	Estate In Charge Abid Emas 2
Observer	Mr. Baharudin Balong	Manager Atlas Kew Estates 1
NA	Mr. Haris Tamsir	Manager Atlas Kew Estate 2
	Mr. Rosli Ladena	Manager Atlas Kew Estate 3
	Mr. Arbain Muhammad	Estate in charge Bukit Emas
	Mr. Ali Mahmud	Manager Foremost Dynamic 1
	Mr. Samsu alam Malakangen	Manager Foremost Dynamic 2
	Mr. Musliadi Suma	Estate in charge Klebang Plantation1
	Mr. Acho Patiroy	Estate in charge Klebang Plantation2
	Mr. Mohd Noori Ahmad	Estate In Charge Tamaisan
	Mr. Yaris Syam Shjabudin	TSC Plantation

Section F Audit Process Matrix

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

Planned month & year	03/2018	03/2019	03/2020	03/2021	03/2022
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	<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					
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					
4.7 Development of new planting					
4.7.1 High biodiversity value	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Peat land	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.4 Soil and topographic information	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.6 Customary land	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment : 8_md. Recertification: 2023

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
ZU	16/03/2019	8.30
Opening Meeting		
a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; c) 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;
- d) confirmation of formal communication channels between the audit team and the client;
- e) confirmation that the resources and facilities needed by the audit team are available;
- f) confirmation of matters relating to confidentiality;
- g) confirmation of relevant work safety, emergency and security procedures for the audit team;
- h) confirmation of the availability, roles and identities of any guides and observers;
- i) the method of reporting, including any grading of audit findings;
- j) information about the conditions under which the audit may be premature terminated;
- k) 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;
- l) confirmation of the status of findings of the previous review or audit, if applicable;
- m) methods and procedures to be used to conduct the audit based on sampling;
- n) confirmation of the language to be used during the audit;
- o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;
- p) opportunity for the client to ask questions.

Closing Meeting

- 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

Organisation Information

Atlas Group of Companies was established in Lahad Datu the headquarters office address as above. The company currently operated 1 estates situated in Lahad Datu. The estate are:

- 1) 3N Estate Sdn Bhd

Assessment Process

This is group certification for Atlas Group of Companies where the company hold 5 estates under their management. The determination of the sample size are as per Malaysian Sustainable Palm Oil (MSPO) Risk Management (Doc No: MPOB/MSPO/RMP/06 dated 19 Nov 2013). The audit was based on the MSPO2503:2013 Part 3 Standard, procedure and other applicable requirements. The audit was divided into 2 which is Stage 1 and Stage 2. There is no issue during the 1st Stage Audit conducted on **/0/2018 conducted by Badrul Hisham and found all the required document, procedure and form are available.

Stage 2 audit was held on 16/03/2019 and audit required 2 mandays including the stakeholder consultation.

Audit Team

The audit was lead by Mr Mohamad Zulkefli who are have almost 8 years in the sustainable certification and other management system certification such as RSPO, ISCC, ISO 14001, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by SIRIM. The Co auditor is Ms. Nurdini Mohammad Jobly who are having experience in plan oil industry for almost 3 years and attended the MSPO Lead Assessor and ISO 9001 Lead Auditor. Stakeholder consultation was conducted by Ms. Nurdini Mohammad Jobly.

Stakeholder Consultation

During audit on 11-15/03/2019, Care Certification international has interviewed random stakeholder for the response towards estate as below:

a) Employee Representative

- 1) Kaneus Lexeakliu

- 2) Ardin

- Satisfied with all facilities provide by management such as housing, water supply, electricity etc.
- All employee was paid as per Minimum Wages Act- RM1100/month and overtime paid as per legal requirement
- Management was treat all Indonesia employee equally and no discrimination by the management
- Other benefits entitled for Indonesia employee is medical treatment, distribution of food etc.
- Training was given to all employees and company evaluate the employee performance equally

Goodworld Plantation Sdn Bhd

- Interview the company representative Marilou (Estate Supervisor)- feed back no issue was raise for the AE operation to their estate
- Currently the employee from GPSB are allowed to access the main road without any objection
- No issue on the land dispute since AEG is already demarcated the land with appropriate boundary stone and boundary marking.
- The cooperation between the management are very good and no any issue raised.
- Company aware with the AEG complaint procedure and as to Date no complaint been made.

