

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

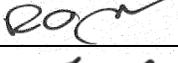
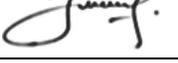
### CERTIFICATION AUDIT REPORT

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

**Pesaka Sepakat Realty Sdn. Bhd.**

**-Individual Certification-**

**MAIN ASSESSMENT**  
**17<sup>th</sup> March 2020**

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	23.03.2020	Issued as Draft Report	Mohamad Razin Bakal	Lead Auditor	
A	08.04.2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	14.05.2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	09.06.2020	Issued as Final Report	Mohamad Razin Bakal	Lead Auditor	
B	05.08.2020	Final Report Approved	Muhd Jamalul Arif	Certifier	

Acknowledgment by Pesaka Sepakat Realty Sdn. Bhd.					
Rev	Date	Description	Management Representative	Role	Signature
B		Acceptance of the contents	Ling Hock Sing	Managing 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 for Pesaka Sepakat Realty Sdn. Bhd. During this Stage 2 Audit, the audit team were briefed by Sustainable Manager, of the supply base disposition. The FFB production from Pesaka Sepakat Realty Sdn. Bhd was delivered to Pandawan Oil Mill

This assessment was conducted onsite on 17<sup>th</sup> 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

<b>Company Name</b>	Pesaka Sepakat Realty Sdn. Bhd.
<b>Business Address</b>	Batu 38, Jalan Nabawan – Keningau, Sabah.
<b>Contact Person</b>	Ling Hock Sing
<b>Office Telephone</b>	087 – 333587
<b>E-Mail</b>	Psycheez78@yahoo.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	Pesaka Sepakat Realty Sdn. Bhd.	Batu 38, Jalan Nabawan – Keningau, Sabah	116.45833	5.066667

#### MPOB License Information

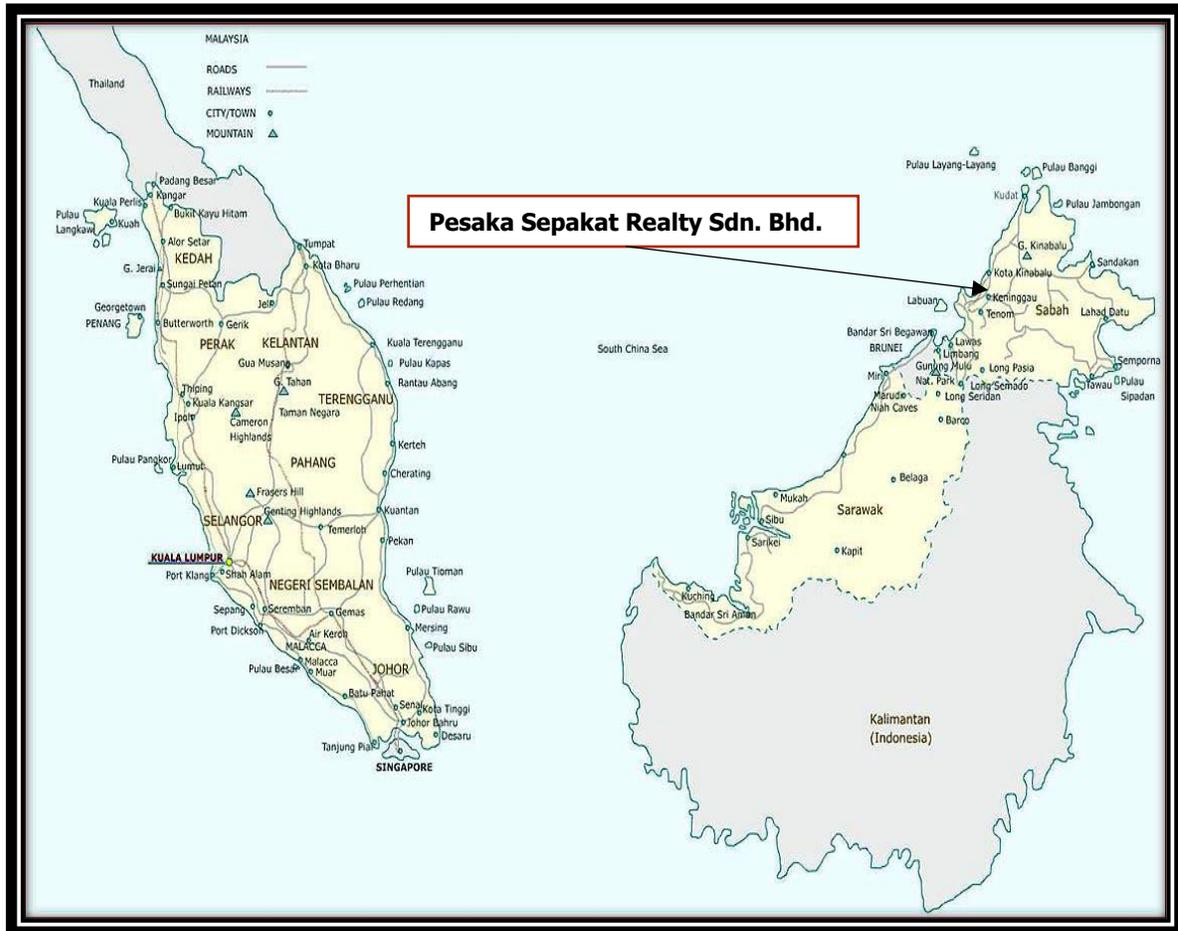
No	Name Of The Site	Licence Number	Expiry Date	Scope Activity
1	Pesaka Sepakat Realty Sdn. Bhd.	618727002000	30.09.2020	Menjual and Mengalih FFB

#### Others Sustainability Certification

No	Name of the Site	Others Sustainability Certification
1.	-	-
2.	-	-

## 1.4 Map Showing Geographical Location

### a) Pesaka Sepakat Realty Sdn. Bhd.



**b) Pesaka Sepakat Realty Sdn. Bhd.**



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

Name of the Certification Unit	Area Summary (HA)		
	Land Title	Planted	Mature
Pesaka Sepakat Realty Sdn. Bhd.	242.81	242.81	242.81
<b>Total</b>	<b>242.81</b>	<b>242.81</b>	<b>242.81</b>

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Conservation Area
Pesaka Sepakat Realty Sdn. Bhd.	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit [January 2019 – February 2020]	Actual Production for 12 Months [January 2019 – February 2020]	Projected Production for next 12 Months [February 2020 – January 2021]
Pesaka Sepakat Realty Sdn. Bhd.	14,400.00	14,410.54	15,000.00
<b>Total</b>	<b>14,400.00</b>	<b>14,410.54</b>	<b>15,000.00</b>

**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](http://www.ggc.my)

**Assessment standard** (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

**Certificate number** GGC-PSR001-MSPO-00-2020

<b>Initial certificate issued date</b>	5 <sup>th</sup> August 2020
<b>Certificate expiry date</b>	4 <sup>th</sup> August 2025
<b>Stage 1 assessment date</b>	26 <sup>th</sup> December 2019
<b>Stage 2 / Main Assessment</b>	17 <sup>th</sup> March 2020
<b>Annual Surveillance 1 [ASA 1]</b>	May 2021
<b>Annual Surveillance 2 [ASA 2]</b>	May 2022
<b>Annual Surveillance 3 [ASA 3]</b>	May 2023
<b>Annual Surveillance 4 [ASA 4]</b>	May 2024



## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** Mohamad Razin bin Bakal [MRB]

Graduate in Degree of Accountancy with University Putra Malaysia. Having 17 years of working experience in various field in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administrative, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013, ISO 14001:2015 and ISO 9001:2015 from Sirim Berhad. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of compliance to Management Commitment and Responsibility, Social Responsibility, Health, Safety, Employment Condition and Development of new planting. He is able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** Haji Ahmad bin Sukiman [ABS]

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

During this assessment, he assessed on the aspect of Compliance to Legal Requirements and Environment, Natural Resources, Biodiversity and Ecosystem Services. He is able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** Mohd Azmi Samynathan bin Abdullah [MAS]

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

During this assessment, he assessed on the aspect of Traceability and Best Practise. He is able to speak and understand Bahasa Malaysia and English.

## 1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In this case of this certification unit, sampling calculation was not applied as there is only one estate, namely "Pesaka Sepakat Realty Sdn. Bhd."

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

<b>Audit Date</b>	17 <sup>th</sup> March 2020
<b>Name of site(s) visited</b>	Pesaka Sepakat Realty Sdn. Bhd.
<b>Total number of man-days spent</b>	3 man-days

## 1.10 Audit Result Summary Findings

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	0	Closed
Minor Nonconformities	4	Open (Next Surveillance Audit)
Area of Concern	1	Open (Next Surveillance Audit)
Noteworthy /Positive Comments	4	No action requires

### 1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> 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 12<sup>th</sup> February 2020 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 17<sup>th</sup> March 2020 in Pesaka Sepakat Realty 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 stakeholder 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.

