

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)


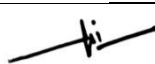



CERTIFICATION AUDIT REPORT


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

Pertubuhan Peladang Negeri Terengganu

-Group Certification-

MAIN ASSESSMENT AUDIT
24th – 27th February 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	30/03/2020	Issued as Draft Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
A	17/04/2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	19/05/2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	30/06/2020	Issued as Final Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	12/08/2020	Final Report Approved	Muhd Jamalul Arif	Certifier	

Acknowledgment by Pertubuhan Peladang Negeri Terengganu					
Rev	Date	Description	Management Representative	Role	Signature
B	28.07.2020	Acceptance of the contents	Kamarudin Bin Puteh	GENERAL MANAGER	

Declaration

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

WITH INTEGRITY WE SERVE



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

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

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Pertubuhan Peladang Negeri Terengganu**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by the General Manager, of the supply base disposition.

This assessment was conducted onsite from **24th February 2020 to 27th February 2020** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

1.2 Company details and Contact information

Company Name	Pertubuhan Peladang Negeri Terengganu
Business Address	Pertubuhan Peladang Negeri Terengganu Tingkat 3, Wisma Peladang Terengganu, Lot 994, Jalan Sultan Mohamad, 21100 Kuala Terengganu.
Contact Person	Mr. Kamarudin Bin Puteh
Office Telephone	+60 19-917 4149
E-Mail	ppnterengganu@gmail.com

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

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Latitude	Longitude
1.	PPN TERENGGANU – MINI ESTATE KG. PELAM	MINI ESTATE KELAPA SAWIT KG. PELAM, LOTG 1044, G 1045 & G 1046, MUKIM TELEMONG 21210 HULU TERENGGANU, TERENGGANU.	5.2174633	103.0005175
2.	PPN TERENGGANU – MINI ESTATE	MINI ESTATE KELAPA SAWIT DURIAN MENTANGAU, LOT	4.8083833	102.9014333



	DURIAN MENTANGAU	PT 917 MUKIM RASAU 23100 DUNGUN, TERENGGANU.		
3.	PPK KUALA BERANG	LADANG BUKIT CHETAI, LOT 3400, 3401, 3402 MUKIM TERSAT 21700 HULU TERENGGANU, TERENGGANU	4.9457167	102.98886667
4.	PPK JERANGAU	PERTUBUHAN PELADANG KAW. JERANGAU, LOT 4049, MUKIM JERANGAU 23200 DUNGUN, TERENGGANU.	4.7945	103.19985
5.	PPK MARAS/BATU RAKIT	PERTUBUHAN PELADANG KAW. MARAS/BATU RAKIT 21020 KUALA NERUS, TERENGGANU.	5.4280333	102.9773833
6.	PPK SETIU	LADANG INTEGRASI PELADANG SETIU, LOT 3912, MUKIM GUNTUNG 22040 SETIU, TERENGGANU	5.59105	102.7471
7.	PPK BUKIT DIMAN	LADANG BUKIT JELA, LOT 2502 MUKIM HULU BERANG, 21800 HULU TERENGGANU, TERENGGANU	5.0584756	103.10685694

MPOB License Information

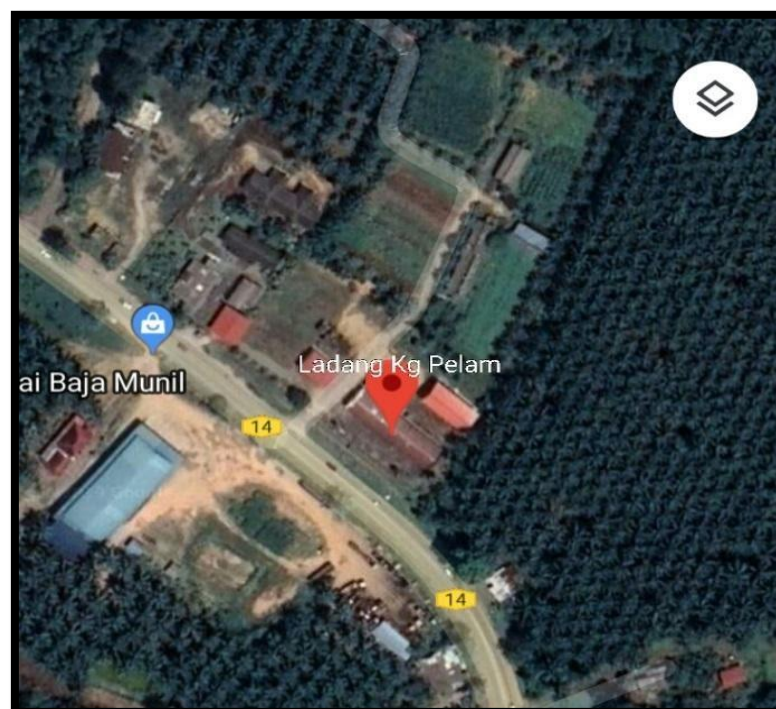
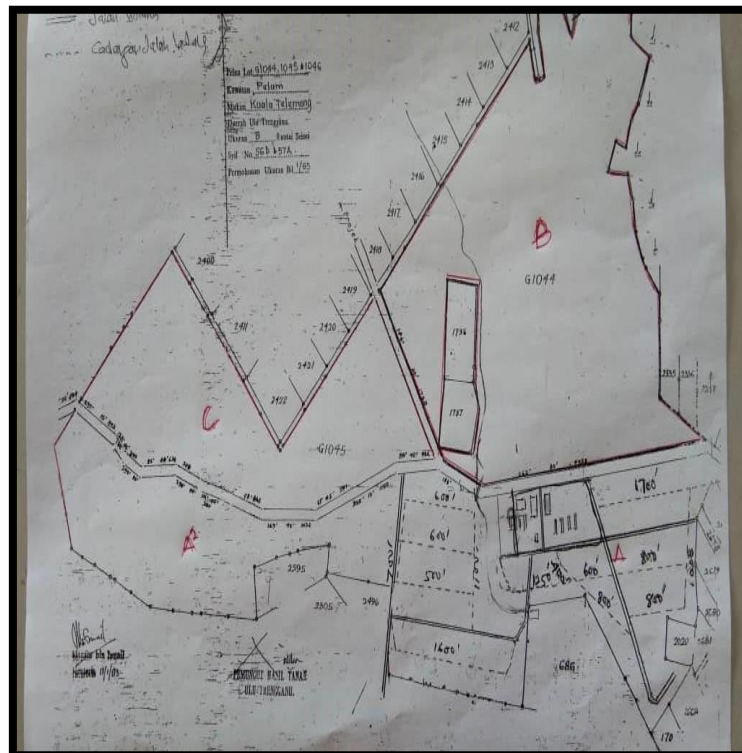
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	PPN Terengganu – Mini Estate Kg. Pelam	501771102000	31/03/2021	Menjual dan mengalih FFB
2.	PPN Terengganu – Mini Estate Durian Mentangau	619272002000	31/05/2021	Menjual dan mengalih FFB
3.	PPK Kuala Berang	504298702000	31/10/2020	Menjual dan mengalih FFB
4.	PPK Bukit Diman	503789402000	30/11/2020	Menjual dan mengalih FFB
5.	PPK Maras/Batu Rakit	503495002000	30/04/2021	Menjual dan mengalih FFB
6.	PPK Setiu	502316802000	31/03/2021	Menjual dan mengalih FFB
7.	PPK Jerangau	502456302000	31/10/2020	Menjual dan mengalih FFB

Others Sustainability Certification

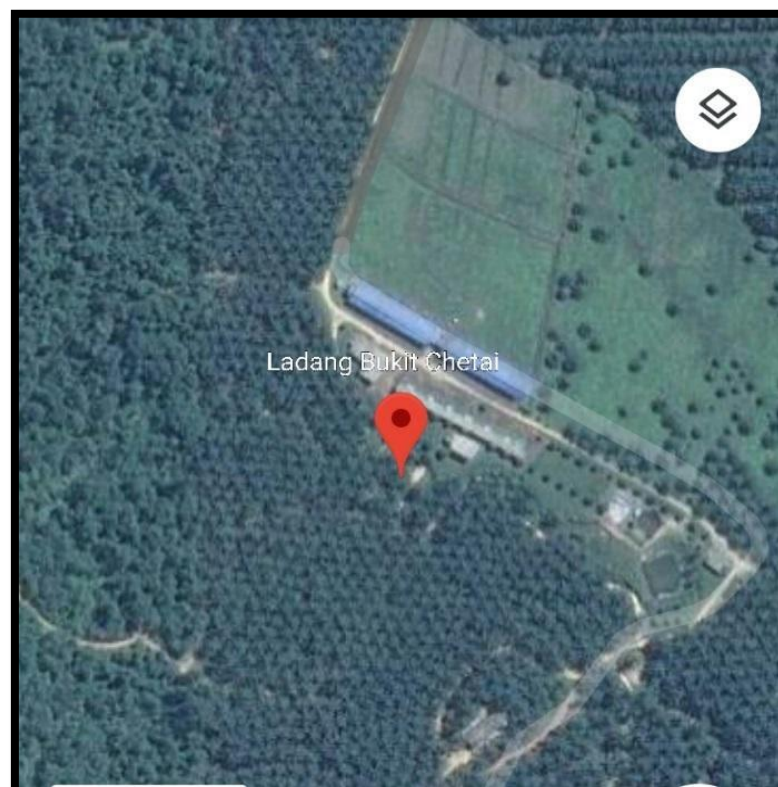
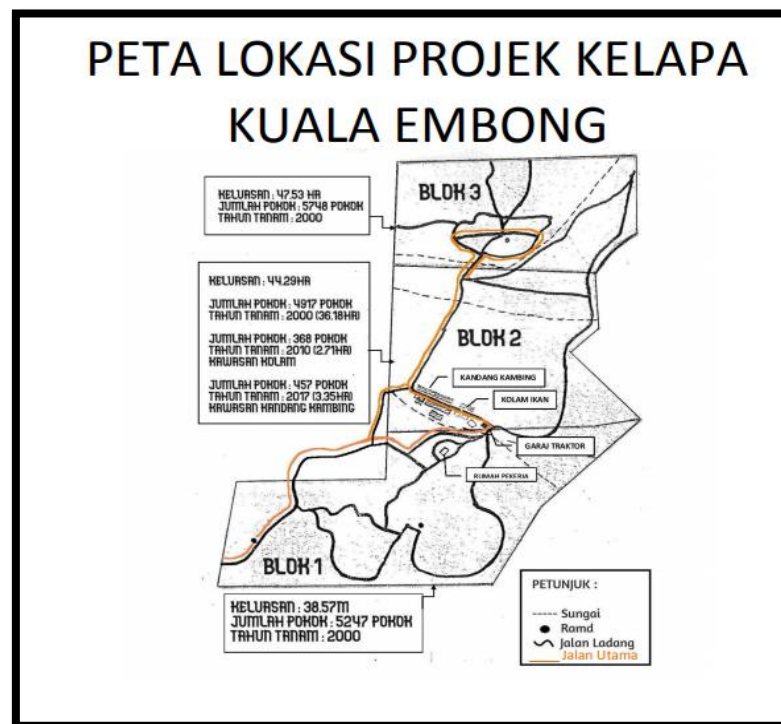
No	Name Of The Site	Others Sustainability Certifications
1.	NIL	NIL