Estates Information				
LIST OF GROUP MEMBERS				
1. ESTATE INFORMATION				
NAME OF ESTATE	LOCATION	COORDINATE		
3N ESTATES SDN.BHD – DIV 1&3	TUNGKU,LAHAD DATU	5 °9'10"N 118 °49'37"E		
2. AREA STATEMENT AND FFB FORECAST				
ESTATE	TOTAL AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR (as per year 17)	YIELD TON/ha/ YEAR
3N ESTATES SDN.BHD–DIV 1&3	477.815	477.815	3870.21	27.45
Total	477.815	477.815	3870.21	27.45

Audit Checklist

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 management establish "Polisi Pelaksanaan Komitement MSPO" dated 11/10/2018, approved by General Manage. Verified the policies and sighted the commitment of the management on the compliances to all 7 MSPO principles.</p> <p>Communication of the policy sighted done by display at the notice board, briefing during operation meeting and explain the policy to the stakeholder during the stakeholder meeting.</p> <p>Verified the policy had been display in office wall, row call area, line site etc. Verified the policy had been briefing to all employee during row call.</p>	
4.1.1.2	The policy shall also emphasize commitment to continual improvement.
<p>3NESB Sighted the policy established had shown emphasize towards commitment for continual improvement for principle 1 until principle 7</p>	
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.
<p>3NESB have established Internal Audit Plan dated 20/02/2019 and sighted was conducted at 3NESB. Sighted the audit covered all the MSPO Internal Audit Assessment #ReportNo.MS001 dated 20/02/2019</p>	
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

3NESB establish the Internal Audit as per "Prosedur Audit Dalaman (MSPO/AE) dated 14/09/2018. Refer to the procedure and sighted the detail of the audit process such as the audit report, root cause analysis of non conformity and the Internal Audit Flow Chart.		
4.1.2.3	Report shall be made available to the management for their review.	
3NESB Sighted the Internal Audit Report (Report#AE001), dated 15/01/2019. The report verified and edequate. NCR and observation were raised during the internal audit. All the matter was discused during management review meeting. Report Internal Audit Assesment #MS001 6 OBS		
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.	
3NESB Verified the MSPO Management Review Meeting, dated 28 February 2019, held in Pejabat Lahad Datu The agenda discussed all elements of MSPO requirement from principle 1 until principle 7.		
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.	
3NESB Sighted and verified the management plan was established as below: a) Pelan Pengurusan Alam Sekitar Tahun 2018 b) Pelan Impak Sosial Tahun 2019 c) Pelan Pengurusan Air Tahun 2019 d) Pelan Penggunaan Tenaga Yang Tidak Boleh Di Perbaharui Tahun 2019 Verified in the Plan above, al issue with action and monitoring every 3 months		
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.	
3NESB New Technique for chemical mixing area as per Environmental and Social Impact for Spraying activity.		
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.	
Refer to 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.	
The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms. Request, response and release of information must be recorded. If got any request by the stakeholders, they must come to the management and management will provide the "Borang Komunikasi"		
Generally, communicate the information with stakeholders and public through meeting with stakeholders. The management annually organize get together with local communities as part of promoting MSPO requirements as per Procedure. The recent meeting was held on 06/02/2019 held in Ladang Atlas Kew Sdn. Bhd Div-1 . For		

every issue raised the estate management will prepare management plan on social impact assessment.	
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.
<p>Communication procedure was applicable to all estate as per "Prosedur Komunikasi (Aduan Dan Permohonan)" dated 14/09/2018. Sighted the communication were divided into two categories external and internal. For internal normally the interaction between employee and employer through interview (face to face, letter and suggestion form.</p> <p>Sighted Reference Document List. Example publicly documents listed:</p> <ol style="list-style-type: none"> 1. Internal memo and external memo. 2. Management minute of meeting 3. Minute of safety and health committee 4. Comment from external stakeholder 5. Complaint Investigation report. 6. Record for outgoing and incoming information. 7. Land tittle 8. Safety and health plan 9. Environmental impact assessment 10. Pollution prevention plan 11. Complaint and grievance 12. Procedure for communication 13. Continues Improvement plan. 14. List of stakeholder 15. Human right policy 	
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
All the communication are as per "Prosedur Komunikasi (Aduan Dan Permohonan)" dated 14/09/2018. This procedure has been communicated to all stakeholders during stakeholder meeting dated 06/02/2019.	
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)
<p>3NESB Noted that official management representative nominated responsible for issue related to stakeholder; sighted the appointment letter for Arbain Shah Bin Ghani, dated 28/02/2019.</p>	
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>3NESB Sighted stakeholder meeting dated on 09/01/2019. Verified the list of stakeholder which is divided into two - Name of Individual/Group - EPF,SOCSO,MPOB and etc -Neighbours - Gold Crop Plantation, Agromate(M) Sdn Bhd and etc -Supplier-Tend Services Sdn Bhd and etc -additional Supplier -Letrik General</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 as per "Prosedur Traceability" dated 14/09/2019. Refer to the procedure the traceability are according the recording of the FFB harvesting such as 'buku Checker", Weighbridge Book, Weighbridge Ticket, Dispatch Note etc.	