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaints or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholder. 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.	Stakeholder A (Liaison Manager)	<ul style="list-style-type: none"> <li>• He is aware about the MSPO certification.</li> <li>• He has knowledge on the existence of method/ mechanism of complaints/ grievances.</li> <li>• He is aware on the importance of safe work practices to be implemented at the workplace. He is also aware that PPE will be given free of charge by the Estate. First Aid Kit to be provided at workplaces.</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>• He has confirmed that no sexual harassment and violence case had happened in the workplace.</li> <li>• The Estate has treated its worker's right equally with no discrimination based on gender.</li> <li>• He is satisfied with the condition of his workers living quarters which is considered habitable. The Estate provides the basic amenities such as free drinking water (from Gravity's flow) and free electricity supply from genset.</li> <li>• He has confirmed that workers' wages are being paid not less than the Minimum Wage Order 2018 of RM1,100.00 per month.</li> <li>• He has confirmed that there is no employment of Children and Young persons in the workplace.</li> </ul>		
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No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholder A (FFB Collection Centre)	<ul style="list-style-type: none"> <li>• She is a representative of her Company. Her immediate manager has attended one stakeholder meeting organized by Pesaka Sepakat Realty Sdn Bhd.</li> <li>• She is well versed about MSPO certification.</li> <li>• She has a good knowledge on the existence of method/mechanism of complaints/grievances provided by Pesaka Sepakat Realty Sdn Bhd.</li> <li>• The Pesaka Sepakat Realty Sdn Bhd (Estate) has a good rapport with her FFB Collection Centre.</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>• She has confirmed that Pesaka Sepakat Realty Sdn Bhd supplied FFB to her Collection Centre with sealed binding agreement.</li> <li>• Payment for selling FFB from Pesaka Sepakat Realty Sdn Bhd is done on 1<sup>st</sup> week of the following month.</li> <li>• The estate is very supportive and compliance to the standard quality set by her Collection Center.</li> </ul>		
2.	Stakeholder B (Neighbour Estate)	<ul style="list-style-type: none"> <li>• He is a representative of his Company. His immediate Manager has attended one stakeholder meeting organized by Pesaka Sepakat Realty Sdn Bhd.</li> <li>• He is well versed about MSPO certification.</li> <li>• He has a good knowledge on the existence of method/ mechanism of complaints/ grievances provided by Pesaka Sepakat Realty Sdn Bhd.</li> <li>• The Pesaka Sepakat Realty Sdn Bhd (Estate) has a good rapport with his Estate.</li> <li>• The estate is very supportive and compliance with the boundary right. No issue of land disputes or claims involving both estates.</li> </ul>	No action requires	Positive findings

### 1.12 Recommendation

The estate 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 Pesaka Sepakat Realty Sdn. Bhd.

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 Stage 2 Audit Assessment.

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 0 major non-conformities, 4 minor non-conformities and 1 area of concern have been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and no NC major has been raised, therefore, the lead auditor recommends to award the certificate of compliance MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders to **Pesaka Sepakat Realty Sdn. Bhd..**

### 1.13 Date of Next Surveillance Audit

The second 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**

CHRA	Chemical Health & Risk Assessment
CoP	Code of Practise
CPO	Crude Palm Oil
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
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 Procedure

## 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** Sighted Policy of MSPO dated on 1<sup>st</sup> September 2019. The Sustainability policy signed by the Mr. Ling Hock Sing Managing Director. The policy clearly stated that Pesaka Sepakat Realty Sdn. Bhd is committed to ensuring that its products are produced in a sustainable manner”.

Sighted the Internal and External Stakeholder Meeting conducted on 11<sup>th</sup> March 2020 at Pandawan Palm Oil Mill with total attended by 12 participated. The agenda discussed are;

- i. Briefing on Company Policy
- ii. Briefing on complaints and request procedure
- iii. Distribution of “boring soal selidik (MSPO and SIA)

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** The commitment statement stated that Pesaka Sepakat Realty Sdn. Bhd. is committed for continual improvement practice via available best practices and technology in order to ensure the continuous production of fresh fruit bunches in a sustainable manner.

**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** Internal Audit Procedure for Pesaka Sepakat Realty Sdn Bhd is made available dated 1<sup>st</sup> June 2019. The SOP was prepared by Lawrence Chau and Approved by Winnie Osinggang ( Sustainable Manager )

Pesaka Sepakat Realty Sdn Bhd has established the Annual Internal Audit Plan scheduled in December 2019.

Internal Audit for Pesaka Sepakat Realty Sdn. Bhd. estate was conducted from 10<sup>th</sup> till 11<sup>th</sup> December 2019 by Mr. Lawrence Ceaser Chau ( Lead Auditor ) and Juliana Sajap and Zurafiziana John (Auditor). The strong and week points have been address for following scope covering;

- A. Documentation in estate
- B. Interview Session with internal stakeholder
- C. Site Visit at estate

Total of 10 major NC was raised during the internal audit assessment.

**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** Internal Audit Procedure for Pesaka Sepakat Realty Sdn Bhd is made available dated 1<sup>st</sup> June 2019. The SOP was prepared by Lawrence Chau and Approved by Winnie Osinggang ( Sustainable Manager )

Audit results has been documented and evaluated in the MSPO Internal Audit Report, furnished with corrective action request (CAR). Total findings raised are 10 Major Non Conformities

Some sample of findings as below :

1) Indicator : 4.1.1.1

Findings: Only 4 policies sighted. Sustainable, Social, environmental & Occupational Safety Health. No policy for sexual harassment policy & freedom to join Trade Union

Root causes : Lack of Awareness

Corrective Action(S) : Policy of sexual harassment have been provided.

2) Indicator : 4.1.2.2 / 4.1.2.3

Findings: The Audit is currently being carried out. The audit report will be obtained from internal audit. Report would be be made available to the management review.

Root causes : Overlooked

Corrective Action(S) : To ensure audit schedule is followed hence report would be issued out accordingly.

**In Compliance**  **Yes**  **No**  **Not Applicable**

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

**Summary** Audit results has been documented and evaluated in the MSPO Internal Audit Report, furnished with corrective action request (CAR). Total findings raised are 10 Major Non Conformities.

The internal audit results (issues and achievement) has been discussed and reviewed during Management Review Meeting which held on 21<sup>st</sup> December 2019.

**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 evidence of Sustainable Management Review dated on 21<sup>st</sup> December 2019 at the Meeting room of Pandawan Palm Oil Mill. The meeting was attended by 7 executive personnel (inclusive the Managing Director, Mr Ling Hock Sing) discussed on results of internal and external MSPO audits and other matters related to MSPO implementation includes;

1. Audit Report
2. NC raised during Internal Audit
3. Capital Investment project for Continuous Improvement Plan
4. Any other matters

**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** Estate has developed Continuous Improvement Plan year 2020 as per listed below :

No	Perkara	Kategori
1	Tanaman Tumbuhan Berfaedah (Tunera Sp)	Alam Sekitar
2	Pengurusan Bekas Racun Kosong Dengan Sepatutnya	Alam Sekitar
3	Penggunaan kerja secara effective	Alam Sekitar
4	Gotong royong kawasan perumahan	Social
5	Sembutan perayaan	Social



6	Aktiviti Riadah	Social
7	Peningkatan dan pertambahan pendapatan pekerja	Penghasilan
8	Inovasi a) Menuai b) Membaja c) Merumput	Sosial / Penghasilan / alam Sekitar

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** The estate are currently applying the standard practice for the SOP and operation. No new technique or industry or technology were applied in this estate at the moment.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** The estate was applying the standard GMP for estate according to the SOP.

**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** Pesaka Sepakat Reality Sdn Bhd has established Communication and Consultation Procedure dated 1/6/2019 prepared by Mr Zendifirwan Johd and approved by Ms Winnie Osingang, Sustainability Manager.

The management has communicated to the Internal and External stakeholders on the Complaint and Grievance procedures and also how to request for information from the estates in the stakeholders meeting.

The details of the stake holders' meetings are as follows.

Internal Stakeholders meeting ( 1<sup>st</sup> Meeting )

Date: 14<sup>th</sup> September 2019

Venue: Perkampungan Perumahan Pekerja  
Attendance: 9 persons

Internal Stakeholders meeting ( 2<sup>nd</sup> Meeting )  
Date: 11<sup>th</sup> March 2020  
Venue: Bilik Mesyuarat PPOM  
Attendance: 9 persons

Sighted attendance list for the above meetings.

Given below is the complaints and request from Internal stakeholders;

Request / Complaints ( Internal )

Name	Parties	Request / Complaints	Proposed Action
Suardi bin Hassan	Pesaka Sepakat Reality Sdn Bhd	Penambahan tangka untuk perumahan pekerja. (10/11/2019)	Pihak pengurusan akan memberikan tangki untuk penyimpanan air untuk kegunaan pekerja dakam masa terdekat. Implemented on 16/12/2019

**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** Pesaka Sepakat Reality Sdn Bhd has established list of Confidential and Non-Confidential documents named "Dokumen Sulit" and "Dokumen Umum" respectively prepared by Ms Zerafiani John and approved by Ms Winnie Osingang, Sustainability Manager. The documents are divided into four (4) areas namely "Keselamatan & Kesihatan, Alam Sekitar, Pentadbiran & Sumber Manusia and Operasi & Kualiti.

Given below are some sampled documents:

- a) Confidential Documents
  1. Lapuran Kesihatan pekerja
  2. Lapuran Kemalangan
  3. Bank Guarantee - Foreign Workers
  4. Struktur Kos
  5. Senarai Akaun Bank Pekerja
  6. Rekod Pemeriksaan JAS
- b) Non-Confidential Documents
  1. Polisi dan Objektif MSPO



2. Laporan Aspek dan Impak
3. Prosedur Traceability
4. Prosedur Operasi Kerja
5. Prosedur Komunikasi
6. Prosedur dan Lapuran Aduan & Rungutan

Total Non-Confidential documents - 13 nos  
 Total Confidential documents – 26 nos

**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**      Pesaka Sepakat Reality Sdn Bhd has established Communication and Consultation Procedure dated 1<sup>st</sup> June 2019 prepared by Mr Zendifirwan Johd, Public Relations Officer and approved by Ms Winnie Osingang, Sustainability Manager.

**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**      The management has nominated Mr Zendifirwan John, Public Relations Officer as the person responsible for consultation and communication with the relevant stakeholders vide letter dated 1<sup>st</sup> June 2019 and approved by Mr Lim Hock Sing, Managing 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**      Pesaka Sepakat Reality Sdn Bhd has established Internal and External Stakeholders list prepared by Mr Zendifirwan John and approved by Ms Winnie Osingang, Sustainability Manager.