1.4 Map Showing Geographical Location

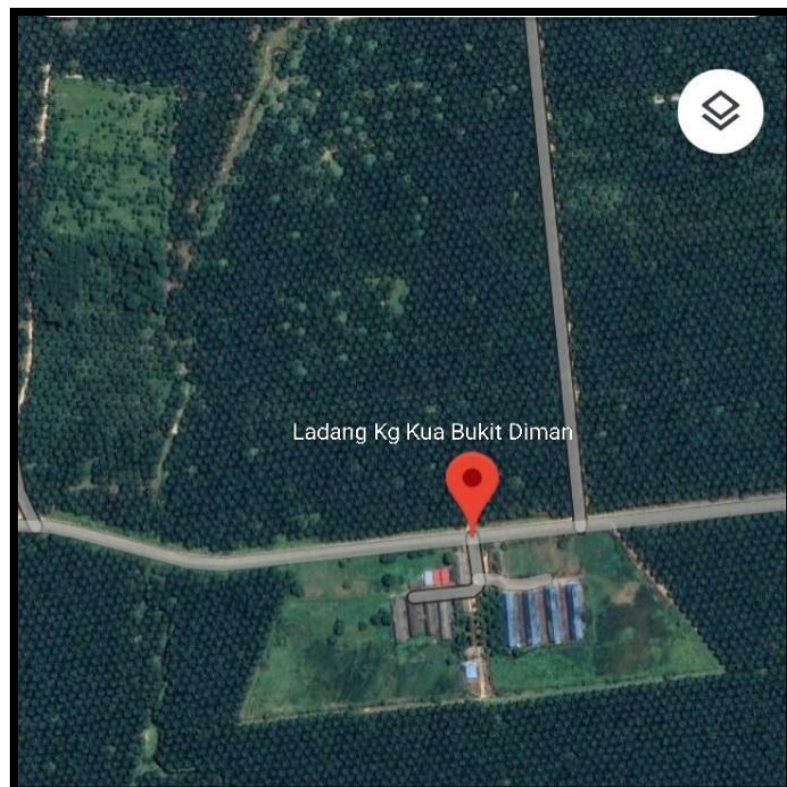
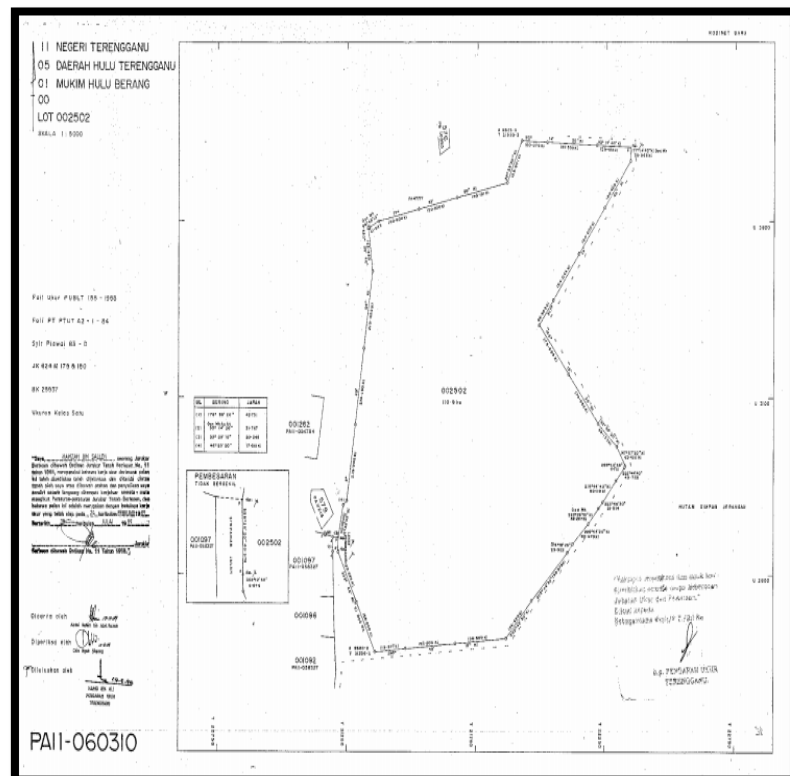
1) PPN Terengganu



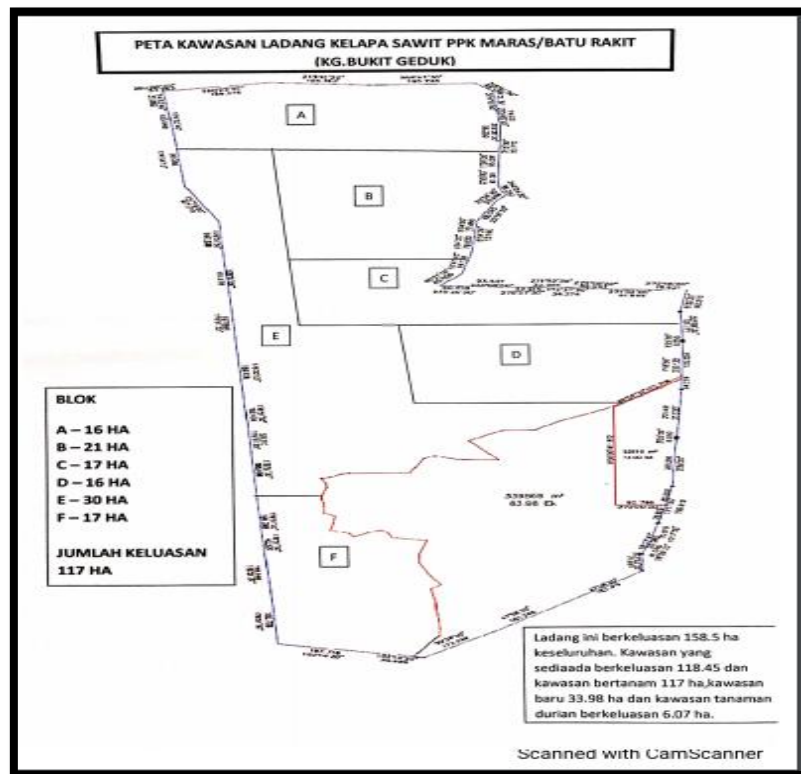
2) PPK Kuala Berang



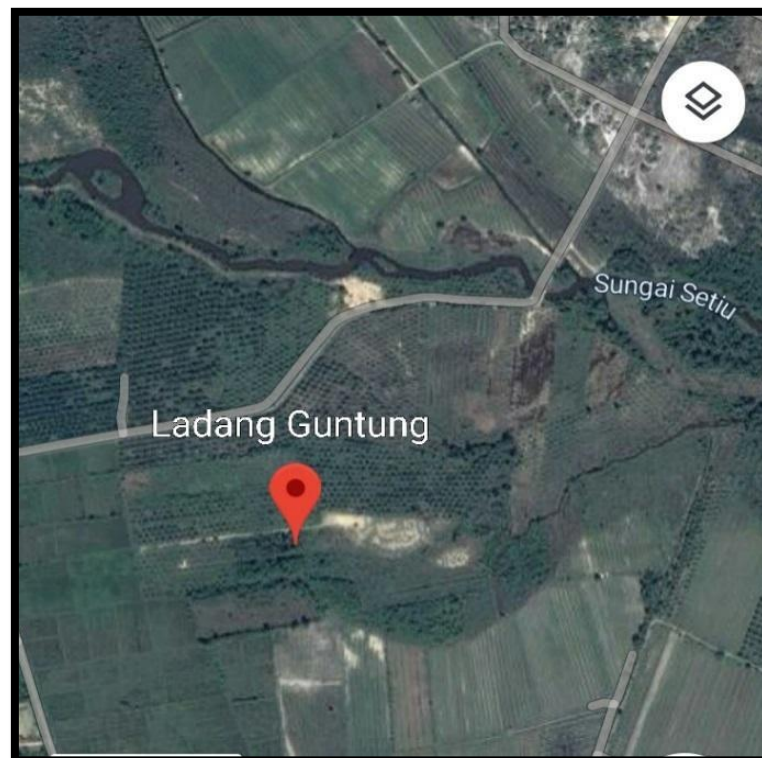
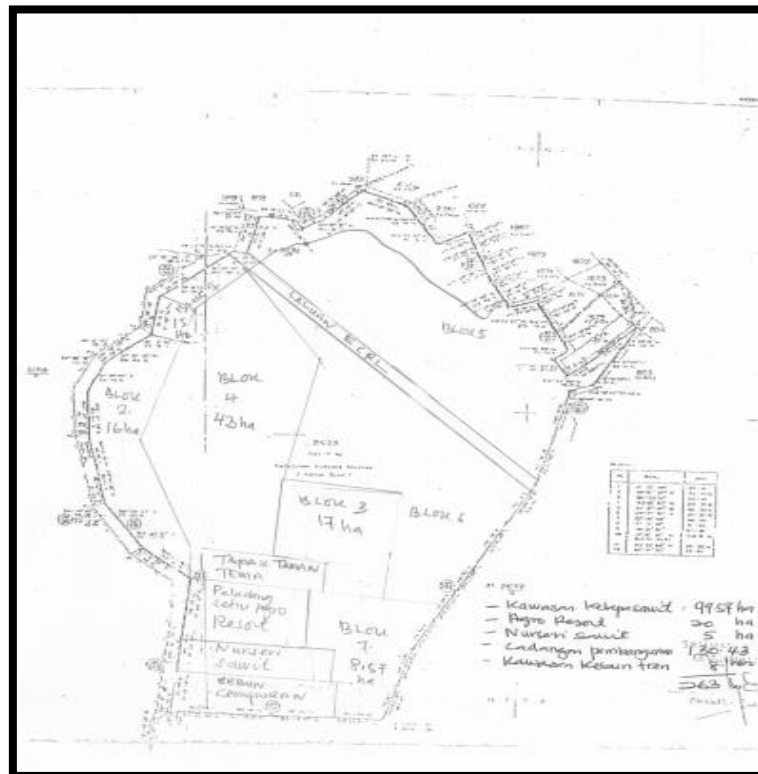
3) PPK Bukit Diman



4) PPK Maras / Batu Rakit



5) PPK Setiu



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
PPNT – Mini Estate Kg. Pelam	193.005	188.80	188.80
PPNT – Mini Estate Durian Mentangau	100.521	50.50	50.50
PPK Kuala Berang	130.39	123.15	123.15
PPK Bukit Diman	110.90	88.00	88.00
PPK Maras/Batu Rakit	158.50	117.00	117.00
PPK Setiu	259.70	99.57	41.57
PPK Jerangau	80.92	58.73	58.73
TOTAL	1033.936	725.75	667.75

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
PPNT – Mini Estate Kg. Pelam	-	-	4.205
PPNT – Mini Estate Durian Mentangau	-	-	50.021
PPK Kuala Berang	-	-	7.24
PPK Bukit Diman	-	-	22.00
PPK Maras/Batu Rakit	-	-	41.50
PPK Setiu	-	-	160.13
PPK Jerangau	-	-	22.19
Total	NIL	NIL	307.286

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [February 2019-January 2020]	Projected Production for next 12 Months [February 2020-January 2021]
PPNT – Mini Estate Kg. Pelam	NIL	3038.16	3400.00
PPNT – Mini Estate Durian Mentangau	NIL	487.61	520.00
PPK Kuala Berang	NIL	1762.14	1938.35
PPK Bukit Diman	NIL	152.34	160.00
PPK Maras/Batu Rakit	NIL	1554.74	1731.09
PPK Setiu	NIL	476.73	500.00
PPK Jerangau	NIL	862.74	876.00
Total	NIL	8334.46	9125.44

1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-LPPNT001-MSPO-00-2020
Initial certificate issued date	12 th August 2020
Certificate expiry date	11 th August 2025
Stage 1 assessment date	08 th October 2019
Stage 2 / Main Assessment	24 th February 2020 – 27 th February 2020
Annual Surveillance 1 [ASA 1]	February 2021
Annual Surveillance 2 [ASA 2]	February 2022
Annual Surveillance 3 [ASA 3]	February 2023
Annual Surveillance 4 [ASA 4]	February 2024

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohd Fadzli bin Bistamam (P3, P4, P7)

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

Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs.

Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Able to write and speak in Bahasa Malaysia and English.

Auditor

Name: Nurulashida bt Mohd Saad (P2, P6)

Graduated in Conservation and Management of Biodiversity with working in Sustainability Department for more than 12 years which involves in certification and compliance affairs. Fully trained in agriculture certification programme such as RSPO, MSPO, SCCS, Biodiversity / HCV, ISCC, ISO and etc. Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah (P1, P5)

Holds an MBA majoring in Human Resource Management (HRM) and Bachelor of Business in Business Administration from University of Western Sydney and RMIT University, Australia respectively. He is also a graduate of the Diploma in Human Resource Management (University of Malaya) and Certificate in Agriculture (Institut Pertanian Semenanjung Malaysia, Ministry of Agriculture) respectively. He has vast experience in the field of Human Resource Management spanning more than two (2) decades in the manufacturing industry. Prior to this he held various key management positions in Human Resource & Administration with several Multinational Companies. Besides his vast experience in HRM, Azmi is also an experienced auditor in second- and third-party auditing systems, having been fully trained in the ISO 9001:2008 (Quality Management System) IRCA-Accredited Lead Auditor Course and having successfully completed the MSPO, MSPO-SCCS (endorsed by MPOCC) and RSPO Auditors Training Course. Furthermore, he is also an External Supply Chain Assurance System (ESCAS) auditor in the cattle industry conducting audits in Malaysia, Brunei, Singapore and Vietnam. He is a member of the GGC MSPO audit team. Azmi is able to read and write in both the English Language and Bahasa Malaysia proficiently.

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). In the case of this certification unit, sampling calculation was based on total number of estates (6) with medium risk factor (1.5). Total estates selected for this audit were four (4).

