

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

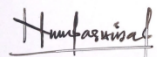
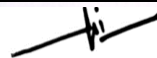

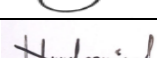
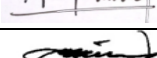
CERTIFICATION AUDIT REPORT


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

Kim Yew Sdn Bhd

-Individual Certification-

MAIN ASSESSMENT AUDIT
14th February 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	16/03/2020	Issued as Draft Report	Nurulashida bt Mohd Saad	Lead Auditor	
A	25/03/2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	25/03/2020	Peer Review 2 Comments	Mohd Zuhaili bin Mukri	Peer Reviewer 2	
B	28/03/2020	Issued as Final Report	Nurulashida bt Mohd Saad	Lead Auditor	
B	31/03/2020	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Kim Yew Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	31/03/2020	Acceptance of the contents	Ong Chooi Hwa	Director	

Declaration

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Table of Contents

SECTION I : PUBLIC SUMMARY REPORT	3
1.1 Certification Scope	3
1.2 Company details and Contact information.....	3
1.3 Certification Unit.....	3
1.4 Map Showing Geographical Location	5
1.5 Production Area, Actual and Projected FFB Production (MT)	7
1.6 Certificate Details.....	8
1.7 Qualification of the Lead Assessor and Assessment Team.....	9
1.8 Audit Methodology	10
1.9 Audit Plan Information	10
1.10 Audit Result Summary Findings	10
1.11 Stakeholder Consultation.....	11
1.12 Recommendation	12
1.13 Date of Next Surveillance Audit.....	12
1.14 Confidentiality	12
1.15 Abbreviations Used	13
SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA.....	14
2.1 Principle 1 : Management commitment and responsibility	14
2.2 Principle 2 : Transparency	17
2.3 Principle 3 : Compliance to legal requirements.....	20
2.4 Principle 4 : Social responsibility, health, safety and employment condition	23
2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services	32
2.6 Principle 6 : Best practices.....	42
2.7 Principle 7 : Development of new planting.....	46
2.8 Details of Audit Findings.....	51

Note: Section II of this report contain confidential information and been protected from public disclosure.

SECTION I : PUBLIC SUMMARY REPORT**1.1 Certification Scope**

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Kim Yew Sdn Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by the Company representative, of the supply base disposition.

This assessment was conducted onsite on **14th February 2020** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

1.2 Company details and Contact information

Company Name	Kim Yew Sdn Bhd
Business Address	2, Tanjung Sedili, 81910 Kota Tinggi, Johor.
Contact Person	Ong Chooi Hwa
Office Telephone	012-7852288
E-Mail	kimyewsb@gmail.com

1.3 Certification Unit**Name of the Certification Unit**

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Kim Yew Sdn Bhd	6 1/2 Mile, Jalan Mawai, 81900 Kota Tinggi, Johor.	103.9556200	1.80334480

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Kim Yew Sdn Bhd	617926002000	31/01/2021	Menjual dan Mengalih (FFB)

Others Sustainability Certification

No	Name Of The Site	Others Sustainability Certifications
1.	Kim Yew Sdn Bhd	NIL

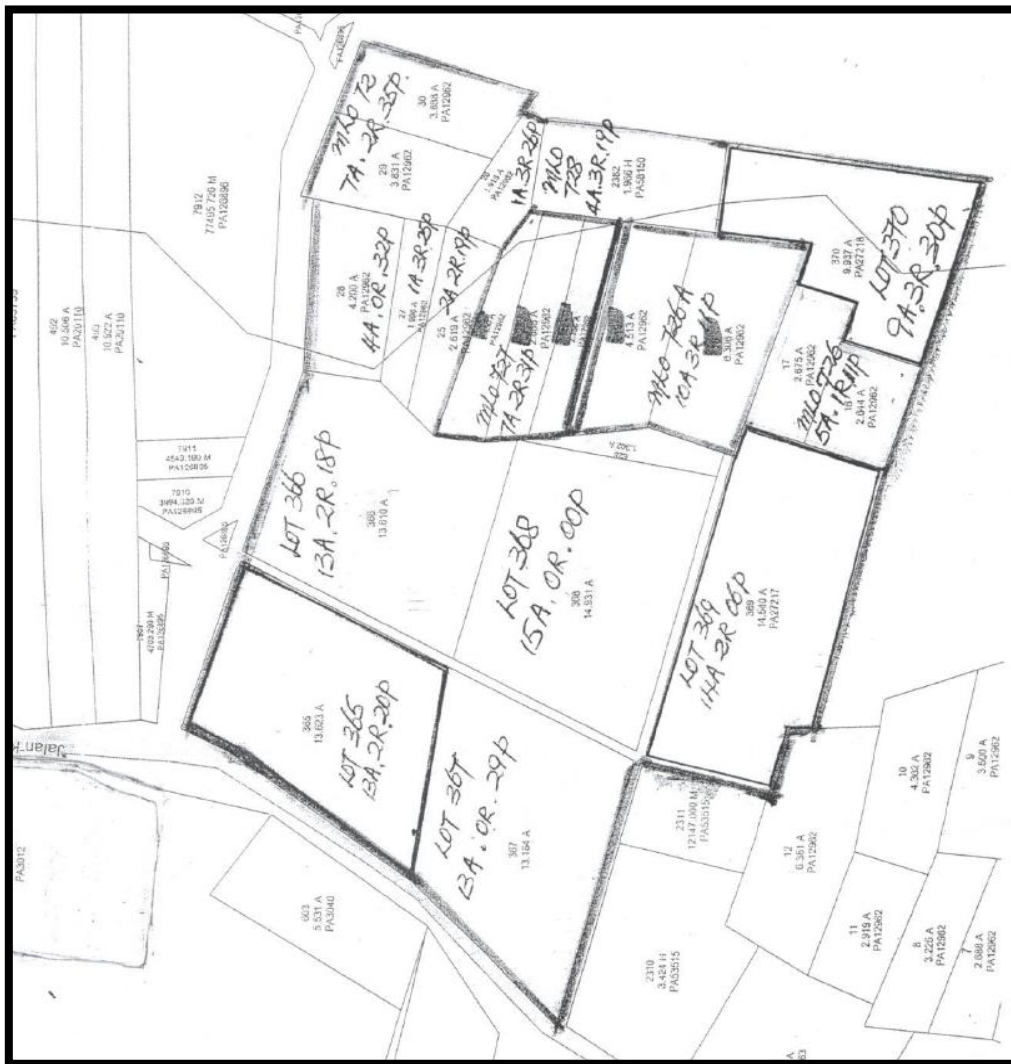
1.4 Map Showing Geographical Location

1) Kim Yew Sdn Bhd - Estate Location Map



Source: Google Map

2) Kim Yew Sdn Bhd - Estate Map



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Kim Yew Sdn Bhd	51.50	49.52	49.52
Total	51.50	49.52	49.52