4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	
The management has established a mechanism to monitoring and record with all tasks to the workers. Sighted "Pemeriksaan Bulanan Rekod Kebolehkesanan" was established and sighted was done for Jan 2019. 3NESB Verified in the 'Pemeriksaan Bulanan Rekod Kebolehkesanan' for every month inspection that include: Penuai, Loader/Farm Tractor/Lori Penghantaran BTS/Kilang		
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	
3NESB The management has appoint Arbain Shah Bin Ghani, dated on 14/09/2018 as personnel in charge for traceability . Function perform as per PIC Traceability stated in appointment letter		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	
3NESB a) Daily FFB harvesting records 2018/19 b) Weighbridge Ticket for Golden Elate Sdn Bhd #D/012832 dated 31/03/2019 NEtt : 11.90 mt c) FFB Despatch Note #DN 12832 dated 31/03/2019 d) FFB grading Chit for Golden Elate Sdn Bhd #SS4727P include- Bunches group etc e) FFB Report Sales Report - OP Mill No., Mill name, tonnage and etc. f) Monthly Statement #Co.Reg641618-P - Payment Voucher #ChqNo.:738375		
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	
3NESB a) MPOB License- Lesen# 535523002000 - valid until 31/12/2019 b) Akta Bekalan Elektrik 1990, Pepasang No.#ST(SSD)P/S/SBH/01236 dated 01/02/2019 c) Jabatan Alam Sekitar License #no.003501 dated 21/10/2015 d) Permit Barang Kawalan Berjadual- Diesel #No.Siri:S0117		
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	
3NESB List of legal register are available a sighted, has been update date on 14/09/2018. List of Legal document sighted that has been covered all the related palm oil industry. In the Scheme manager level sighted that operation supervisor are nominated as Person who are responsible with the changing of the law requirement. There are laws and regulations identified in the legal register. Some of applicable laws sighted includes: <ul style="list-style-type: none"> • OSHA and regulations 1994 (Act 514) • Poison Act and Regulations 1952 (Act 366) • MPOB • Employees Social Security Act and Regulations (Act 4) • Industrial Relations Act and Regulations (Act 177) • Trade Union Act and Regulations • Employees Provident Fund Act 1991 OBS - To remove C15 - Weight and Measures Act 1972(Act 71)(Ammended 1981) from legal list because 3NESB don't have weighbridge in the estate.		
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.	
Sighted management establish the LORR and updated on 14/09/2019.		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	