The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

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

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

1.9 Audit Plan Information

Audit Date	24 th – 27 th February 2020
Name of site(s) visited	Pertubuhan Peladang Negeri Terengganu Pertubuhan Peladang Kawasan Kuala Berang Pertubuhan Peladang Kawasan Bukit Diman Pertubuhan Peladang Kawasan Maras
Total number of man-days spent	12 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	20	No action requires
Minor Nonconformities	4	No action requires
Area of Concern	1	No action requires
Noteworthy /Positive Comments	6	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit 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 20th January 2020 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 25th February 2020 in Pertubuhan Peladang Negeri Terengganu to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

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 complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. 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.	Pn Norhayati Sekolah Menengah Kebangsaan Bukit Besar	<p>Pn Norhayati who attended the meeting have some understanding of MSPO and has attended MSPO briefings.</p> <p>Has no problems/issues from the operations of the estate. Hope to continue this good cooperation in near future.</p> <p>PPNT has been very helpful to the School for instance rental of conference room for the school's functions e.g. "Kem Teknik menjawab Soalan peperiksaan" and "Kem akhir tahun" etc.</p> <p>Hope PPNT can donate some fertilizers for their plants in their</p>	The company will continue to implement good practice in agriculture and social.	Positive findings

		school compound. Further, she also requests for help from PPNT for their "Taman Sains" project.		
2.	En Zulkifli Kilang Sawit FGV	Has attended MSPO briefing He is clear on the complaint and grievance procedures. He has no issues with the estate and happy with estate's management Has a contract for the sale of FFB from PPNT to FGV. Hope to continue this good cooperation in near future. Complaint PPNT Lorry Driver sending FFB to Oil Mill seen wearing "Slippers" while driving the lorry. This is not safe and contravenes FGV Oil Mills safety regulations.	The company will continuously train its FFB driver on safety aspects.	Will be verified during next assessment
3.	Estate workers	Satisfied with current salary. No issues related to social occurred during their employment period.	The company will continue to implement good practice in agriculture and social.	Positive finding

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Pertubuhan Peladang Terengganu. The General Manager and all Estate Managers are in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 3: General Principles for Oil Palm Plantations and Organized Smallholders), there were no 1 Area Of Concern, 4 Minor Non-Conformities and 21 Major Non-Conformities raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of Minor and Major Non-Conformities. Therefore, the Lead Auditor recommends a certificate of compliance **"MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders"** is awarded to Pertubuhan Peladang Negeri Terengganu after the closure of all the Major Non-Conformities.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA**2.1 Principle 1 : Management commitment and responsibility****Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy****Indicator 1** A policy for the implementation of MSPO shall be established.

Summary Pertubuhan Peladang Negeri Terengganu (PPNT) has established: "Polisi MSPO" dated 30/10/2019 approved by En Kamarudin bin Puteh, Pengurus Besar with commitment towards continuous improvement and compliance to legal requirements. This is clearly stated in Para 4 of the said policy. The said Policy is available in Bahasa Malaysia. The policy was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting which was conducted on 02.01.2020 at PPNT Office Kg. Pelam.

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

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

Summary The MSPO policy states that the company is committed to maintain an open dynamic approach towards continuous improvement in respect of social responsibilities, environment protection, best practices and economic development. This is clearly stated in Para 1 and 4 of the said policy.

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 PPNT has established yearly Internal Audit Plan dated 2019 prepared by En Mohd Zulazri, Supervisor and approved by En Abdullah bin Che Ibrahim, Manager. Frequency of Internal Audit is once a year. Latest Internal audit was conducted on 2nd December 2019. The Internal Audit was conducted by En Amir Hamzah bin Dollah (Lead Auditor) and En Mohd Zulazri bin Othman. The audit has resulted 10 Non-Conformities were identified and was closed accordingly.

PPK Maras has established yearly Internal Audit Plan dated 01/11/2019 prepared by En Muhamad Saifuldin bin Jantan and approved by En Che Wan Mansor bin Che Wan Isa.

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 PPK Kuala Berang has established an Internal Audit Procedure Document No MSPO/PPNT/SOP-01/AD No Isu: 1, No Revisi: 1 dated 1st November 2019. An Internal audit was conducted on 3rd December 2019. The Internal Audit was conducted by En Amir Hamzah bin Dollah (Lead Auditor) and En Muhamad Hanif bin Muhammad Zahid and Cik Rosmawati. The audit has resulted 9 Non-Conformities were identified and was closed accordingly. Given below are some sampled Non-Conformities raised by the Internal Auditors.

NO	NON-CONFORMITIES	STATUS
1	Incomplete list of stakeholder prepared by the estate management.	Closed
2	SIA not yet conducted in Ladang PPK Kuala Berang.	Closed
3	No CHRA Report	Closed

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

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

Summary Audit reports for all the estates being audited available during the audit and has been verified. Sighted Audit report for the following estates. The details are as follows:

1. PERTUBUHAN PELADANG NEGERI TERENGGANU (PPNT)
Date: 5th December 2019
Prepared by: En Amir Hamzah bin Dollah (Lead Auditor)
2. PPK KUALA BERANG
Date: 3rd December 2019
Prepared by: En Amir Hamzah bin Dollah (Lead Auditor)
3. PPK BUKIT DIMAN
Date: 1st December 2019
Prepared by: En Ahmad Shakir bin Ismail (Lead Auditor)
4. PPK MARAS
Date: 4th December 2019
Prepared by: En Amir Hamzah bin Dollah (Lead Auditor)

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 Management review meeting has been conducted to review issues related to implementation of MSPO. Meeting minutes sighted and has been verified during the audit. In PPN Terengganu, sighted Management Review Meeting Minutes dated 4th December 2019. The details of the meeting are as follows:

Date: 4th December 2019

Venue: Bilik Mesyuarat Pejabat

Attendance: 7 Participants

Chairman: En Kamaruddin bin Putih

Agenda

1. Audit results and others related
2. Customer satisfaction
3. Environmental
4. Social
5. Continuous improvement related to MSPO implementation

Management

NC (MAJOR): Management review meeting was not conducted in PPK Kuala Berang. No meeting minutes available during audit conducted.

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 PPN Terengganu and other PPKs have established its Continual Improvement Plan Activities named "Perancangan Program Penambahbaikan" dated 20/11/2019.

The Continual Improvement Plan is categorized into 3 categories namely "Environmental, Social and Occupational Safety & Health. All the plans are approved by the respective estate managers.

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

Indicator 2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption
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Summary The company has not implemented any new system. As per interview with all the estate managers (Project Manager), it is not economically viable to invest to a new technology if the current practice still giving the crop and cost effective.

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

Indicator 3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.
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Summary The company has not implemented any new system as such no action plan is required. However, the company is willing to absorb any new technology for its oil palm operation if it is proven to be cost effective and approved by the top management.

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 Pertubuhan Peladang Negeri Terengganu has established a Procedures on Communication and complaint resolution in the "Manual Prosedur Kerja MSPO" with Document Number MSPO/PPNT/SOP-01/KPA dated 1st November 2019.

No record of request, response and release of information lodged by Stakeholders as to date. This has been cross-checked with the minutes of meeting with the stakeholders which has been conducted on the 24th December 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 Sighted the List of Documents and Classification as a guideline for Pertubuhan Peladang Negeri Terengganu to determine the confidentiality of the status or availability for public disclosure in the: Listing of Disclosed and Not Disclosed of PPNT. Sampled documents are:

PPNT

Disclosed	Not Disclosed
Profil Syarikat	Status Kewangan
Polisi	Untung rugi
CSR Program	Dokumen Tender
Maklumat Jual Beli	Slip Gaji Pekerja

PPK Kuala Berang

Disclosed	Not Disclosed
Profil Syarikat	Status Kewangan
Polisi	Untung rugi
Maklumat Jual Beli	Dokumen Tender
Unjuran Perniagaan / Bajet	Slip Gaji Pekerja

Also sighted a "Memo Makluman" from PPK Bukit Diman to the public on the list of accessible documents upon request such as:

1. Minit Alam Sekitar
2. Cadangan daripada Petugas
3. Komen bertulis daripada pihak luar yang berkaitan
4. Laporan siasatan komplek
5. Pelan Kesihatan dan Keselamatan
6. Laporan biodiversity
7. Polisi-polisi PPNT

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 Pertubuhan Peladang Negeri Terengganu has established a Procedures on Communication and complaint resolution in the "Manual Prosedur Kerja MSPO" with Document Number MSPO/PPNT/SOP-01/KPA dated 1st November 2019.

The objectives of the procedure are to provide guidance on:

- Provide stakeholders with either external or internal authority to submit any complaints or grievances.
- Ensure harmony environment with stakeholders can be maintained in accordance with Social Policy.
- Increase the efficiency of the estate management in caring for the welfare of stakeholders.

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

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

Summary Each operating unit has made an appointment for person in charge of social issues. For example, in PPNT, sighted an appointment letter of En. Mohd Zulazri bin Othman as person in charge for MSPO Stakeholder communication & consultation and Grievance handling. The letter is signed by En Abdullah bin Che Ibrahim, Pengurus Bahagian Ladang/Ternakan with the effective date of 14th November 2019. In PPK Maras/Batu Rakit, En. Muhamad Saifudin bin Jantan has been appointed as the person in charge on communication as per appointment letter signed by En Che Wan Mansor bin Che Wan Isa, Pengurus Besar Pertubuhan Peladang Kawasan Maras/Batu Rakit with the effective date of 17th November 2019

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

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

Summary

A list of Stakeholders has been established for Pertubuhan Peladang Negeri Terengganu. Sampled stakeholders:

NO	External Stakeholders	Internal Stakeholders
1	Kampung Pelam	Estate Management
2	Kampung Bukit Tadok	Workers
3	Balai Polis Temong	
4	Jabatan Pertanian Hulu Terengganu	
5	Kilang Sawit Jeranggau Barat	

Sighted records of the stakeholder meeting was conducted on 24th December 2019, chaired by Mr. Kamarudin Puteh (PPNT GM) and attended by 25 people (I.e, DOSH, PERHILITAN, BOMBA and respective managers of PPNT/PPK). Minutes of meeting is made available. Items discussed during the meeting includes:

1. Verbal description on the MSPO implementation within PPNT in compliance to the requirements.
2. Briefing on the communication / complaint procedure by the consultant
3. Question and answer session.

NC:

PPK Kuala Berang

Stakeholder list is not available.

PPK Bukit Diman

Sighted list of stakeholders is made available. However, there are insufficient stakeholders were identified as there is no NGO, FFB buyer, PERHILITAN, Forestry Department and contractor is not included.

PPK Maras/Batu Rakit

Sighted list of stakeholders is made available. However, there are insufficient stakeholders were identified as there is no NGO, MPOB, District Office, Land Office, and FELCRA Bukit Sudu is not included.

In Compliance

☐

Yes

☒

No

☐

Not Applicable

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

Pertubuhan Peladang Negeri Terengganu has established a Traceability Procedure in the "Manual Prosedur Kerja MSPO" - Document number of MSPO/PPNT/SOP-01-TR with effective date on 1st November 2019. The traceability workflow includes:

1. Penghantaran BTS dari PPK & PPNT
2. Nota Hantaran dari PPK & PPNT ke Pusat Timbang
3. Resit Timbang dari Pusat Timbang
4. Maklumat Tiket Timbangan Diisi dalam Buku Rekod
5. Nota Hantaran Dari Pusat Timbang ke Kilang

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

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

Summary Records of FFB are available in the Rekod BTS PPNT (Pertubuhan Peladang Negeri Terengganu) and all Pertubuhan Peladang Kawasan audited as a mechanism to monitor the compliance to the traceability system. Records are maintained by En Zulazri bin Othman.

NC: However, No evidence of regular inspections on compliance with the established traceability system is made available at the time of audit (refer In 4.2.3.4) in PPK Bukit Diman.

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

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

Summary Persons in charge of traceability system in the estates have been appointed as per appointment letter verified during the audit. The scope of task for the person in-charge includes:

1. As a management representative in-charge for Traceability matters.
2. Ensure all operation on FFB harvesting and transportation are recorded accordingly.
3. To keep records on sales of FFB.
4. Scheduled monitoring on every production of FFB.
5. To update all the FFB production records.

In PPK Maras/Batu Rakit, sighted an appointment letter of En Muhammad Saifuldin bin Jantan@Sholah as the person in charge on Traceability. The letter is signed by the En Che Wan Manson bin Che Wan Isa, Pengurus Besar PPK Kawasan Maras / Batu Rakit with the effective date on 17th November 2019.

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

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

Summary Records of sales, delivery, or transportation of FFB is made available. Sampled weighbridge ticket sighted in PPNT such as:

- Date: 22/02/2020
- No. Pass: 02283277
- No. Akuan Terima: A00006832
- Nama Penjual: PPNT
- Lesen MPOB: 547743-015000
- Nett.: 08.00Mt

NC: Contradiction of MPOB license used for FFB trading to FGV Jeranggau Barat as sampled dated 22nd February 2020 as the MPOB license use is : 547743015000. However, the MPOB license of PPNT is 501771102000.

In PPK Bukit Diman, no records of the traceability related documents is made available at the time of audit.

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 In all the operating units audited, licences and permits are available during the audit such as MPOB licenses, fire extinguisher licenses, weighbridge calibration, etc. However, during the audit it has been found few issues raised as NC as listed below:

NC PPN Terengganu:

1. *The total hectares (188.80 Ha) from all the land titles is not tally with the MPOB license (No. 501771102000) which stated 190.10 Ha*
2. *There is no MPOB license for oil palm planting at HSD Hak Milik 657 (50.16 Ha in Durian Mentangau) where there is OP planted in year 2007, 2010 and 2014.*

NC PPK Kuala Berang

During site visit to workers' housing area, it is sighted a fire extinguisher with expired certificate in the house (APA No: EE032008Y111310), expired on 23.03.2017.

