

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

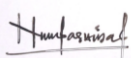


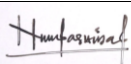

CERTIFICATION AUDIT REPORT


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

Baronia Estate Sdn Bhd

-Individual Certification-

MAIN ASSESSMENT AUDIT
10th March 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	28/04/2020	Issued as Draft Report	Nurulashida bt Mohd Saad	Lead Auditor	
A	12/05/2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	18/05/2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	30/05/2020	Issued as Final Report	Nurulashida bt Mohd Saad	Lead Auditor	
B	10/06/2020	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Baronia Estate Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	10 Jun 2020	Acceptance of the contents	WONG CHIN CHEE	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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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 **Baronia Estate 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 **10th March 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	Baronia Estate Sdn Bhd
Business Address	76 Jalan Peel, 55100, Kuala Lumpur
Contact Person	Mr Wong Chin Chee / Ms Doris Chua
Office Telephone	03-9284-9922
E-Mail	wong.chinchee@gmail.com / pinlian4141@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.	Baronia Estate Sdn Bhd	Lot 6283, Mukim Bruas, Daerah Dinding (Batang Padang) , Manjung, Perak	100.786692	4.506857

MPOB License Information

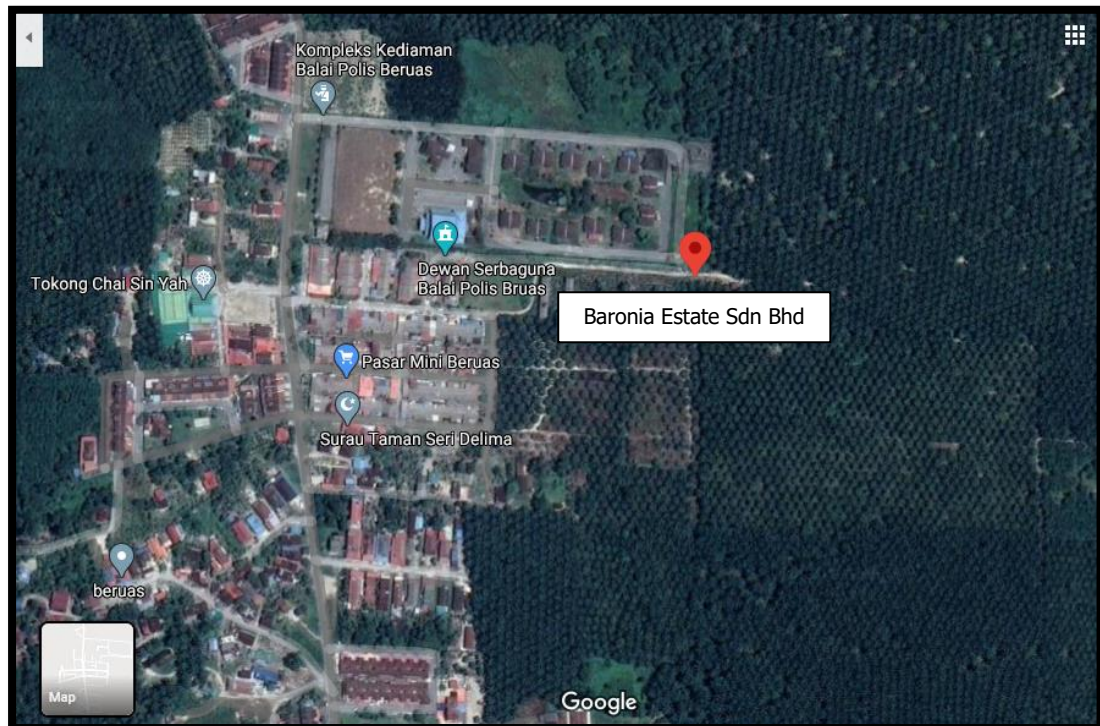
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Baronia Estate Sdn Bhd	503594-802000	31/10/2021	Menjual dan Mengalih (FFB)

Others Sustainability Certification

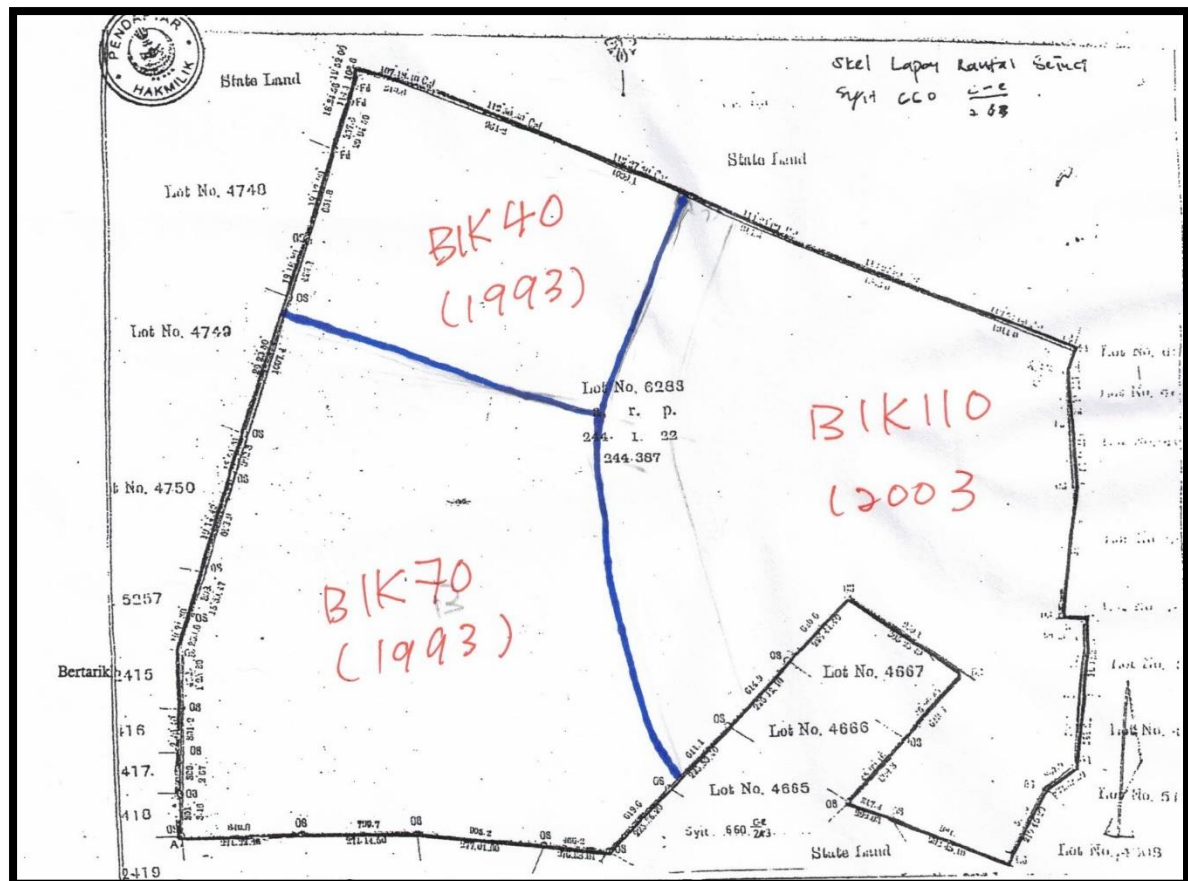
No	Name Of The Site	Others Sustainability Certifications
1.	Baronia Estate Sdn Bhd	NIL

