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| <h1>Assessment Report</h1> | Date: 10 JUNE to 12 JUNE |
| | <h1>2019</h1> |


[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 | ZMMAS SDN BHD/ LINGKARAN WIDURI SDN BHD/ METRO ENTITI SDN BHD |
| Address | A-139, GROUND FLOOR, JALAN AIR PUTIH, 25300 KUANTAN, PAHANG DARUL MAKMUR |
| Report no | MS19MM0145 |
| 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 | 10-12/06/2019 | |
| 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 | Micheal Mikael Fan |
| Alternate contacts | NA |
| Management Representative contact no. | 013-916 9668 |
| E-mail address | lingkaranwiduri@yahoo.com |
| Fax Number | 09-9120700 |
| Fixed Line Number | 09-9120707 |
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| | | |
|--|----------------------------------------|--|
| | the requirements of the audit standard | |
|--|----------------------------------------|--|

Section E Auditor and Auditees Names

| | | |
|--------------------------|-----------------------------------------------|----------------|
| CCI Assessors | Attendance during opening and closing meeting | |
| Team leader | Name | Designation |
| Mohamad Zulkefli Md Isa | Mr Wong Hin | Estate Manager |
| Team member | | |
| Mohd Shyaiddal Abd Kadir | | |
| Trainee auditor | | |
| NA | | |
| Observer | | |
| NA | | |

Section F Audit Process Matrix

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

| Planned month & year | 05/2019 | 04/2020 | 04/2021 | 04/2022 | 04/2023 |
|-------------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Internal Audits | ☒ | ☒ | ☒ | ☒ | ☒ |
| Stakeholder consultation / survey | ☒ | ☒ | ☒ | ☒ | ☒ |
| Use of logo | ☒ | ☒ | ☒ | ☒ | ☒ |
| Follow-up from previous audit finding | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.1 Management Commitment & Responsibility | | | | | |
| 4.1.1 MSPO Policy | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.1.2 Internal audit | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.1.3 Management Review | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.1.4 Continual Improvement | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.2 Transparency | | | | | |
| 4.2.1 Transparency of information and documents relevant to MSPO requirements | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.2.2 Transparent method of communication and consultation | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.2.3 Traceability | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.3 Compliance to legal requirements | | | | | |
| 4.3.1 Regulatory requirements | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.3.2 Land use rights | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.3.3 Customary rights | ☒ | ☒ | ☒ | ☒ | ☒ |
| 4.4 Social responsibility, health, safety and employment condition | | | | | |
| 4.4.1 Social impact assessment (SIA) | ☒ | ☒ | ☒ | ☒ | ☒ |

| | | | | | |
|------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 4.4.2 Complaints and grievances | <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 | 10/05/2018 | 8.30 |
| Opening Meeting <ol style="list-style-type: none"> introduction of the participants, including an outline of their roles; confirmation of the scope of certification; confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; confirmation of formal communication channels between the audit team and the client; confirmation that the resources and facilities needed by the audit team are available; confirmation of matters relating to confidentiality; confirmation of relevant work safety, emergency and security procedures for the audit team; confirmation of the availability, roles and identities of any guides and observers; the method of reporting, including any grading of audit findings; information about the conditions under which the audit may be premature terminated; confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and | | |

- l) shall be in control of executing the audit plan including audit activities and audit trails;
- m) confirmation of the status of findings of the previous review or audit, if applicable;
- n) methods and procedures to be used to conduct the audit based on sampling;
- o) confirmation of the language to be used during the audit;
- p) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;
- q) 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

Sem Wah Development Enterprise Sdn Bhd was established in Kota Bharu, Kelantan and the head quarters office address as above. Company have manage one estate located at Daerah Chiku, Gua Musang, Kelantan.

Assessment Process

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 Stage 1 Audit and found all the required document, procedure and form are available.

This is group certification where three company are decide to do group certification. 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 by Mohamad Zulkefli and found all the required document, procedure and form are available.

Stage 2 audit was held on 10-12/06/2019 where the sample size of the audit is 3 estates. The calculation of the sample size determination are as below:

$S = \sqrt{n} (RF)$
 $S = \text{sample size, } n = \text{number of estate, } RF = \text{Risk Factor}$
 $S = \sqrt{3} (1.5) = 1.73 \times 1.5 = 2.59$
 $S = 3 \text{ estates}$

For Stage 2 audit required 3 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.

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.