NC PPK Bukit Diman

NC: The total hectareage stated in the MPOB license is not tally with the estate land title (No. Hak Milik 2584, No. Lot 2502). The hectare in the land title is 110.90 Ha, while the MPOB license is 123.26 Ha.

In Compliance ☐ Yes ☒ No ☐ Not Applicable

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

Summary The Company has established and updated list of applicable laws and regulations Doc no: MSPO/PPNT/SOP-01/LLR, effective on 01/11/2019 that are applicable for the estate. The legal register includes the following (samples):

1. Occupational Safety and Health Act 1994
2. Pesticides Act 1974 (Act 149)
3. Fire Service Act, 1984
4. Environmental Quality Act 1974
5. Workers' Minimum Standards of Housing and Amenities Act 1990.
6. Akta Lembaga Minyak Sawit Malaysia 1998

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 In PPN Terengganu, the list sighted during the audit has been updated by the PIC, Mohd Zulazri Othman. Any new amendments will be informed by the HQ and later be updated in the list. Latest update was on 01.11.2019. For PPK Kuala Berang, The PIC is Muhammad Hanif Bin Muhammad Zahid as per Appointment letter PPK.KB(A)40.1(09) dated 14th October 2019.

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 In PPN Terengganu, the list sighted during the audit has been updated by the PIC, Mohd Zulazri Othman. Any new amendments will be informed by the HQ and later be updated in the list. Latest update was on 01.11.2019. For PPK Kuala Berang, The PIC is Muhammad Hanif Bin Muhammad Zahid as per Appointment letter PPK.KB(A)40.1(09) dated 14th October 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 Land titles for all the estates audited have been verified by the auditor. For PPN Terengganu, Estate land titles are available and maintained.

1. No Hak Milik 6673 = 75.99 Ha expiry 28.01.2043
2. No Hak Milik 6674 = 40.57 Ha expiry 28.01.2043
3. No Hak Milik 6675 = 72.24 Ha expiry 28.01.2043

The estate has a valid land title indicating correct land title terms which specifies the purpose of the planting of the oil in the respective land. Other example sighted for PPK Kuala Berang which the estate land titles totalling of 130.39 Ha) are available and maintained as per list below:

1. No Hak Milik 3425: 38.57 Ha expiry 22.04.2056
2. No Hak Milik 3423: 47.53 Ha expiry 22.04.2056
3. No Hak Milik 3424: 44.29 Ha expiry 22.04.2056

All "syarat-syarat nyata" in the land title stated that the land is to be planted with oil palm only which the type is approved by Pengarah Pertanian Negeri or any Authorities concerned.

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 Estate has demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles are kept in the estate office and were sighted during the audit, while the original copies were kept at the PPNT Head Quarters. Evidence of annual payment of quit rent to the state government is available in the form of receipts.

There are another 1 lot of land which have been planted by PPN Terengganu (No. Hak Milik 657 – 50.16 Ha). Land with Hak Milik 657 is owned KPT Peladang Sdn Bhd.
*KPT: Konsortium Peladang Terengganu

Agreement sighted between the estate PPN Terengganu with the landowner (KPT Peladang Sdn Bhd) dated 01st January 2005. The land rental valid from 01.01.2005 until 31.12.2054 (50 years).

For other estates audited (PPK), they demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles is kept in the estate office and were sighted during the audit. Evidence of quit rent paid available during the audit. Sighted form PTG 01/85 Pin.2 for all the payment made by the management.

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 Boundary marker has been verified on site during estate visit.

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. There is no evidence of conflict present in this estate.

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

Criterion 3 Customary rights

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

Summary No disputes have been recorded in the estate area. There is no evidence of conflict present in this estate.

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

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

Summary No disputes have been recorded in the estate area. There is no evidence of conflict present in this estate.

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 disputes have been recorded in the estate area. There is no evidence of conflict present in this estate.

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

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

Criterion 1 Social impact assessment (SIA)

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

Summary SIA has been conducted on 24th December 2019 as per report sighted during the audit. A total of 25 participants was involve in this assessment. All the results and impacts identified (positive and negative) are as per table no. 6 in the report.
Example of positive impacts sighted:

1. Operation control: The management has already identified high risk areas in the estate and take appropriate precautions to prevent any incident in the area.
2. Training: The management has conducted training to provide awareness to staff and workers regarding environment, safety & health, etc. It is planned to be conducted on annual basis
3. Job opportunities: The management has created various of job opportunities to its surrounding.

Example negative impacts identified:

1. Contribution to locals: It is still at minimum level
2. Wildlife: There are no signboards established to prevent illegal hunting in the estate.

3. Safety: The management has not yet register with JKKP.

From the negative impacts identified, action plans to mitigate the negative issues are also being developed as per documented in the same table no. 6 (Analisis SIA dan Pelan Tindakan). For the above negative impacts identified, the mitigation measures by the management such as:

1. The management is planning several programs with the locals and contributions to nearby villages and schools in year 2020.
2. To develop good relationship with wildlife department (Perhilitan) and to established "No Hunting" signboards in appropriate areas.
3. The management will immediately comply to all requirement by JKKP.

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

Criterion 2	Complaints and grievances
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Indicator 1	A system for dealing with complaints and grievances shall be established and documented.
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Summary The company has established a procedure for communication, "Komunikasi dan Penyelesaian Aduan dan Rungutan", and doc no: MSPO/PPNT/SOP-01/KPA, dated on 01/11/2019.

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

Indicator 2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.
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Summary The procedure has highlighted the appropriate time taken to resolve any issues received from outside parties. As per point no. 5 under 'Langkah-langkah proses komunikasi dan penyelesaian aduan dan rungutan', all complaint and grievance must be resolved within 14 days from the date of receiving the form. As the date of audit, no complain records sighted.

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

Indicator 3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.
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Summary Complain forms are made available in all PPN offices. There is no complains received during the audit conducted. No record of complains recorded as the date of audit.

NC: However, Complain forms as per SOP MSPO/PPNT/SOP-01/KPA are not made available in PPN Terengganu and PPN Bukit Diman offices for outside parties to lodge any complaints.

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.
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Summary Briefing on the complaint procedure "MSPO/PPNT/SOP-01/KPA" has been briefed to estate workers as per training record dated 23.10.2019. For outside parties, the procedures have been explained during stakeholder meeting conducted on 24th December 2019 as per meeting minute no. 01/19. Attendance form available during the audit.

NC PPK Kuala Berang: No briefing record for this procedure being made to estate workers. This has been confirmed during interview with the estate workers where they did not aware of this procedure.

NC PPK Bukit Diman: No briefing record for this procedure being made to estate contract workers (Contractor: Mohd Peteri Bin Ibrahim).

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 Stated in the procedure that the complaints and grievances shall be kept for 24 months. As the date of audit, no complain records sighted.

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 CSR records for PPN Terengganu were available to the audit team. The document is well kept in Tanggungjawab Sosial Korporat files. Example contribution record sighted in the estate:

1. Contribution for the demise of estate workers (RM 1,500) as per payment voucher no. BB201901125 dated 17.01.2019
2. Contribution for marriage of estate staff (RM100.00) as per payment voucher no. BB20180834 dated 07.08.2018

Other example taken from PPK Bukit Diman, which contribution made to local sighted in meeting minute "Ahli Jemaah Pengarah Bil 09/2019" where the company has agreed to contribute RM100.00 to "Kelompok Fertigasi Mega Kampung Pela". Besides that, the company also contributed to Sekolah Kebangsaan Bukit Diman for the school to organize sports event on 12.02.2020.

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 & Health Policy. Established on 30.10.2019 which was approved by the general manager Mr Kamarudin bin Puteh. The policy is written in Bahasa Malaysia. The policy outlines the company's commitment to provide workers with adequate knowledge, training, and experience to ensure continuous improvements in OSH management and performance. Policies briefing has been delivered to estate workers as per training record dated 23.10.2019.

NC:

- 1. The OSH policy has not been effectively communicated to estate workers as there is no training record to show that contract and estate workers has been briefed on this matter.*
- 2. Health (OSH) plan for year 2020 has not been established by the estate management.*

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. Briefing on MSPO and other policies was conducted on 23.10.2019 by the consultant from Ahmad Global Marketing.
- b. Hazard identification, risk analysis and risk control (HIRARC) was made available to the audit team during the audit program. Example activities being accessed in this document such as:
 - FFB Harvesting
 - Frond pruning
 - Fertilizer application
 - Spraying / Weeding
 - Rat bait application
- c. Training for spraying gang and harvesting gang was conducted on 23.10.2019 involving the right usage of PPE. Training was conducted by consultant from Ahmad Global Marketing.
- d. PPE issuance records was sighted and made available to the audit team.

NC: As per field visit to fertilizer application gang in Block B (PPN Terengganu), it is sighted that a worker did not wear proper PPE (No gloves and wearing short pants) as recommended in estate HIRARC.

- e. The company has established SOP for chemical handling, doc no: MSPO/PPNT/SOP-01/PBK, dated on 01/11/2019. The procedure's objective was to give a guideline on how to manage hazardous chemical at work place and to promote good safety and health practices. CHRA has been conducted as per report done by MS Smart Management Sdn Bhd, issued on 24th December 2019.
- f. Appointment letter was made available to the audit team. Mr. Mohd Zulazri Othman was appointed as Pegawai Keselamatan dan Kesihatan for the Kg Pelam Estate. The appointment dated on 14.11.2019, approved by Mr. Abdullah Bin Che Ibrahim (estate manager). In PPN Bukit Diman, the PIC for workers' safety is En. Mohd Kamal Azman Bin Syafie as per appointment letter (Ref: PPK.BD.TR(D)2/42(1)) dated 29.10.2019.

g. NC: Meeting for safety and health in PPK Terengganu / PPN Kuala Berang / PPK Bukit Diman has not been conducted as the date of audit.

- h. ERT plan was made available to the audit team. Plan sighted for chemical spillage and Fire at estate, store, workshop or workers housing area. Training on fire fighting in PPK Terengganu was conducted on 23.10.2019 joined by BOMBA Kuala Terengganu.
- i. First aid training was conducted on 24.10.2019 delivered by JPAM.
*NC: As per observed during field visit to manuring gang in PPK Terengganu, there was no first aid kits available on site.
First aid kit was also not available in PPN Kuala Berang during visit to pruning gang.*

- j. No record of accident available during the audit. JKPP8 form has not been submitted to JKPP in year 2018 and 2019.

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

Criterion 5 Employment conditions	
Indicator 1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.

Summary Sighted the "Polisi Pengurusan Sosial". Established on 30.10.2019 which was approved by the general manager Mr Kamarudin bin Puteh. The policy is written in Bahasa Malaysia. Briefing on the policy has been delivered to estate workers as per training record dated 23.10.2019. Briefing to contractor and contractor workers in PPK Maras was conducted on 20.11.2019.

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.
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Summary Sighted the "Polisi Pengurusan Sosial". Established on 30.10.2019 which was approved by the general manager Mr Kamarudin bin Puteh. As per interview with estate workers, there was no discrimination practice by the management. They are treated equally either local or foreign workers.

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.
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Summary Employment contract between estate workers and the management sighted during the audit. There is statement under section 2 (Salary/Allowance/Incentive) where workers will be paid as per Malaysian minimum wage order (RM1,000.00/month or RM 42.30/day). For local workers employment contracts are also available during the audit. All the local workers are paid on monthly basis and the amount stated is above RM 1,100.00.

Sighted payment slip made to estate worker:

Name: Muhammad Jailani (Indonesian)
Month: January 2020
Gross salary: RM 2,437.86

NC: As per payment slips sighted during in PPK Kuala Berang, all the 3 Indonesian workers are paid below Minimum Wage Order. Sighted:

*Name: Hifzi
Passport No: C 4265639
Month: January 2020
Salary: RM 152.00*

*Name: Parizal Selamat
Passport No: C 4883570
Month: January 2020
Salary: RM 152.00*

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 *NC: No evidence to show the contractor workers (Contractor: Mohd Peteri Bin Ibrahim & Hj. Harun Bin Jusoh) in PPN Bukit Diman and PPK Maras are paid based on Minimum Wage Order or other legal requirements.*

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 workers available during the audit. For PPN Terengganu, there are 8 local workers and 4 Indonesian workers. The list includes Names, gender, date of birth and positions. For PPK Kuala Berang, there are 3 Indonesian and 3 locals currently working in the estate.

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 Contract agreement was made available to the audit team for both foreign and local workers. The documents have been signed by both employees and the management. Sighted employment contract in PPN Terengganu for:

Name: Mohd Halipi Bin Ibrahim
Ref: PPNT(A)1/106 Jld 6 (48)
Date: 02.12.2019

Job: Lorry Driver

Other employment contract sighted in PPK Kuala Berang sighted for:

Name: Hipzi

Date: 26.12.2019

Passport No: C 4265639

PPK Bukit Diman and PPK Maras are not having own workers. Operations in the estate is by contractors.