1.4 Map Showing Geographical Location

1) Baronia Estate Sdn Bhd estate location map



Source: Google 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
Baronia Estate Sdn Bhd	98.9 Ha	98.8 Ha	98.8 Ha

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others (roads / building / site office etc.)
Baronia Estate Sdn Bhd	n/a	n/a	0.1

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [February 2019-January 2020]	Projected Production for next 12 Months [February 2020-January 2021]
Baronia Estate Sdn Bhd	NIL	1719.00	1951.00

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-BESB001-MSPO-00-2020
Initial certificate issued date	10 th June 2020
Certificate expiry date	09 th June 2025
Stage 1 assessment date	18 th December 2019
Stage 2 / Main Assessment	10 th March 2020
Annual Surveillance 1 [ASA 1]	February 2021
Annual Surveillance 2 [ASA 2]	February 2022
Annual Surveillance 3 [ASA 3]	February 2023
Annual Surveillance 4 [ASA 4]	February 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 Fadzli bin Bistamam

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector.

Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs. Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Able to write and speak in Bahasa Malaysia and English.

Auditor

Name: Mohd Razib bin Mohd Noor

Competent marine engineer with more than 30 years of working experiences in a various plantation company in Malaysia, Papua New Guinea and Indonesia. Having a skill in Good Milling Practices (GMP) including the crop quality control. Qualified as Auditor for MSPO certification by SIRIM since 2018. Completed the ISO 9001:2015 Quality Management System Lead Auditor course by TOMC in May 2018 and MSPO SCCS Auditor by SIRIM in July 2019 respectively. Experienced in both palm oil mill and kernel crusher plant management, specifically boiler and process control. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

For **Baronia Estate Sdn Bhd**, 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	10 th March 2020
Name of site(s) visited	Baronia Estate 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	1	No action requires
Noteworthy /Positive Comments	4	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 3rd February 2020 and as to accommodate a stakeholders' consultation meeting for the estate. Therefore, it was conducted on 10th March 2020 at Baronie Estate 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 (Neighbouring village)	<ul style="list-style-type: none"> Have good understanding about MSPO. The company has good relationship with the neighbouring village and there is no issue with the company. No issues on the boundaries. 	No action requires	Positive findings
3.	Stakeholder C (Workers)	<ul style="list-style-type: none"> Have good understanding about MSPO. 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

1.12 Recommendation

Baronia Estate Sdn Bhd [estate] are located at Bruas, Perak. The company's headquarters is located in Jalan Peel, Kuala Lumpur. 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 Baronia Estate 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 1 Major NC, 1 Minor NCs and 1 Areas of concern were raised. Major nonconformance has successfully closed on 28th April 2020 with sufficient evidence submitted. Further verification for Minor nonconformance is required during the next surveillance audit.

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 Baronia Estate 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**

Baronia Estate Sdn. Bhd has established MSPO Policy dated on 22nd October 2019 signed by the Managing Director. The policy states that the company is committed to implementing the following sustainable practices

- a.
 - P1 Management commitment and responsibility
 - P2 Transparency
 - P3 Compliance to legal requirements
 - P4 Social responsibility, health, safety and employment condition
 - P5 Environment, natural resources, biodiversity and ecosystem services
 - P6 Best practices
 - P7 Development of new planting
- b. To continue to improve operations in line with social, environmental and economic aspects
- c. Ensure protection and conservation for High Biodiversity value area
- d. Ensure protection and preservation of rare threaten or endangered species
- e. Ensuring that this policy of sustainability is disseminated and understood by all employees and stakeholders.

Sighted Stakeholder communication and consultation survey report dated on 10th December 2019 reported by Ms. Doris Chua and Verified by Mr. Wong Chin Chee. During the survey below documents were distributed to external and internal stakeholders as below;

1. Policies
2. Complaint and grievance procedure
3. Complaint and grievance forms
4. Stakeholder survey form
5. Request for information form

The survey was done as per sample sighted for Bomba sukarela representative, Mr. Wong Pak Wing. The estate staff Lim Yan Leong and En Lea Seng Tong of supplier responded to the survey.

Interviewed with Mr Wong Pak Wing of Pasukan Bomba Sukarela / Ketua Kampung Bruas Perak that he has been briefed on the MSPO requirement and implementation by the management.

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

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

Summary The MSPO Sustainable policy developed by Baronia Estate Sdn. Bhd. emphasizes on commitment to continual improvement. MSPO Policy dated on 22nd October 2019 signed by the Managing Director.

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 Baronia Estate Sdn. Bhd. has established **Yearly Internal Audit Plan** for 2019 dated 22nd October 2019 prepared by Mr Subramaniam (Consultant GSS) and approved by Mr Wong Chin Chee, Director. Frequency of internal audit is once a year. Sighted Audit Plan 22nd October 2019.

The Internal Audit was carried by Mr Subramaniam (Lead Auditor – Consultant from GSS). Three (3) Non-Conformities was raised during the internal Audit.

There were as follows:

1. The management review was conducted on the 3.12.2019
2. Engaging a license CHRA assessor, targeted by 31.12.19
3. The stakeholder consultation and survey been carried out in December 2019.

Responding to the above 3 Non conformances, the estate management has responded as briefly explained below: -

1. The management review was conducted on the 6th December 2019 chaired by Mr Wong Chin Chee
2. The CHRA assessment to be conducted by license personnel, refers to quotation by CHK Murni Services Sdn Bhd (CHK /Q/ 3552). Dated 28th November 2019
3. The stake holder consultation and survey had been carried in out in December 2019.

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 Baronia Estate Sdn. Bhd. has established Internal Audit Procedure ref no P1-01 approved by Mr. Wong Chin Chee (Director) dated 26th November 2019

Sighted Audit Plan 22nd October 2019. The Internal Audit was carried by Mr Subramaniam (Lead Auditor – Consultant from GSS). Three (3) Non-Conformities was raised during the internal Audit.

Stated below are the Non-Conformities.