Mr. Arbain Shah Bin Ghani has been nominated as Legal Requirement Register Officer 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. The functions are listed in one nomination letter dated on 14/09/2019 and signed by Manager. Function as follow;		
1. Ensuring LRR up to date and amend any new regulation coming into force		
2. Documenting and issuing of document and report		
3. Monitoring compliance and track update and changes in regulatory requirements.		
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	
Sighted management establish the map survey for estate as per Boundary Map		
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.	
3NESB a) Schedule VIII (Section 48 &57) Form of lease #CL115414652- Agricultural Crops of economic value b) Schedule X (Section67) #NL113077642 - Agricultural Crops of economic value c) Schedule X (Section67) #NT113082018 - Agricultural Crops of economic value		
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	
3NESB Boundary were by boundry roads , fencing and trenches are available and visible during site observation. The management establish map close up boundary location. Observe the estate map to show the block identification.		
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).	
3NESB There is no land dispute issue as the whole estate block is owned by Atlas Group. As of to-date there was no complaint on land matter. No record on FPIC process because there is no community surround of plantation area		
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.	
3NESB Refer to document of sub-lease (Shedule X-Section 67) and sighted all the document was valid and approved by Pengarah Tanah Dan Ukur, Sabah Registrar.		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	
Sighted management establish the map survey for estate as per Boundry Map		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	
NA		
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	
As per Social Impact Assessment fom Dec 2018 and sighted the Pelan Impak Sosial as below: a) Social issue handling - To conduct briefing on the complaint procedure, meeting with stakeholders etc. b) Employee housing comply with legal - To conduct the line site inspection and manage the domestic waste c) Employee safety - to provide suitable PPE to all employee - to adequate safety training to all employee		
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	
Communication procedure was applicable to all estate as per "Prosedur Komunikasi (Aduan Dan Permohonan)" dated 14/09/2018.		
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.	
Verified the complaint form received by management. Noted as to date management only received complaint from employer related with housing issues as below: a) Employee: Artus neing Complaint: Request to provide dust bin at housing area dated 28/09/2018 Action taken: Management approve the budget to purchase the dustbin on 11/10/2018		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	
Sighted complaint form was located a at the management office. All stakeholders are freely to access and write their complaint or request to the management		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	
Management do briefing to the employee and to all stakeholders during the stakeholder meeting 16/01/2018. Sighted the complaint flow chart was display at the notice board surrounding the estate compound.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	
Sighted complaint document with effective date 14/09/2018 and as to date all the document are kept documented.		
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.	
CSR activity by management as below: a) Do the tree planting activity at Hutan Simpan Tabin on 15/04/2018 coloborate with Jabatan Perhutanan Sabah b) Donate to BOMBA, Lahad Datu dated 06/08/2018- Payment Voucher# PV 0012 c) Donate to Sek. Keb. Batu 6 1/2 Segama dated 26/10/2018- Payment voucher#PV0029		
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
<p>3N Estates establish the "Polisi Keselamatan Dan Kesehatan" and approved by the General Manager dated 11/10/2018. Sighted the content of the policy as below:</p> <p>a) to provide adequate control of the safety and health risk b) ensure safe handling and use of chemical c) to maintain safe working condition</p> <p>OBS 001 To include on the safety legal compliance in the policy statement by add the compliance to the FMA 1967</p>	
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	
The policy was communicate to all employee on training or briefing dated 01/12/2018, 16/01/2019. Site visit sighted the policy was display at notice board surrounding estate compound.	
b) The risks of all operations shall be assessed and documented	
<p>Sighted management establish the risk assessment as per HIRARC to all activities such as weeding, manuring, store, FFB Loading etc. Verified the risk assessment for year 2018 as below:</p> <p>a) Weding Activity: Spraying Hazard: Chemical contact to body Likelihood (1) X Severity (3) = Risk (3) - LOW</p> <p>Hazard: Slippery Likelihood (1) X Severity (3) = Risk (3) - LOW</p> <p>b) Prunning Hazard: Frond stacking Likelihood (1) X Severity (2) = Risk (2)- LOW</p> <p>c) Harvesting Hazard: FFB fall to harvester Likelihood (3) X Severity (2) = Risk (6)- MEDIUM</p> <p>OBS 002 Sighted the HIRARC for harvester with the effect of fatality however during assessment the Severity rank is only 2, which refer to HIRARC matrix the fatality rank is 3</p>	
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.	
Refer to Program Latihan 2018/19 and sighted planed training on SOP as below: a) Demontrasi bancuhan racun/ rawatan air planned on Feb and Sept 2019 b) Prosedur Racun Tikus planned on Frb 2019 c) Latihan Prosedur Meracun planned on Mar and Sep 2019 <p>Refer to training record and sighted SOP training conducted as below: a) Latihan Prosedur Meracun dated 16/01/2019 conducted by Manager attended by all sprayer b) Latihan Prosedur Membaja dated 19/12/2018 conducted by Manager attended by all manurer.</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).	

Seen the PPE were provided by the management for each operation need for PPE as per identified in the risk assessment. Below are the sample of PPE provided and been recorded in the PPE issuance (Issue Book):
 1. Safety helmet issued to Jenus (05/09/2018).
 2. Seekle cover issued to Nonuy (10/12/2018).
 3. Apron issued to Wilma (05/09/2018)

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.

a) Verified CHRA Report (Ref#:HQ/11/ASS/00/298-2018/037) with date assessment on 02/11/2018 and verified below item:
 a) Register Of Chemical Hazardous To Health dated 08/11/2018 listed diesel, ammonium sulphate, glyphosate, garlon etc.
 b) Medical Surveillance as per Summary Report Medical Surveillance For January by Dr Sanjay (OHD:HQ/18/DOC/00201) for sprayer Garmin Jacob.

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.

Sighted the Appointment Letter to person in charge for Sfatey & Helath was given to En. Arbain Shah which responsible for any emergency cases of accidents or any matter related with emergency incidents on the estate.