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 The management is monitoring its workers attendance by using punch-card system. Working hours in the estate is from 08.00 am to 05.00 pm. Contractor Workers' attendance is recorded by estate field supervisor.

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 Working hours has been stated in the contract agreement (08.00 am – 05.00 pm). Based from the interview with the estate manager, he said that the working hours was briefed to the workers when they report on duty at PPNT.

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 Example payment slips sighted in PPN Terengganu during the audit:

Name: Sukriadi (Indonesian)

Month: January 2020

Gross Salary: RM 2,437.86

Deduction: -

Name: Azahar Bin Ibrahim (Malaysian)

Month: January 2020

Gross Salary: RM 1,240.00

Deduction: KWSP (RM137.00), SOCSO (RM6.25)

Net Salary: RM 1,096.75

NC PPK Kuala Berang: Salary was paid below than Minimum Wage Order to estate workers. There is no SOCSO contribution (January 2020 and February 2020) for all the Indonesian workers in the estate.

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 Some benefits offered by the company are:

1. House
2. Electric
3. Water
4. Medical (Employer provides transport to nearby clinic and absorb all the bill charges)

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 housing for workers provided to estate employees is having basic amenities such as electricity and running water. PPK Bukit Diman and PPK Maras are not having own workers. Operations in the estate is by contractors.

*NC: No weekly inspection record sighted during the audit as per requirement in Workers' Minimum Standards Housing and Amenities Act 1990.
Water for workers' consumption in PPK Kuala Berang is extracted from natural source (Air Bukit). However, there is no sampling of water being used to ensure that the water supply is suitable for consumption.*

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 "Polisi Pengurusan Dan Pencegahan Gangguan Seksual". Established on 30.10.2019 which was approved by the general manager Mr Kamarudin bin Puteh. The policy is written in Bahasa Malaysia. The policy has been briefed to all estate workers as per training record dated 23.10.2020. No gender committee in the estate as no female workers here.

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 There are no restrictions for workers to form a union as stated in company's policy "Polisi Pengurusan Sosial" signed by Pengurus Besar, En. Kamarudin Bin Puteh dated 30.10.2019. As per interview with the management, there is no workers union in the estate.

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

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

Summary No children and young persons employed in the estate as per estate workers registration list.

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 The company has established a SOP called, "Perlaksanaan Latihan", doc no: MSPO/PPNT/SOP-01/PL, dated on 01.11.2019.

Training program for year 2020 has been established by the management as per document "Program Latihan PPNT & PPK 2019 / 2020". Among the trainings plan for the year such as:

1. MSPO training
2. Domestic waste management
3. Schedule waste management
4. Chemical management
5. SOP for harvesting
6. First aid

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 needs analysis available during the audit. Example training identified as per TNA document:

1. Safe operating procedure
2. Chemical handling
3. Safe driving
4. OSH
5. Environment
6. Biodiversity

The document was prepared by field supervisor, En. Zulazri Bin Othman. In PPK, documents of training needs analysis sighted during the audit. The documents are signed by the Project Manager for each PPK. Trainings have been identified to each personnel in the estate such as:

1. Manager / Assistant Manager
2. Supervisor
3. Sprayers
4. Fertilizer workers
5. Store keeper

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 Training records available during the audit. Sighted record:

Date: 23.10.2019

Training: Fire fighting

Date: 23.10.2019

Training: MSPO Policies, Complaint procedures, PPE training

Date: 24.10.2019

Training: First aider

Date: 23.10.2019

Training: Schedule Waste Management

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 The company has established Environment Policy named "Polisi Pengurusan Alam Sekitar dan Kepelbagaian Bio" dated 30th October 2019 approved by En Kamaruddin bin Puteh, General Manager. The said Policy is available in Bahasa Malaysia. The policy was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting which was conducted on 02.01.2020 at PPNT Office Kg. Pelam.

NC (MAJOR): In PPK Kuala Berang and PPK Bukit Diman, the policy was not communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

In Compliance ☐ Yes ☒ No ☐ Not Applicable

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

Summary The company has established "Penilaian Impak dan Aspek Alam Sekitar 2019" semakan 01/2019 dated 1/11/2019 prepared by En Mohd Zulazri Othman, Estate Supervisor and approved by En Abdullah Che Ibrahim, Estate Manager. The management has identified all estate operations which may lead to negative impacts to the environment. For the impacts identified, management plan has been established to mitigate those impacts. Given below are some sampled Environmental Impact and Aspects identified by the management:

ACTIVITY	OUTPUT	ASPECTS	IMPACTS
Chemical spraying	Chemical mixture	Chemical spillage	Chemical spillage into soil and water source
Fertilizer application	-	Contribution to GHG	Global warming
Diesel fueling		Diesel spillage	Diesel spillage into soil and water source

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 an Environment Improvement Plan named "Pelan Pengurusan Alam Sekitar" Document no MSPO/PPNT/SOP-01/PAS dated 1/11/2020. Given below are some sampled Environmental Improvement Plan to mitigate the negative impact and to promote the positive ones:

NO	ISSUE	MANAGEMENT PLAN
1	Chemical spillage	<ul style="list-style-type: none"> Preparing special containment for chemical mixing area To have chemical spillage kits

2	Schedule Waste Management	<ul style="list-style-type: none"> To ensure schedule waste is disposed according to regulations To register for E-SWIS portal To appoint DOE approved contractor to dispose all the SW generated in the estate.
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The above "Management Plans" are in the implementation stage. As there is not enough volume of SW generated by the estate, the appointment of DOE approved SW collector will be done later, before exceeding 180 days from the date of SW generated.

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

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

Summary Environmental aspects have been included in estate CIP named "Pelan Pengurusan Alam Sekitar" dated 20/11/2019 as sighted during the audit in PPN Terengganu. The document was prepared by En Mohd Zulazri bin Othman, Estate Supervisor and approved by En Abdullah Che Ibrahim, Estate Manager. Among the plan documented by the estate such as:

NO	ISSUE	ACTION PLAN	TARGET DATE
1	Chemical spillage	To establish proper chemical mixing area.	In progress
2	Traces of oil spillage in tractor parking area	Menyediakan "Container" sebagai perangkap minyak hitam dan menyediakan latihan kesedaran Alam Sekitar kepada pemandu serta pengendali jentera dan mesin	In progress

PPK Kuala Berang/PPK Bukit Diman has established continuous improvement plan for year 2019/2020. Example plan sighted as per table below:

NO	ISSUES	MITIGATION PLAN
1	Environmental awareness and training	Program akan dirancang untuk latihan berkenaan alam sekitar untuk peringkat Kawasan seperti program kitar semula dan pembakaran terbuka.
2	No hunting training	Memasang papan tanda larangan memburu di Kawasan ladang.
3	Chemical spillage training	Menyediakan tempat bancuhan bahan kimia selamat

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

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

Summary Sighted environmental awareness training programme to workers dated 23/10/2019 conducted by En Nik Khairul Affendi (Consultant) from Ahmad Global Marketing. Given below are some sampled Training conducted by PPNT:

Date: 23.10.2019

Training: Schedule waste management

Sighted training photographs and training report dated from 22/10/2019 to 23/10/2019.

PPK Maras has established and implemented awareness and training programme on environmental management to all workers and management staff members dated 22/10/19 to 23/10/2019. Given below are some sampled Training conducted by PPK Maras:

Date: 22.10.2019 – 23.10.2019

Training:

1. Schedule waste management
2. Rehabilitation of the replanting area
3. Chemical handling
4. Domestic waste management

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 Management meeting discussing on environment have been conducted in all the estates audited. For example, sighted Latest Environment Meeting dated 2nd January 2020 by PPN Terengganu which was attended by 11 staffs.

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

Criterion 2 Efficiency of energy use and use of renewable energy

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

Summary Monitoring of non-renewable energy (Diesel, Electricity and Petrol) has been documented by the estate. Given below are the per MT usage of Diesel/Petrol/Electricity:

PPN Terengganu:

YEAR	DIESEL/MT	PETROL/MT	ELECTRICI/KWH/MT
2017	1.27	0.02	6.59
2018	0.30	0.03	6.15
2019 As at Nov	0.07	0.07	2.06

PPK Kuala Berang:

TAHUN	FFB YANG DIPROSES (MT)	PENGUNAAN DIESEL	DIESEL/MT
2017	1885.43	7436	3.94
2018	1529.32	6818	4.46
2019	1762.14	7810	4.43

BASLINE VALUE	2017	2018	2019
	3.94	4.46	4.43
	4.27		

PPK Bukit Diman

TAHUN	FFB YANG DIPROSES (MT)	PENGUNAAN DIESEL	DIESEL/MT
2017	444.53	1795	4.06
2018	340.97	2285	6.70
2019	231.40	2260	9.76

BASLINE VALUE	2017	2018	2019
	4.06	6.07	9.76
	6.63		

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 PPN Terengganu and other PPKs has estimated the direct usage of non-renewable energy i.e. diesel, petrol and electricity to determine energy efficiency of their operations. Given below are the estimated usage for the year 2020, 2021 and 2022. Example data sighted as per table below:

PPN Terengganu

YEAR	DIESEL	PETROL	ELECTRICITY
2020	9762.32 LIT	461.53 LIT	3708 KW
2021	9856.23 LIT	531.25 LIT	3604 KW
2022	9935.25 LIT	493.23 LIT	3502 KW

PPK

PPK	2020	2021	2022
Kuala Berang	8220 LIT	8940 LIT	-
Bukit Diman	2040 LIT	2100 LIT	2160 LIT
Maras	6466 LIT	6550 LIT	6594 LIT

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

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

Summary No identification of potential usage of renewable energy for new technique/technology by management.

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 PPNT has established Waste Management Plan Document No MSPO/PPNT/SOP-01/PPS dated 1ST January 2019. The plan has identified types of Waste products and sources of pollution such as:

NO	TYPE OF WASTE	SOURCE/LOCATION
1	Used Lubricant	Repair shed
2	Domestic Waste	Temporary Line Site
3	Tyres	Repair Shed

In PPK Bukit Diman, the Waste Management Plan Document No MSPO/PPNT/SOP-01/PPS dated 1ST January 2019 prepared by En Mohd Rafli, Pegawai Alam Sekitar and approved by En Ahmad Azhar bin Taib, Pengurus Besar. The plan has identified types of Waste products and sources of pollution. Given below are the details.

NO	SOURCE/LOCATION	TYPE OF WASTE
1	Domestic waste	From workers housing area
2	Chemical spraying activity	Used chemical container
3	Fertilizer application	Used fertilizer bags

NC (MAJOR): In PPK Kuala Berang, waste products and sources of pollution were not identified and documented.

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 PPN Terengganu PPKs have established its waste management plan based on the waste produced in each estate. Given below are the identified waste and action plan to reduce pollution and implementation plan.

SOURCE	TYPE OF WASTE	MONITORING MITIGATION/PLAN
Domestic waste	From workers housing area	i. To provide rubbish bin at workers housing area ii. Establish rubbish collection schedule iii. Separation between inorganic and inorganics waste
Chemical spraying activity	Used chemical container	i. Keep all empty chemical container inside dedicated store ii. Keeping record of incoming and outgoing containers iii. Dispose to license contractor
Fertilizer application	Used fertilizer bags	i. Dispose to license contractor

During site verification, it is observed that management is complying to its own mitigation plan to handle all the waste identified.

NC (MAJOR): In PPK Kuala Berang, no waste management plan to avoid or reduce pollution was developed and implemented.

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 PPNT/PPK Kuala Berang/PPK Bukit Diman/has established establish Standard Operating Procedure for handling of chemicals i.e. "Pembelian Bahan Kimia, Penerimaan bahan Kimia and Penyimpanan Bahan Kimia" Document No: MSPO/PPNT/SOP-01/PBK dated 1/11/ 2019.

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 In PPK Maras, all empty pesticide containers are punctured, rinsed and stored in the Schedule waste store. The stored empty pesticide containers will be sold to PENTAS FLORA SDN BHD, Kuala Terengganu. (awaiting quotation).

NC (MAJOR): PPN Terengganu & PPK Kuala Berang, empty pesticide containers were not disposed in an environmentally and socially responsible way. Found pesticide containers at the surrounding area of the workers quarters i.e. perimeter drain and at garbage collection area during site visit.

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 In PPK Maras, There is no workers quarters as such no domestic waste is generated in the estate. Workers stays in rented houses outside the estate.

NC (MAJOR): PPN Terengganu & PPK Kuala Berang, domestic waste was not disposed of at the landfill. Found domestic waste at the vicinity/surrounding area/perimeter drain of the workers quarters during site visit.

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 PPNT/PPK Kuala Berang/PPK Bukit Diman/PPK Maras has carried out assessment of all polluting activities in its premises. Sighted document named "Penilaian Impak dan Aspek Alam Sekitar – Tahun 2019" with the assessment results.