1. Stakeholder consultation procedure is established however no evidence of communication and consultation records with stakeholder available
2. Meeting minute of Management review meeting not available

3. CHRA no available

Responding to the above 3 Non conformances, the estate management has responded as briefly explained below: -

4. The management review was conducted on the 6th December 2019 chaired by Mr Wong Chin Chee
5. The CHRA assessment to be conducted by license personnel, refers to quotation by CHK Murni Services Sdn Bhd (CHK /Q/ 3552). Dated 28th November 2019
6. The stake holder consultation and survey had been carried in out in December 2019. Sighted the survey sampled.

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

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

Summary Sighted Internal Audit Report dated 22nd October 2019. The report was prepared by Mr Subra (Lead Auditor)

The management review conducted on the 6th December 2019 had the internal audits report discussed and minuted as para no.3 refers.

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 Sighted Management Review Meeting dated 6th December 2019 prepared by Ms Doris Chua and approved by Mr. Wong Chin Chee, Director.

The following were discussed during the management review meeting

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

The meeting output or action were as follows:-

no	Action required	Assigned to	Target date
1	Stakeholder survey and report	Dorris /James	2.12.2019
2	PIC appointment letter review	Dorris /James	30.11.2019

3	To coordinate for the sage 1 audit	Dorris /James	30 10.2019
4	MSPO filing and readiness	Dorris /James	30.10.2019
5.	Follow up on CIP	Dorris /James	On going

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 Sighted Continual Improvement Plan dated 26th November 2019 prepared by Mr Lim Yau Leong and approved by Mr. Wong Chin Chee, Director.

The Continuous Improvement Plan has taken into consideration of the main social and environmental area. Sample on the Environment section of CIP are:

No.	Improvement aspect	Planned activities	Date line	Person in charge	Status
4	Reduction on the schedule waste	1. Identify source 2. Storage and recording 3. eSwiss	31.1. 2020	manag er	1. identified 2. implemented 3. To be registered in April

However, the eSwiss of DOE requirement was yet to be registered in Aprot as explained by the management.

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
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Summary As per interview with the Estate staff, 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.
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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 Baronia Estate Sdn Bhd has established the communication procedure as referred to "P2-03: Stakeholders Consultation and Communication Procedure" dated 26th November 2019. The procedure mapped out the Procedure Explanation as an outline for the arrangements on consultation and communication by the company with the relevant stakeholders. The procedure includes the "Appendix 4: Request information form" for record keeping. However, no records on request of information sighted as to-date.

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 List of confidential and publicly available document are available as referred to "List of Documents and Classification – 2019(MSPO 4.2.1)". The list is prepared by Ms Doris Chua.

A total of 3 files has been classified as confidential (Ex: List of employees, Profit & Lost accounts, ROI, Financial Data) and 19 files as No Confidential documents (Ex: MSPO Policy, Health Policy, FFB Delivery Records, Water Management Plan).

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 Baronia Estate Sdn Bhd has established the communication procedure as referred to "P2-03: Stakeholders Consultation and Communication Procedure" dated 26th November 2019. The procedures has been communicated through SIA questionnaire forms distributed to estate stakeholders on 10.12.2019.

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 as referred to: "Appointment as MSPO Stakeholder communication & consultation and Grievance Handling" for Ms Doris Chua / James Lim dated 22nd October 2019. Appointment letter is signed off by Mr. Wong Chin Chee (Director).

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 List of stakeholders is available with document named: "Stakeholder List - 2019" dated 10/12/2019. As recorded, the stakeholder consultation has been conducted during the distribution of the "Borang Soal Selidik Penilaian Impak Sosial". Sighted the Stakeholder Communication and Consultation Survey Report, ref No: 01/2019 is made available dated 10th December 2019 as prepared by Ms. Doris Chua.

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 SOP on traceability is available as referred to "P2-04: Traceability Procedure" dated 26th November 2019. FFB from the estate is sent to collection center managed by DPS-BIMA Sdn Bhd as per weighbridge ticket No. 147400 dated 16.01.2020.

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. Implementation on the traceability procedure is verified during the Internal Audit conducted on 22nd October 2019 reported by Mr Subramaniam (consultant from GSS).

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

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

Summary The appointment letter for the PIC on traceability is available dated 22nd October 2019. The letter is appointed to Mr. Lim Yau Leong / James Lim by Mr Wong Chin Chee (Director).

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

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

Summary Sighted Weighbridge ticket information are recorded on Vehicle No., Transporter, product, Destination, Time, Nett weight, etc.

Sample taken for:

- Ticket No: 144222
- Weighing Date: 19/10/2019
- Vehicle No.: PJC 1503
- Transporter: DPS Bima Sdn Bhd
- Product: FFB
- Nett weight: 5,600 KG

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 The operations are in compliance with the applicable local, state, national and ratified international laws and regulations. Sighted and verified licenses applicable to Baronia Estate Sdn. Bhd. as follows:

No	License Type	License No	Expiry
1	MPOB License	503594802000	31 st October 2020
2	Perakuan Pemerbadanan Syarikat Sendirian	Baronia Estate Sdn. Bhd. Company No: 31027 W	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 Baronia Estate Sdn Bhd has established a Legal Register of applicable laws. Sighted Legal Register dated 10th October 2019 prepared by Ms Doris Chua and approved by Mr. Wong Chin Chee, Director.

Given below are some sampled Laws applicable to Baronia Estate Sdn. Bhd.

1. Fire Services Act 1988 (act 341) Amendment 2018
2. Employment Act 1955
3. Industrial Relations Act 1967
4. Land Acquisition Act (1960)

5. Minimum Wage Order (Amendment) 2018
6. Employee Provident Fund Act 1991
7. Minimum Wages Order 2020

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 to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:

1. Enquiring the laws books publisher
2. Communication with law/enforcement officers
3. Website

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 Mr. Doris Chua as the person responsible to monitor compliance and to track and update changes in regulatory requirements via letter, "Appointment as MSPO Compliance to Legal Requirements" dated 22nd October 2019 approved by Mr Wong Chin Chee, Director of Baronía Estate Sdn. Bhd.

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. Doris Chua (MSPO coordinator), the Baronía Estate Sdn. Bhd. oil palm cultivation activities do not diminish the land use rights of other users. This has also being cross-checked with the documentation of land title and land ownership stated.

Ownership	Syarat-syarat Nyata
Baronía Estate Sdn. Bhd.	Tanaman komersial – Getah / Kelapa Sawit / Kelapa

There is no complaint lodged on the land right issues 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 The Company land title is available and well maintained. The sample evidence of documents as below;

Company	Grant No	Titled Ha	Ha at MPOB License
Baronia Estate Sdn. Bhd.	9396	98.90	98.80

Sighted evidence of annual payment of quit rent for 2019 (Borania Estate Sdn. Bhd) paid to Kerajaan Negeri Perak dated on 13th May 2019 amounted RM 9,270.00.