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others (Road/Workers quaters/ office complex)
Kim Yew Sdn Bhd	N/A	N/A	1.98Ha
Total	N/A	N/A	49.52Ha

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Feb 2019-Jan 2020]	Projected Production for next 12 Months [Feb 2020-Jan 2021]
Kim Yew Sdn Bhd	NIL	1121.59	1385
Total	NIL	1,121.59	1,385

1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd. No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-KYSB001-MSPO-00-2020
Initial certificate issued date	31 st March 2020
Certificate expiry date	30 th March 2025
Stage 1 assessment date	11 th November 2019
Stage 2 / Main Assessment	14 th February 2020
Annual Surveillance 1 [ASA 1]	January 2021
Annual Surveillance 2 [ASA 2]	January 2022
Annual Surveillance 3 [ASA 3]	January 2023
Annual Surveillance 4 [ASA 4]	January 2024

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Nurulashida binti Mohd Saad

Graduated in Conservation and Management of Biodiversity with working in Sustainability Department for more than 12 years which involves in certification and compliance affairs. Fully trained in agriculture certification programme such as RSPO, MSPO, SCCS, Biodiversity / HCV, ISCC, ISO and etc.

Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

He holds Master's in Business Administration. More than 20 years working experience several industries mostly on HR Management. Have experience in second- and third-party auditing system. Fully trained in ISO9001:2008 (Quality Management System) Lead Auditor Course and successfully completed Malaysian Sustainable Palm Oil (MSPO) Auditor Training course (MPOCC endorsed).

Able to write and speak in Bahasa Malaysia and English. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Ismadi bin Ismail

Holds a Diploma in Planting Industry Management from MARA Institute of Technology Kuantan, Pahang. 24 Years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation.

Fully trained in CoP, MSPO, RSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO, CoP and RSPO. Completed and certified ISO 9001:2015 lead auditor course by TOMC course in 2017 and RSPO Lead Auditor Course in 2019. Member of GGC RSPO Audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

There is only one estate is assessed during the assessment as no sampling is required. The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment.

Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

1.9 Audit Plan Information

Audit Date	14 th February 2020
Name of site(s) visited	Kim Yew Sdn Bhd
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	1	Closed
Minor Nonconformities	1	Open
Area of Concern	0	No action requires
Noteworthy /Positive Comments	3	No action requires

1.11 Stakeholder Consultation

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

GGC has published the public notification on 4th November 2019 and as to accommodate a stakeholders' consultation meeting for the estate. Therefore, it was conducted on 14th February 2020 at Kim Yew Sdn Bhd to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

During this Main Assessment (Stage 2) audit, the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of Estate Management.

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as other aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the estate management before incorporating into the assessment findings. The details is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Palm Oil Mill)	<ul style="list-style-type: none"> Have good understanding about MSPO. The company has good communication / relationship with the palm oil mill and there is no issue with the company. Agreed pricing are based on the MPOB guideline. No issues on the boundaries. 	No action requires	Positive findings
2.	Stakeholders B (Contractor)	<ul style="list-style-type: none"> He is happy with estate's management Payment received within agreed time i.e. before 5th of every month No outstanding payment from the estate Has attended MSPO briefing conducted by Kim Yew Sdn Bhd 	No action requires	Positive findings

3.	Stakeholder C (contractor's Workers)	<ul style="list-style-type: none"> • Have good understanding about MSPO and contract agreement. • The company has good relationship with the workers and there is no issue with the company. • PPE are provided by the company. 	No action requires	Positive findings
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1.12 Recommendation

Kim Yew Sdn Bhd [estate] are located at Kota Tinggi, Johor. The company's headquarters is located in Kota Tinggi, Johor. The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Kim Yew Sdn Bhd. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) [Part 3: General Principles for Oil Palm Plantations and Organized Smallholders], there were no Non-conformities raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of major non-conformity findings is closed. Hence, the audit objectives as mentioned in the audit plan had been achieved. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to Kim Yew Sdn Bhd.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary

MSPO Sustainability Policy has been established for Kim Yew Sdn Bhd as signed by Mr Ng Suwi Hua(Director) dated 12th September 2019. The policy is committed to implement the following sustainable practices;

- To operate sustainability management based on the principles and criteria contained in the MSPO standard as:
 1. Principle 1: Management commitment and responsibility
 2. Principle 2: Transparency
 3. Principle 3: Compliance to legal requirements
 4. Principle 4: Social responsibility, health, safety and employment condition
 5. Principle 5: Environment, natural resources, biodiversity and ecosystem services
 6. Principle 6: Best practices
 7. Principle 7: Development of new plantings
- To continuously improve the operations in line with social, environmental and economic aspects.
- Ensure protection and conservation for High Biodiversity Value and High Carbon Stock areas;
- Ensure protection and preservation of rare, threatened or endangered species
- To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

As evidence, Kim Yew Sdn. Bhd. Malaysian Sustainable Palm Oil (MSPO) Policy is displayed and sighted at the office notice board.

Briefing records on the policy is made available at site. Briefing has been conducted during the "Briefing on MSPO Policy, OSH Policy, Environmental Policy, Social & Human Rights Policy" session on 2nd November 2019 by Mr Subramaniam Allagan (consultant) and attended by 5 personnel.

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

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

Summary

The established MSPO Sustainability Policy has emphasized or committed to conducting sustainable palm oil management covering palm oil estates and its supply chain towards continuous improvement as stated in the objectives of:

- To operate sustainability management based on the principles and criteria contained in the MSPO standard.
- To continuously improve the operations in line with social, environmental and economic aspects.

- Ensure protection and conservation for High Biodiversity Value and High Carbon Stock areas.
- Ensure protection and preservation of rare, threatened or endangered species.
- To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

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

Criterion 2 Internal audit

Indicator 1 Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary The Company has established a Standard Operating Procedures on the Internal Audit as referred to: MSPO Manual, P1-01: Internal Audit Procedure dated 2nd August 2019. As stated in the SOP, the frequency of the internal audit should be done annually by the sustainability team who are appointed as Internal Auditors.

The Management had drawn an Internal Audit Plan for Year 2019 and 2020 which will be carried out once a year at the Estate as prepared by Mdm Ong Chooi Hua dated 5th January 2020. The latest Internal audit dated 5th and 6th November 2019 was conducted by Mr Subra.

The purpose of the Internal Audit exercise covers the following areas;

- To determine the effectiveness of implementation MSPO requirements and potential area of improvement.