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

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

Summary PPNT/PPK Kuala Berang/PPK Bukit Diman/PPK Maras has carried out assessment of all polluting activities in its premises. Sighted document named "Penilaian Impak dan Aspek Alam Sekitar – Tahun 2019" with significant pollutants and emission identified and action plan implemented. Example plan sighted related to daily estate operations such as:

Activity: Chemical spraying

Mitigation:

- i. Using correct dosage of chemical
- ii. Training for sprayers
- iii. No chemical activity along river riparian zone
- iv. Follow spraying SOP

Activity: Rat Baiting

Mitigation:

- i. Using of first-generation rat bait
- ii. Implementation of IPM

iii. Strict supervision during field application

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

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:

- a) Assessment of water usage and sources of supply.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.
- e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
- f) Where bore well is being used for water supply, the level of the ground water table should be measured at least annually.

Summary Documentation on water management plan has been established by the company. Sighted document in PPK Bukit Diman Document No: MSPO/PPNT/SOP/-01/PPA dated 1/11/2019.

Water for domestic use in PPN Terengganu is supplied by local government. During site visit to all the estates being audited, it is found that the estate management is harvesting rainwater by building roadside pits to trap water runoffs in hilly area, especially during raining season. No construction of bunds, weirs and dams across main rivers (Sungai Berang) passing through Bukit Diman Estate.

NC:

1. *No water management plan was established and documented to maintain the quality and availability of natural water resources (surface and ground water). – Kuala Berang*
2. *No establishment and demarcation of river buffer zone along Sungai Berang located in PPK Bukit Diman.*

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 No construction of bunds, weirs and dams across main rivers (Sungai Berang) passing through Bukit Diman Estate.

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 During site visit to all the estates being audited, it is found that the estate management is harvesting rainwater by building roadside pits to trap water runoffs in hilly area, especially during raining season.

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

Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area
Indicator 1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>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.</p>

Summary Sighted "Lapuran Biodiversiti Ladang Pertubuhan Peladang Negeri Terengganu" for PPNT (Kg Pelam), PPK Kuala Berang, PPK Bukit Diman and PPK Maras. The collated report which includes the planted areas as well as the surrounding landscape area was prepared by En Mohd Hairol Mat Zin dated 28th and 29th October 2019.

The report has identified the following
FAUNA

1. 9 species of Mammals
2. 8 species of Reptiles
3. 3 species of amphibia
4. 48 species of Avifauna where 27 species which are totally protected, 9 species Protected, and 10 species not listed in the Act.

FLORA

The report has identified 8 types of Flora as follows

1. Senduduk
2. Senduduk Bulu
3. Pokok Kapal Terbang
4. Rumput Pahit
5. Paku Larat
6. Paku Rawan/Pucuk Midin
7. Mahang
8. Anak Sawit Liar

The report has also identified threatened and endangered species. Given below are some sampled Threatened/Endangered species identified as per report:

THREATENED/ ENDANGERED SPECIES	MITIGATION PLAN

Babi Hutan (Wild boar) Family Suidae Scientific Name <i>Sus scrofa</i>	
Kucing Batu Family Viverridae Scientific Name <i>Prionailurus bengalensis</i>	1. Put up "Kawasan Larangan Memburu" sign boards at the estate to warn visitors and workers.
Tupai Pinang Family Sciuridae Scientific Name <i>Callosciurus notatus</i>	2. Pekerja & penduduk tempatan dilarang memburu mana - mana species hidupan liar dikawasan ladang
Biawak Tikus Family Varanidae Scientific Name <i>Varanus nebulosus</i>	3. Memilih racun perosak yang tidak memudaratkan hidupan liar.
Tedung Selar Family Sciuridae Scientific Name <i>Tupaia glis</i>	4. Pembersihan & Pembukaan Kawasan secara berperingkat
Ular Sawa Family Pythonidae Scientific Name <i>Python reticulatus</i>	5. Menguruskan kaedah mesra alam seperti penggunaan racun perosak yang diluluskan oleh kerajaan

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

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

Summary The report has also identified threatened and endangered species which includes
 1. Meeting Legal requirements relating to the protection of the species.
 2. Discouraging any illegal or inappropriate activities by developing measures to resolve human and wildlife conflicts.

Among mitigation plans to discourage any activities which may harm the wildlife includes:

1. Put up "Kawasan Larangan Memburu" sign boards at the estate to warn visitors and workers.

2. Selection of less harmful chemical for estate operation.
3. Managing environmentally friendly method for chemical spraying activity in the estate.

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 The management have implemented the following plan to monitor and protect the wildlife in the estate:

1. Put up "Kawasan Larangan Memburu" sign boards at the estate to warn visitors and workers.
2. Selection of less harmful chemical for estate operation.
3. Managing environmentally friendly method for chemical spraying activity in the estate.
4. Planting of fruit trees to attract wildlife such as birds

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 PPNT/PPK Kuala Berang/PPK Bukit Diman/PPK Maras has established "Polisi Pengurusan Alam Sekitar dan Kepelbagain Bio" dated 30/10/2019 approved by En Kamaruddin bin Puteh, General Manager.

The policy prohibits the use of open burning neither for domestic waste disposal nor for oil palm replanting. This is clearly stated in Para 1 of the said policy. Further, as per interview with the respective Manager/Supervisors it was revealed that no open burning is practiced in the estates. This was confirmed during site visit where no traces of open burning were sighted.

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 special approval needed from the relevant authorities is to be sought for controlled burning as there is no areas where the previous crop is highly diseased and there is no significant risk of disease spread or continuation into the next crop.

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 burning activity in the estate during replanting of oil palm.

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 SOP for replanting established by the company stated that no burning of crop residue is allowed during replanting of oil palm.

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

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

Summary The Standard Operating Procedure in PPN Terengganu for the good practices covering all operation in the plantation is guided by the Manual by MPOB as referred to "Perusahaan Sawit di Malaysia Satu Panduan" – Edisi Keempat". The SOP is made available and listed base on the operation activities in the estate such as:

1. Bab 5: Biodiversiti di Ladang Sawit
2. Bab 9: Tapak Semaian
3. Bab 10: Penyediaan Kawasan dan Penanaman Sawit
4. Bab 12: Pembajaan Sawit
5. Bab 15: Pengurusan Rumpai
6. Bab 18: Kumbang Pendebungaan, Perosak Sawit dan Kawalannya

For other PPK such as PPK Bukit Diman, the Standard Operating Procedure for the good practices covering all operation in the plantation is guided by the Manual by MPOB as referred to "Perusahaan Sawit di Malaysia Satu Panduan" – Edisi Milenium". The SOP is made available and listed base on the operation activities in the estate such as:

1. Bahagian I: Biologi Sawit
2. Bahagian II: Pengurusan Sawit
3. Bahagian III: Kegunaan Sebagai Produk Hiliran
4. Bahagian IV: Pemasaran dan Peraturan Sawit

The estate operation is monitored by Muhammad Syakir bin Zainaripin.

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

Indicator 2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as

siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Summary Based on the field visit in PPN Terengganu, sighted no river passing through the estate and no contamination of surface water sighted. The field soil erosion had been minimized through the method grass cutting and grass cutting on the path of harvesting. Thus, maintaining the soft grasses. In PPK Bukit Diman, sighted a river passing through the estate (Sungai Berang) with no contamination of surface water sighted. The field soil erosion had been minimized through the method grass cutting and grass cutting on the path of harvesting.

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

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

Summary In PPK Kuala Berang, temporary reference system to identify each field is made available during the site visit. Sampled field is:

- Blok1
- Tahun Tanam: 2000
- Bilangan Pokok: 5247 pokok
- Keluasan: 38.57 Ha

NC: However, for other estates, there is no visual reference system to identify each field or block sighted during the site visit. Thus, a non-conformance is raised.

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 Business management plan for all the estates audited available during the audit except for PPK Bukit Diman. A documented business or management plan / budget is made available in the "Pelan Perkhidmatan dan Belanjawan Tahun 2020 dan Pindaan Tahun 2019". The budget includes the general income / expenses of Yield, Monitoring, Worker payment, Maintenance cost, Price forecast and Cost of production.

NC (MAJOR): No evidence of documented business or management plan is established at PPK Bkt Diman to demonstrate attention to economic and financial viability through long-term management planning.

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

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

Summary

Replanting program for all the estates being audited is available and has been verified. In PPK Kuala Berang, A Replanting program is made available as referred to:

No Blok	1	2	2	2	3
Luas Kaw. (Ha)	38.61	36.18	2.71	3.35	42.30
Anggaran Tahun Tanam	2025	2025	2035	2042	2025

Other replanting program document sighted in PPK Maras/Batu Rakit as per table below:

No Blok	A	B	C	D	E	F
Anggaran Tahun Tanam	2025 (Tanaman semula akan ditanam berperingkat)					

In Compliance**Yes**

No



Not Applicable

Indicator 3

The business or management plan may contain:

- Attention to quality of planting materials and FFB.
- Crop projection: site yield potential, age profile, FFB yield trends.
- Cost of production: cost per tonne of FFB.
- Price forecast.
- Financial indicators: cost benefit, discounted cash flow, return on investment.

Summary

The business plan established by the management does contain the relevant details as per required by this indicator. In PPN Terengganu, sighted the Business Management Plan is made available for 2019 and 2020 that includes:

Budget Year	2019	2020
FFB Production / projection	3000mt	3690mt
Cost of production (RM/MT)	RM413.80/mt	RM336.28/mt
FFB Price (Forecasted)	RM500.00/mt	RM450.00/mt
Material	DXP	DXP

For PPK Kuala Berang, data available for:

Budget Year	2019	2020	2021
FFB Production / projection	2100mt	2150mt	2152.50mt

Cost of production (RM/MT)	RM358.01/mt	RM350.55/mt	RM358.01/mt
FFB Price (Forecasted)	RM400.00/mt	RM400.00/mt	RM410.00/mt
Material	DXP	DXP	DXP

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

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

Summary A once a year meeting is conducted to monitor on the progress of the management plan. Latest meeting was conducted on 23rd November 2019. The agendas are inclusive of budget presentation and any amendment should there is any required. Latest meeting for PPK Kuala Berang was conducted on 31st July 2019 with the attendance of "Ahli Jemaah Pengarah" and "Perwakilan".

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

Criterion 3 Transparent and fair price dealing

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

Summary The pricing mechanism of the services provided is made available in the contract between contractor and PPK Maras/Batu Rakit under the "Clause 4. Kadar Upah".

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 The agreed contracts is made available. Sampled payment is dated 9th February 2020 for Pruning task in January 2020 with voucher no: BB022000025.

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 Sighted a signed memo on the "Penerangan dan Pematuhan terhadap Pensijilan MSPO kepada Kontraktor" dated 20th November 2020 by Hj Harun bin Jusoh (contractor) issued by PPK Maras / Batu Rakit. The document is intended by the contractor to

acknowledge on their understanding of the contractor's responsibility in relation to MSPO requirements.

NC (MAJOR): No evidence of contractors which is engaged in PPK Bukit Diman, understands the MSPO requirements and shall provide the required documentation and information.

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

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

Summary Sighted the agreed contracts are made available with the contractor and management of PPK Maras. Sampled contractor is between PPK Maras / Batu Rakit and Haji Harun Bin Jusoh with contract date: 12th November 2019.

NC (MAJOR): No evidence of contracts between PPK Bukit Diman and the contractor (Mohd Peteri bin Ibrahim) is made available at the time of audit.

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

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

Summary The Estate management accepted the audit by Global Gateway Certifications Sdn Bhd as per the audit plan dated MSPO auditor on 13th February 2020 (3rd Revision).

All the auditors are qualified MSPO auditor. As per agreed, the Estate accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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 *NC (MAJOR) PPK Bukit Diman & PPK Maras / Batu Rakit: No evidence of monitoring on the control points applicable to the tasks performed by the contractor, either by checking and signing the assessment of the contractor for each task and season contracted.*

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 this company.

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 this company.

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

Criterion 2 Peat land

Indicator 1 New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

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

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

Criterion 3 Social and Environmental Impact Assessment (SEIA)

Indicator 1 A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.

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

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

Indicator 2 SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.

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

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

Indicator 3 The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.

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

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

Indicator 4 Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

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

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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 this company.

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) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 2) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 3) The estate management has demonstrated fully commitment during the entire audit process.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 5) Good relationship being maintained with surrounding smallholders and villages.
- 6) Good positive feedback received from internal and external stakeholders.