Stakeholder Consultation

Stakeholder consultation

- a) Mohd Romzi- Contractor
- b) JKKK Kg Orang Asli Putat
- c) Mr Zukiman bin Zulkifli- PKNIK Perladangan Sdn Bhd

Feedback from the stakeholder, all estates was have a good relationship with all the stakeholders and no issue was raised by the stakeholders.

Estates Information

LIST OF GROUP MEMBERS

1. ESTATE INFORMATION

| NAME OF ESTATE | LOCATION | COORDINATE |
|--------------------------|---------------------------------------------|------------|
| ZMMAS SDN BHD | MUKIM JABOR, KEMAMAN, TERENGGANU | |
| LINGKARAN WIDURI SDN BHD | MUKIM ULU NENGGIRI, GUA MUSANG, KELANTAN | |
| METRO ENTITI SDN BHD | MUKIM ULU NENGGIRI, GUA MUSANG, KELANTAN | |

2. AREA STATEMENT AND FFB FORECAST

| ESTATE | TOTAL AREA (HA) | PLANTED AREA (HA) | FFB TON/ YEAR (as per year 2018) | YIELD TON/ha/ YEAR |
|-----------------------------|--------------------|----------------------|----------------------------------------|-----------------------|
| ZMMAS SDN BHD | 276.45 | 276.45 | 6,588 | 23.83 |
| LINGKARAN WIDURI SDN BHD | 202.35 | 202.35 | 3,960 | 19.57 |
| METRO ENTITI SDN BHD | 141.65 | 141.65 | NIL | NIL |
| TOTAL | 620.45 | 620.45 | 10,548 | 17.00 |

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 | |
| Sighted management establish "Polisi Perlaksanaan Dan Komitmen MSPO" dated 28/01/2019, approved by CEO. Verified the policies and sighted the commitment of the management on the compliances to all 7 MSPO principles. | | |
| Sighted the communication of the policy by displayed he policy at the notice board. Policy was brief to workers during morning muster. | | |
| 4.1.1.2 | The policy shall also emphasize commitment to continual improvement. | |
| 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. | |
| Management have established Internal Audit plan dated 01/03/2019, Refer to the audit plan for this year the internal audit was conducted on 06/04/2019 by Mr Mohd Tarmizi. Sighted the audit was covered all the MSPO principle. Verified the competency of lead auditor Mr Mohd Tarmizi is experience as a Internal Auditor for RSPO, ISCC for almost 6 years at Slme Darby Sdn Bhd. | | |
| 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 | |

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| LWSB/ WESB/ZSB Management establish the "Prosedur Audit Dalam" dated 01/12/2018. 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. | |
| Sighted the Internal Audit Report dated 06/04/2019. The report verified and edequate. 23 NCR and 10 observation were raised during the internal audit. All the matter was discused during management review meeting. | | |
| 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. | |
| Verified the MSPO Management Review Meeting Minute, dated 28/04/2019 and chaired by the Director. The agenda discused 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. | |
| Management established the continual improvement as per risk assesment conducted below: a) HIRARC dated 01/02/2019 b) Environmental Impact & Aspect dated 01/02/2019 All the risk assess and the necessary action taken was plan accordingly for improvement as per below: a) Pelan Impak Sosial May 2019 b) Pelan Pengurusan Lama Sekitar dated 02/04/2019 c) Pelan Pengurusan Bahan Buangan dated 02/04/2019 | | |
| 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. | |
| Noted management yet to implement any new practices for estate operation. | | |
| 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. | |
| As to date, management not implement any new technique and technology due to management decide to reduce the plantation land to property by stages. | | |
| 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. | |
| LWSB/ WSB/ZSB Management established the procedure "Komunikasi (Aduan dan Permohonan)" dated 01/12/2018. Refer to procedure management established the communication for complaint and requested of information by stakeholder. | | |