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 company has clearly demarcated and visibly maintained Legal perimeter boundary markers such as trenches and boundary stone on the ground. This has been verified during the site visit conducted. Sampled boundary stone sighted during the field visit is:
Latitude: 4.507920°N
Longitude: 100.795470°E

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. This has been verified during the stakeholder meeting and there is no complaint on disputes being lodged as to-date. 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 tile 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 tile 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 tile 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 SIA has been conducted for both internal and external stakeholders. The SIA survey forms were distributed on 10th December 2019 involving 2 internal participants (Estate staff and workers) and 5 external participants (i.e Pasukan BOMBA Sukarela, Balai Polis Beruas, Klinik Kesihatan Beruas, Majlis Pengurusan Daerah Beruas and contractor).

Sighted the SIA report is made available as prepared by Ms. Doris Chua (MSPO Coordinator). The assessment is primarily focused on the identification of significant social impacts from the estate's operation. It is concluded that there are no significant negative impacts identified. However, the management will continuously focus on improving the social aspects of the stakeholders.

The Social Impact Assessment for Baronía Estate Sdn Bhd have identified the positive impacts and outlined the Management Plan to promote and maintain the positive impacts. No negative impact identified. Sampled positive impacts identified from the Social Impact Assessment are:

DISKRIPSI	PELAN PENGURUSAN	TARIKH SASARAN	PIC
Awareness and knowledge on MSPO (LOW)	To plan annual awareness programme	On going	Estate Manager
Welfare and Goodwill (CSR) (LOW)	To maintain good relationship with the stakeholders.	On going	Estate Manager

Commercial and economic uplifting (MEDIUM)	To advertise job vacancy to local residents and publicize in newspaper.	On going	Estate Manager
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In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Complaints and grievances

Indicator 1 A system for dealing with complaints and grievances shall be established and documented.

Summary

Baronia Estate Sdn Bhd has established a procedure on handling complaint and grievance as referred to Stakeholder Communication & Consultation procedure Document Ref No: MSPO-03 dated 9th November 2019.

Sighted internal stakeholders meeting minutes dated 10th December 2019 to disseminate the information on MSPO Sustainability Compliance and company's policies establishment. Internal Stakeholders meeting are as follows:

- Date: 10/12/2019
- Venue: Baronia Estate's Office.
- Attendance: 3 internal stakeholders

NO	NAME	DESIGNATION
1	Lim Yay Leong	Mandore
2	Santosa Budi	Sprayer
3	Pihiruddin	Harvester

As a proactive measure Ms Dorris (MSPO coordinator) has met the external stakeholder to explain on the MSPO sustainable compliance. Sampled of the stakeholders met are:

NO	NAME	STAKEHOLDER
1	Lu Seng Tong	Contractor
2	Wong Pak Wing	Bomba Sukarela
3	Lee Seng Tong	Contractor

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.

Summary

The procedure has stated the timeline involve in the Resolution stage of : "Estate Manager will analyze and provide feedback at appropriate time frame" and "Resolution shall be made and rectification shall be decided up to reasonably practicable". The workflow is made available in (*Para 5*).

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.
Summary	<p>Sighted the complaint and Grievance Form at the Estate's Office. Complain form is available as referred to Appendix 3: Grievance Form.</p> <p>The said forms can be obtained from office main entrance (Peti Cadangan) to make any complaints/requests. Upon completing the forms shall be deposited into the suggestion box for further action. The completed forms will be collected by the estate Manager to be submitted to the management. No complaint is recorded as to-date.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.
Summary	<p>Baronia Estate Sdn Bhd has established a procedure on handling complaint and grievance as referred to Stakeholder Communication & Consultation procedure Document Ref No: MSPO-03 dated 9th November 2019.</p> <p>Sighted records that the complaint procedure has been explained during the SIA activities conducted on 10th December 2019. Sighted a "Borang soal selidik" has been distributed as a proactive measure by the management where they met the stakeholders to explain on the MSPO sustainable compliance. The surrounding communities was made aware that complaints or suggestions can be made any time.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.
Summary	<p>As the company has just embarked on the MSPO Certification there is no complaints and resolutions for the last 24 months were documented.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Criterion 3	Commitment to contribute to local sustainable development
Indicator 1	Growers should contribute to local development in consultation with the local communities.

Summary

Record of contribution is made available at the time of audit. Sampled contribution recorded are:

No	Date	Contribution	Recipience
1.	21/5/2019	RM100.00	Hindu Temple
2	4/9/2019	RM180.00	Chinese Temple

As the company is newly embarked on the MSPO implementation, the contribution is based on an occasional basis. The company will further improve on the contribution allocation based on the stakeholder consultation.

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

Criterion 4	Employees safety and health
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Indicator 1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.
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Summary

Occupational Health and Safety Policy has been established by the company signed by the Company Director; Mr. Wong Chin Chee dated 22nd October 2019. The policy has been explained to all estate workers during the SIA activities conducted on 10th December 2019.

Some of the policy's objectives are committed on the implementation of:

- Provide and ensure a safe and healthy working environment.
- Ensure that all employees and stakeholders are given information, rules, instructions, training and supervision on safe working procedures.
- Compliance with legislative requirements, especially the Safety and Health Act 1994 and the Factory and Machinery Act 1967.

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

Indicator 2	The occupational safety and health plan shall cover the following:
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- | |
|--|
| <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i) all employees involved shall be adequately trained on safe working practices; and ii) all precautions attached to products shall be properly observed and applied. <p>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).</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</p> |
|--|

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

An OSH policy has been established by the company signed by the Company Director, Mr. Wong Chin Chee dated 22nd October 2019.

Sighted HIRARC covering all activities and operations. HIRARC document is made available dated 28th October 2019. Example risk assessed in the estate such as:

- i. Spraying
- ii. Harvesting
- iii. Manuring
- iv. Loading & Transporting FFB
- v. Replanting activities
- vi. Road repairs
- vii. Driving tractors

Sighted an Annual training program during the audit:

- i. "Training Need Analysis: 2019 – 20" which includes:
 - Staff
 - Mandora
 - Harvester
 - Sprayer
 - General
- ii. Annual Training: 2019-2020" dated 2nd November 2019 which table out the training programme for the whole year.

PPE issuance record to estate workers is available in the: Personal Protective Equipment (PPE) Issue Record. Record sighted for Yusup Makmun (Passport: AT 821703) and Pihiruddin (Passport: AU277128). Sighted as well a CHRA quotation prepared by CSK Murni Services Sdn Bhd, dated 28th November 2019.