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
23 rd Feb 2020	TBA	➤ Auditors Travel to Terengganu	MFB	MAS SS
24 th Feb 2020	08:00 – 09:00	➤ Centralize Opening Meeting at PPN Terengganu <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor ➤ Confirmation of assessment scope and finalize Audit plan	MFB	MAS SS
	09:00 – 13:00	PPN Terengganu <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	MAS SS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MFB	MAS SS
	13:00 – 14:00	➤ Lunch/Rest	MFB	MAS SS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	MAS SS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day.	MFB	MAS SS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
25 th Feb 2020	08:00 – 13:00	PPK Kuala Berang <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	MAS SS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, 	MFB	MAS SS



		workshop, agriculture best practices, chemical store, and pre-mixing, etc.		
		➤ Centralize Stakeholder Consultation	MFB	MAS SS
	13:00 – 14:00	➤ Lunch/Rest	MFB	MAS SS
	14:00 – 16:00	➤ Continue document review • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.	MFB	MAS SS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	MFB	MAS SS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
26 th Feb 2020	08:00 – 13:00	PPK Bukit Diman ➤ Document Audit: • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.	MFB	MAS SS
	10:30 – 12:30	➤ Estate inspection: • 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.	MFB	MAS SS
	13:00 – 14:00	➤ Lunch/Rest	MFB	MAS SS
	14:00 – 16:00	➤ Continue document review • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.	MFB	MAS SS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 3.	MFB	MAS SS


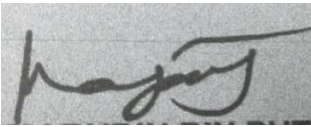

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
27 th Feb 2020	08:00 – 13:00	PPK Maras ➤ Document Audit: • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.	MFB	MAS SS
	10:30 – 12:30	➤ Estate inspection:	MFB	MAS SS


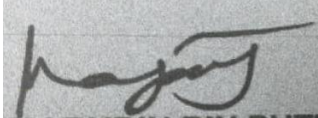


		<ul style="list-style-type: none"> Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 		
	13:00 – 14:00	➤ Lunch/Rest	MFB	MAS SS
	14:00 – 15:00	➤ Continue document review <ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	MAS SS
	15:00 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MFB	MAS SS
	16:00 – 17:00	➤ Centralize Closing Meeting at PPK Maras: ➤ Chaired by the audit Lead Auditor <ul style="list-style-type: none"> Welcome and introduction by the Lead Auditor Presentation of findings by the audit team Questions & answers and Final summary by Lead Auditor ➤ End of assessment	MFB	MAS SS
	TBA	➤ Auditors travel to Kuala Lumpur		MAS SS


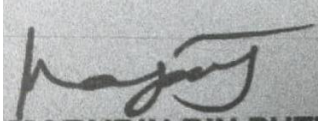
Appendix B: Non-Conformity details


Non-Conformities Identified During This Audit			
Major Nonconformities:	Below NC's were raised during this audit.		
Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/01	Date Detected	26 th February 2020
Site(s) concern	PPK Kuala Berang, PPK Bukit Diman	Target Completion	90 DAYS
Normative Reference and Requirement	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: <ul style="list-style-type: none"> a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d) Protection of water courses and wetlands, e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. 		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit		
NC Objective Evidence 1.No water management plan was established and documented to maintain the quality and availability of natural water resources (surface and ground water). – Kuala Berang 2.No establishment and demarcation of river buffer zone along Sungai Berang located in PPK Bukit Diman.			


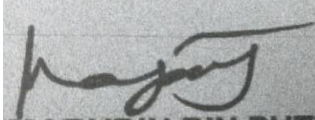
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client): Person in charge lack of knowledge regarding MSPO matters especially in water management.	
Corrective action planned (to be filled by client): i. Water management for Kuala Berang Estate was prepared. (Attachment 1.1) ii. Signages was display at riparian zone at Bukit Diman Estate. (Attachment 1.2)	
Preventive Action (to be filled by client): Refreshment training will be conducted 1st Monday to all staff after MCO period.	
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/ 02	Date Detected	27 th February 2020
Site(s) concern	PPK Kuala Berang/PPK Bukit Diman/ PPK Maras/ Batu Rakit	Target Completion	90 Days
Normative Reference and Requirement	4.2.2.3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of identification on confidentiality status of the documents		
NC Objective Evidence:			
<p><i>1.15.1.1 PPK Kuala Berang</i> Stakeholder list is not available.</p> <p><i>1.15.1.2 PPK Bukit Diman</i> Sighted list of stakeholders is made available. However, there are insufficient stakeholders were identified as there is no NGO, FFB buyer, PERHILITAN, Forestry Department and contractor is not included.</p> <p><i>1.15.1.3 PPK Maras/Batu Rakit</i> Sighted list of stakeholders is made available. However, there are insufficient stakeholders were identified as there is no NGO, MPOB, District Office, Land Office, and FELCRA Bukit Sudu is not included.</p>			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Person in charge was unaware regarding List of Stakeholder need to be updated include all agencies and surrounding stakeholder.			
Corrective action planned (to be filled by client):			


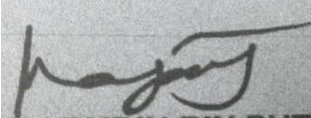
<p>List of stakeholders has been updated by PPK. (Attachment 2.1 – PPK Maras) (Attachment 2.2 – PPK Bukit Diman) (Attachment 2.3 – Kuala Berang)</p>	
<p>Preventive Action (to be filled by client):</p>	
<p>Refreshment training will be conducted 1st Monday to all staff after MCO period.</p>	
<p>Review of corrective/preventive action (to be filled by Lead Auditor)</p>	
<p>Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.</p>	
<p>NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Date Verified: 27.05.2020</p>	<p>Lead Auditor Signature:</p> <p><i>fadzli</i></p>


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/ 03	Date Detected	27 th February 2020
Site(s) concern	PPK Bukit Diman	Target Completion	90 Days
Normative Reference and Requirement	4.2.3.2 The management shall conduct regular inspections on compliance with the established traceability system.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of regular inspections on compliance with the traceability system.		
NC Objective Evidence:			
1.15.1.4 PPK Bukit Diman No evidence of regular inspections on compliance with the established traceability system is made available at the time of audit.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Person In charge lack of knowledge regarding traceability management.			
Corrective action planned (to be filled by client):			
Regular traceability inspections were done monthly By Person in charge at PPK Bukit Diman (Attachment 3).			
Preventive Action (to be filled by client):			
Refreshment training will be conducted 1st Monday to all staff after MCO period.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


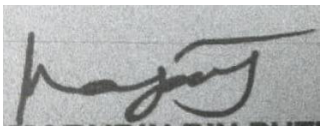
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/ 04	Date Detected	27 th February 2020
Site(s) concern	PPNT / PPK Bukit Diman	Target Completion	90 Days
Normative Reference and Requirement	4.2.3.4 Records of sales, delivery, or transportation of FFB shall be maintained.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Insufficient maintenance of records on traceability system.		
NC Objective Evidence:			
<p>PPNT Contradiction of MPOB license used for FFB trading to Kilang Sawit Jerangau Barat as sampled dated 22nd February 2020 as the MPOB license use is: 547743015000. However, the MPOB license of PPNT is 501771102000.</p> <p>PPK Bukit Diman No records of the traceability related documents are made available at the time of audit.</p>			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
<p>PPNT PPNT has appointed Subsidiary company under license 547743015000 to sell FFB from PPNT to Kilang Sawit Jerangau. However proper agreement and record were not made between PPNT and subsidiary company.</p> <p>PPK Bukit Diman Person in charge lack of understanding how maintain record traceability properly.</p>			
Corrective action planned (to be filled by client):			


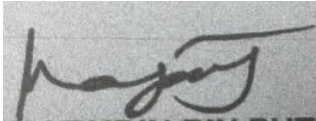
<p>PPNT</p> <p>Agreement between Estate Kelapa Sawit PPNT and subsidiary PPNT (Syarikat Pertubuhan Peladang) for selling FFB PPNT to Subsidiary Company has been prepared. (Attachment 4.1)</p> <p>PPK Bukit Diman</p> <p>Record of traceability has been prepared. (Attachment 4.2)</p>	
<p>Preventive Action (to be filled by client):</p>	
<ol style="list-style-type: none"> 1. PPNT will ensure all of the legal transaction will be documented properly. Person incharge will monitor and do regularly inspection. 2. Refreshment training will be conducted 1st Monday to all staff after MCO period at PPK Bukit Diman. 	
<p>Review of corrective/preventive action (to be filled by Lead Auditor)</p>	
<p>Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.</p>	
<p>NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Date Verified: 27.05.2020</p>	<p>Lead Auditor Signature:</p> 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/05	Date Detected	25 th February 2020
Site(s) concern	PPK Kuala Berang	Target Completion	90 DAYS
Normative Reference and Requirement	4.1.3.1 The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit		
NC Objective Evidence Management review meeting was not conducted.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Management review was conducted at PPK Kuala Berang However minute meeting was not in file.			
Corrective action planned (to be filled by client): Management Review was conducted on 8 Dec 2019. (attachment 6)			
Preventive Action (to be filled by client): PPK Kuala Berang will make sure person in charge will prepare properly before audit.			
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Date Verified: 27.05.2020	Lead Auditor Signature: 
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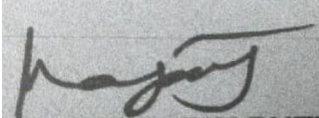

Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/06	Date Detected	27 th February 2020
Site(s) concern	PPK Terengganu / PPK Kuala Berang / Bukit Diman / Maras	Target Completion	90 days
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	License does not tally with land title.		
NC Objective Evidence:			
<p>PPN Terengganu The total hectares (188.80 Ha) from all the land titles is not tally with the MPOB license (No. 501771102000) which stated 190.10 Ha. There is no MPOB license for oil palm planting at HSD Hak Milik 657 (50.16 Ha in Durian Mentangau) where there is OP planted in year 2007, 2010 and 2014.</p> <p>PPK Kuala Berang During site visit to workers' housing area, it is sighted a fire extinguisher with expired certificate in the house (APA No: EE032008Y111310), expired on 23.03.2017.</p> <p>PPK Bukit Diman The total hectareage stated in the MPOB license is not tally with the estate land title (No. Hak Milik 2584, No. Lot 2502). The hectare in the land title is 110.90 Ha, while the MPOB license is 123.26 Ha.</p> <p>PPK Maras The total hectareage stated in the MPOB license is not tally with the estate land title (No. HS(D) 367, No. PT 9378 K). The hectare in the land title is 144 Ha, while the area in MPOB license is 110.00 Ha. Total planted 117 Ha.</p>			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			


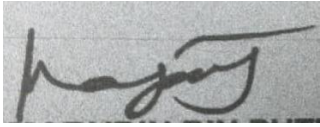
Person in charge of each estates were unaware regarding the issues.	
Corrective action planned (to be filled by client):	
1. PPN Terengganu, PPK Bukit Diman, PPK Maras was refer to MPOB Kuala Terengganu to revise hectare statement. (Attachment 7.1.1, 7.1.2), (Attachment 7.3), (Attachment 7.4) 2. PPK Kuala Berang has renew certificate of fire extinguisher. (Attachment 7.2)	
Preventive Action (to be filled by client):	
Refreshment training will be conducted 1 st Monday to legal officer after MCO period.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 22.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/07	Date Detected	27 th February 2020
Site(s) concern	PPNT, PPK Kuala Berang, PPK Bukit Diman, PPK Maras	Target Completion	90 days
Normative Reference and Requirement	4.4.4.1 An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Documents not available.		
NC Objective Evidence:			
<p>1.The OSH policy has not been effectively communicated to estate workers as there is no training record to show that contract and estate workers has been briefed on this matter.</p> <p>2.Health (OSH) plan for year 2020 has not been established by the estate management.</p>			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Person in charge unaware policy training must be conducted to estate and contract workers.			
Corrective action planned (to be filled by client):			
Policy briefing were conducted to all PPK and PPNT. (Refer Attachment 8.1) OSH plan 2020 were prepared. (Attachment 8.2)			
Preventive Action (to be filled by client):			
Refreshment training will be conducted 1 st Monday to legal officer after MCO period.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			


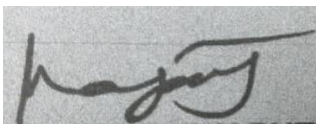
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/08	Date Detected	27 th February 2020
Site(s) concern	PPNT, PPK Kuala Berang, PPK Bukit Diman, PPK Maras	Target Completion	90 days
Normative Reference and Requirement	<p>4.4.4.2</p> <p>The occupational safety and health plan shall cover the following:</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>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 meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Documents not available.		
NC Objective Evidence:			
<p>As per field visit to fertilizer application gang in Block B (PPN Terengganu), it is sighted that a worker did not wear proper PPE (No gloves and wearing short pants) as recommended in estate HIRARC.</p> <p>Meeting for safety and health in PPN Terengganu / PPK Kuala Berang / PPK Bukit Diman has not been conducted as the date of audit.</p> <p>As per observed during field visit to manuring gang in PPN Terengganu, there was no first aid kits available on site. First aid kit was also not available in PPN Kuala Berang during visit to pruning gang.</p> <p>No record of accident available during the audit. JKPP8 form has not been submitted to JKPP in year 2018 and 2019.</p>			