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| 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. | |
| Refer to the procedure all the information requested by stakeholder will be decide by the management. Site visit sighted all the license, permit, policy, procedures and SOP are publicly available and freely access by the stakeholders. | | |
| Criterion 2 | Transparent method of communication and consultation | |
| Indicator | Requirement | Findings |
| 4.2.2.1 | Procedures shall be established for consultation and communication with the relevant stakeholders | |
| Refer to the procedure all the information requested by stakeholder will be decide by the management. Site visit sighted all the license, permit, policy, procedures and SOP are publicly available and freely access by the stakeholders. | | |
| 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) | |
| Noted that official management representative as a nominated responsible for issue related to stakeholder; sighted the appointment letter for Mr Mohd Fadzli bin Ishak, dated 01/12/2018. | | |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. | |
| Verified the list of stakeholders established by the management as below: a) Local Community List- listed Liman bin Ahong- Kg Pos Pulat b) Suppliers/ Contractors- listed- Romzi bin Abdul Hamid- Contraktor c) Government Agencies- MPOB Machang, Pondok Polis Gua Musang, JTK Kuala Krai | | |
| 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). | |
| Management established procedure "Kebolehejakan" dated 01/04/2019. Refer to the prosedur all FFB will rcord to Nota Penghantaran BTS, Weoghbridge Ticket etc. | | |
| 4.2.3.2 | The management shall conduct regular inspections on compliance with the established traceability system | |
| Mr Mohamed Salahuddin will monitor the traceability system by conduting the regular inspection as per "Pemeriksaan Bulanan Kebolehejakan". Verified the record of inspection for month of Jan, Feb & Mar 2019. | | |
| 4.2.3.3 | The management should identify and assign suitable employees to implement and maintain the traceability system | |
| Slighted the appointment letter to Mr Mohamed Salahuddin as a responsible person on the traceability system. | | |
| 4.2.3.4 | Records of sales, delivery or transportation of FFB shall be maintained. | |
| Sighted the records available for the FFB delivery to the plam oil mill as below: a) Buku Rekod FFB- consist of info Block and Date. b) FFB To Mill weghbridge ticket consist of info as below: i) FFB Delivery Form# 2792 dated 30/0/2019, Form# 2791 dated 29/04/2019 | | |

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| ii) Purchase Docket# PO45892 dated 30/04/2019, P0045797 dated 29/04/2019. | | |
| 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 | |
| <p>Verified all license and permit required for the operation as below:</p> <p>LWSB</p> <p>a) MPOB License- Lesen# 54973400200 - valid until 31/05/2020</p> <p>b) Permit Barang Kawalan Berjadual- No Siri: D017482- valid until: 09/04/2019- Noted currently new application was in progress of approval from KPDNHEP.</p> <p>c) Application status of labour quarter CF as per letter from Pejabat Tenaga Kerja Kuala Krai- Ref# Bil(7)dIm.Tenaga Kerja K.Krai 236 dated 10/02/2019</p> <p>WESB</p> <p>a) MPOB License- No. Lesen: 61731200200- valid until- 31/03/2020</p> | | |
| 4.3.1.2 | The management shall list all laws applicable to their operations in a legal requirements register | |
| <p>List of legal register are available a sighted, has been update date on 01/12/2018.</p> <p>List of Legal document sighted that has been covered all the related palm oil industry. There are laws and regulations identified in the legal register. Some of applicable laws sighted includes:</p> <p>1) OSHA and regulations 1994 (Act 514)</p> <p>2) Electrical Supply Act 1990</p> <p>3) Environmental Quality Act 1974</p> <p>4) Malaysian Palm Oil Board Act 1998</p> <p>5) Employment Act 1974</p> | | |
| 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 the legal register was established and updated on 01/12/2018. | | |
| 4.3.1.3 | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. | |
| <p>LESB/ZSB</p> <p>Mr Yong Fwu Liang been nominated as person responsible 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 01/12/2018 and signed by Director.</p> <p>WESB</p> <p>Ms Emiw Hasmieza binti Che Hashim been nominated as person responsible 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 01/12/2018 and signed by Director</p> | | |
| Criterion 2 | Land used right | |
| Indicator | Requirement | Findings |
| 4.3.2.1 | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users | |
| <p>Sighted the estate map for LWSB/ WSB and the palm oil area within the area stated in the estate map and land title. Map file as below:</p> <p>a) Borang B2 (Jadual Kemepat Belas)- Pelan Tanah attached to the land title</p> <p>During site visit, sighted all the palm tree are within the estate boundary.</p> | | |