Details of the Internal Audit Findings as follows: -

Estate	No of Non – Conformities		Date Audit	Date of NCR closure
	NC	AOC		
Kim Yew Sdn Bhd	2	0	5-6/11/19	13/12/19

The Internal audit being responded to the internal auditor within the stipulated timeframe.

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

Indicator 2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.

Summary The Company has established a Standard Operating Procedures on the Internal Audit as referred to: MSPO Manual, P1-01: Internal Audit Procedure dated 2nd August 2019.

The internal audit work-flow diagram includes:

- Preparation of all audit plan
- Submission of audit plan
- Conduct audit
- Audit wrap-up
- Follow up audit

vi. Audit report input to management review

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

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

Summary The internal audit report is documented and made available for management review. As evidence, all findings from internal audit was responded by the Estate Management within the acceptable timeframe.

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

Criterion 3 Management review

Indicator 1 The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

Summary The MSPO Management Review meeting has been conducted on 12th November 2019. The meeting is attended by Mr SH Ng, Mdm Ong, Mr. Suriadi and Mr Subra.

Among the agenda discussed during the meeting are;

1. MSPO Implementation & Documentation Procedures
2. MSPO Policies
3. Internal Audit Results
4. Continual Improvement
5. Stakeholder consultation
6. Safety & Health
7. Employment condition
8. Waste Management
9. HBV
10. Housing Condition
11. Conclusion

Records on Minutes of meeting is made available at the time of audit.

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

Criterion 4 Continual improvement

Indicator 1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

Summary The management has established a Continual Improvement Plan (CIP) dated 01/09/2019. The plan describes on the improvement activity scheduled on:

Improvement aspect/subject	Status
PPE issuance system & record	Identified necessary PPE required & given to the workers
Reduction on Scheduled waste generation	Identified sources of SW
Reduction on domestic waste	Segregation done
Stakeholder consultation	Preparation for survey
Road repair and maintenance	Site audit completed to identify area for repair.

The plan is prepared by Ms Ong Chooi Hua (MSPO steering committee).

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

Indicator 2 The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption

Summary As per interview with the Director and the Estate workers, the estate maintained with the current implementation and no new information or techniques is being implemented as at current. This has been crossed checked during the site visit at the estate.

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

Indicator 3 An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.

Summary There are no new technology/Systems were implemented or adopted, as such there is no planning for new practices was observed during this audit. Management maintained with the current implementation.

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

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 1 The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.

Summary

Kim Yew Sdn Bhd has established Procedures on Stakeholders Consultation and Communication under MSPO Manual Number P2-03 dated 2nd August 2019 signed by Mr. Ng Suwi Hua, the Managing Director. The policy has been communicated during the stakeholder meeting. Stakeholder Meeting was conducted on 12th October 2019 by En. Subramaniam and Mdm Ong Chooi Hwa. The meeting attended by the following stakeholders: -

Stakeholders	No of attendees
Workers	3
Supplier / Contractor	4
Local Community	3

Merely, 2 record of request and response raised by Stakeholders to date:

- Lack of knowledge on MSPO to workers.
- To establish recreational and prayers facilities.

Both issues have been resolved by Management in November 2019. Briefing to the workers on MSPO, OSH, Environmental, Social & Human Right Policy was conducted on 2nd November 2019 covering 4 contractor workers.

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

Indicator 2

Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

Summary

Sighted the List of Documents and Classification as a guideline for Kim Yew Sdn Bhd to determine the confidentiality of the status or availability for public disclosure.

Sighted 19 documents being classified under Non – confidential and 3 as confidential.

The list being updated by Mr. Ng Suwi Hua, Managing Director on 15th December 2019. All these documents were sighted in the estate office. Requests for official documents through the estate office will have to go through the Managing Director whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.

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

Criterion 2**Transparent method of communication and consultation****Indicator 1**

Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary Kim Yew Sdn Bhd has established Procedures on Stakeholders Consultation and Communication under MSPO Manual Number P2-03 dated 2nd August 2019 signed by Mr. Ng Suwi Hua, the Managing Director.

The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.

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

Indicator 2 A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.

Summary Sighted an appointment letter of Mrs. Ong Chooi Hwa as person in charge for transparency. The letter was signed by the Managing Director, Mr Ng Suwi Hua on the 12th September 2019.

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

Indicator 3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.

Summary Sighted latest stakeholders list updated on 10th January 2020. The stakeholders list was updated by Mr. Ng Suwi Hua, the Managing Director at Kim Yew Sdn Bhd: -

	No of stakeholders
Estate & Mill	1
Government	10
Supplier / Contractor	6

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

Criterion 3 Traceability

Indicator 1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

Summary Kim Yew Sdn Bhd has established Procedures on Traceability under MSPO Manual Number P2-04 dated 2nd August 2019 signed by Mr. Ng Suwi Hua, the Managing Director. The traceability process flows in the Estate as follows:

1. Harvesting operation being conducted by appointed contractor.
2. At field, they will conduct FFB grading and recorded all the Fresh Fruit Bunches (FFB) that harvested by the harvester.
3. Upon completion of field FFB Grading, the FFB will be loaded and transported to the mill.
4. The FFB will be weighed at Mill.

Base on interview with Mrs. Ong Chooi Hwa, she is well versed with the procedures.

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

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

Summary Random check conducted in order to inspect on compliance with the traceability system in the estate. The Management holds the responsibility on regular inspection of traceability system.

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

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

Summary Sighted an appointment letter of Mr. Suriadi as person in charge for traceability. The letter was signed by the Managing Director, Mr Ng Suwi Hua on the 12th September 2019.

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

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

Summary FFB being sell to Kim Loong POM Sdn Bhd, which is adjacent to Kim Yew Sdn Bhd Estate. Sighted the records of sales, delivery or transportation of FFB. This record being maintained, and the documents are kept by the Estate

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

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

Indicator 1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

Summary Sighted and verified legally required permits, license and applicable local, state, national and ratified international laws and regulations applicable to Kim Yew Sdn Bhd.

Given below are the licenses sampled:

No	License Type	License No	Expiry
1	Lesen MPOB	617926002000	31/01/2021
2	Suruhanjaya Syarikat Malaysia	Kim Yew Sdn Bhd Company No: 14553 K	No expiry date

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

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

Summary Sighted Legal Register last updated on 12th November 2019 prepared by Mr Subramaniam and approved by Mr Ng Suwi Hua.