The External stakeholders were segregated into three (3) areas namely

1. Non-Governmental (5 members)
2. Government Departments. (32 members)
3. Neighbouring Villages (Kampung Berdekatan) (12 members)
4. The interna stakeholders have eight (8) members.

Given below are some sampled Stakeholders from the External and Internal Stakeholders



a) Exeternal Stakeholders

Non-Governmental

1. Malaysian Nature Society
2. WWF Malaysia
3. Human Child Aid Society

Government Department

1. Klinik Kesihatan Nawaban
2. Jabatan Alam Sekitar Negeri Sabah (Kota Kinabalu)
3. Jabatan Pertanian Sabah (Kota Kinabalu)
4. Jabatan Alam Sekitar Negeri Sabah
5. Jabatan Perhutanan Sabah
6. Jabatan Tenaga Kerja, Kota Kinabalu

Neighbouring Villages

1. Kampung Saup Nabawan
2. Kampung Ria Nabawan
3. Kampung Sarikan Nabawan
4. Kampung Bahagia Nabawan

b) Internal Stakholders (8 Members)

1. Suardi bin Hassan
2. Reyes Jerry Tan
3. Balde Robert Balamboa

Internal and External Stakeholders complaints: Nil

**In Compliance**       **Yes**       No       Not Applicable

<b>Criterion</b> <b>3</b>	<b>Traceability</b>
<b>Indicator</b> <b>1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

**Summary** Pesaka Sepakat Reality Sdn Bhd has established Traceability Procedure dated 1<sup>st</sup> June 2019 prepared by Ms Zerafiani John, Public Relations Officer and approved by Ms Winnie Osingang, Sustainability Manager.

The Traceability Procedure is explained under clause 5: Procedure Explanation, 5.1 Traceability for estate in the form of Flow Chart.

The Traceability workflow is as follows:

Start → Planting → Harvesting → Transporting to Collection Centre (ramp) → Grading (ramp) → Despatch → Security Check → Mill → End



**In Compliance**     **Yes**                       No                       Not Applicable

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

**Summary**    Inspection on compliance of the traceability system were inspected during the Internal Audit.

Latest Internal Audit was conducted 10<sup>th</sup> - 11<sup>th</sup> December 2019.

**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 management has nominated Ms Zerafiani John as the person in-charge of traceability vide letter dated 1<sup>st</sup> June 2019 approved by Mr Ling Hock Sing, Managing Director.

**In Compliance**     **Yes**                       No                       Not Applicable

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

**Summary**    Sighted Sales, Delivery/Transportation of FFB records. The following documents are used as record:

- a) Field record book
  - records FFB harvested at the field by individual harvester
- b) Internal weigh bridge ticket
  - Weight of FFB
  - Date, Time, Transport Vehicle Registration Number
  - Driver's Name
  - Transport company name
- c) Security check book
  - Date, Transporting Vehicle Number
  - Driver's name, Time, Weigh Bridge Ticket Number
  - Tonnage
- d) POM weigh bridge ticket
  - Actual Weight of FFB
  - Date, Time, Transport Vehicle Registration Number
  - Driver's Name
  - Transport company name



- Name of company sending the FFB

e) Sales statement

- Records the actual sales on daily/monthly basis.

**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 Company has established "Senarai Undang-Undang dan keperluan yang berkaitan bagi pematuhan MSPO" applicable to Federal, State, Local Laws and Regulation which consist of 32 Acts, Orders and Regulations.

The list of applicable laws and regulations comprised mostly for the requirements that related to MSPO compliance. The document includes;

1. Occupational Safety and Health Act 1994, Act 514
2. Water Act, 1920 (Cetakan 1989) Act 418
3. Akta Bekalan Elektrik 1990 (Act 447/448)
4. Akta Kerajaan Tempatan 1976
5. Employment Act 1955, Act 265
6. Ordinan Buruh (Sabah Bab 67)
7. Children and Young Persons (Employment Act) Act 1966, Act 350
8. Akta Kerja (Sekatan) 1968 Act 353
9. Akta Kesatuan Sekerja 1959 (Act 262)
10. Occupational Safety and Health (safety and Health Committee) Regulations, 1996
11. Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of hazardous Chemicals) Regulations, 2013
12. Factories and Machinery Act, 1967, Act 139
13. Akta Kod Amalan Pencegahan Gangguan Seksual
14. Environmental Quality Act 1974, Act 127
15. Employee Provident Fund Act 1991, Act 452
16. Malaysia Palm Oil Board, 1998, Act 582
17. National Wage Consultative Council Act 2011, Act 732 (Perintah Gaji Minima, 2018)
18. National Wage Consultative Council Act 2011, Act 732 (Perintah Gaji Minima, 2016)
19. Akta Maklumat Pekerjaan, 1953
20. Akta Orang Asli 1954 (Act 134)

21. Akta Pampasan Pekerja 1952 (Act 273)
22. Akta Perlindungan Hidupan Liar 1972 (Act 76)
23. Akta Pemberitahuan Kemalangan 2004
24. Akta Pengangkutan Jalan 1987 (Act 333)
25. Akta Pengurusan Sisa Pepejal & Pembersihan Awam 2007 (Act 672)
26. Akta Perhubungan Perusahaan 1967 (Act 177)
27. Akta Perkhidmatan Bomba 1988 (Act 341)
28. Akta Petroleum & Kawalan Bekalan
29. Pesticides Act and Regulations, 1974 (Act 149)
30. Workers' Minimum Standards of Housing and Amenities Act 1990, Act 446
31. Akta Suruhanjaya Hak Asasi Manusia
32. Akta USECH Regulation, 2000

Non-Conformity (Minor)

Not in compliance with Immigration Act 1959/1963 (Act 155).

As stated in the Visit Pass (Temporary Employment) Reg.11 (10), the following workers employed as Garden Worker instead of Plantation Worker.

Name	Passport No.
Edmundo Caparoso Romo	EC8544046
Julieto Catipan Dominguez	EC4685724
Balde Robert Balambao	P2248117B
Reyes Jerry Tan	EC8544048
Haris Syuking	C3802794
Suardi Bin Hassan	C0814996

As per interviewed with the Managing Director, the Pesaka Sepakat Realty Sdn Bhd is in a midst of applying the amendment of the Work Category to the Immigration Department of Malaysia.

**In Compliance**     Yes                       **No**                       Not Applicable

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

**Summary** Sighted Permits and Licenses being kept and monitored by the Company. The Company has the following documents;

1. Perakuan Pemerbadanan Syarikat Sendirian, Borang 9, Seksyen 16 (4), Akta Syarikat, 1965, No. Syarikat: 278130W effective 6<sup>th</sup> October 1993.
2. Lesen Berniaga, Ref No. KGU/2020/3530 expiry 31<sup>st</sup> December 2020.
3. Permit Barang Kawalan Berjadual, No Siri P: S000111 for 20,000 liter diesel (industry), for a period of 17<sup>th</sup> December 2019 to 16<sup>th</sup> December 2020



4. Lesen untuk Menggaji Pekerja Bukan Pemastautin to employ 1 Indonesian workers, validity 4<sup>th</sup> December 2019 to 3<sup>rd</sup> December 2020

MPOB License, No Lesen: 618727002000, untuk menjual dan mengalih FFB (keluasan estet : 242.81Ha) for a period of 3<sup>rd</sup> October 2019 to 30<sup>th</sup> September 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** Based on the "Sistem Semakan Perubahan Undang-Undang", any new laws or regulations that needs to be complied will be based on the following;

1. Siaran berita melalui akhbar harian
2. Perubahan undang-undang dikesan oleh penerbit buku (MDC Book Publications)
3. Surat-surat pekeliling dari persatuan berkaitan: e.g. MPOA, MPOB, MAPA, dan lain-lain

**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** Letter of appointment of Ms Winnie Osingang (Sustainable Manager) as a person responsible to monitor compliance and to track and update the changes in regulatory requirements signed by the Managing Director, Mr Ling Hock Sing on 01<sup>st</sup> June 2019.

**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** No land title is made available by the estate as the land is under Land Application (LA) tabulated as below;

LA No	Titled Ha	Ha at MPOB License
LA.20-04150446	242.81	242.81

Sighted evidence of premium payment of land paid to the Pemungut Hasil Tanah, Jabatan Tanah dan Ukur Sabah, Kota Kinabalu on 3<sup>rd</sup> July 2018 amounted to RM300,000.00, No. Resit: 01201807000378.



Total area of 242.81ha has been planted on 2009.

**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**

No express condition sighted as the land is under Land Application (LA).

Sighted letter of "Permohonan Tanah Bil. 20-04150446 seluas 600.00 ekar untuk tanaman kelapa sawit di Kg Barung, Nabawan oleh Pesaka Sepakat Realty Sdn Bhd." Ref No. L.S. 1501.1.1234/(196) TH/aa from Jabatan Tanah dan Ukur, Kota Kinabalu dated 04.06.2018.

Actual Use: Untuk Tanaman Kelapa Sawit.

**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**

Sighted a map for Second Class Survey of LA.20-04150446 at Kg Barung, District of Pensiangan, Scale 1:2,500 Ref. Plan: 09125718 dated 15<sup>th</sup> April 2019.

The Company has established "Rekod Pemantauan Batu Sempadan" which was last inspected on 10<sup>th</sup> November 2019. There are six (6) unit of legal perimeter boundary stones has been identified on the ground. Samples evidence include;

1. No. Batu 145/125
2. No. Batu 255/325A

The Company has also established "Prosedur Pengawasan Batu Sempadan" furnished with photograph. The procedures include;

1. Menebas pada diameter 1meter ke kiri & 1meter ke kanan.
2. "Interval" dilakukan setiap 6 bulan.
3. Kayu pancang pada ketinggian 5 kaki dan cat dengan cat merah sebagai penanda pada setiap batu sempadan.
4. Pemeriksaan dilakukan setiap 4 bulan.
5. Setiap pemeriksaan yang dilakukan mestilah direkodkan.
6. "Environment Office" bertanggungjawab berkaitan prosedur ini.