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| 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. | |
| Verified the land title and information are as below: LWSB a) Land Title: Hakmilik Sementara No H.S.(D) : 3441, Lot# PT 5506 Kategori Penggunaan Tanah: Pertanian Syarat Nyata : Kelapa Sawit b) Land Title: Hakmilik Sementara No H.S.(D) : 3442, Lot# PT 5437 Kategori Penggunaan Tanah: Pertanian Syarat Nyata : Kelapa Sawit WESB a) Land Title: Hakmilik Sementara No H.S.(D) : 4193, Lot# PT 6008 Kategori Penggunaan Tanah: Pertanian Syarat Nyata : Kelapa Sawit b) Land Title: Hakmilik Sementara No H.S.(D) : 4194, Lot# PT 6299 Kategori Penggunaan Tanah: Pertanian Syarat Nyata : Kelapa Sawit | | |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. | |
| Boundary were by boundry roads and drain 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). | |
| There is no land dispute issue as the whole estate block is owned by LWDB/ WESB. 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. | |
| Estate operation is not under customary right land. | | |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights shall be made available | |
| Estate operation is not under customary right land | | |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. | |
| Estate operation is not under customary right land | | |
| P4: Social responsibility, health, safety and employment condition | | |
| Criterion 1 | Social impact Assessment (SIA) | |
| Indicator | Requirement | Findings |

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| 4.4.1.1 | Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones | |
| <p>LWSB/ WESB/ZSB Verified the Social Impact Assessment dated 01/04/2019 by interviewing the stakeholder such as contractor, palm oil mill, government agencies etc and sighted a issue raised by the stakeholder as below: 1) Employee/ Orang Asli a) Generate job opportunity to the community- Positive b) Create awareness on no open burning practices- Positive c) Damages of the hilly area for planting palm oil- Negative d) Biodiversity impact due to deforestation- Negative</p> | | |
| 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 | |
| <p>LWSB/ WSB/ZSB Management established the procedure "Komunikasi (Aduan dan Permohonan)" dated 01/12/2018.</p> <p>Refer to the procedure the complaint mechanism are by fill up the complaint form and will take action by the Estate Manager. Estate Manager will do an investigation and necessary action taken will decide by the Estate Manager. Once all the necessary action taken been done, Estate Manager will inform to the complainer.</p> | | |
| 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. | |
| <p>Verified the complaint form received by management. Noted as to date management not received complaint from employer related with housing and other stakeholders issues.</p> | | |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. | |
| <p>Sighted the Complaint Form was available at the office and stakeholders are freely to requested the complaint form from the office clerk.</p> | | |
| 4.4.2.4 | Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time | |
| <p>Employees and stakeholders aware with the complaint form and sighted the complaint procedure was display at the office notice board.</p> | | |
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. | |
| <p>Not received any complaint as to date.</p> | | |
| 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>Refer to the CSR record and sighted contribute to stakeholders as below: LWSB/ZSB a) Sumbangan Tabung JKOA Kg Pos Pulat- RM300 dated 30/04/2019, 15/05/2019 etc b) Persatuan Pesara Pendidik- Contribute RM600 dated 25/01/2018.</p> <p>WESB a) SK Sg Terah- Contribute diesel for grass cutting RM50 b) Masjid Buluh- Contribute RM400 for "gotong-royong" activity.</p> | | |
| Criterion 4 | Employees safety and health | |

| Indicator | Requirement | Findings |
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| 4.4.4.1 | An occupational safety and health policy and plan shall be documented, effectively communicated and implemented | LWSB/ WESB establish the "Polisi Keselamatan & Kesehatan" dated 01/03/2019 and approved by Director. |
| 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 | Sighted the policy was communicated to employee during briefing and the policy was display at the notice board. |
| | b) The risks of all operations shall be assessed and documented | Sighted management establish the risk assessment as per HIRARC dated 01/12/2018 to all activities such as weeding, manuring, store etc. Sample: a) Spraying i) Hazard: heavy pump, Severity (1) X Likelihood (3) = Risk (3) (LOW) ii) Hazazrd: pesticide odour, Severity (4) X Likelihood (2) = Risk (8) (MEDIUM) b) Manuring i) Hazard: Heavy fertiliser bag, Severity (1) X Likelihood (3) = Risk (3) (LOW) ii) Hazard: Fertiliser dust, Severity (3) x Likelihood (3) = Risk (9) (MEDIUM) Sighted an recommendation action taken been done such as conducted the CHRA, training etc. |
| | 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 the Annual Training Plan and sighted the planned training for employee exposed to chemical such as Safe Handling Chemical, SOP Meracun, SOP Membaja etc. 1) Sighted training conducted as below: a) LWSB conducted training of SOP Meracun dated 08/01/2019 attended by Rafiqul, Iqbal, Suprato etc. a) MESB done conducted training of "SOP Meracun" dated 13/01/2019 by Mr Mohd Tarmizi and attended by Rusliza, Tay Fong, etc. 2) During site viist sighted the safety signage and CSDS are available at the pesticide and fertilizer store. |
| | 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 management issue the PPE to the employee and during site visit sighted the harvesting workers are wearing the safety helmet and rubber shoes. Verified the issuance records as below: LWSB a) Safety Helmet- issue to Zainuddin, Iqbal and Haryano dated 02/01/2019 b) Apron- issue Zainuddin, Iqbal, Haryano dated 02/01/2019 MESB a) Respirator- issue to Siti Sarimah, Rahman etc dated 13/01/2019 b) Rubber Boots- issue to Sarimah, Rahman etc dated 13/01/2019 |
| | 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. | |