Sighted, Baronia Estate Sdn Bhd has established the chemical handling procedure as referred to "SP-01: Chemical Handling" dated 26th November 2019.

The management has appointed The PIC responsible for workers' safety and health, Mr James Lim (Lim Yong Kee) as sighted in the MSPO Steering Organization Chart.

Meeting which discuss on issues affecting their business such as employee's health, safety and welfare are included during the Management Review Meeting which was last conducted on 6th December 2019.

Baronia Estate Sdn Bhd has established an Emergency procedure available as referred to: "Pelan Tindakan Kecemasan" for Baronia Estate Sdn Bhd.

Records of three employees has been trained on First Aid is made available for Baronia Estate Sdn Bhd. Training has been conducted by Bulan Sabit Merah Malaysia Cabang Alor Gajah on 3rd February 2020.

No accident record is made available at Baronia Estate Sdn Bhd and the company has not yet register for JKKP8 for the accident notification to DOSH. Thus, a non-conformity has been raised.

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	<p>Social and Equal Rights Policy has been established by the company signed by the Company Director; Mr. Wong Chin Chee dated 22nd October 2019.</p> <p>The company are committed in implementing the social practice of "respect and protect human rights and worker's rights (including temporary workers, contracts or foreign workers) as stated in Para 6 of the policy. The policy has been explained to all estate workers during the SIA activities conducted on 10th December 2019.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>Baronia Estate Sdn Bhd has established a Social and Human Rights Policy dated 22nd October 2019 approved by Mr Wong Chin Chee, Director to ensure no discriminatory practices in the company. This have been clearly stated in Para 7 of the said policy. The policy has been explained to all estate workers during the SIA activities conducted on 10th December 2019.</p> <p>No evidence / complaint lodged to show that the company is engaged in or support of discriminatory practices with regards to race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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

The company has established Social and Human Rights Policy dated 22nd October 2019 approved by Mr Wong Chin Chee, Director in line with its MSPO Policy on Social and Human Rights paying all workers the statutory monthly minimum wage and overtime compensation in accordance with the current labour regulations This is clearly written in Para 7 of the policy.

The management meets legal or industry minimum standards as per the employment act and as per the Minimum Wages Order (Amendment) 2018. Sampled pay slips for the employee is:

Position: Site Manager

Salary thru: RHB

December 2019		
Basis Salary		RM2310.00
Bonus		RM2310.00
Gross Salary		RM4620.00
Deduction:		
KWSP		RM512.00
PERKESO		RM 11.75
SIP		RM 4.70
Total Deductions		RM528.45
Net Salary		RM4091.55

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

Agreed employment contract between the contractor and his employee is made available during the audit. Sampled contracts are for:

1. Name: Mr Phiruddin
Passport No: AU 277128
Position: Harvester
2. Name: Mr Yusup Makmun
Passport No: AT 821703
Position: Pekerja Ladang sawit

Sampled payslip for contractor's workers are:

January 2020		
Basis Salary	26 Days work	RM1560.00
Bonus		-
Gross Salary		RM1560.00

Deduction:		
		-
Net Salary		RM1560.00

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 The company has established records that provides an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

List of estate workers available during the audit are:

1. Lim Yau Leong
2. Lim Yong Kee

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 Sighted employment contracts signed by both employee and employer. These contracts are given to all employees as indicated in the employment records. Sampled workers are:

1. Name: Mr Lim Yau Leong
IC No: 620517085763
Position: Site Manager
2. Name: Mr Lim Yong Kee
IC No: 660221105249
Position: Estate Executive

The employment contract consists details such as work type, salary offered, working hours, rest day, paid holiday and etc.

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 Working hours is clearly stated in the respective employment contract/offer letter. Time recording system has been establish in the attendance book. The estate supervisor is responsible to monitor the implementation of the system. Records is made available during the audit.

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 Mutually agreed on working hours and overtime for estate workers is made available in the Employment contract, (para 7 – Waktu Bekerja / Cuti Mingguan / Cuti Umum).

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 Workers payslip are made available at the time of audit. Payment are in line with the legal regulations and collective agreements. Sampled payslip are for:

December 2019		
Basis Salary		RM1600.00
Overtime		-
Bonus		RM1600.00
Gross Salary		RM3200.00
Deduction:		
KWSP		RM352.00
PERKESO		RM 7.75
SIP		RM 3.10
Total Deductions		RM362.85
Net Salary		RM2837.15

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 Benefits are provided as agreed in the contract agreement. As stated in the Employment letter, the workers are given the following benefits

1. Medical Benefits – Max of RM300/year
2. Yearly Bonus – based on company's performance

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 Not applicable since there is no quarters provided to the workers.

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 Social and Equal Rights Policy has been established by the company signed by the Company Director; Mr. Wong Chin Chee dated 22nd October 2019.

One of the policy's objective is:

- Provide workplace free of sexual harassment whether directly or indirectly against all worker, society and stakeholders.

The policy has been explained to all estate workers during the SIA activities conducted on 10th December 2019.

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 Social and Equal Rights Policy has been established by the company signed by the Company Director; Mr. Wong Chin Chee dated 22nd October 2019.

One of the policy's objective is:

- Respect and protect human rights and worker's rights (including temporary workers, contracts or foreign workers).

The policy has been explained to all estate workers during the SIA activities conducted on 10th December 2019.

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 As per interview with the management, there are no children below ages of 18 working is allowed to work in the Estate and this was proven through checking the list of employees. The workers were 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	<p>Annual Training :2019-2020 (Safety, Environment & MSPO awareness) – 4.4.6 record is sighted during the audit. Example training planned by the estate are:</p> <ol style="list-style-type: none"> 1. MSPO awareness 2. Waste management 3. Safety Reporting 4. PPE Usage 5. Documentation
	<p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>Sighted Training needs analysis: 2019-2020 is made available during the audit. Employees identified as:</p> <ol style="list-style-type: none"> 1. Staff 2. Mandore 3. Harvester 4. Sprayer 5. General
	<p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>Annual Training :2019-2020 (Safety, Environment & MSPO awareness) – 4.4.6 record is sighted during the audit. Example training planned by the estate are:</p> <ol style="list-style-type: none"> 1. MSPO awareness 2. Waste management 3. Safety Reporting 4. PPE Usage 5. Documentation
	<p>Sampled training with records that has been conducted is: Training: Personal Protection Equipment Trainer: James Lim (Estate Manager) Date: 10/12/2019 Attendees:</p> <ol style="list-style-type: none"> 1. Santoso Budi 2. Pihiruddin

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 Baronia Estate Sdn Bhd has established Environment Policy dated 22nd October 2019 approved by Mr. Wong Chin Chee (Director). Sighted Stakeholder communication and consultation survey report dated on 10th December 2019 reported by Ms. Doris Chua and Verified by Mr. Wong Chin Chee. During the survey below documents were distributed to external and internal stakeholders as below;

1. Policies
2. Complaint and grievance procedure
3. Complaint and grievance forms
4. Stakeholder survey form
5. Request for information form

The environment management plan for 2019-2020 for the estate was sighted as in the environmental section of the continual improvement plan.