Kim Yew Sdn Bhd has listed 71 Acts in total which are applicable to them. Sampled Laws applicable to Kim Yew Sdn Bhd are:

1. Fire Services Act 1988 (act 341) Amendment 2018
2. Employment Act 1955
3. Industrial Relations Act 1967
4. Minimum Retirement Age Act 2012
5. Minimum Wage Order (Amendment) 2018
6. Employee Provident Fund Act 1991
7. Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013.
8. Pesticides Act 1974 (Act 149)
9. Poison Act 1952 (Revised 1989) (Act 366)

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

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

Summary Any changes in the Legal Requirements will be updated with reference made to the respective agency's website and in consultation with company's consultants. The legal register will be updated by Ms Ong Chooi Hwa by visiting the websites of the relevant Governments Agencies periodically as well as in consultation with their company consultants.

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

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

Summary The management has appointed Ms Ong Chooi Hwa as the person responsible to monitor compliance and to track and update changes in regulatory requirements vide letter dated 12/9/2019 approved by Mr Ng Suwi Hua.

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

Criterion 2 Land use rights

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

Summary As per interview with Ms Ong Chooi Hwa, Kim Yew Sdn Bhd's oil palm cultivation activities do not diminish the land use rights of other users. Estate has a valid land title indicating correct land title terms which specifies the syarat - syarat nyata. Estate land titles are available and maintained and no land use rights issues has been lodged as to date.

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



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

Summary Sighted land title showing legal ownership of land belonging to Kim Yew Sdn. Bhd. Sighted Land title of Kim Yew Sdn Bhd as proof of ownership. There are 16 land titles in total. Sampled land titles available are:

NO	TITLE NO	LAND CATEGORY	LOT NO	HACTARES
1	HS(D) 391	Pertanian	PT365	5.2912
2	HS(D) 392	Pertanian	PT367	5.3342
3	HS(D) 393	Pertanian	MLO 726A	4.3781
4	HS(M)7	Kelapa Sawit	MLO 728	1.970356
5	HS(M)9	Kelapa Sawit	MLO 726	2.152468
6	QT (R) 289	Kelapa Sawit	LOT 368	6.070416
7	QT(R)	Kelapa Sawit	LOT 366	5.508903
8	83661	Kelapa Sawit	LOT78	0.349

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

Indicator 3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

Summary During field visit, the legal perimeter boundary markers for the plantation are clearly demarcated and visibly maintained on the ground.

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

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

Summary There is no evidence of conflict present in this estate. No disputes have been recorded in the estate area. The land title has been legally acquired by the estate.

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

Criterion 3 Customary rights

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land title for the land ownership.

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

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land title for the land ownership.

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

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land title for the land ownership.

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

2.4 Principle 4 : Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

Indicator 1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.

Summary

Kim Yew Sdn Bhd has established Social Impact Assessment Procedures under MSPO Manual P4-05 dated 2nd August 2019 signed by Mr. Ng Suwi Hua, the Managing Director.

Social Impact Assessment had been conducted on 11th November 2019. Management Resolution / Mitigation Plans were sighted in the assessment report. Based on the reports produced indicate the assessment covers these aspects:

1. MSPO Awareness
2. Relationship with Estate
3. Communication with Estate
4. Contribution from Estate
5. Job Opportunity
6. Pollution Activities
7. Health Facilities
8. Educational Facilities

From SIA report, noted that Assessment is based on Risk / Outcome which derived from likelihood x Consequence.

The report being prepared by Madam Ong Chooi Hwa and approved by Mr. Ng Suwi Hua, the Managing Director.

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

Criterion 2	Complaints and grievances
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Indicator 1	A system for dealing with complaints and grievances shall be established and documented.
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Summary

Kim Yew Sdn Bhd has established Grievance Handling Procedures under MSPO Manual P4-06 dated 2nd August 2019 signed by Mr. Ng Suwi Hua, the Managing Director. The objective of the procedure: -

1. Sharing information about stakeholder concern and views
2. Giving stakeholders a reasonable opportunity to express their views
3. Taking those views into account and address resolution reasonably practicable.

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

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

As per interview with the management all disputes, complaints and grievance can be resolved in an effective, timely and appropriate manner that is accepted by all parties with the existing Standard Operation Procedures for Consultation and Grievances Communication – Internal/External.

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

Indicator 3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.
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Summary The Management is using complaint form for any complaint raised by stakeholders. The forms are available at the site and main office. No complaint being raised by Internal or External Stakeholders to date.

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

Indicator 4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

Summary Kim Yew Sdn Bhd has established Grievance Handling Procedures under MSPO Manual P4-06 dated 2nd August 2019 signed by Mr. Ng Suwi Hua, the Managing Director. The procedures being communicated through stakeholder meeting and daily muster or training to all Internal and External Stakeholders.

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

Indicator 5 Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.

Summary As the company has just embarked on the MSPO Certification there is no complaints and resolutions for the last 24 months were documented.

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

Criterion 3 Commitment to contribute to local sustainable development

Indicator 1 Growers should contribute to local development in consultation with the local communities.

Summary Kim Yew Sdn Bhd has made some contribution to the employees and local communities with records of the contribution is made available during the audit. Sighted records on contribution to Jawatankuasa Pengurusan Rumah Berhala Tong Yong, Sedili Besar on 15th October 2019 amounting RM476.00.

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

Criterion 4 Employees safety and health

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

Summary Kim Yew Sdn Bhd has established Occupational Health and Safety Policy dated 12th September 2019 signed by the Managing Director, Mr. Ng Suwi Hua.

Sighted internal stakeholders meeting minutes on 2nd November 2019 to disseminate the information on MSPO awareness which includes all MSPO Policies.

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

Indicator 2 The occupational safety and health plan shall cover the following:

a) A safety and health policy, which is communicated and implemented.

- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
 - i) all employees involved shall be adequately trained on safe working practices; and
 - ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Summary

Kim Yew Sdn Bhd has established Occupational Health and Safety Policy dated 12th September 2019 signed by the Managing Director, Mr. Ng Suwi Hua. The policy is written in English language and being displayed at the Notice Board.

Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed). HIRAC review latest date is on 10th October 2019. HIRARC available in the file as follows: -

1. Chemical Preparation
2. Spraying
3. Harvesting
4. Manuring
5. Loading & Transporting
6. Replanting Activities
7. Road Repairs
8. Driving Tractors
9. Chemical Issue
10. Workers Quarters

Sighted, annual training plan for the Staff and Contractor Workers. Training programme as sighted below: -

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	MSPO Awareness	Oct 2019	2/11/19
2	Harvesting, Spraying & Manuring	Oct 2019	16/11/19
3	PPE Usage	Dec 2019	
4	Scheduled Waste	Jan 2020	
5	RTE	Nov 2020	
6	HBV	Dec 2020	

Sighted, PPE Issuance and replacement record to staff and workers by the appointed contractor, Santex Enterprise Sdn Bhd.