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| Sighted management establish the "Prosedur Pengurusan Bahan Kimia" dated 01/12/2018 and include all the activity for chemical handling such as storage, purchasing, mixing, disposal of the empty pesticide container etc. | |
| a) Verified CHRA report for LWSB and MESB dated 18/03/2019 conducted by Hj Shaari Chin (JKKP HIE 127/171-2(124)) | |
| 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. | |
| LWSB/ ZSB appoint Mr Mohamed Salahuddin as responsible person for workers and health safety. The appointment dated 01/12/2018 was sighted available. | |
| MESB appoint Mr Tey Hong Guan as responsible person for workers and health safety. The appointment dated 01/12/2018 was sighted available. | |
| 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. | |
| LWSB conducted the safety meeting regularly by quarterly and sighted conduct the meeting on 06/01/2019 and 08/05/2019 | |
| MESB conducted the safety meeting regularly by quarterly and sighted conduct the meeting on 28/03/2019. | |
| h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. | |
| LWSB/ MESB established the "Prosedur Kecemasan Dan kemalangan" dated 01/04/2019. | |
| CAR 1 No evidence on the accident or emergency drill was conducted to ensure the instruction was clearly understood by all employees | |
| i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite | |
| Verified the First Aid Training was provided to the staff as below: Mohamed Salahuddin (LWSB) and Tey Hong Guan (MESB) attended First Aid at Workplace conducted by St. John Ambulance Malaysia dated 24-25/11/2018. | |
| Site visit sighted the First Aid Kit was equipped to the field staff and done inspection by monthly basis. | |
| j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. | |
| Refer to the Safety Minute Meeting, sighted the accident record and data was 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 |
| LWSB/ MESB/ ZSB Management establish the "Polisi Kemasyarakatan Dan Hak Asasi Manusia" and approved by the Director dated 01/04/2019. The policy was contain of the commitment of the: 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 | |
| 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. |

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| 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. | |
| 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> <p>LWSB a) Rahman bin Halim: Wages for month of April= RM1,500 b) Siti Sarimah: Wages for month of April= RM2,007.77</p> <p>MESB a) Ziarul: Wages for month of April= RM1,910.20 b) Rafiqul: Wages for April= RM3,498.50</p> <p>Sighted the salary are above the mininum wages.</p> | |
| 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 |
| Noted no activity was outsourced to contractor. | |
| 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. |
| 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, etc . | |
| 4.4.5.6 | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records |
| <p>Verified the employee contracts as per "Syarat-Syarat Perkhidmatan DiBawah Peraturan 59(a) & (b) Seksyen 61, Akta Kerja 1965 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 "Contract Of Employment" below:</p> <p>LWSB a) Ziarul, Passport# F0507303, as General Workers dated 09/06/2018 b) Rafiqul, Passport#F0507301 as General Workers dated 09/01/2012</p> <p>MESB a) Rahman bin Halim, IC#: 790128-03-5971 as Field Supervisor dated 01/04/2018 b) Siti Sarimah binti Mat Junoh, IC#831022-03-5560 as Clerk dated 01/02/2016</p> <p>Sighted the agreemnt are as per "Syarat-Syarat Perkhidmatan Di Bawah Peraturan 59(A) & (B) Seksyen 61 Akta Kerja 1955.</p> <p>CAR 2 LEWB Refer to the "Kontrak Kerja" and sighted management not include the piece rate for the harvesting activity.</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. |
| The time recording for employees for working hours and overtime are as per employee "Checkroll Book" for each operation. Verified the time recording for for month of April 2019. Sighted the overtime hour was recorded as per "Checkroll Book" | |