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.

Sighted management establish the Safety Committee in order to conducted the two-way communication with their employees. Verified the organisation chart and sighted the organisation composition of chairman, secretary, employee and employer rep. The meeting was held on 20/02/2019.

h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.

3N Estates established the "Prosedur Persediaan Dan Tindakan Kecemasan" dated 14/09/2018. Refer to procedure management need to establish the Emergency Response Team. Sighted all estate already form the Emergency Response Team and divided into Fire, Spillage, Wild Life and Flood.

Refer to training records estates conducted the Fire Drill/ Fire Training on 05/10/2018.

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

Noted currently no competence First Aider present at operation, however sighted management plan to conduct by Jun 2019 and sighted the quotation from St John Ambulance Malaysia on offering the First Aid Training (Ref# SJAMLD/fat/01/2019 Bil:(01) dated 21/02/2019.

j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Noted all accident were recorded and sighted management submit the JKKP 8 Form to DOSH. As to date, no any accident were recorded at the 3N Estate. Refer to the OSH Minute Meeting and sighted the accident record were reviewed during the meeting.

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	

<p>Establish the Human Resource & Social Policy and approved by the GM dated 01/07/2018. The policy was contain of the commitment of the:</p> <ul style="list-style-type: none"> i) Comply with the Employment Act 1955, Undustrial Relation ACt 1967 etc ii) Provide equal opportunity and treatment to all employees iii) Employee remuneration and employment terms and conditions iv) Prevent all forms of sexual harrasment <p>Sighted policy was communicated during the morning briefing, display at the office and other strategic plase within the estate compund.</p>	
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.
<p>Site visit and interview sighted no any discriminatory were sighted and all employee are treated equally by provide the living quarter, salary and other benefits as per workers contract agreement.</p>	
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.
<p>Verified the workers agreement and sighted the payment was meet the Minimum Wage Act and as per agreemnt and sample as below:</p> <ul style="list-style-type: none"> 1) Garmin Jakub, Post: Sprayer- Wages rate: Selective (RM16/ha), Lallang (RM10/ha) etc- Total paid for Feb 2019= RM1,433,44 2) Asriadi bin Tahir, Post: Head gang, Wages rate: (RM1,100/month)- Total paid for Feb 2019= RM1,100. 	
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>Noted all activity not engage with any contractor.</p>	
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>Employee record are available in the Employee Register, verified the record available such Name, Nationality, Date of birth, date of entered, date start employment, passport no, passport expiry date, visa number, visa expiry date, fomema issue and insurance due date. The job description and wage are stated in the Worker Contract Agreement.</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>Verified the employee contracts and and sighted fair contracts for contain of contractual periods, notice of termination, annual leave, working hour, holidays etc. Sample of signed agreement as per "Perjanjian Pekerjaan" below:</p> <ul style="list-style-type: none"> a) Artus Neing as General Workers, Perjanjian Pekerjaan dated 	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.
<p>The time recording for employees for working hours and overtime are as per Check Roll Book for each operation. Verified the time recording for general workers as per Check Roll Book- General Workers for month of Jan and Feb 2019.</p>	