CHRA yet to be conducted by the Management. However, the quotation have been obtained from the appointed consultant, CSK Murni Service Sdn Bhd dated 2nd December 2019. Sighted, Chemical Handling Procedures under SP-01 and Chemical Storage under SP-02. All the procedures are under Safety Producer dated 2nd August 2019.

Medical Surveillance has been conducted by the appointed contractor on his workers, Mustiah- B 1574270 and Sahdi – B 2103648 dated 1st January 2020 by Dr. Hussain bin Moiz, HQ/17/doc/00/0005. All of them are fit for work.

Madam Ong Chooi Hwa is the person in-charge of OSH and the letter signed by Mr. Ng Suwi Hua dated 12th September 2019.

Kim Yew Sdn Bhd has established an Emergency Response Procedure being established in the Estate.

The appointed 1st Aider for Kim Yew Sdn Bhd, En Suriadi has yet to attend the courses on First Aid.

The Company yet to register MyKKP with DOSH. Thus, a non-conformance has been raised on this indicator.

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

Criterion 5	Employment conditions
Indicator 1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.
Summary	Kim Yew Sdn Bhd has established Social and Human Rights Policy dated 12th September 2019 signed by the Managing Director, Mr. Ng Suwi Hua. This policy covers:

- a) Compliance with established laws and regulations including labour laws, land title laws and workers' housing.
- b) Ensure minimum retirement age policy is complying
- c) Provide the relevant training and development associated with their roles and responsibility
- d) Prohibit employing worker by coercion, children and young person shall not be employed or exploited. The minimum age shall comply with state, local and national legislation
- e) Paying salaries to employees and staff on a minimum wage order
- f) Respect and protect Human Rights and workers' Rights (including temporary workers, contracts or foreign workers)
- g) Freely of discrimination and prejudice against gender, race, religion, nationality and political views
- h) Provide a harmonious work environment to employees, customers and stakeholders
- i) Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.

Communication of the policy to stakeholders communicated by training and also during muster. The Estate is displayed at notice boards inside the office as well as outside the office.

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

Indicator 2 The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

Summary Sighted in the Social and Human Rights Policy, the commitment of the Management on Free from discriminatory practices against gender, race, religion, nationality and political views. No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate as there is no complaint lodge as to-date.

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

Indicator 3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

Summary Not applicable as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

Indicator 4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

Summary The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2019 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

Sighted the Contract Agreement between Kim Yew Sdn Bhd and Santex Enterprise Sdn Bhd signed on 01.11.2019 for contract related to Harvesting, Transport and Maintenance Work.

Seen, Contract Agreement between Santex Enterprise Sdn Bhd and their workers signed on 01.09.2019. Sample taken on Mustiah – B1574270, Suriadi – B 2101990, Akbar – B 1574281 and Sahpi – B 2103648.

All the workers are having valid working permits and pay slip. Interview with contractor's workers, confirmed that they understand the terms and conditions of their employment.

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

Indicator 5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

Summary Not available as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

Indicator 6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.

Summary Not available as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

Indicator 7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

Summary Not available as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

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

Summary Not available as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

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

Summary Not available as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

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

Summary Not available as there is no direct employees being engaged by Kim Yew Sdn Bhd.

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

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

Summary No direct employees being engaged in the Estate. However, the workers housing and amenities is available in the Estate with no occupancy.

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

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

Summary Sighted in the Social and Human Right Policy on provide workplace free from Sexual Harassment whether direct or indirectly, upon all employees, society and stakeholders.

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

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

Summary Kim Yew Sdn Bhd has established the Social and Human Right Policy in respect and protect human rights and workers' right (including temporary workers, contracts and foreign workers). However, no direct employees being engaged in the Estate.

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

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons

is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

Summary

Child and young person policy is incorporated in the Social Policy under Prohibit employing worker by coercion, children and young person shall not be employed or exploited. The minimum age shall comply with state, local and national legislation

There are no children below ages of 18 working in the Estate and this was proven through checking the list of contractor employees. The contractor was clear that no one below 18 years old should be employed.

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

Criterion 6 Training and competency

Indicator 1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

Summary

Sighted Training Programme for OSH and Environmental Training for 2019 & 2020 as follows:-

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
1	MSPO Awareness	Oct 2019	2/11/19
2	Harvesting, Spraying & Manuring	Oct 2019	16/11/19
3	PPE Usage	Dec 2019	
4	Scheduled Waste	Jan 2020	
5	RTE	Nov 2020	
6	HBV	Dec 2020	

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

Indicator 2 Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

Summary

Yearly training plan is created based on Training Needs Analysis for workers involved in the operations

Sighted the Training Need Analysis of all Management and contractor workers being established which are based on their competencies and job description.

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

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

Summary All contractor workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive annual training plan for and this was sighted in the training records file.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

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

2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

Indicator 1 An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

Summary Kim Yew Sdn Bhd has established Environment Policy dated 12/9/2019 prepared by Ms Ong Chooi Hwa and approved by Mr Ng Suwi Hua, Managing Director. The policy was communicated to internal stakeholders via briefing session dated 02/11/2019. Total attendance 5 persons. Details of the said briefing are:

Date: 2/11/2019

Time: 9 am

Venue: Kim Yew Office, Tanjung Sedili, Kota Tinggi, Johor

Title: Briefing on MSPO Compliance and All Policies

Attendance:

NO	NAME	DESIGNATION	PASSPORT NO
1	Ms Ong Chooi Hwa	Director	Malaysian
2	En Akhbar	Harvester	C3818097 Indonesian
3	En Suriadi	Harvester	C3818089 Indonesian
4	En Mustiah	Sprayer	C3818061 Indonesian
5	En Sahpi	Sprayer	C3818048 Indonesian

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

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

Summary Sighted the Environmental Management Plan ref P5-08 which illustrates Environment objectives (Procedures) dated 2/8/2019, prepared by Mr Ong Chooi Hua, and approved by Mr Ng Suwi Hua, Managing Director.

The management plan has covered environmental policy & objectives and the aspects and impacts analysis of their operations. Given below are some sampled areas covered under the environmental management plan

1. No Open Burning
2. Identification of Schedule waste
3. Water Conservation
4. Educate and ensure that all employees are well informed and promote better environment.

Further Sighted Environment Aspect Impact Assessment dated 10/10/2019 prepared by Mr Subramaniam (Consultant) and approved by Mr Ng Suwi Hua, Managing Director.

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

Indicator 3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

Summary Sighted Environment Aspect Impact Assessment dated 10/10/2019 prepared by Mr Subramaniam (Consultant) and approved by Mr Ng Suwi Hua, Managing Director.