**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** No disputes have been recorded in the estate area. The land title has been legally acquired by the estate.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 3 Customary land 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 all the estates' land titles. There are also no land disputes or claims involving these estates. The estate has proper legal land titles 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 estates. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. Thus, no maps for recognized customary rights required.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** No negotiation and FPIC are applicable. There is no customary land in or surrounding the estates. There are also no land disputes or claims involving the estates. The company has proper legal land titles 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** Company has established MSPO Procedure: Social Impact Assessment (SIA), dated 1<sup>st</sup> June 2019. The procedure has been prepared by Mr. Zendafirwan John ( Sustainable Officer ) and Approved by Mr. Winnie Osingang ( Sustainable Manager )

Sighted latest SIA done by Pesaka Sepakat Realty Sdn Bhd dated 2<sup>nd</sup> June 2019. Survey was conducted with total 7 participant from Internal and 4 participants from external. The participants was randomly selected to respond on the question in the SIA. The respondents randomly choose among workers and other stakeholders in Pesaka Sepakat Realty Sdn. Bhd. The SIA was prepared by Mr. Zendafirwan (Sustainable Officer) and Approved by Mr. Winnie Osingang (Sustainable Manager).

The methodology used are by distributing the "Borang soal selidik" and "temu bual" to gather the information on the possible impacts available. 7 Internal and 4 External representatives has been identified for the SIA.

Sample taken based on result from the Borang Soal Selidik Penilaian Impact Social as follows;

No.	Factor / Criteria	Isu atau Cadangan	Komen Pengurusan
1	Kemudahan tempat beribadat	Belum ada surau dan kemudahan beribadat yang disediakan	Pembinaan surau akan diperuntukkan dalam bajet dan pembinaannya pada tahun 2020
2	Kemudahan kesihatan	a) Belum ada klinik disediakan di kawasan estate untuk memudahkan pemeriksaan dilakukan untuk pekerja b) Kurang bekalan ubat – ubatan	Pihak syarikat akan menyediakan pengangkutan menghantar pesakit / pekerja ke klinik kesihatan untuk merawat pekerja tersebut
3	Kemudahan berkomunikasi	Tidak ada system servis internet and talian	Pihak Syarikat sudah menyediakan keperluan service internet dan talian dan dijangka tahun ini akan disiapkan

4	Pengangkutan	Jalan besar yang rosak disekitar kampung perlu dibaiki oleh pihak syarikat	Pihak syarikat sudah memperuntukkan bajet untuk membaiki jalan raya melalui jalan kampung ke estate. Pembaikan jalan raya ini akan dibuat pada bila-bila masa mengikut keperluan dan kondisi jalan raya tersebut
5	Pengetahuan tentang MSPO	Segelintir pekerja tidak mengetahui tentang MSPO	Taklimat MSPO akan diadakan kepada pihak berkepentingan.

**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** Company has established the Standard Operating Procedure Complaint & Grievance. Document No. Aduan 01.01, Prepared by Mr. Zendifirwan John ( Sustainability Executive) and approved by Mr. Ling Hock Sing (Managing Director) effective from 1<sup>st</sup> July 2018

This procedure is a reference to management and staff in handling of any complaints and grievance from any stakeholder including individuals, government organization and non-government organization concerning the implementation of MSPO.

Sighted flow chart of complaints and grievances designed for External and Internal Stakeholder in the company SOP

**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** Company has established the Standard Operating Procedure Complaint & Grievance. Document No. Aduan 01.01, Prepared by Mr. Zendifirwan John (Sustainability Executive) and approved by Mr. Ling Hock Sing (Managing Director) effective from 1<sup>st</sup> July 2019.

The procedure has stated the timeline involve to resolves dispute stated under Clause 4. where "Penyelesaian sesuatu aduan atau cadangan yang dibuat akan mengambil masa 14 hingga 40 hari bergantung kepada kerumitan aduan yang diutarakan daripada Tarikh terima aduan tersebut".

Sighted sample complaint form submitted by the internal stakeholder as below;

Sample No. 1

Complainer : Suardi bin Hassan

Complaint: Penambahan tangki untuk perumahan pekerja.

Dated received : 10<sup>th</sup> November 2019

Action taken : Pihak pengurusan telah membeli dan memberikan tangka untuk Penyimpanan air untuk kegunaan pekerja. Aduan ini telah selesai pada 16hb December 2019.

**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** In order to ease the employees and relevant stakeholders to lodge the complaint, the complaints and grievances form and box are available at estate office and worker quarters.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Sighted the Internal and External Stakeholder Meeting conducted on 11<sup>th</sup> March 2020 at Pandawan Palm Oil Mill with total attended by 12 participated. The agenda discussed are;

- i. Briefing on Company Policy
- ii. Briefing on complaints and request procedure
- iii. Distribution of "boring soal selidik (MSPO and SIA)

No complaints or request made during the meeting.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Records of complaints and resolution for the last 24 months is not available as the company has just embarked on the MSPO certification process.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 3 Commitment to contribute to local sustainable development**

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

**Summary** For time being, no CSR contribution was made by the estate management to the communities surrounding.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 4 Employees safety and health**

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

**Summary** Sighted the "Occupational Safety and Health Policy". Established on 1<sup>st</sup> September 2019 which was approved by Mr. Lai Hock Sing (Managing Director). Local OSH Policy has been prepared in Bahasa Malaysia for easily understand by all levels of its employees.

Sighted the briefing conducted on 14<sup>th</sup> September 2019 at the worker quarters which have been attended by staff and worker with total attendance of 9 participant. The agenda of briefing is to give explanations to the estate workers about the Policies of MSPO, OSH, Environment, Sexual Harassment, Complaint and Grievances.

**In Compliance**  **Yes**  No  Not Applicable

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

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
  - i) all employees involved shall be adequately trained on safe working practices; and
  - ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees



where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.

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

i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.

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

## Summary

- a) Occupational Health and Safety Policy for Pesaka Sepakat Realty Sdn Bhd is made available dated 1<sup>st</sup> September 2019 and signed by the Company Director, Mr. Ling Hock Sing.

Sighted the briefing conducted on 14<sup>th</sup> September 2019 at the worker quarters which have been attended by staff and worker with total attendance of 9 participant. The agenda of briefing is to give explanations to the estate workers about the Policies of MSPO, OSH, Environment, Sexual Harassment, Complaint and Grievances.

- b) Sighted the 58 HIRARC document available during the audit. Example risk assessed for activities:
1. Penuai buah sawit masuk ke lot Kawasan kerja dengan treler/lori
  2. Mengasah mata sabit, kapak, parang
  3. Mengangkat baja ke atas treler
  4. Semasa meracun tikus
  5. Semasa manabur baja
- c) Training and briefing programme is sighted during the audit. Training plan for year 2019 and 2020 includes:
- i. Harvesting standard
  - ii. Chemical spraying
  - iii. Chemical handling
  - iv. First aider
  - v. OSH and hygiene policy
  - vi. Awareness on safety and health
- d) Pesaka Sepakat Sdn. Bhd. has provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record. Sighted for list dated 2<sup>nd</sup> June 2019 for PPE issuance for following :-
- i. Field staff
  - ii. Harvesters
  - iii. Field Workers
  - iv. General Workers
- e) SOP on "Penyimpanan dan Pengurusan Bahan di Stor (Bahan Kimia) dated 2<sup>nd</sup> June 2019 is made available.

CHRA is schedule to be conducted by DANASAFE CONSULT SERVICES in April 2020. Sighted the quotation ref: CHRA/QUO/2019-011.

- f) Sighted the appointment letter for Mr Wilder Joseph as "MSPO Safety Officer" effective 1<sup>st</sup> June 2019 as appointed by the Director Manager, Mr Ling Hock Sing.
- g) There is no OSH Committee as the total worker in both estates are less 40 employee. However the estate management has taken initiative to discuss issue related to employee's health, safety and welfare during safety training conducted on 18<sup>th</sup> September 2019. The training conducted as below;
  - i. Asas Pertolongan Cemas
  - ii. Pengenalan Peralatan Perlindungan diri (PPD)
- h) Sighted the emergency procedure for Pesaka Sepakat Realty Sdn. Bhd. Emergency response plan is available in Bahasa Malaysia. The procedure covers Emergency procedure for Fire, Accident, During harvesting, spraying application, fertilizer application, and General Worker.

Non - Conformities (Minor)

No evidence to indicate the level of understanding toward the Procedure of Accident and Emergency.

The accident and emergency procedure was established by the company however there is no evidence of communication being establish to ensure workers are clearly understood the accident and emergency procedure

- i) First Aid training have been conducted for the 6 employees on 18<sup>th</sup> September 2019. Training is conducted by Mr. Wilder Joseph.
- j) Pesaka Sepakat Realty Sdn. Bhd. has register JKPP 8 submission with DOSH Department. Based on the record for 2019, the submission has been submitted on 28<sup>th</sup> January 2020

**In Compliance**     Yes                       **No**                       Not Applicable

**Criterion 5**

**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** Sighted the "Social Policy". Established on 1<sup>st</sup> September 2019 which was approved by Mr. Ling Hock Sing (Managing Director). Commitment of the implementation includes:

- i. Compliance with established laws and regulations, including labour laws, land title laws and workers' housing.
- ii. Ensure minimum retirement age policy is complying



- iii. Provide the relevant training and development associated with their roles and responsibility.
- iv. Prohibit employing worker by coercion or under age and young person.
- v. Paying salaries to employees and staff on a minimum wage order.
- vi. Respect and protect human rights and worker's rights (including temporary workers, contracts or foreign workers)
- vii. Freely of discrimination and prejudice against gender, race, religion, nationality and political view.
- viii. Provide a harmonious work environment to employees, customers and stakeholders
- ix. Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.