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| 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 |
| Refer to the "Kontrak Pekerjaan" the working hours and breaks of each individual are as per agreement and the working time are as below: Estate Saturday - Thursday - 8.00am - 5.00pm Break: 12.00 pm - 1.00pm | |
| 4.4.5.9 | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements |
| Verified the payslip and pay slip and sighted the calculation of the wages are as per regulations which is more than RM1,100 per month. | |
| 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 agreement sighted other social benefit was provided such as medical, bonus etc. | |
| 4.4.5.11 | In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. |
| Noted LWSB in progress and waiting for approval application status of labour quarter CF and water supply as per letter from Pejabat Tenaga Kerja Kuala Krai- Ref# Bil(7)dlm.Tenaga Kerja K.Krai 236 dated 10/02/2019. Verified the line site inspection by weekly as per "Pemantauan Mingguan Kawasan Perumahan" for month of April and March 2019. Noted no employee quarter at MESB due to all employee are living outside the estate. | |
| 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 |
| Establish the "Polisi Gangguan Seksual" dated 28/01/2019 and approved by Director. The policy was contain of the commitment of the management do not tolerate any offense, injustice, violance and sexual harrasment | |
| 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. |
| Noted management respect the right of the employee to form or join trade union and the commitment are as per Polisi Sosial-Hak Kemanusiaan where the management respect the rights of employees and not prohibiting them to establish or join any trade union. Noted as to date, no any employee are join the trade union. | |
| 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 | |
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| 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. | |
| Verified and sighted the training programme are as per "Jadual Latihan Tahunan" for year 2019 and listed training for SOP Harvesting and SOP Weeding. | | |
| 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. | |
| Training need are as per Training Matrix year 2019, sighted the training required for each employee as per their position. | | |
| 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 establish the "Prosedur Latihan" dated 01/12/2018. Refer to the training record and sighted done training as below: LWSB a) SOP Membaja dated 15/01/2019 attended by Rafiqul, Siarul, Iqbal etc b) Latihan Memandu Kenderaan Ladang dated 10/02/2019 attended by Mohd Al-Amin and Dobiruddin. MESB a) Latihan Pengurusan Bahan Buangan Terjadual dated 24/04/2019 attended by Muhamad Arif and Rahman b) Penerangan Larangan Pembakaran terbuka dated 24/04/2019 attended by Siti Sarimah and Emiw Hamieza. | | |
| 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 management established the "Polisi Alam Sekitar" dated 28/01/2019 and approved by the Director. Sighted the commitment on the environmental as below: a) Comply with all legal b) Increasing awareness in environmental c) Improve efficiency in energy use and waste | | |
| 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 | |
| Noted that management has established Pelan Pengurusan Alam Sekitar Tahun 2019 and plan for below: a) Weeding activity at river bank- Establish the buffer zone b) Shedule Waste- To manage as per legal requirement c) Cehmical store- Establish bund surrounding the store Refer to the EAIA Form for dated 01/12/2018 sighted the assessment has been done according to the activity such as; | | |

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| <p>Activity: Chemical Spraying Aspect: Chemical spraying Impact: Ground and Water pollution Severity (3), Likelihood 2, Score 6. Mitigation: SOP of Riparian Zone and SOP spraying.</p> | | |
| 4.5.1.3 | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. | |
| <p>Noted that management has established Pelan Pengurusan Alam Sekitar Tahun 2019 and plan for below: a) Weeding activity at river bank- Establish the buffer zone b) Shedule Waste- To manage as per legal requirement c) Cehmical store- Establish bund surrounding the store</p> | | |
| 4.5.1.4 | A programme to promote the positive impacts should be included in the continual improvement plan | |
| <p>Noted that management has established Pelan Pengurusan Alam Sekitar Tahun 2019 and plan for below: a) Weeding activity at river bank- Establish the buffer zone b) Shedule Waste- To manage as per legal requirement c) Cehmical store- Establish bund surrounding the store</p> | | |
| 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. | |
| <p>LWSB/ MESB/ ZSB conducted training as below: a) Latihan Pengurusan Bahan Buangan Terjadual dated 24/04/2019 attended by Muhamad Arif and Rahman b) Penerangan Larangan Pembakaran terbuka dated 24/04/2019 attended by Siti Sarimah and Emiw Hamieza.</p> | | |
| 4.5.1.6 | Management shall organize regular meetings with employees where their concerns about environmental quality are discussed | |
| <p>Sighted 2 way communication by conducting the meeting, verified the "Minit Mesyuarat Alam Sekitar" dated 02/05/2019 for MESB and 03/03/2019 for LWSB etc and verified the agenda meeting sighted include the environmental issue during the meeting. Agenda: Training Work site inspection Accident Environmental Performance</p> | | |
| Criterion 2 | Efficiency of energy use and use of renewable energy | |
| Indicator | Requirement | Findings |
| 4.5.2.1 | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. | |
| <p>Sighted management establish the "Pemantauan Penggunaan Tenaga Tidak Boleh Baharui" and sighted the disesel usage per FFB are as below: a) LWSB Diesel usage year 2019 - Jan (8.56 liter/ton), Feb (8.55 liter/ton), Mar (12.09 liter/ ton) etc b) MESB, Diesel usage year 2019- Jan (RM6,400), Feb (RM4,400), Mar (RM6,800). Noted MESB not generate any FFB yet since the palm oil was planted on 2015.</p> | | |