The positive and negative impacts were identified in the Environmental Aspect and Impact Assessment dated 10/10/2019 with mitigation plan. Given below are some sampled mitigation measures for the identified negative impacts and No positive impacts identified.

NO	ENVIRONMENT ASPECT	ENVIRONMENT IMPACT	MITIGATION PLAN
1	Smoke emission of heavy vehicles such as tractors, excavators and backhoe.	Air pollution	Ensure regular maintenance.
2	Domestic waste from worker line site and office site	Pollution of soil and water course	Workers were informed to separate organic and inorganic waste in proper bins. Domestic wastes are collected daily or every other week
3	Oil leakage from lorries	Pollution of soil and water course	Trucks are sent for maintenance and inspection quarterly.

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

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

Summary As there are no positive impacts identified, no continual improvement plan is established to promote positive impacts.

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

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

Summary Sighted, awareness and training programme established and implemented to ensure that all employees understand the policy and objectives of the environmental management. Sampled trainings are:

NO	TRAINING	DATE	ATTENDEES
1	MSPO Awareness	NOV 2019	Mr SH Ng Ms Ong Chooi Hwa Suraidi Suntex Ent Sdn Bhd's workers
2	Schedule Waste Management	JAN 2020	Mr SH Ng Ms Ong Chooi Hwa Suraidi Suntex Ent Sdn Bhd's workers
3	PPE Usage	DEC 2019	Mr SH Ng Ms Ong Chooi Hwa Suraidi Suntex Ent Sdn Bhd's workers

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

Indicator 6 Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

Summary Sighted quarterly Environment Meeting Ref No E01/2019 dated 12th November 2019.

The details of the meeting are as follows:

Date: 12th November

Location: Kim Yew Estate

Purpose

The purpose of this meeting is to brief on the MSPO Environmental requirements and ensure the workers adhere to the regulations of the environmental Quality Act

Attendance

1. Mr Ng Suwi Hwa (MD)
2. Ms Ong Chooi Hwa (Management)

3. En Suraidi (Estate Supervisor)
4. Mr Ah Leng (Contractor)
5. Workers (Contractor)
6. Consultant
- 7.

Agenda

1. Intruduction by MD
2. Welcome by Estate Manager
3. Environment Policy and briefing of this meeting
4. Closing

Minutes recorded by: Mdm Ong Chooi Hwa

Verified by: Mr Ng Suwi Hua

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

Criterion 2 Efficiency of energy use and use of renewable energy

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

Summary Kim Yew Sdn Bhd has monitored Consumption of its non-renewable energy and established baseline values and trends for three (3) years i.e. 2017, 2018, and 2019. The baseline value recorded:

Year	2017	2018	2019
Diesel/Mt	2.39	2.35	2.41
Baseline (average for 3 years)			2.39

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

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Summary Kim Yew Sdn Bhd has estimate the direct usage of non-renewable energy for their operations. Given below are the estimated direct usage of Diesel:

2021		2022		2023	
YIELD	DIESEL	YIELD	DIESEL	YIELD	DIESEL
1020	24000	1140	26700	1140	26700

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

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

Summary Kim Yew Sdn Bhd has established energy optimization plan 2019/2020 dated 10/11/2020 prepared by Ms Ong Chooi Hwa and approved by Mr Ng Suwi Hua, Director. Given below are some sampled energy optimization plan:

DESCRIPTION	ACTION PLAN	TIMELINE	STATUS
Reduce Energy Consumption	1. Using less power lighting & offer much longer lifespan i.e. LED, CFL 2. Switch off equipment when not in use 3. Use energy efficient devices and energy saving features 4. Discourage the usage of excessive lightings or electricity 5. Educate all employees on energy saving.	Dec 2020	On going

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

Criterion 3 Waste management and disposal

Indicator 1 All waste products and sources of pollution shall be identified and documented.

Summary Sighted waste management plan 2019 – 2020 with source of pollution identified dated 23/9/2019 approved by Mr Ng Suwi Hua, Director. Given below are some sampled waste and their source:

NO	WASTE	SOURCE OF POLLUTION
1	Used Personal Protective Equipment (PPE)	Workers
2	Spent Hydraulic Oil	Vehicles (tractors) and Heavy Machinery
3	Domestic waste	Housing quarters

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

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:
a) Identifying and monitoring sources of waste and pollution.

b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary

Kim Yew Sdn Bhd, has developed a waste management (2019-2020) dated 23/9/2019 prepared by Ms Ong Chooi Hwa and approved by Mr Ng Suwi Hua, Director, with plan to monitor, avoid or reduce waste. Further, Kim Yew Sdn Bhd has also established a waste management procedure Document No: P5-09 to manage their waste. Given below are the sampled Waste Management Plan:

CATEGORY	SOURCE OF POLLUTION	CONTROL MEASURES	ACTION
<u>SW409</u> Dispose containers, bags or equipment contaminate by chemicals, Pesticides, minerals oil or scheduled waste.	Unused empty pesticides containers, chemicals bottles	Empty pesticides container is to be triple rinsed using clean water and puncture holes. To reuse containers, triple rinse as per requirement stated in the SOP and the rinsed water shall only be applied to permitted areas only. EPC is not allowed to be reused as dustbin, flowerpots, and workers are not allowed to bring back to their quarters.	Dispose aa normal waste and collected by Contractors. Monitoring Record in the SW record book.
<u>SW410</u> Used Personal Protective Equipment (PPE)	Workers	All used PPE should be collected in a container and workers are required to bring the old one in order to get the new set of PPE	Keep record and to be updated regularly Storekeeper to update the inventory on collected SW409 at the end of every month and fill up Fifth Schedule as per requirements by DOE

In Compliance

☒ **Yes**

☐ **No**

☐ **Not Applicable**

Indicator 3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.
Summary	Kim Yew Sdn Bhd has established Standard Operating Procedure ref: SP-01 and SP-02 for handling of chemicals and Chemical Storage respectively dated 2/8/2019 which was approved by Mr Ng Suwi Hua, Managing Director.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.
Summary	During site visit, the empty chemical container are stored at the store prior to the disposal. As per interview with Ms Ong Chooi Hwa, the used Empty Pesticide containers are rinsed three times, punctured and stored in the schedule waste store.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 5	Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.
Summary	Domestic wastes from linesite was disposed by landfill system in the estate and sighted the rubbish pit far from workers habitation or water source area during the site verification. As per interview with Mr Ng Suwi Hua, Managing Director, all Domestic waste are collected once a week and disposed at the land fill.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Criterion 4	Reduction of pollution and emission including greenhouse gas
Indicator 1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

Summary Sighted assessment on polluting activities dated 5th September 2019 prepared by Ms Lim Siew Cheng and approved by Mr Soin Chee Ping. Given below are some sampled assessment of polluting activities.