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
<p>Refer to the "Pejanjian Pekerjaan" the working hours and breaks of each individual are as per agreement and the working time are as below:</p> <p>Working Time: 6.30am - 2.30pm Break Time: 10.30 am - 11.00 am</p>	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements
<p>Refer to the "Perjanjian Pekerjaan" stated the payment for workers as below:</p> <p>a) Normal day- 8 hours and 6 days a week</p> <p>Overtime to rate to be paid as below:</p> <p>a) Normal Day= OT Hours X 1.5 b) Weekend/ Rest Day = OT Hours X 2.0 c) Public Holiday = OT Hours X 3.0</p>	
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
<p>Refer to agreement sighted other social benefit was provided such as medical, bonus, free electricity, workers quarters etc.</p>	
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>Site visit at living quarters and sighted all workers are provide with the workers quarters. Noted the living quarters are adequate with toilet, living hall and electricity were supply by gen set. For water supply, estate management supply the water for resident usage by treated onsite water treatment.</p> <p>1) Verified line site inspection as per "Pemantauan Mingguan Kawasan Perumahan" and sighted conducted by weekly on 15/03/2019, 08/03/2019, 01/03/2019 etc</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
<p>Establish the "Sexual Harassment Policy dated 11/10/2018 and approved by the General Manager, Mr Tan Kong Kok. The policy was contain of the commitment of the:</p> <p>i) Comply with the Employment Act 1955, Industrial Relation Act 1967 etc ii) Provide equal opportunity and treatment to all employees iii) Employee remuneration and employment terms and conditions iv) Prevent all forms of sexual harassment</p> <p>Management establish a guideline "Garis Panduan Gangguan Seksual (MSPO/AE)" dated 14/09/2019 and brief the guideline to all employee during the morning briefing.</p>	
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>Noted management respect the right of the employee to form or join trade union and the commitment are as per Social & Human Rights Policy where the management will commit the Industrial Act 1967, Part II Trade Union. Noted as to date, no any employee are join the trade 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.	
Refer to the employee register list and site visit and sighted no under age workers been hired by estate.		
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.	
Refer to Program Latihan 2018/19 and sighted planed training on SOP as below: a) Demontrasi bancuhan racun/ rawatan air planned on Feb and Sept 2019 b) Prosedur Racun Tikus planned on Feb 2019 c) Latihan Prosedur Meracun planned on Mar and Sep 2019		
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.	
Management establish the training need as per "Keperluan Latihan 2019" and sighted the training required for all employee as below: a) Harvester- Required training Harvesting procedure, PPE etc b) Sprayer- SOP Spraying, Chemical Handling, Buffer zone etc c) Tractor Driver- Driving Competency, PPE etc		
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.	
Management etsbalish the "Prosedur Latihan Dan Kecekapan (MSPO/AE)" dated 14/09/2018. The implementation of the Training Plan was sighted as per Training Records and sighted management done conducting the training as below: a) Taklimat Tiada Pembakaran Terbuka dated 26/12/2018 b) Latihan Pemakaian PPE dated 28/09/2018 c) Latihan Keselamatan Pengendalian Grabber dated 01/12/2018		
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.	
Sighted Environmental Policy dated 11/10/2018 signed by General Manager Mr. Tan Kong Kok dated 11/10/2018 Verified in the Taklimat Tiada Pembakaran Terbuka (Environment) dated 26/12/2018		
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	
a) Verified the 'Analisis Aspek dan Impak Alam Sekitar' No. Ref : MSPO/3N stated the objectives. b) Verified the "Environmental Aspect Impact Assessment and Evaluation" conducted to all activities such as Penuaian & Pemangkasn Pelepah, stor bahan kimia dan baja and etc.		

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.	
Verified environmental plan "Pelan Pengurusan Alam Sekitar " year 2018. The plan has identified the objective of environmental issues, continuous action plan, PIC, review date. Sample of the plan such: Aktiviti Menyebabkan pencemaran: Meracun di tepi sungai/tadahan air Akibat Terhadap Alam Sekitar : Hakisan tanah ke dalam laluan air/tadahan air Langkah Penyelesaian : Penyemburan hanya dilakukan untk laluan dan bulatan etc.		
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan	
Verified in Environmental Management Plan Year 2019, the training/program been included in mitigation measures for the continual improvement plan. Verified the action plan and the progress were in progress and accordingly.		
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.	
Briefing environmental policy and awareness for environment during muster call dated 26/12/2018. To ensure the objective is achieve, management provide environmental plan for continues monitoring.		
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed	
Discussion on environmental are conducted in Minit Mesyuarat Alam Sekitar, noted the minute meeting date 20/02/2019 attended by chairman, employer and employee representative. A slot regarding Zero Burning, Buffer Zone Area management, 3R awareness and etc. Next meeting will refer to training plan 2019		
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.	
Monitoring diesel per FFB for 3NESB Oct 18 - 1.135 L/Mt Nov 18 - 1.165 L/Mt Dec 18 - 1.5 L/Mt Sighted the trend are intepreted into bar graph year 2018. Verified the in the 'Pelan Penggunaan Tenaga yang tidak boleh diperbaharui' year 2018 include action taken by person incharge		
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.	
Refer 5.2.1, the monitoring record shall include the contractor usage Verified the in the 'Pelan Penggunaan Tenaga yang tidak boleh diperbaharui' year 2018/19 with continuous improvement action taken by person in charge.		
4.5.2.3	The use of renewable energy should be applied where possible	