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 The Environmental management plan has been included in the estate continuous improvement plan 2020.

- I. Schedule waste handling and reduction
- II. Domestic waste reduction
- III. Zero burning

Sighted Environment Aspect Impact Assessment dated 10th November 2019 prepared by Mr. James Lim Yong Kee (Estate Manager) and approved by Mr. Wong Chin Chee (Director). There are 15 environment aspects and impacts were being assessed and analyses. The results were all had a positive impact. Sampled management plan includes:

Environmental Aspect	Environmental Impact	Environment Impact analysis Likely hood x consequences= Impact level	Mitigation	Monitoring program
Disposal of polybags and fertilizer bags	Pollution of soil	3x2 = 6	All the empty bags will be	Monitor and record

			triple rinses and place in designated store	
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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 from the analysis of environmental aspect impact assessment done it had declared that all the 15 aspects were categorically having a positive impact. Hence there was no negative impact in the analysis. However, it stated as an enhancement in the environmental continuous improvement plan the following subject: -

1. Schedule waste handling and reduction
2. Domestic waste reduction
3. Zero burning

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

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

Summary Sighted from the analysis of environmental aspect impact assessment done it had declared that all the 15 aspects were categorically having a positive impact. Hence there was no negative impact in the analysis. However, the management has taken as an enhancement in the environmental continuous improvement plan.

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 A comprehensive annual training which has been identified as per listed below:-

1. MSPO Awareness
2. Waste Management
3. Safety Reporting
4. Documentation
5. PPE Usage

Sighted the program for 2019- 2020 for the estate, prepared by Ms Doris Chua and approved by Mr Wong Chin Chee on 2nd November 2019.

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 The meeting regarding the Environmental quality had been discussed during the management review meeting on 6th December 2019. The agenda as listed below

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

Sighted in the management review report under para 8 and para 9. It discussed the waste management and high biodiversity value status and action.

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 The monthly monitoring of non-renewal energy such as electricity consumption and water consumption only commenced from January 2020 onward. The month of January amount was RM 16.70 and RM5.00 respectively.

Baronia Estate Sdn. Bhd. has established the Energy Optimization Plan from 2019 – 2020 as below;

- Method / Description : Reduce energy consumption
- Action Plan :
 1. Using less power lighting and offer much longer lifespan i.e LED, CFL
 2. Switch off equipment when not in use
 3. Use energy efficient device & energy saving features
 4. Discourage the excessive use of lighting or electricity
 5. Educate all employees on energy saving
- PIC : Company wide
- Timeline : December 2019
- Status : On going.

The monitoring is through the monthly electricity bill.

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 Sighted the Annual Budget 2019 – 2020 estimate of Fossil Fuel i.e. diesel dated 1st January 2020 prepared by Ms Doris Chua (Project Manager) and approved by Mr. Wong Chin Chee (Director).

For the month of January 2020, the diesel fuel consumption for the estate was 392 liters against the budgeted of 220 liters. The over spent was due to the manager extra mileages incurred.

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

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

Summary Not available. The use of renewable energy is not implemented thus far.

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 The waste identification and its sources were prepared in the waste management plan for 2019-2020. Sample taken from the plan: -

Source of pollution	Control measures	Action	Monitoring	Remarks
Workers/mandore	1.the used PPE shall be collected and put in a dedicated container. The worker will be issued with a replacement	1.record keeping 2.store will monitor the SW 410 inventory and updated the fifth schedule required by DOE	Record in the SW record book	Estate manager monitoring
	2. the container will be properly label as per third schedule guideline			

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 The waste management plan 2019-2020 was sighted. Sample of the plan are stated as below:

Source of pollution	Control measures	Action	Monitoring	Remarks
Vehicle	1.store in metal drum 2.Should be closed at all time 3.use the spill kit for any spillage. 4. labelling as the third schedule guideline of DOE	1. workshop to update monthly inventory and comply with the DOE fifth schedule return 2. To ensure the amount shall not be more than 20MT or 180 days storage. Notification through eSwiss or collector prior to collection. 3.Proper handling and management: . List of SW generated . Inventory of monthly SW generated . Checklist of every SW . consignment note . store cleanliness	Records of SW book	Reviewed by the manager

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 Baronia Estate Sdn. Bhd. has established Standard Operating Procedure ref: SP-01 and SP-03 for handling of chemicals and Chemical Storage respectively dated 26th November 2019 approved by Mr. Wong Chin Chee, Director.

In Compliance ☒ **Yes** ☐ No ☐ 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 As per interview with Ms. Doris Chua, the used Empty Pesticide containers are rinsed three times, punctured and stored in the schedule waste store.

During the store site visit, there was none of containers being stored. All of the used containers were taken back by the estate's chemical supplier as address below: -

DPS BIMA SB (503201-V)
Lot8143 Kampung Changkat, Jalan Taiping,
32700 Beruas Perak. Tel 05-6749906

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

Indicator 5 Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.

Summary The estate does not have any labour quarters, as such there is no domestic waste being generated. The office waste is being sent to the nearby town Majlis Bandaran Manjung garbage bins collection center. This has been confirmed during the site verification.

In Compliance ☒ **Yes** ☐ No ☐ 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 The assessment was done as shown in the waste management and GHG management plans. Prepared on 20th November 2019 by James Lim. Sample of the estate greenhouse gas management plan is as follows: -

No	Sources of GHG	Environmental impact	Mitigation measure. Likelihood x Consequence=I mpact level	Action taken	Status
1	Emission of GHG from nitrogen fertilizer usage	Air pollution-global warming	2x3=6	Fertilizer application as per recommendation	On going
2	Exhaust from vehicle/gen set	Air pollution	3x3=9	Ensure regular maintenance	On going and record keeping
3	FFB transportation	Air ,noise and GHG pollution	3x3=9	Regular maintenance	Training record

In Compliance ☒ Yes ☐ No ☐ Not Applicable

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

Summary The management plan had identified pollutants and emissions with action established on 20th November 2019. Approved by the director Mr Wong Chin Chee. Sampled waste management plan includes:

Sources of GHG	Environmental impact	Action taken
Emission of GHG from nitrogen fertilizer usage	Air pollution-global warming	Fertilizer application as per recommendation
Exhaust from vehicle/gen set	Air pollution	Ensure regular maintenance
FFB transportation	Air ,noise and GHG pollution	Regular maintenance

The implementation has been verified during the site visit.