NO	WASTE	SOURCE OF POLLUTION
1	Used Personal Protective Equipment (PPE)	Workers
2	Spent Hydraulic Oil	Vehicles (tractors) and Heavy Machinery
3	Domestic waste	Housing quarters

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

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

Summary Sighted action plan (addressed in the Environmental Aspect and Impact Assessment) to reduce identified significant pollutants and emissions dated 10th October 2019 prepared by Mr Subramaniam and approved by Ng Suwi Hua, Managing Director. Given below are some sampled significant pollutants and emissions and their mitigation plan.

NO	ENVIRONMENT ASPECT	ENVIRONMENT IMPACT	MITIGATION PLAN
1	Use of petrochemical (diesel, petrol) for transportation activities	Pollution of soil and water course	Ensure Trucks/Pickups are properly maintained
2	Disposal of Non-Biodegradable wastes	Land Contamination	To recycle wastes
3	Disposal of polybags and fertilizer bags	Land pollution	All poly bags and fertilizers bags are triple rinsed are accounted for and stored appropriately.
4	Emission of Green House Gas from Nitrogen and Sulphate base fertilizer usage	Air pollution – Global Warming	Application of fertilizers to follow visual study of leaves

The implementation has been verified during the site visit.

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

Criterion 5	Natural water resources
Indicator 1	<p>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:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary Sighted Water management Plan dated 12/10/2019 prepared by Ms Ong Chooi Hua.

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

Indicator 2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.
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Summary During site visit, no construction of bunds, weirs and dams across main rivers or waterways passing through an estate as there is no river crossing the estate and no bore well identified.

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

Indicator 3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).
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Summary Water harvesting practices implemented in the Estate as the Silt pits and roadside drains are constructed. Kim Yew Sdn Bhd also has implemented rainwater harvesting in their plantation stored in concrete container placed in the field.

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

Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area
Indicator 1	<p>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:</p> <ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.

b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Summary There is no Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities is made available. Thus, a non-conformity were raised on this Indicator.

In Compliance ☐ Yes ☒ No ☐ Not Applicable

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

Summary Sighted High Biodiversity Management Plan dated 12/10/2019, prepared by Ms Ong Chooi Hwa and approved by Mr Ng Suwi Hwa. Sampled HBV Management Plan by Kim Yew Sdn Bhd are:

HIGH BIODIVERSITY AREA IDENTIFIED	MANAGEMENT ACTION	MONITORING & INDICATORS
Concentration of biological diversity including endemic species and rare, threatened or endangered species that are significant at global, regional or national level	No significant area of HBV in the estate. Wild boars are detected sometimes	Verbally reported by workers
	Prohibit illegal hunting	Records by security guards Signage – No illegal hunting
Rare, Threatened, or endangered ecosystem and habitats	Wild elephants, Wild Boars, Tapir, Monkeys	Signage of no hunting
		Signage to prevent unauthorized entry
		Visual monitoring by workers

In Compliance ☒ Yes ☐ No ☐ Not Applicable

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

Summary Sighted management plan for High Biodiversity Value (HBV) dated 2nd December 2019 prepared by Ms Ong Chooi Hwa and verified by Mr Ng Suwi Hua.

In Compliance ☒ Yes ☐ No ☐ Not Applicable

Criterion 7	Zero burning practices
Indicator 1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.
Summary	Kim Yew Sdn Bhd has established Environment Policy dated 12th September 2019 approved by Mr Ng Suwi Hua, Director. As such no open burning is practiced in the estate. This is clearly stated in the Environment Policy under para 4 of the said policy. As per interview with employees En Suriadi, En Akhbar and Managing Director Mr Ng Suwi Hua, it was revealed that open burning is not practiced in Kim Yew Sdn Bhd's estate.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.
Summary	Not applicable as there is no replanting works carried out by the estate. No out-break of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.
Summary	Not applicable as there is no open burning allowed in the estate. No replanting activities at the time of audit.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.
Summary	Not Applicable as the replanting program is not due yet and no replanting activity is conducted during the audit. Should there is any replanting activity, the old palm to be felled, chipped and stacked at every alternate avenue. The residue is then be naturally decomposed on site.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable

2.6 Principle 6 : Best practices

Criterion 1	Site management
Indicator 1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

Summary The Company has implemented good practices as guided in the Plantation & Safety Procedures dated 2nd August 2019 as signed by Mr Ng Suwi Hua (Managing Director).

Sighted that the SOP includes the purpose, scope, suggestion and recommendation. The SOP available are listed base on the operation activities in the estate such as:

1. Oil Palm Replanting
2. Terrace and Platform construction
3. Fertilizer application
4. Frond Staking
5. Maintenance of mature areas
6. FFB Harvesting
7. Chemical handling
8. Chemical storage
9. Accident investigation and reporting

The estate operation is monitored by Mr Omar (estate mandore).

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

Indicator 2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Summary Based on the field visit at the estate, sighted no river passing through the estate and no contamination of surface water sighted. The field soil erosion had been minimized through the method grass cutting and grass cutting on the path of harvesting. Thus, maintaining the soft grasses.

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

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

Summary The estate has a visual reference system to identify each field or block. During site visit, each field has a with block name per field.

Sampled block sighted during the site visit are:

- Block A
- Block C
- Block E

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

Criterion 2 Economic and financial viability plan

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

Summary Estate has an annual budget for the financial year 2019 and 2020 is made available in the Kim Yew Sdn Bhd Annual Budget – 2019 & 2020. The budget includes the general income / expenses of Yield, Diesel, Fertiliser, Worker payment, Maintenance, Price forecast, Cost of production, ROI and planting Material.

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

Indicator 2 Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.

Summary Replanting program is made available dated 04/01/2019 as prepared by Mdm CH Ong.

Year				
2020	2021	2022	2023	2024
Nil	Nil	Nil	Nil	Nil

Proposed next replanting is in 2034 and the planting material for current crops are Dura.

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

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

Summary Sighted the Business Management Plan is made available for 2019 and 2020 that includes:

Budget Year	2019	2020
FFB projection	1160mt	1400mt
Cost of production (RM/MT)	RM127.40/mt	RM113.70/mt
FFB Price (Forecasted)	RM400.00/mt	RM350.00/mt
Material	Dura	Dura

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

Indicator 4 The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.

Summary A yearly reporting on the annual report is made available as there are details of the management plan monitoring is documented. Latest annual reporting is recorded for Financial Year ended 31st December 2018. A Monthly Management Plan (Budget) monitoring report sheet has been established for Kim Yew Sdn Bhd as a mechanism to monitor the management plan.