During site visit and interview the Estate Manager, no any renewable energy applied for the estate operation at the period of assessment.		
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.	
All waste type in the "Pelan Pengendalian Bahan Buangan " such Scheduled waste, domestic waste, industrial waste. The SW generated as per List Of Waste Produced and listed the SW such as SW 305, SW 306, SW 410 etc, Industrial waste such as EFB, scrap metal, tyre & etc		
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.	
a) Verified in the SOP 'Pengendalian Bahan Buangan' dated 14/09/2018 that include : Domestic Waste, Schedule Waste, Industrial Waste and etc b) Abid Emas Group practice prune frond stacking for prevent soil erosion		
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.	
Schedule Waste are registered in eswis system dated 15/12/2018. The list of notification available in the system for 3NESB such SW305, SW306, SW409 and etc Service Order Form (3NESB) #1100512-A dated 09/03/2019 The daily inventory recorded in the 'Bahan Buangan Terjadual' book.		
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.	
Verified in site visit, the pesticide containers has been punctured. Pentas Flora (Sabah) Sdn Bhd has collected SW409 (Empty Containers) - 0.20 MT		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	
Domestic waste will be manage by 3NESB and the waste will be taken and dispose on every 2 days per week to dumping into landfill.		
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	
Sighted the polluting activities was assess as per Environmental Aspect & Impact for activity risk for pollution as refer to 4.5.1.2		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	

As per 4.5.3.2 in the 'Penggunaan Secara Maksimum & mengurangkan pembaziran year 2018/2019		
Criterion 5	Natural water resources	
Indicator	Requirement	Findings
4.5.7.1	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.		
Verified there are assessment of water inlet and outlet from Chemsain Konsultant Sdn Bhd dated 14/02/3019 with parameter pH and Acidity		
OBS As per 'Pengurusan Sungai dan Air minuman #MSPO/AE stated 7 parameter Interim National Water Quality Standard as below: -pH -Suspended Solid -Biological Oxygen Demand (BOD) -Ammoniacal Nitrogen (AN) -Pesticide Residue -Fosforus (P)		
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities		
Refer to 'Pelan Penggunaan Air' year 2018 3NESB continuous review for water usage with remarks Location : Chemical Mixing Area - Recycle Water for chemical mixing		
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.).		
Verified at site visit for ways to optimize water and nutrient usage to reduce wastage such i) waste water from mixing area was collected into sump and reuse for mix and spraying usage ii) Rainwater harvesting at the linesite area Refer to 'Pelan Pengurusan Air' year 2018, stated that action plan and plan to mitigate.		
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.		
No natural water in the estate area. However, verified during site visit the water catchment and small drain were conserve accordingly by maintain the vegetation and no chemical activities.		
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.		
No natural vegetation in riparian areas has been removed.		
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.		

No bore was sighted at the estate.		
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	
Noted no gazetted river was cross over the estate.		
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).	
Verified during site visit, water catchment are available at site practice.		
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.		
Biodiversity report available conducted by consultant in December 2018. The assessment are based on HCVF (High Conservation Value Forest toolkits for Malaysia. There are 6 HCV need to identified such HCV1- Concentration of biological diversity including endermic species, HCV2 - Large landscape-level exosystems and ecosystem mosaics tahat are significant at global, HCV3 - Rare, threatened pr endangered ecosystems, habitat or refugia, HCV4 - Basic ecosystem services in critiral situation, HCV5 - Site and resources funcamental for satisfying the basic necessities of local communities or indigenous people., HCV6 - Site, resources, habitats and landscapes of global or national cultural, ecolovaial & etc.		
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.		
Verified that 'Laporan Penilaian Biodiversiti' on December 2018 that include list of animal and plant that identify based on IUCN and Wildlife Conservation Enacment 1997(Sabah Enact.) -Least Concern- White Nest Whisflet, Javan Pond-Heron, -Endangered- Asian Elephant		
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		
Refer to biodiversity report, refer to Protection status of Wildlife Conservation Enacment 1997 (sabah Enact.)		
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts		
During site visit, sighted management discouraging any illegal hunting and fishin acivity by display the signage of "No Hunting" and "No Fishing" at the estate entrance, water cathment area and border area.		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	
Verified the management plan and plan for the discouraging the illegal hunting and fishing activity by display the signange. Management also include the Biodiversity Awareness Training to be plan conducted on Dec 2018.		
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.
Verified the MSPO manual and sighted has stated the zero burning for replanting.	
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 previous crop is highly disease	
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.
Site visit and sighted no any zero burning was practiced at the replanting area.	
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.
Site visit and sighted no any zero burning was practiced.	
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 were inside MSPO operation manual including harvesting, spraying, manuring dated on 1/7/2018. Verified also the detail of operational practice implemetation for estates activities were stated insied the ARM(Agriculture Reference Manual) dated on 1/7/2018	
Site visit sighted all activities are as per ARM and verified the Training Records the SOP training were given to all employee. Verified the activitiy as below:	
<p>a) Circle weeding sighted circle weeding activity with 1.5 meter wide sircle around the base of each palm. Site visit sighted no any Imperata cylindica species surroundng thefoiled. Selctive spraying was sighted implemented with chemical recommendation as below:</p> <p>a) Circle weeding- Ally 75 gram per 450 liters to control legume and some broad leaf weeds b) Circle weeding- Basta 3.5 liters per 450 liters to control eluusine indica, erigeron sumatrensis.</p> <p>b) Manuring Management manage the manuring acitivites as per manual wehere type of fertilizer use is nitrogen, Urea (46%N), Ammonium Nitrate (35%N), Rиск phosphate, Pottasium etc. Application of fertiliser are recommended apply during the periods of light rain and not during the dry season. Urea and nitrogenous fertilizer applied in weed free or recently sprayed circles to avoid being pirated by grassess and weeds.</p> <p>c) Harvesting Management ste the standard of Minimum Ripeness Standard (MRS) at one loose on ground before cutting. Harvesting interval is 8-12 days.</p>	
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.