In Compliance ☒ Yes ☐ No ☐ Not Applicable

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).
The water management plan may include:
a) Assessment of water usage and sources of supply.
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 used for water supply, the level of the ground water table should be measured at least annually.

Summary

As verified during the site assessment, the water source of the estate operation is by the local council piping facilities. The water management plan for 2019-2020 is as follows: -

Management action	Period	Responsibility
Record of water usage	monthly	manager
Water quality analysis for in and outgoing source	Not applicable	manager
Ground water table analysis if using the bore well	Not applicable	manager
Control of chemical spraying at buffer / within water course. training	New sprayer and refresher training	manager
Restoration of natural vegetation in the affected riparian area	Not applicable	manager
No bund, weir or dam constructed across the main water way.	Not applicable	manager

In Compliance**Yes**

No



Not Applicable

Indicator 2

No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

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).

Summary Water harvesting practices implemented in the Estate as the Silt pits and roadside drains are constructed.

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

Criterion 6 Status of rare, threatened, or endangered species and high biodiversity value area

Indicator 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.
 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 The identification of High Biodiversity Value at the Baronía Estate was approved by the director Mr Wong Chin Chee. The guideline for the species of the critically endangered species and endangered species classed is available. The guideline is from the International union for the conservation of Nature (IUCN Red List Malaysia)/ Perhilitan. The High Biodiversity Management Plan 2019-2020 is as follows: -

Area identified	Management action	Monitoring/ identification	PIC	Dateline	Status
Concentration of biodiversity endemic species and RTE	No significant area of HBV exists. Only wild boars. No hunting permitted	Report by workers/ Security. Signage installation	Estate manager	March 2020	On going
Significant Ecosystem that contain available population of naturally occurring species in natural pattern and abundance	Prohibit fishing and no chemical spraying near the water course	Training for the workers Signage No illegal entry to site	Estate manager	March 2020	On going
RTE ecosystem and habitats	Not detected	Erected proper Signage	Estate manager	March 2020	On going

Basic ecosystem services in the critical situation such as water catchment area ,erosion control of vulnerable soil and slopes	Pesticides and herbicides, fertilizer controlled application to prevent environmental overloads.	Riparian zone and best practice	Estate manager	March 2020	On going
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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 The biodiversity monitoring activity for the estate is available for the year 2019-2020. Prepared by Lim Yau Leong and approved by Mr Wong Chin Chee. Sample of the monitoring includes:

Month 2019/2020	Endangered species/wildlife	Signage/markings	Illegal hunting	Land/water/chemical pollution/open burning	Others activities that impacted the HBV
October	Wild boar ,monkey, iguana sighting	Intact n visible	No	No	No spillage waste dumping
November	Wild boar ,monkey, iguana sighting	Intact n visible	No	No	No spillage waste dumping
December	Wild boar sighting	Intact n visible	No	No	No spillage waste dumping

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 Sampled monitoring and indicators includes in the High Biodiversity Management Plan 2019-2020 are as follows:

1. Area identified
2. Management action
3. Monitoring/Identification
4. Person in-charge
5. Dateline
6. Status

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 Sighted evidence of Zero burning practices being implemented by the Company. As per interview with Ms. Doris Chua, no open burning is practiced in the estate. This is clearly stated in the Environment Policy signed by Mr. Wong Chin Chee (Director)

In Compliance ☒ **Yes** ☐ No ☐ 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 ☒ **Yes** ☐ No ☐ 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 ☒ **Yes** ☐ No ☐ 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. As per interview with Mr. Doris Chua, no open burning is practiced in the estate. This is clearly stated in the Environment Policy signed by Mr. Wong Chin Chee (Director).

In Compliance ☒ **Yes** ☐ No ☐ 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 established SOP on good practices as referred to:

- 4.0 Plantation Procedure which include:
 - PP-01: Oil Palm Replanting
 - PP-02: Terrace & Platform Construction
 - PP-03: Fertilizer Application
 - PP-04: Frond Stacking
 - PP-05: Maintenance of Mature Areas
 - PP-06: FFB Harvesting
- 6.0 Safety Procedure which include:
 - SP-01: Chemical Handling
 - SP-02: Chemical Storage
 - SP-03: Accident Investigation and Reporting

During site visit to block 70 (Planted 1993), harvesters are following the SOP documented by the company.

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 SOP for replanting as per document PP-01: Oil Palm Replanting. During site visit conducted in hilly areas, oil palms are planted on terraces to avoid soil erosion and land slide. On the road sides, the estate is also constructing road side pits and stop bunds to avoid fast moving surface runoffs especially during raining season.

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

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

Summary Field markings have been made available using aluminum plate as sighted during field visit to the field. Sampled block sighted during the site visit are:

- Block 70
- (1993)

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	<p>"Budget for Baronia Estate Sdn Bhd Sdn Bhd Sdn Bhd" sheet is made available during the audit. For year 2020, example data sighted in the estate budget such as:</p> <p>FFB: 1,951.05 MT Diesel: 1,951 Liter Fertilizer: RM 99,000.00 Contractor payment: RM 107,308.00 Field labour charge: RM 19,800.00 Price forecast: RM 400/MT Cost of Production: RM 240,195.00</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>As per interview with the estate manager, there is no future replanting program as the oil palm trees are still producing good yield. On top of that, there may be land acquisition by WCE project in the future.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 3	<p>The business or management plan may contain:</p> <p>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.</p>
Summary	<p>Sighted details of the estate budget contains details such as:</p> <p>FFB: 1,951.05 MT Diesel: 1,951 Liter Fertilizer: RM 99,000.00 Contractor payment: RM 107,308.00 Field labour charge: RM 19,800.00 Price forecast: RM 400/MT Cost of Production: RM 240,195.00</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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 Monitoring of expenditure for the estate sighted during the audit. The monitoring is on monthly basis. Sighted data for January 2020, where the management is recording its difference of expenditure and the explanations. Example explanation for shortage of FFB tonnage (Short of 88.00 MT): Not Enough manpower to harvest two rounds.

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 Pricing mechanism for the services is documented in the contract agreement between the estate and contractor DPS Bima Sdn Bhd for harvesting of FFB. As stated in the agreement, the contractor will be paid RM 37.00/MT for their completed task.

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 Contract agreement available during the audit between the estate and contractor DPS Bima Sdn Bhd for harvesting of FFB, dated 01st December 2019.
Payment record sighted as per purchase invoice no. DPS0017 dated 30.01.2020 where the total harvested was 71.96 mt.

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 Understanding on MSPO by estate contractors sighted as per memorandum addressed to the contractor (DPS BIMA Sdn Bhd) dated 20.11.2019. The memorandum has been signed by the contractor.