Sighted the briefing conducted on 14<sup>th</sup> September 2019 at the worker quarters which have been attended by staff and worker with total attendance of 9 participant. The agenda of briefing is to give explanations to the estate workers about the Policies of MSPO, OSH, Environment, Sexual Harassment, Complaint and Grievances.

**In Compliance**     **Yes**                       No                       Not Applicable

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

**Summary**

- It is stated in the Social Policy that Pesaka Sepakat Realty Sdn Bhd is committed to:
- i. Respect and protect human rights and worker's rights (including temporary workers, contracts or foreign workers)
  - ii. Freely of discrimination and prejudice against gender, race, religion, nationality and political view.
  - iii. Provide a harmonious work environment to employees, customers and stakeholders
  - iv. Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.

All workers enjoy the same scale of pay and provided with equal housing and work facilities.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the Raub Mining & Development Co. Sdn. Bhd.

**In Compliance**     **Yes**                       No                       Not Applicable

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



**Summary** Pay and conditions are documented in the Workers’ Contract Agreement and wage payment records / pay slip.

The salary is according to ‘Guidelines on the Implementation on the Minimum Wages’. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines. Interview with staff and workers confirmed that they understand the terms and conditions of their employment. Sighted sample of worker wages as below;

No	Passport No	Nationality	Wages (RM)
1	EC8544046	Philippines	2,000.00
2	EC4685724	Philippines	3,087.15
3	EC8544046	Philippines	3,303.79
4	P 2248117B	Philippines	3,469.14
5	C 3802794	Indonesia	3,423.54
6	C 0814996	Indonesia	3,000.00

**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** No contractor was hired in the estate, all estate work performed by estate workers.

**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** List of estate workers with name, passport no, DOB, race, Nationality, Passport Expiry date, work permit expiry date, position and date joined are available during the audit in the “List of workers” document . Total of 6 names listed as the estate workers as follows:

1. Suardi bin Hassan
2. Reyes Jerry Tan
3. Dominguez Catipan Julieto
4. Romo Caparoso Edmundo
5. Balde Robert Balambao
6. Haris Syuking



Workers employed consist of Philippines and Indonesian.

**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** Inspection of a sampled employee contracts confirmed that terms and conditions are clearly outlined. The contract agreement for worker covers local and foreign workers and the term and conditions are documented are above the industry minimum standard.

Employment contracts were available in language that understood by the workers. The contracts provide a details about the payments and employment conditions such as period of working, working hour, medical assistance, housing, holiday, annual leave, period of notice to terminate the contract, etc.

The contract agreement is signed by both parties' employee and employer and accompanied with respective witnesses.

**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 8 hours. From Monday to Saturday. The overtime maximum is 104 hours according to Malaysian Law.

Daily attendance recorded during muster call. Pesaka Sepakat Realty Sdn. Bhd. is using pocket check-roll as a working time recording system.

**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** The working hour, break time and rate of overtime has been clearly stated in the Employment Contract for reference.

**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** Salary pay slips clearly shows the calculations of gross salary, statutory deductions and net salary. During interview with workers confirmed that they are being paid according the stipulated minimum wage.

No	Passport No	Nationality	Wages (RM)
1	EC8544046	Philippines	2,000.00
2	EC4685724	Philippines	3,087.15
3	EC8544046	Philippines	3,303.79
4	P 2248117B	Philippines	3,469.14
5	C 3802794	Indonesia	3,423.54
6	C 0814996	Indonesia	3,000.00

**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** All workers have been provided with medical, accident insurance coverage, free legalization cost, Insurance, annual leave and sick leave.

With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

**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** The workers quarters was found habitable and in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Treated water and electricity were provided to the housing for free of charge.

Non - Conformities (Minor)  
Inconsistency of weekly inspection carried out by the estate management.

Accordingly to Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446), it shall be the duty of the employer to ensure all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly, however based on the estate record the last inspection by the estate management was 22<sup>nd</sup> November 2019.

**In Compliance**     Yes                       **No**                       Not Applicable



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

**Summary** Sighted the "Social Policy". Established on 1<sup>st</sup> September 2019 which was approved by Mr. Ling Hock Sing (Managing Director). Commitment of the implementation includes:

- i. Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies and stakeholders.

The purpose of policy is to prevent all forms of sexual harassment and violence at the workplace has been incorporated in the Social and Human Right Policy.

Sighted the briefing conducted on 14<sup>th</sup> September 2019 at the worker quarters which have been attended by 9 estate workers. The briefing was conducted to explain to the estate workers about the policy MSPO, OSH, Alam Sekitar, Sosial, Gangguan Seksual, Aduan dan Cadangan ).

**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** Sighted the "Social Policy". Established on 1<sup>st</sup> September 2019 which was approved by Mr. Ling Hock Sing (Managing Director)

The policy of Freedom of association and The human right & business ethics at the workplace has been incorporated in the Social. The estate workers are given the freedom which it is an optional for them to join worker union formed in estate. Thus, their freedom are not restrict Pesaka Sepakat Realty Sdn. Bhd.

**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** Sighted the "Social Policy". Established on 1<sup>st</sup> September 2019 which was approved by Mr. Ling Hock Sing (Managing Director). Stated in the commitment No. 4 mentioned on the prohibition of employing underage and young person.



There are no children below ages of 18 working in the Pesaka Sepakat Realty Sdn. Bhd and this was proven through checking the list of employees as well as their biodata and through verification visits at estate. The workers were understood 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** Pekasa Sepakat Realty Sdn. Bhd. has established a comprehensive annual OSH training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. Training need analysis is made available in the : "Training Need Analysis" as prepared by Zerafiani John dated 2<sup>nd</sup> September 2019.

Sighted Photographs, Training material and Attendance form for all training which has been conducted in 2019 for Executive, Staff and Worker. The list of program as below;

1. Asas Pertolongan Cemas (First Aider)
2. Pengenalan Peralatan Perlindungan Diri (PPD)

**In Compliance**       **Yes**       No       Not Applicable

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

**Summary** Training need analysis is made available in the : "Training Need Analysis" as prepared by Zerafiani John dated 2<sup>nd</sup> September 2019.

The list of program as below;

1. Induction
2. MSPO Awarness
3. Safety & Health
4. Environment Aspect and Impact
5. Internal Auditor
6. Social Impact
7. HIRARC
8. Legal Requirement
9. Management
10. Soft Skill

11. Document Control

12. Problem Solving

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Comprehensive annual training plan for the year 2020 was made available. Pesaka Sepakat Realty Sdn. Bhd. has planned training for all employees as required in training need analysis.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training. The list of program as below;

No	Program	Actual Month Conducted
1	Asas Pertolongan Cemas (First Aider)	18 <sup>th</sup> September 2019
2	Pengenalan Peralatan Perlindungan Diri (PPD)	18 <sup>th</sup> September 2019

**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** Pesaka Sepakat Realty Sdn Bhd has established its "Polisi Alam Sekitar", signed by Mr Ling Hock Sing, Pengarah Urusan on 01<sup>st</sup> September 2019. The Company is committed "*dalam melindungi alam sekitar dan memastikan usaha yang diperlukan untuk mengurangkan kesan terhadap alam sekitar dari operasi ladang selaras dengan Akta Kualiti Alam Sekitar, 1974*".

*Pesaka Sepakat Realty Sdn Bhd is committed "untuk melaksanakan amalan berikut";*

1. *Melaksanakan aktiviti Pertanian/ Perladangan selaras dengan rangka kerja undang-undang dan pengawalseliaan, yang berkaitan dengan kualiti alam sekitar.*
2. *Memastikan aktiviti Perladangan mematuhi garis panduan amalan industry semasa.*

3. *Merancang, melaksanakan, memantau dan mengukur aktiviti yang telah ditetapkan untuk mengurangkan kesan alam sekitar dan kesan rumah hijau (GHG).*
4. *Mempromosikan dan memberi kesedaran tentang pemuliharaan alam sekitar melalui latihan kepada semua pekerja dan pihak berkepentingan.*
5. *Memastikan kesedaran tentang dasar alam sekitar disebarkan untuk difahami dan diamalkan oleh pekerja dan semua pemegang kepentingan.*
6. *Memastikan operasi perladangan mengamalkan amalan "Zero Burning" untuk mengurangkan pemanasan global.*

The environmental policy has been communicated through "Mesyuarat Jawatankuasa Alam Sekitar Pesaka Sepakat Realty Sdn Bhd Bil 1/2019" held on 7<sup>th</sup> Septmeber 2019 attended by 9 executives/ staff discussed the following;

1. *Prosedur pelan pengurusan alam sekitar*
2. *Tanggungjawab setiap lapisan pekerja dari peringkat pengurusan atasan sehingga peringkat operasi*
3. *Prosedur penilaian kesan aspek alam sekitar*
4. *Pengenalpastian impak alam sekitar*
5. *Langkah penilaian impak aspek*
6. *Pengenalpastian kesan alam sekitar*
7. *Penilaian risiko langkah mitigasi*
8. *Pelaksanaan dan pemantauan*
9. *Penambahbaikan berterusan alam sekitar*
10. *Kejian secara berterusan pelan alam sekitar*

**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** Pesaka Sepakat Realty Sdn Bhd has established its Prosedur MSPO, Tajuk: "Prosedur Pelan Pengurusan Alam Sekitar (EMP), No. Dokumen: EMP.01.01.01, No.Pindaan 01, No Rujukan EMP-PELAN", effective 02.06.2019.

The Company has established "Panduan Penilaian Kesan Aspek Alam Sekitar untuk Ladang" for all its' activities in year 2019. The assessment was prepared by Mr Wilder Bin Joseph (Safety & Environment Officer), approved by Ms Winnie Osingang (Sustainable Manager) on 02<sup>nd</sup> June 2019.