Site visit sighted the hilly area, management maintain the cover crop to prevent soil erosion. Sighted no any blanket spray activity at the hilly area in order to kept maintain the cover crop at the hilly area.		
4.6.1.3	A visual identification or reference system shall be established for each field.	
All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every field. This is observed during the field visit.		
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.	
Estate had an annual budget for the financial year ending September 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.		
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	
Refer to replanting program/schedule (2017 - 2035) and sighted the plan replanting on 2026 for AKSB, 2025 for TSCP. FDSB done replanting to all Division by 2016.		
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.	
Estate had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas. 1. Crop budget 2019 = 11,347 ton 2. Immature cost = RM194.19/ ha 3. Palm cultivation & Maintenance cost = RM149.16/ha 4. General expenditure= RM82.19/ha		
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.	
Management monitored the achievement goal as per Oil Palm Yield Return For the Month of Dec 2018, Jan 2019, Feb 2019 etc.		
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.	
Noted the price mechanism for FFB sales were determine by the palm oil mill. The price agreement was determined as per Self Billing Agreement between the palm oil mills.		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	
Verified the agreed payments as below: a) Self Billing Agreement between Sungai Ruku Oil Palm Plantation Sdn Bhd dated 19/03/2018 b) Self Billing Agreement between Golden Elate Sdn Bhd dated 31/12/2019		
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	
	Noted 3N appointed Pentas Flora Sdn Bhd as a contractor for Sheduled Waste collection. The contractor was brief on the MSPO requirement as per "Borang Penerangan MSPO Kepada Kontraktor" dated 09/03/2019.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	
	Noted 3N Estates appointed Pentas Flora Sdn Bhd as a contractor for schedule waste collection and sighted the Service Order Form dated 09/03/2019.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	
	Noted 3N appointed Pentas Flora Sdn Bhd as a contractor for Sheduled Waste collection. The contractor was brief on the MSPO requirement as per "Borang Penerangan MSPO Kepada Kontraktor" dated 09/03/2019 and sighted a clause statement on the acceptance of the contractor for MSPO auditor to verify assessment through physical inspection.	
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	
	Noted management montioered the contractors' task by monitoring the contractors activity. The monitoring are as per normal visual monitoring by Lorry Supervisor.	
	CAR 1 To established a record of monitoring the contractor task.	
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.	
NA		
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	
NA		
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.	
NA		
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.	

NA	
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.
NA	
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.
NA	
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.
NA	
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
NA	
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure
NA	
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.
NA	
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.
NA	
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion
NA	
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
NA	
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.

NA	
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
NA	
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.
NA	
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.
NA	
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
NA	
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.
NA	
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.
NA	

Observation for Improvement

Details
<p>4.4.4.1 OBS To include on the safety legal compliance in the policy statement by add the compliance to the FMA 1967</p> <p>4.4.4.2 OBS (b)Sighted the HIRARC for harvester with the effect of fatality however during assessment the Severity rank is only 2, which refer to HIRARC matrix the fatality rank is 3</p> <p>CAR 1 4.3.1.1 To established a record of monitoring the contractor task.</p>

During the assessment_1_nonconformities were identified.

APPENDIX 1

MAP OF ESTATE FOR 3N Estates Sdn Bhd – Div 1 & 3