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

Criterion 3 Transparent and fair price dealing

Indicator 1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.

Summary The agreed pricing for the products and other services provided to the estate are documented in the contract agreement.

Sampled contract agreement is made available between the Management of Kim Yew Sdn Bhd and Santex Enterprise Sdn Bhd (contractor) is made available dated 1st November 2019. Agreed terms of payment are included in the para: *Contract Price*.

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

Indicator 2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.

Summary All the contractors engaged by the Estates are having fair, legal and transparent Contract which agreed by both parties. Sighted, all the payment made are in timely manner. Sampled payment made for Harvesting and transport charge for the month of January 2020 (invoice: SI2001-0096).

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

Criterion 4 Contractor

Indicator 1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Summary The contractors have been informed that the estate is undergoing the MSPO certification process during the meeting with stakeholder dated 20/11/19. Sighted the evidence on briefing to the contractor by the estate management to comply with the MSPO standard requirements.

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

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

Summary Sighted in the above contract where the Contractor accepted and agreed with the requirements stated in the Notice of Understanding of Malaysian Sustainable Palm Oil (MSPO) Requirements for Santex Enterprise Sdn Bhd (contractor) dated 1st November 2019.

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

Indicator 3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.

Summary The Estate management accepted the audit by Global Gateway Certifications Sdn Bhd as per the audit plan dated MSPO auditor on 12th February 2020 (3rd Revision).

All the auditors are qualified MSPO auditor. As per agreed, the Estate accept the GGC MSPO Auditors to verify assessment of contractors by physical inspection if required for audit purpose.

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

Indicator 4 The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.

Summary Estate Director will verify the work done by the contractors prior to the payment paid to the contractors.

Records on Total weight of FFB for the month are made available as a mechanism to record on the progress monitoring of the contractors' sampled. The records are monitored by the estate Director.

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

2.7 Principle 7 : Development of new planting

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

Indicator 2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

Criterion 2	Peat land
Indicator 1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 3	Social and Environmental Impact Assessment (SEIA)
Indicator 1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 4	Soil and topographic information
Indicator 1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

Criterion 6 Customary land

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 7	The process and outcome of any compensation claims shall be documented and made publicly available.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Kim Yew Sdn Bhd.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 2) The estate management has demonstrated fully commitment during the entire audit process.
- 3) Good positive feedback received from the internal and external stakeholders.
- 4) No complaint has been lodged against Kim Yew Sdn Bhd at the time of audit.

Appendix A: Audit Plan

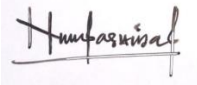
AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
13 th Feb 2020		Auditors Travelling to Kota Tinggi, Johor	NMS	MAS / IBI
14 th Feb 2020	08:30 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at Kim Yew Sdn Bhd <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	NMS	MAS / IBI
	09:00 – 13:00	Kim Yew Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	MAS / IBI
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	NMS	MAS / IBI
	13:00 – 14:00	Lunch / Break	NMS	MAS / IBI
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	MAS / IBI
	16:00 – 16:30	➤ Preparation for Closing Meeting	NMS	MAS / IBI
	16:00 – 17:00	Closing Meeting <ul style="list-style-type: none"> ➤ Presentation of findings by the audit team ➤ NC closure dateline (if any) ➤ Questions and answers ➤ Final summary by team leader End of assessment	NMS	MAS / IBI



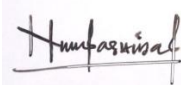

Appendix B : Non-Conformity details

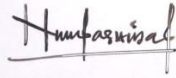
Non-Conformities Identified During This Audit			
Major Nonconformities:	1 was raised during this audit.		
Company Name	Kim Yew Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BF1-MSPO-2020		
NC No. / Ref.	BF1/MSPO/MAJOR/ 01	Date Detected	14 th February 2020
Site(s) concern	Kim Yew Sdn Bhd	Target Completion	90 Days
Normative Reference and Requirement	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. 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.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No Identification of high biodiversity value habitats is made available.		
NC Objective Evidence: There is no Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities is made available. This is as well required as per procedure P5-11 rare, threatened and endangered species & high biodiversity value identification procedure (Appendix 1: Biodiversity Identification Matrix).			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Lack of knowledge on HBV habitat since Kim Yew Sdn Bhd in learning stage for complete implementation of MSPO requirements.			
Corrective action planned (to be filled by client):			



Reviewed procedure P5-11 and completed the Biodiversity Identification Matrix.	
Preventive Action (to be filled by client):	
1. Retaining the MSPO Procedure P5-11 to understand requirements and application of HBV monitoring. 2. To review and ensure the implementation of HBV monitoring during the Internal Audit.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Corrective/preventive action is accepted with the sufficient evidence submitted.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 25 th February 2020	Lead Auditor Signature: 

Minor Nonconformities:	1 was raised during this audit.
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Company Name	Kim Yew Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BF1-MSPO-2020			
NC No. / Ref.	BF1/MSPO/ MINOR / 01	Date Detected	14 th February 2020	
Site(s) concern	Kim Yew Sdn Bhd	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <p>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.</p> <p>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</p> <p>j Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted at the time of audit.			
NC Objective Evidence:	<p>e CHRA is yet to be conducted by the Management. Sighted a quotation has been obtained from the appointed consultant, CSK Murni Service Sdn Bhd dated 2nd December 2019.</p> <p>i The appointed 1st Aider, En Suriadi is scheduled to attend the First Aid training course in April 2020.</p> <p>j The Company is yet to register MyKKP with DOSH for yearly accident reporting.</p>			
Lead Auditor Signature:			Client Signature:	
Root cause Analysis (to be filled by client):				
Delay in sourcing for CHRA assessor, qualified first aid trainers and registration in MyKKP through online system.				
Corrective action planned (to be filled by client):				
<ol style="list-style-type: none"> 1. Requested for quote to complete the CHRA assessment. 2. En Suriadi to attend first aid training from nearby clinic. 3. To register the JKKP8 account through MyKKP. 				

Preventive Action (to be filled by client):	
1. To monitor on the implementation of the CHRA recommendation. 2. To ensure the person trained on the first aid is well understand on their responsibility. 3. To continuously implement the JKPP8.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Corrective/preventive action is accepted and to be verified during the next Surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 25 th February 2020	Lead Auditor Signature: 

Area of Concern:	0 were raised during this audit.
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Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Mr Ng Suwi Hua, Director
- 2) Mrs Ong Chooi Hwa, Director
- 3) Suriadi, worker
- 4) Akbar, worker

External Stakeholders

- 1) Mr Tan Kooi Kee (Kim Loong POM)
- 2) Mr Ng Soon Teck (contractor)