The environmental aspect identification findings are recorded in documents covering 7 processes/activities. The environmental aspects being identified includes;

1. Meraacun rumput yang terdapat di kawasan perumahan
2. Penggunaan minyak diesel & petrol untuk aktiviti pengangkutan

3. Bahan Buangan Terjadual – minyak hitam, minyak pelincir, filter
4. Pelepasan asap daripada kenderaan dalam ladang
5. Bahan buangan daripada pekerja (contoh: botol plastik, kaca, kertas)
6. Pelupusan bekas bahan kimia terpakai
7. Pengangkutan FFB dari ladang ke kilang

Samples of evidence includes;

Aspek Alam Sekitar	Kesan Alam Sekitar	Kesan Tahap Risiko	Langkah Mitigasi
Meracun rumput di Kawasan perumahan	Pencemaran tanah	6	Menggantikan aktiviti meracun rumput kepada aktiviti memotong rumput menggunakan mesin pemotong rumput.
Bahan buangan daripada pekerja	Pencemaran tanah dan air	9	Penyediaan tong sampah kitar semula – tong sampah perlu dikosongkan setiap minggu.
Pelupusan bekas bahan kimia terpakai	Pencemaran tanah dan air	8	Pelupusan penyimpanan bahan kimia akan dilupuskan ke dalam pembuangan terjadual – setiap tong kosong kitar semula.

**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** The Company has established Environment Improvement Plan incorporated in the “Penambahbaikan Berterusan Alam Sekitar, Sosial, Penghasilan” emphasized on the following subjects;

1. Tanaman Tumbuhan Berfaedah (*Turnera asp*)
2. Pengurusan Bekas Racun Kosong dengan sepatutnya
3. Penggunaan kertas secara efektif
4. Inovasi menuai, membaja dan merumput

**In Compliance**     **Yes**                       No                       Not Applicable

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



**Summary** The “Penambahbaikan Berterusan” on environment, last updated by Ms Winnie Osingang (Sustainable Manager) on 07.02.2020 include the following;

Perkara	Pelan Jangka Pendek	Pelan Jangka Sederhana	Pelan Jnagka Panjang
Pengurusan Bekas Racun Kosong	Semua tong kosong dilaksanakan bilasan 3 kali	Tong racun kosong di kumpul di stork has dan diguna semula untuk tujuan meracun	Dilupuskan kepada pemborong yang mempunyai Permit dari Jabatan Alam Sekitar
Penggunaan kertas secara efektif	Menggunakan kertas di bahagian depan dan belakang	Mengumpul kertas yang tidak digunakan dan dijual di pusat kitar semula	Mengamalkan penggunaan email yang maksima
Gotong royong Kawasan perumahan	Penghebahan program kepada kakitangan dan pekerja ladang	Dilaksanakan setiap 2 bulan.	Pelaporan pelaksanaan kepada pihak Ibu Pejabat.

**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** The training on environment for 2019 has been implemented as follow;

1. Short briefing on Polisi Alam Sekitar held on 14.09.2019 conducted by Ms Winnie Osingang, attended by 6 harvesters and 3 drivers.

Most of training programme for 2019 has been carried forward to 2020. The training programme for year 2020 in respect of environment includes;

1. Environment Monitoring Committee (Polisi) - when required
2. Environment Monitoring Committee (Mesyuarat) – scheduled on June 2020
3. “Meracun rumput yang terdapat di kawasan perumahan” has been rescheduled on October 2020.
4. “Penggunaan minyak diesel & petrol untuk aktiviti pengangkutan” has been rescheduled on Oktober 2020
5. “Bahan Buangan Terjadual – minyak hitam, minyak pelincir, filter, dll” has been rescheduled on Oktober 2020
6. “Pelepasan asap daripada kenderaan dalam ladang” has been rescheduled on November 2020
7. “Bahan buangan daripada pekerja (contoh: botol plastik, kaca, kertas)” has been rescheduled on November 2020

8. "Pelupusan bekas bahan kimia terpakai" has been rescheduled on November 2020
9. "Pengangkutan FFB dari ladang ke Wonder Choice (CC)" has been rescheduled on December 2020.
10. Bekas kimia yang dikitar semua re-scheduled on December 2020

**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 Company has organized "Mesyuarat Jawatankuasa Alam Sekitar Pesaka Sepakat Realty Sdn Bhd" Bil 01/2019, held on 07.09.2019, approved by Mr Ling Hock Sing (Pengerusi Jawatankuasa Alam Sekitar) attended by 9 personnel discussed the following;

1. Perbincangan mengenai prosedur pelan pengurusan alam sekitar Pesaka Sepakat Realty Sdn Bhd.
2. Perbincangan mengenai tanggungjawab setiap lapisan pekerja dari peringkat pengurusan atasan sehingga peringkat operasi.
3. Perbincangan mengenai prosedur penilaian kesan aspek alam sekitar.
4. Langkah penilaian impak aspek.

**In Compliance**  **Yes**  No  Not Applicable

## Criterion 2

**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** Sighted, the actual record on non-renewable energy i.e. diesel consumption from January till December 2019 as follow;

Description	Actual record (Jan-December 2019)
FFB (mt)	14,410.54
Diesel used (liters)	97,432
Liter diesel/mt FFB	6.76
Electricity utilized (kWh)	42,120
kWh/mt FFB	2.92

**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 estimated record on non-renewable energy i.e. diesel consumption from January till December 2019 as follow;

Description	Estimate record (Jan-December 2019)
FFB (mt)	15,200
Diesel used (liters)	96,000
Liter diesel/mt FFB	6.32
Electricity utilized (kWh)	61,440
kWh/mt FFB	4.04

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** 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** Pesaka Sepakat Realty Sdn Bhd has established its Waste Management Procedures, prepared by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December 2019.

The Company MSPO Procedure has classified 3 types of waste includes;

1. Waste
2. Scheduled wastes
3. Solid (Non-hazardous)

Pesaka Sepakat Realty Sdn Bhd has established its "Pengenalpastian Sumber & Jenis Bahan Buangan" and classified as follow;

1. Bahan Buangan Terjadual
2. Bahan Buangan Tidak Terjadual
3. Bahan Buangan Kitar Semula

For Bahan Buangan Terjadual, the Company classification on scheduled waste include;

1. SW102 Bateri Terpakai
2. SW109 Used Fluorescent bulb
3. SW110 Barang elektronik
4. SW305 Sisa Minyak Pelincir
5. SW306 Used Hydraulic Oil

6. SW409 Bekas Tercemar
7. SW410 Penapis Minyak

**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** Pesaka Sepakat Realty Sdn Bhd has established "Pengenalpastian Sumber & Jenis Bahan Buangan" includes,

1. Bahan Buangan Terjadual
2. Bahan Buangan Tidak Terjadual
3. Bahan Buangan Kitar Semula

As a sample evidence for potential wastes, the following Action Plan has been established;

1. Sumber bahan Buangan: Operasi Ladang
2. Jenis bahan buangan terjadual: Tong racun & kimia
3. Impak/Kesan: Pencemaran air, udara dan tanah
4. Guna Semula: Diguna semula untuk mengisi air (penggunaan meracun)
5. Anggaran kuantiti tahunan (guna semula): 100pcs
6. Kitar Semula: Dikumpul, dibilas 3 kali dan ditebuk dan dijual kepada kontraktor berdaftar.
7. Anggaran kuantiti tahunan (kitar semula/jual): 100pcs
8. Catitan: Dilarang membakar, dikumpulkan dan dihantar kepada kontraktor berdaftar, jika bilas 3 kali telah dilakukan dan ditebuk, bekas tong racun boleh dijual kepada pemborong kitar semula yang berdaftar dengan Jabatan Alam Sekitar.

**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** Pesaka Sepakat Realty Sdn Bhd has established the "Prosedur Pengoperasian dan Keselamatan, Penyimpanan dan Pengurusan Bahan di Stor (Bahan Kimia), Doc No. SSOP.08.01.01, No Rujukan KKP-SSOP date 02.06.2019. The SOP described the following;

1. Cara pengendalian tumpahan racun perosak
2. Cara pengendalian bekas dan bungkusan racun



**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** The empty pesticides containers will be appropriately treated as stated in the "Mengenalpasti Aktiviti Pencemar Alam Sekitar dan Pelan Tindakan untuk Mengurangkan Pencemaran" prepared by Mr Wilder Bin Joseph (Safety & Environment Officer), approved by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December, 2019.

The sample evidence includes;

1. Aktiviti: Meracon rumpai di ladang
2. Impak: Pencemaran bekas tong kimia racun
3. Tindakan mengurangkan impak: Bilasan 3 kali sebelum dilupuskan atau diguna semula tong.
4. Pegawai bertanggungjawab: Penyelia Ladang
5. Perkara harus dilakukan: Di hantar ke pusat perlupusan.
6. Catitan: Memastikan kadar penggunaan racun menikut syor yang betul.

**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** Domestic Waste is being disposed according to 5.3 Domestic Waste Disposal Flow as stated in the Waste Management Procedures, prepared by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December 2019.

As stated in the "Mengenalpasti Aktiviti Pencemar Alam Sekitar dan Pelan Tindakan untuk Mengurangkan Pencemaran" prepared by Mr Wilder Bin Joseph (Safety & Environment Officer), approved by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December, 2019, the domestic waste disposal includes;

1. Aktiviti: Pembuangan sisa sampah di tapak perlupusan sampah.
2. Impak: Pencemaran bau dan udara
3. Tindakan mengurangkan impak: Hanya sisa sampah organic di lupuskan.
4. Pegawai bertanggungjawab: Pegawai
5. Perkara harus dilakukan: Kempen Pengasingan sampah dan pemantauan
6. Catitan : Tiada pembakaran terbuka dan tiada bekas kimia dibuang di tapak perlupusan (jarak 1km daripada perumahan pekerja).