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| 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. |
| Sighted management establish the "Pemantauan Penggunaan Tenaga Tidak Boleh Baharui" and sighted the disel usage per FFB are as below: a) LWSB Diesel usage year 2019 - Jan (8.56 liter/ton), Feb (8.55 liter/ton), Mar (12.09 liter/ ton) etc b) MESB, Diesel usage year 2019- Jan (RM6,400), Feb (RM4,400), Mar (RM6,800). Noted MESB not generate any FFB yet since the palm oil was planted on 2015. | |
| 4.5.2.3 | The use of renewable energy should be applied where possible |
| LWSB was utilised the solar system for their operation. | |
| 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. |
| Verified the procedure "pengendalian Bahan Buangan" and listed waste as below: a) Used empty container b) Used engine oil c) used battery d) Used fertilizer bag e) Domestic organic waste | |
| 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. |
| Verified the waste management plan as per "program Pelupusan Bahan Buangan" and sighted the waste disposal for domestic waste, Schedule Waste etc. | |
| 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. |
| Sighted Prosedur "Pengendalian Bahan Kimia" dated 01/12/2018 and sighted below: MESB a) eSWIS registration dated 10/03/2019- DOE File# ASGMS91/110/607/008 b) Inventory as per eSWIS updated April 2019- i) SW305- Used engine oil- 0.01 ton ii) SW306- Waste hydraulic oil-0.05 ton iii) SW409- Used pesticide container- 0.01 ton iv) Sw410- Oil filter- 0.008 ton LWSB a) eSWIS registration dated 05/03/2019- DOE File#03SX07CZ b) Inventory as per eSWIS updated April 2019-06-10 i) SW305- Used engine oil- 0.01 ton ii) SW 306- Waste Hydraulic Oil- 0.002 ton iii) SW 409- Used pesticide container- 0.005 ton iv) SW410- Used oil filter- 0.005 ton | |

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| 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. | |
| Noted all the empty pesticide container are reuse for the weeding activity. | | |
| 4.5.3.5 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. | |
| Sighted waste management plan for domestic waste. All recyclable waste will be collected in 3R station and Organic waste will be dump in dumpsite located at block 5. | | |
| 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 | |
| Refer to EAIA form, sighted that assessment of polluting activities are as below; 1. Emission from diesel engine 2. Land contamination and water pollution by chemical spillage.. | | |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented | |
| Refer to EAIA form, sighted the action plan taken by the management to reduced pollution which stated in EAIA report such as. 1. Ensuring all the vehicles are serviced periodically 2. Ensuring Waste Management Plan are properly implimented | | |
| 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. | | |
| Sighted management establish the "Pelan Penggunaan Air" as below: i) Rain- To maintain the silt pit in the field ii) River water quality- To do water sample one a year | | |
| b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities | | |
| LWSB Management conducted the water sampling and sent to BP Lab on 20/05/2019 and waiting for the result. | | |
| 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.). | | |
| Sighted management establish the "Pelan Pengurusan Air" as below: i) Rain- To maintain the silt pit in the field ii) Spring Water - Maintain of drainage to prevent clogged and maintain riparian bufferzone | | |