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

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

Summary Sighted Contract agreement available during the audit between the estate and contractor DPS Bima Sdn Bhd for harvesting of FFB, dated 01st December 2019.

However, As per invoice no. DPS0017 dated 30.01.2020, there are other works by the contractor (DPS Bima Sdn Bhd) such as Harvesting tall palm (RM 45.00/MT) and FFB Transport (RM 23.00/MT). There is no contract agreement available for the above additional job by this contractor and no contract agreement sighted between the estate and FFB collection center by DPS Bima Sdn Bhd. Thus, a non-conformity is raised.

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 6th March 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 Work completion (FFB harvested) monitored by the estate management as per record book to record the FFB going out from the estate. All the daily weight is recorded in form "Daily record of rate / delivery of FFB". Example data for date 31.01.2020, the total FFB delivery was 5.690 MT.

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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronia Estate 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 Baronia Estate 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 Baronia Estate 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 Baronia Estate 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 Baronia Estate 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 Baronia Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronía Estate 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 Baronia Estate 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

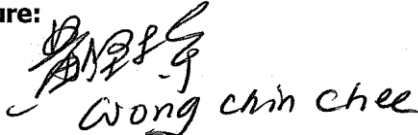
- 1) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 2) The estate management has demonstrated fully commitment during the entire audit process.
- 3) Good positive feedback received from the internal and external stakeholders.
- 4) No complaint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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
9 th March 2020	TBA	➤ Travelling to Manjung, Perak.	NMS	FB/RMN
10 th March 2020	08:00 – 09:00	➤ Opening Meeting at Baronía Estate : <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan.	NMS	FB/RMN
	09:00 – 13:00	➤ 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	FB/RMN
		➤ Field Inspection / Interview: <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	FB/RMN
	10:30 – 12:30	➤ Stakeholder Consultation	NMS	FB/RMN
	13:00 – 14:00	➤ Lunch/Rest	NMS	FB/RMN
	14:00 – 15:00	➤ Continue 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	FB/RMN
	15:00 – 16:00	➤ Verify any outstanding issues and auditor discussion.	NMS	FB/RMN
	16:00 – 17:00	➤ Closing Meeting at Baronía Estate: <ul style="list-style-type: none"> • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment	NMS	FB/RMN



Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit			
Major Nonconformities:		1 was raised during this audit.	
Company Name	Baronia Estate 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-BK1-MSPO-2020		
NC No. / Ref.	BK1/MSPO/MAJOR/01	Date Detected	10 th March 2020
Site(s) concern	Baronia Estate Sdn Bhd	Target Completion	90 Days
Normative Reference and Requirement	4.6.4.2 The management shall provide evidence of agreed contracts with the contractor.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted at the time of audit.		
<p>NC Objective Evidence:</p> <p>As sighted in the invoice no. DPS0017 dated 30.01.2020, there are additional works performed by the contractor (DPS Bima Sdn Bhd) apart from the task stated in the agreed contract such as harvesting tall palm (RM 45.00/MT) and FFB Transport (RM 23.00/MT). However, the contract agreement available does not stated the additional job.</p> <p>In addition, no contract agreement sighted between the estate and FFB collection centre (managed by DPS Bima Sdn Bhd).</p>			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
The contract with DPS Bima Sdn Bhd is normally were conducted on ad-hoc and short-term basis.			
Corrective action planned (to be filled by client):			
To review the contract with DPS Bima Sdn Bhd and to include all possible works details in the contract.			
Preventive Action (to be filled by client):			



Contract will be review on annual term and Baronia Estate Sdn Bhd management will monitor accordingly.

Review of corrective/preventive action (to be filled by Lead Auditor)

Corrective/preventive action is accepted with the sufficient evidence submitted.

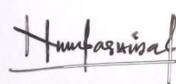
NC Closed: ☒ Yes ☐ No

Site verification: ☐ Yes ☒ No

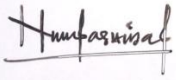
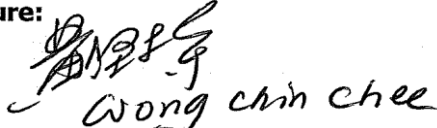
Date Verified:

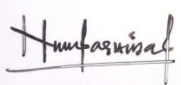
28th April 2020

Lead Auditor Signature:

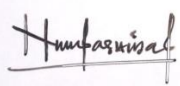
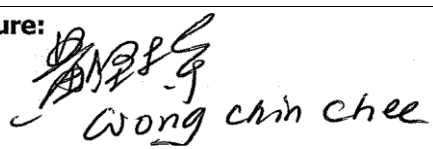


Minor Nonconformities:	1 was raised during this audit.
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Company Name	Baronia Estate Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BK1-MSPO-2020			
NC No. / Ref.	BK1/MSPO/MINOR/01	Date Detected	10 th March 2020	
Site(s) concern	Baronia Estate Sdn Bhd	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.4.4.2 The occupational safety and health plan shall cover the following: j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.			
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: No records on monitoring and review of the accident is made available at Baronia Estate Sdn Bhd and the company has not yet register for JKPP8 for the accident notification to DOSH.				
Lead Auditor Signature: 		Client Signature:  Wong chin chee		
Root cause Analysis (to be filled by client): Lack of awareness on the accident reporting system with DOSH.				
Corrective action planned (to be filled by client): 1. To incorporate accident record as part of the site management report. 2. Register the JKPP8 with DOSH.				
Preventive Action (to be filled by client): Baronia Estate Sdn Bhd management will monitor the accident record and registration with DOSH.				
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: 28 th April 2020	Lead Auditor Signature: 
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Area of Concern:	1 was raised during this audit.
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Company Name	Baronia Estate 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-BK1-MSPO-2020			
NC No. / Ref.	BK1/MSPO/AOC/01	Date Detected	10 th March 2020	
Site(s) concern	Baronia Estate Sdn Bhd	Target Completion	-	
Normative Reference and Requirement	4.1.4.1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted at the time of audit.			
NC Objective Evidence: As stated in the Continuous Improvement Plan:				
Environment				
No.	Improvement Aspect/Subject	Planned Activities	Date of Completion	
1.	Reduction of Scheduled Waste generation	1.identify source 2.storage n record 3.eSwiss	31/1/2020	
However, the eSwiss is not yet established. As planned by the management the registration for eSwiss will be completed by April 2020.				
Lead Auditor Signature: 		Client Signature:  Wong chin chee		

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Dorris Chua, MSPO Coordinator
- 2) Wong Chin Chee, Director
- 3) James Lim Yong Kee, Estate Manager
- 4) Lim Yan Leong, Mandore

External Stakeholders

- 1) Choo King Foo, Ketua Kampung Baru Beruas