**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** Pesaka Sepakat Realty Sdn Bhd has established its Greenhouse Gas (GHG) calculation for the year 2019 calculated for January to November 2019 based on the following emissions parameter;

1. Emissions of fertilizer
2. Pesticides
3. Diesel

The to-date emissions for 242.81ha and 14,410.54 FFB produced is 157.098tCO<sub>2</sub> equivalent or 0.647tCO<sub>2</sub> equivalent/ha or 0.011tCO<sub>2</sub> equivalent/t FFB.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Pesaka Sepakat Realty Sdn Bhd has established "Mengenalpasti aktiviti pencemar alam dan pelan tindakan untuk mengurangkan pencemaran", prepared by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December 2019. It includes activities such as;

1. Mengangkut BTS dari ladang ke kilang
2. Meracun rumput di ladang
3. Membaja kimia di ladang
4. Pembuangan sisa sampah di tapak pelupusan sampah.

The sample evidence includes;

1. Aktiviti: Membaja kimia di ladang
2. Impak: Pencemaran bekas bag baja
3. Tindakan mengurangkan impak: Dikumpulkan dan diguna semula bagi kerja mengutip buah lerai
4. Pegawai bertanggungjawab: Kerani Stor/ Bekalan

5. Perkara harus dilakukan: Pantau dan direkod penggunaan
6. Catatan: Rekod terima dan pelupusan beg baja kosong.

**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:
- Assessment of water usage and sources of supply.
  - Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
  - 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.).
  - 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.
  - Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
  - Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

**Summary** Pesaka Sepakat Realty Sdn Bhd has established its Water Management Procedures, prepared by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December 2019.

The SOP explains the procedures of the following;

- Determine Source of Water
- Use of Water
- Generating Water Quality Action Plan

The Identification of Water Source for Pesaka Sepakat Realty Sdn Bhd has been prepared on 17.09.2019, identified the following;

- Rain water for washing, bathing, watering plant, pre-mixed chemicals
- Gravity water for domestic use – washing, bathing, cooking, watering plant, pre-mixed chemicals.

The "Pelan Pengurusan Air" for Pesaka Sepakat Realty Sdn Bhd prepared by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December 2019 include the following sample evidence;

- Tempat: Ladang Sawit
- Sumber Air: Air Graviti
- Impak kepada kawasan tadahan air: Pencemaran racun/baja dan hakisan
- Punca masalah: Penggunaan racun/ baja dan ketiadaan "cover-crop"
- Pelan Tindakan: Mengurangkan kadar penggunaan racun dan baja di Kawasan berhampiran punca air gravity (sekitar 20m) dan melaksanakan penanaman "cover crop"
- Pegawai Bertanggungjawab: Jerry
- Catatan: Dalam proses.

Area of Concern (AOC)

No evidence is made available during audit

Pesaka Sepakat Realty Sdn Bhd has established its Water Management Procedures, prepared by Ms Winnie Osingang (Sustainable Manager) on 16<sup>th</sup> December 2019, however no monitoring of outgoing water quality for natural water course being done.

**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** Interview with Ms Winnie Osingang (Sustainable Manager) has confirmed that there is a Sungai Polowon passing through the estate land. No bunds, weirs or dam construction across the river.

**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** There are roadside drains constructed along the main road.

**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** Pesaka Sepakat Realty Sdn Bhd has established it Rare, Threatened, Endangered & High Biodiversity Management Procedures, prepared by Ms Winnie Osingang (Sustainable Manager) on 12<sup>th</sup> December 2019.

Sighted 6 set of surveyed forms in identifying the RTEs in the estate, carried out in June 2019.

The Company has established the Identification of High Biodiversity Value Habitat Area as tabulated below;

Biodiversity Value Habitat	Evidence	Findings	Area
----------------------------	----------	----------	------



Rare, threatened, or endangered ecosystems, habitats or refugia.	Existence of protected wildlife under Schedule 2 & 3	Yes	Refer HBV Assessment
Basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes	Steep area	Yes	

**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** Pesaka Sepakat Realty Sdn Bhd has established its "Pelan Pengurusan (Monitoring Hidupan Liar & Kawasan Sensitif)" on 19.09.2019 and 20.11.2019 and the findings include;

Jenis Hidupan	Bukti/Kesan Kehadiran	Catatan	Pencatat
Landak Borneo	Tapak kaki	Kesan tapak kaki	Suardi Hassan
Ular Sawa	Fizikal	Mencari makanan di dalam Kawasan	Suardi Hassan
Kera	Fizikal	Mencari makanan	Suardi Hassan

**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** Pesaka Sepakat Realty Sdn Bhd has established Management Plan for High Biodiversity Value Habitat, prepared by Ms Winnie Osingang (Sustainable Manager) on 23<sup>rd</sup> September 2019 includes;

HCV Description	Management Action	Monitoring
Rare, threatened, or endangered ecosystems, habitats or refugia.	1.No illegal hunting signboards installed at the sensitive areas for awareness. 2. Awareness programme on the HBV conducted to all stakeholders for the importance of HBVs	1.Signage of HBV 2. Training & awareness programme on HBV, conduct briefing for workers to prohibit any activities within wildlife corridor boundary.



	3. Housing inspection to checks on RTE animal – workers may kept some protected animals/ birds.	3. Weekly inspection at housing complex
Basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes	To install Signboards – designated steep areas and riparian zone for Sg Polowon installed at areas for awareness.	Signage HBV/ Signage of steep area.

**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** As stated in the Environmental Policy, Pesaka Sepakat Realty Sdn Bhd is committed to implementing the "Zero Burning". It is stated as below;  
 1. "Memastikan operasi perladangan mengamalkan amalan "Zero Burning" untuk mengurangkan pemanasan global".

A letter from the Director of Pesaka Sepakat Realty Sdn Bhd, No. Rujukan: PSR/2019/06-01 has been circulated within the Company on matter related to "Larangan Pembakaran Terbuka".

**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** No replanting is due in 2020 as the palms are at the prime age which were planted in 2009.

**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** No controlled burning being sought by the estate.

**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** Pesaka Sepakat Realty Sdn Bhd has established Agricultural Technical Policy No. 2, Land Clearing & Preparation on titled 2.2 Palm to Palm Replanting dated 01.06.2019. The procedures of replanting include;

1. Clean clearing with "Zero Burning" method should be practiced at all time.
2. All palms are pushed over, chipped and deboled with an excavator. The cut fronds and chipped trunks should be spread evenly to hasten decomposition process.
3. The palm trunk is chipped to not more than 10cm thick across at 45° angle to facilitate decomposition. The shredded material must be spread thinly to minimize the incidence of pest attacks.
4. Sanitation measure (deboling with specification 2m x 2m x 1.5m) during replanting must be properly done to ensure old palm boles are removed as per Control Methods on Ganoderma.

**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** Pesaka Sepakat Realty Sdn Bhd has established Agriculture Technical Policy as a reference on good practices covering all operational activities. The manual covers the following

- Land clearing & Preparation
- Road Construction
- Soil conservation
- Establishment & Maintenance of Mucuna Bracteata
- Planting & Supplying
- Palm Replacement
- Manuring
- Legumes Cover Crop
- Pest and Diseases Management
- Weed Control
- Bunch Census, Harvesting

- Frond Pruning
- Water Management and Environment

**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** Pesaka Sepakat Realty Sdn Bhd has established Soil Suitability Classification based on Terrain to mitigate both soil erosion as well as siltation of drains and waterways to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Non - Conformities (Minor)  
No identification system for each field has been established at Pesaka Sepakat Realty Sdn Bhd.

**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** Pesaka Sepakat Realty has established a Business Plan for 2020, 2021 and 2022. Given below are the details.

Operasi Ladang	Forecast Revenue & Profit		
	2020	2021	2022
<b>Revenue</b>	<b>9,090,00</b>	<b>10,500,000</b>	<b>11,550,000</b>
Less Expenditure			
Harvesting Cost	1,120,100	1,232,100	1,232,100
Upkeep/ Cultivation Cost	3,050,000	3,162,000	3,162,000
General Cost	1,485,900	1,485,900	1,485,900
<b>Total</b>	<b>5,656,000</b>	<b>5,880,000</b>	<b>5,880,000</b>
<b>Gross Profit</b>	<b>3,434,00</b>	<b>4,620,000</b>	<b>5,670,000</b>

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** As the Palms are young (planted in 2009), Pesaka Sepakat Reality Sdn Bhd has not established any replanting programme.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** The crop projection for 2020 till 2024 was available sighted in the annual budget. The budget as below;

Anggaran Kos dan Hail Ladang

Operasi Ladang	Anggaran Mengikut Tahun				
	2020	2021	2022	2023	2024
Anggaran Hasil (Tan)	20200	21200	21000	21000	21000
Anggaran OER (%)	20%	20%	20%	20%	20%
Anggaran Kos Operasi (RM)	5,656,000	5880000	5880000	5880000	5880000
Anggaran Kos (RM/Tan)	280	280	280	280	280
Anggaran Harga Sawit (RM/Tan)	450	450	450	450	450
Perancangan Tanam Semula (Ha)	0	0	0	0	0

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Pesaka Sepakat Reality Sdn Bhd has established a management plan to effectively monitor the implementation and achievement of goals and objectives.

**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 services are stated under clause "Pembayaran" in the contract agreement as well as pricing announced by Palm Oil Mill.

**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** Agreed Employment contract for the workers are made available at the time of audit. Payment condition is stated under clause 3.0 "Faedah dan Imbuhan".

**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** MSPO requirements and company's Policies have been communicated to the contractors via external Stakeholders meeting as follows;

Internal Stakeholders meeting  
Date: 14<sup>th</sup> September 2019  
Venue: Perkampungan Perumahan Pekerja  
Attendance: 9 persons

Further, the contractor was informed on the above under clause 4 of the Contract Agreement dated 31<sup>st</sup> December 2018.