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| 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. | |
| Sighted riparian buffer zone are established and clearly demarcated | |
| e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. | |
| During site visit sighted no natural vegetation in riparian area 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 well been used for water supply. | |
| 4.5.5.2 | No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. |
| Refer to water management plan and site visit sighted no any construction of bunds, weirs and dams across main rivers and 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). |
| Site visit sighted the establishment of the silt pit in the field to maintain the water sources for the palm tree. | |
| 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. | |
| Refer to Biodiversity Report dated 01/05/2019 and sighted the identification of the species such as monkey, snakes, owl and birds as below: | |
| 1) Babi Hutan- Status IUCN: LC 2) Kera- Status IUCN; LC 3) Landak raya- Status IUCN: LC 4) Biawak: Status IUCN: LC 5) Burung Hantu: Status IUCN: LC 6) Ayam Hutan: Status IUCN: LC | |
| b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. | |
| Refer to the list sighted all the habitat are under category "Least Concern". | |

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| 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 the Biodiversity Management Plan, management plan to put the signage of prohibition activities such as no hunting. Sighted objective as below: | | |
| a) Elephant threat at plantation- To get info and awareness from PERHILITAN | | |
| b) To ensure water source free from chemical- Control chemical application and establish buffer zone | | |
| c) To ensure illegal hunting. | | |
| b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts | | |
| Site visit sighted "No Hunting" and "No Fisihing" sign board at the estate entry and estate border to the nearer village. | | |
| 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. | | |
| 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. | |
| Sighted established the Waste Management Plan- Prevent Open Burning dated 01/04/2019 and approved by the Manager. | | |
| Site visit sighted the signage for "No Open Burning" at the linesite and no any evidence of open burning. | | |
| 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. | |
| Site visit and sighted no any open burning was practiced at the replanting area | | |
| 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 open 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 open burning was practiced at the replanting area | | |
| 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. | |
| CAR 3 No evidence on the establishment of the SOP to ensure the proper site management and best practice were implemented. | | |

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| 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 establishment of the terrace and cover crop application at the hilly area. Site visit sighted all the hilly area was cover by the cover crop in order to prevent the contamination of surface. | |
| 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. |
| MESB/ LWSB Verified the Business Plan for year 2009 - 2020 | |
| 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 the Belanjawan Operasi Ladang and sighted the replanting programme was not applicable within 5 years programme. | |
| 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. |
| Verified the budget until 2020 and sample as below: LWSB a) FFB Sales= 2019 (RM860,000) b) Planting expenditure= 2019 (RM65,000) c) Admin & Operating expenses= 2019 (RM580,000) MESB a) Planting income- NIL b) Premium Tanah- 2019 (70,000) c) Bayaran Perunding- 2019 (RM8,500) d) Planting expenditure- 2019 (RM334,000) e) Kos infrastruktur- 2019 (RM10,000) | |
| 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. |
| CAR 4 No evidence on the monitoring of the business plan achievement. | |
| 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. |

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| <p>The FFB price was determined by the palm oil mill, verified the Monthly FFB Statement issue by the Sg Terah Palm Oil Mill Sdn Bhd and sighted the price determination are as below:</p> <p>a) Statement month of February 2019 CPO Price (MPOB Average) = RM2,101.50 Transportation cost = RM67.00 MPOB CESS= RM13.00 OER% = 19.25 FFB Price = RM389.14</p> | | |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner | |
| <p>Verified the agreement of payment are base on the monthly Monthly FFB Statement issued by Sg Terah Palm Oil Mill. Verified payment status as below:</p> <p>a) Statement for Jan 2019 Total FFB received= 568.19 ton Total FFB Purchase = RM228,264</p> <p>b) Statement for Feb 2019 Total FFB received = 495.75 Total FFB Purchase = RM200, 863.03</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 | |
| <p>LWSB Sighted management conducted briefing on the MSPO to contractors during the stakeholder meeting 28/04/2019</p> | | |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. | |
| <p>LWSB Verified the agreement between LWSB with Romzi bin Abdul Hamid dated 25/08/2019 for the below scope of work:</p> <p>a) planting palm oil tree b) Weeding and manuring c) FFB harvesting d) Pruning</p> | | |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required | |
| <p>During audit, interview contractor Mr Romzi and he accept the MSPO auditor to verified the employee payment records.</p> | | |
| 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 | |
| <p>Management observed the task performed by the contractors by do monitor the task by Field Supervisor visually and the harvesting record as per Contractor Payroll Record consist of the harvesting total of FFB bunches.</p> | | |
| P7: Development of new plantings | | |
| Criterion 1 | High biodiversity value | |
| Indicator | Requirement | Findings |

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| 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 |
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| 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 | | |

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Observation for Improvement

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| Details |
| NIL |

During the assessment_04_nonconformities were identified.