**In Compliance**  **Yes**  No  Not Applicable

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

**Summary** Sample of Contract agreement with the contractor is made available between Pesaka Sepakat Realty Sdn Bhd and Eugene Amitak (Menawarkan perkhidmatan sebagai pemandu lori mengangkut FFB) effective 31<sup>st</sup> December 2018 – 1<sup>st</sup> January 2020.

**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 20<sup>th</sup> December 2019 (4<sup>th</sup> Revision).

All the auditors are qualified MSPO auditor. As per agreed, the management accept the GGC MSPO Auditors to verify through a 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 were monitored through FFB MT for the month (contract) sheet and Mill weighbridge ticket.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **Not Applicable**

<b>Criterion 2</b>	<b>Peat land</b>
<b>Indicator 1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Criterion 3</b>	<b>Social and Environmental Impact Assessment (SEIA)</b>
<b>Indicator 1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 2</b>	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.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.
<b>Summary</b>	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
<b>In Compliance</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Indicator 4</b>	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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **Not Applicable**

**Indicator 5** Identification and assessment of legal and recognised customary rights shall be documented.



**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **Not Applicable**

**Indicator 7** The process and outcome of any compensation claims shall be documented and made publicly available.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**In Compliance**  Yes  No  **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 were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.

**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) Proactive and highly committed shown by Pesaka Sepakat Realty Sdn. Bhd. in establishment and implementation of MSPO
- 2) Good cooperation and commitment from the management and staff
- 3) Good relationship being maintained with external stakeholders.
- 4) Good positive feedback received from internal and external stakeholders's meeting

## Appendix A: Audit Plan

<b>AGENDA</b>					
Date	Time	Subjects	Lead Auditor	Auditor	
16 <sup>th</sup> March 2020	TBA	➤ <b>Travelling from KUL/TWU – Kota Kinabalu, Sabah.</b>	MRB	MAS ABS	
17 <sup>th</sup> March 2020	08:00 – 09:00	➤ <b>Opening Meeting at Pesaka Sepakat Realty Sdn Bhd:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> ➤ Confirmation of assessment scope and finalize Auditplan.	MRB	MAS ABS	
	09:00 – 13:00	<b>Pesaka Sepakat Realty Sdn Bhd</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MRB	MAS ABS	
		<ul style="list-style-type: none"> <li>➤ <b>Field Inspection / Interview:</b> <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	MRB	MAS ABS	
	10:30 – 12:30	➤ Stakeholder Consultation		MRB ABS	
	13:00 – 14:00	➤ Lunch/Rest		MRB	MAS ABS
	14:00 – 16:00	➤ Continue document audit: <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MRB	MAS ABS	
	16:00 – 17:00	➤ Closing Meeting at Pesaka Sepakat Realty Sdn Bhd: <ul style="list-style-type: none"> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> </ul> ➤ End of assessment	MRB	MAS ABS	



## Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit	
<b>Major Nonconformities:</b>	None were raise during this audit
<b>Minor Nonconformities:</b>	Four (4)

<b>Company Name</b>	Pesaka Sepakat Realty Sdn. Bhd.			
<b>Stage of Audit</b>	Pesaka Sepakat Realty Sdn. Bhd.	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-BO1-MSPO-2019			
<b>NC No. / Ref.</b>	BO1/MSPO/MINOR/01	<b>Date Detected</b>	17 <sup>th</sup> March 2020	
<b>Site(s) concern</b>	Pesaka Sepakat Realty Sdn Bhd	<b>Target Completion</b>	Next Surveillance	
<b>Normative Reference and Requirement</b>	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	1. Not in compliance with Immigration Act 1959/1963 (Act 155)			



**NC Objective Evidence:**

All the permanent workers having a valid passport and legally employed by the company. However as stated in the Visit Pass (Temporary Employment) Reg.11 (10), the following workers employed as Garden Worker instead of Plantation Worker.

Name	Passport No.
Edmundo Caparoso Romo	EC8544046
Julieto Catipan Dominguez	EC4685724
Balde Robert Balambao	P2248117B
Reyes Jerry Tan	EC8544048
Haris Syuking	C3802794
Suardi Bin Hassan	C0814996

**Lead Auditor Signature:**



**Client Signature:**



**Root cause Analysis (to be filled by client):**

All workers are from Owner previous nature of business. Due to shortage of workers in plantation, all workers are transfer to agricultural.

**Corrective action planned (to be filled by client):**

Pesaka Sepakat Realty Sdn Bhd is in a midst of applying the amendment of the Work Category to the Immigration Department of Malaysia.

**Preventive Action (to be filled by client):**

To conduct due-dilligence prior to workers recruitment in future.

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

RC and CR and PA accepted to be verified on next surveillance audit.

**NC Closed:**  Yes  No

Site verification:  Yes  No

**Date Verified:**

**Lead Auditor Signature:**



<b>Company Name</b>	Pesaka Sepakat Realty Sdn. Bhd.		
<b>Stage of Audit</b>	Pesaka Sepakat Realty Sdn. Bhd.	<input type="checkbox"/>	Initial Stage 2 <input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification <input type="checkbox"/>
<b>Audited Standard</b>	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-BO1-MSPO-2019		
<b>NC No. / Ref.</b>	BO1/MSPO/MINOR/02	<b>Date Detected</b>	17 <sup>th</sup> March 2020
<b>Site(s) concern</b>	Pesaka Sepakat Realty Sdn. Bhd.	<b>Target Completion</b>	Next Surveillance
<b>Normative Reference and Requirement</b>	4.4.4.2 The occupational safety and health plan shall cover the following: h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.		
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	No evidence to indicate the level of understanding toward the Procedure of Accident and Emergency		
<b>NC Objective Evidence:</b> The accident and emergency procedure was established by the company however there is no evidence of communication being establish to ensure workers are clearly understood the accident and emergency procedure			
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 	
<b>Root cause Analysis (to be filled by client):</b> Over looked due to time constraints.			
<b>Corrective action planned (to be filled by client):</b> Conduct intensive training and Q & A with all the workers.			
<b>Preventive Action (to be filled by client):</b> Training programme will be established on January every year and be monitored by PIC for implementation.			
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b> RC and CR and PA accepted to be verified on next surveillance audit.			
<b>NC Closed:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	

<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>
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<b>Company Name</b>		Pesaka Sepakat Realty Sdn. Bhd.		
<b>Stage of Audit</b>	Pesaka Sepakat Realty Sdn. Bhd.	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>		Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>		GGC-BO1-MSPO-2019		
<b>NC No. / Ref.</b>	BO1/MSPO/MINOR/03	<b>Date Detected</b>	17 <sup>th</sup> March 2020	
<b>Site(s) concern</b>	Pesaka Sepakat Realty Sdn. Bhd.	<b>Target Completion</b>	Next Surveillance	
<b>Normative Reference and Requirement</b>	4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Inconsistency of weekly inspection carried out by the estate management			
<b>NC Objective Evidence:</b> Accordingly to Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446), it shall be the duty of the employer to ensure all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly, however based on the estate record the last inspection by the estate management was 22 <sup>nd</sup> November 2019.				
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 		
<b>Root cause Analysis (to be filled by client):</b> Lack of Monitoring cause inconsistency of weekly inspection carried out by the estate management.				
<b>Corrective action planned (to be filled by client):</b> To appointed PIC for weekly monitoring.				
<b>Preventive Action (to be filled by client):</b>				

Monitoring of PIC weekly inspection report by management and internal audit.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
RC and CR and PA accepted to be verified on next surveillance audit.	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Company Name</b>	Pesaka Sepakat Realty Sdn. Bhd.			
<b>Stage of Audit</b>	Pesaka Sepakat Realty Sdn. Bhd.	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-BO1-MSPO-2019			
<b>NC No. / Ref.</b>	BO1/MSPO/MINOR/04	<b>Date Detected</b>	17 <sup>th</sup> March 2020	
<b>Site(s) concern</b>	Pesaka Sepakat Realty Sdn. Bhd.	<b>Target Completion</b>	Next Surveillance	
<b>Normative Reference and Requirement</b>	4.6.1.3 A visual identification or reference system shall be established for each field.			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	No evidence shall to during audit			
<b>NC Objective Evidence</b>	No identification system for each field has been established at Pesaka Sepakat Realty Sdn. Bhd.			
<b>Lead Auditor Signature:</b>			<b>Client Signature:</b>	
<b>Root cause Analysis (to be filled by client):</b>				
System not yet established due to lack of knowledge.				
<b>Corrective action planned (to be filled by client):</b>				

Identification system for each field has been established at Pesaka Sepakat Realty Sdn. Bhd.	
<b>Preventive Action (to be filled by client):</b>	
To survey the block size and demarcate accordingly based on the own judgement for easy identification.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
RC and CR and PA accepted to be verified on next surveillance audit.	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>



<b>Area of Concern:</b>	One (1)
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<b>Company Name</b>	Pesaka Sepakat Realty Sdn. Bhd.			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-BO1-MSPO-2019			
<b>NC No. / Ref.</b>	BO1/MSPO/AOC/01	<b>Date Detected</b>	17 <sup>th</sup> March 2020	
<b>Site(s) concern</b>	Pesaka Sepakat Realty Sdn Bhd	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	<p>4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>(b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities</p>			
<b>Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of AOC</b>	No evidence is made available during audit			
<b>Objective Evidence:</b>	Pesaka Sepakat Realty Sdn Bhd has established its Water Management Procedures, prepared by Ms Winnie Osingang (Sustainable Manager) on 16 <sup>th</sup> December 2019, however no monitoring of outgoing water quality for natural water course being done.			
<b>Lead Auditor Signature:</b>			<b>Client Signature:</b>	

## Appendix C: List of Stakeholders Contacted

### External Stakeholders

1. Jamilus Lumping – Laison Officer
2. Julianah Sagap – Wonder Choise Collection Centre
3. Azlan bin Mad jiril – Instant Harvest Sdn. Bhd.