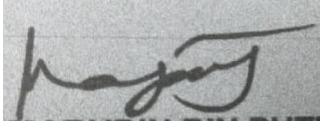
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client): Person in charge on safety lack of supervision to monitor and control regarding safety matters at their estate.	
Corrective action planned (to be filled by client): PPE was given to fertilizer gang at PPNT. (Attachment 9.1) Safety Meeting was conducted at PPK and PPNT. (Attachment 9.2) First aid training were conducted and 'First aid' kit was given to all mandor at PPK K.Berang and PPNT. (Attachment 9.3) All PPK and PPNT was register with MYKPP and submitted JKPP 8. (Attachment 9.4)	
Preventive Action (to be filled by client): Refreshment training will be conducted 1 st Monday to all staffs after MCO period.	
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 22.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/09	Date Detected	27 th February 2020
Site(s) concern	PPK Kuala Berang	Target Completion	90 days
Normative Reference and Requirement	4.4.5.3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Workers are not paid according to Minimum Wage Order.		
NC Objective Evidence:			
<p>Employment contract between estate workers and the management sighted during the audit. There is statement under section 2 (Salary) where workers will be paid a basic salary of RM 1,100.00 per month. As per payment slips sighted during the audit, all the 3 Indonesian workers are paid below Minimum Wage Order. Example:</p> <p>Name: Hifzi Passport No: C 4265639 Month: January 2020 Salary: RM 152.00</p>			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Indonesian workers had been paid for this month still under training and not competence to do harvesting. Previously both parties were agreed salaries are paid base on piece rated.			
Corrective action planned (to be filled by client):			
PPK had decided to paid their salary based on daily rate follow minimum wages order until they achieved their performance base on piece rate. (Attachment 10)			
Preventive Action (to be filled by client):			


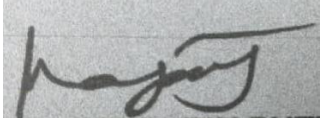
Management had decided, new employees recruits are paid based on daily basis until their competence and pay for piece rated.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/10	Date Detected	27 th February 2020
Site(s) concern	PPK Bukit Diman / PPK Maras	Target Completion	90 days
Normative Reference and Requirement	4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Payslips not available.		
NC Objective Evidence:			
No evidence to show the contractor's workers (Contractor: Mohd Peteri Bin Ibrahim & Hj. Harun Bin Jusoh) are paid based on Minimum Wage Order or other legal requirements.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Contractor had been informed by PPK to record salaries of their workers monthly. However during audit contractor failed to maintained record.			
Corrective action planned (to be filled by client):			
Salaries workers for contractor has been record properly. (Attachment 11)			
Preventive Action (to be filled by client):			
Contractor was informed by letter, to maintain salaries record for their workers monthly and monitor by field supervisor to avoid this matter happen again. (Attachment 11.1)			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

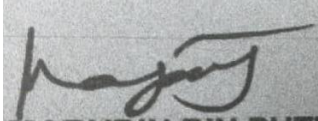
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/11	Date Detected	27 th February 2020
Site(s) concern	PPK Kuala Berang	Target Completion	90 days
Normative Reference and Requirement	4.4.5.9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Salary payment not in compliance with legal requirement.		
NC Objective Evidence:			
The salary paid to estate workers is below than Minimum Wage Order. There is no SOCSO contribution (January 2020 and February 2020) for all the Indonesian workers in the estate as per requirement in "Akta Keselamatan Sosial Pekerja 1969".			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Document available at site office, however during the audit PIC failed to show SOCSO contribution are made by management.			
Corrective action planned (to be filled by client):			
Refer attachment Boucher contribution by management to their workers.			
Preventive Action (to be filled by client):			
PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


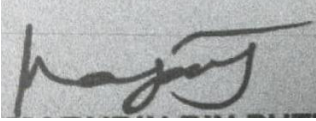
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/12	Date Detected	27 th February 2020
Site(s) concern	PPK Terengganu / PPK Kuala Berang	Target Completion	90 days
Normative Reference and Requirement	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.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Inspection record not available.		
NC Objective Evidence:			
No weekly inspection record sighted during the audit as per requirement in Workers' Minimum Standards Housing and Amenities Act 1990. Water for workers' consumption in PPK Kuala Berang is extracted from natural source (Air Bukit). However, there is no sampling of water being used to ensure that the water supply is suitable for consumption.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client):			
Person in charge in progress to prepare checklist for labor line inspection, However during audit inspections were not done by PIC.			
Corrective action planned (to be filled by client):			
Weekly inspection and record was done.			
Preventive Action (to be filled by client):			
PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor)			


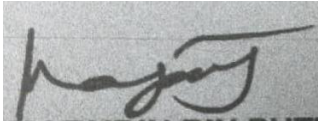
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BP1-MSPO-2020			
NC No. / Ref.	BP1/MSPO/MAJOR/13	Date Detected	25 th February 2020	
Site(s) concern	PPK Kuala Berang, PPK Bukit Diman	Target Completion	90 DAYS	
Normative Reference and Requirement	4.5.1.1 An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during audit			
NC Objective Evidence PPK Kuala Berang has established Environment Policy named "Polisi Pengurusan Alam Sekitar dan Kepelbagaian Bio" dated 30th October 2019. However, the policy was not communicated to all internal and external as part of the implementation process.				
Lead Auditor Signature: 		Client Signature: 		
Root cause Analysis (to be filled by client): Briefing on policy was given by consultant on 24 December 2019 to all staff and contractor. However policy was not communicated to internal and external stakeholder by PPK.				
Corrective action planned (to be filled by client): Briefing on policy was conducted to PPK Bukit Diman and PPK Kuala Berang as per attachment 14.1 and 14.2				
Preventive Action (to be filled by client): Briefing for policy has been scheduled in yearly training program. (Attachment 14.3)				
Review of corrective/preventive action (to be filled by Lead Auditor)				


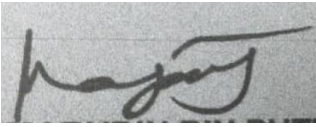
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/14	Date Detected	25 th February 2020
Site(s) concern	PPK Kuala Berang	Target Completion	90 DAYS
Normative Reference and Requirement	4.5.3.1 All waste products and sources of pollution shall be identified and documented.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit		
NC Objective Evidence Waste products and sources of pollution were not identified and documented.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Waste product and source of pollution already identified and documented in 'Pelan Pengurusan Sisa', However during audit, PIC unable to show this document.			
Corrective action planned (to be filled by client): Attachment 15.1			
Preventive Action (to be filled by client): PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


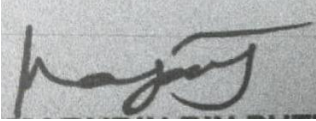
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/15	Date Detected	25 th February 2020
Site(s) concern	PPK Kuala Berang	Target Completion	90 DAYS
Normative Reference and Requirement	4.5.3.2 A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit		
NC Objective Evidence			
No waste management plan was established to identify and monitor sources of waste and pollution.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Waste product and source of pollution already identified and documented in 'Pelan Pengurusan Sisa', However during audit, PIC unable to show this document.			
Corrective action planned (to be filled by client):			
Attachment 16.1			
Preventive Action (to be filled by client):			
PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor)			


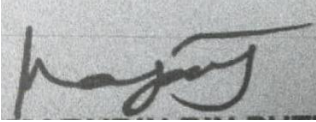
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/16	Date Detected	25 th February 2020
Site(s) concern	PPNT, PPK Kuala Berang	Target Completion	90 DAYS
Normative Reference and Requirement	4.5.3.4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence to show that the empty pesticide containers were disposed in an environmentally and socially responsible way.		
NC Objective Evidence			
Empty pesticide containers were not disposed in an environmentally and socially responsible way. Found pesticide containers at the surrounding area of the workers quarters i.e. perimeter drain and at garbage collection area during site visit.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Training on handling pesticide container were done to all PPK and PPNT staff on 23 rd October 2019. However, workers still not understanding how to manage pesticide container after use.			
Corrective action planned (to be filled by client):			
Pesticide container has been collected and kept at designated place. (Attachment 17.1)			
Preventive Action (to be filled by client):			
Re-training on handling pesticide container has been done by PPK (Attachment 17 .2)			
Review of corrective/preventive action (to be filled by Lead Auditor)			


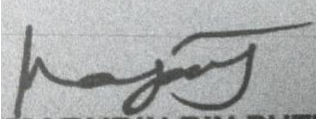
Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/ 17	Date Detected	27 th February 2020
Site(s) concern	PPK Bukit Diman	Target Completion	90 Days
Normative Reference and Requirement	4.6.2.1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No documented business or management plan is made available.		
NC Objective Evidence: PPK Bukit Diman No evidence of documented business or management plan is established at PPK Bukit Diman to demonstrate attention to economic and financial viability through long-term management planning.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Business management plan available documented at PPK Bukit Diman Office, However PIC unable to show during the audit.			
Corrective action planned (to be filled by client): Attachment 18.1			
Preventive Action (to be filled by client): PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


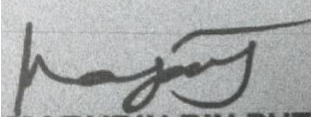
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/ 18	Date Detected	27 th February 2020
Site(s) concern	PPK Bukit Diman	Target Completion	90 Days
Normative Reference and Requirement	4.6.4.1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of the engaged contractor is understood on the MSPO requirements.		
NC Objective Evidence: PPK Bukit Diman No evidence of contractors which is engaged, understands the MSPO requirements and shall provide the required documentation and information.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Briefing to contractor was done by PPK Bukit Diman in December 2019. Contractor was mutual verbally agreed about term and requirement on MSPO standard. However no document were record between both party.			
Corrective action planned (to be filled by client): MSPO understanding between both parties has been made. Attachment 19.1			
Preventive Action (to be filled by client): PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


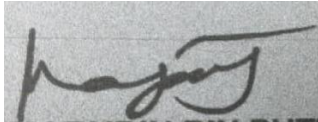
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/19	Date Detected	27 th February 2020
Site(s) concern	PPK Bukit Diman	Target Completion	90 Days
Normative Reference and Requirement	4.6.4.2 The management shall provide evidence of agreed contracts with the contractor.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No contracts with the engaged contractor is made available.		
NC Objective Evidence: PPK Bukit Diman No evidence of contracts between PPK Bukit Diman and the contractor (Mohd Peteri bin Ibrahim) is made available at the time of audit.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): Mohd Peteri Bin Ibrahim is a new contractor engaged by PPK Bukit Diman, Contract agreement was sent to contractor but not return yet to PPK Bukit Diman during audit.			
Corrective action planned (to be filled by client): Contract agreement was available. (Attachment 20.1)			
Preventive Action (to be filled by client): PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


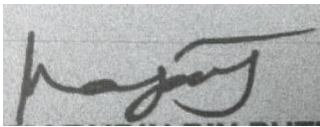
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MAJOR/ 20	Date Detected	27 th February 2020
Site(s) concern	PPK Bukit Diman / PPK Maras/Batu Rakit	Target Completion	90 Days
Normative Reference and Requirement	4.6.4.4 The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence on observance of the control points		
NC Objective Evidence: PPK Bukit Diman and PPK Maras/Batu Rakit No evidence of monitoring on the control points applicable to the tasks performed by the contractor, either by checking and signing the assessment of the contractor for each task and season contracted.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): PIC was unaware about this issues.			
Corrective action planned (to be filled by client): Monitoring has been done by PPK Bukit Diman and Maras. (Attachment 21.1)			
Preventive Action (to be filled by client): PIC will be train to understand the scope of work to ensure before audit documents were prepared effectively.			
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted with sufficient evidence submitted to the lead auditor.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	


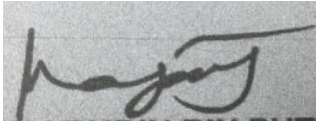
Date Verified: 27.05.2020	Lead Auditor Signature: 
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Minor Nonconformities:	The following NC's were raised for this audit.		
Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/ MINOR / 01	Date Detected	27 th February 2020
Site(s) concern	PPNT / PPK Bukit Diman / PPK Maras / Batu Rakit	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.6.1.3 A visual identification or reference system shall be established for each field.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No visual identification sighted during site visit.		
NC Objective Evidence: <i>PPNT / PPK Bukit Diman / PPK Maras / Batu Rakit</i> There is no visual reference system to identify each field or block sighted during the site visit. Thus, a non-conformance is raised.			
Lead Auditor Signature: 		Client Signature: 	
Root cause Analysis (to be filled by client): PIC understand for every estate regarding MSPO was still in minimum stage.			
Corrective action planned (to be filled by client): The information signboard about estate had been displayed on 12 th March 2020.			
Preventive Action (to be filled by client): Refreshment to every PIC estate and contractor team regarding MSPO issues will be done on the first week July 2020.			
Review of corrective/preventive action (to be filled by Lead Auditor)			


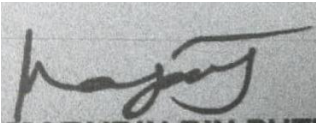
Corrective and preventive action plan will be verified during next annual surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 


Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MINOR/02	Date Detected	27 th February 2020
Site(s) concern	PPNT, PPK Bukit Diman	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.2.3 A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Complain forms are not available.		
NC Objective Evidence:			
Complain forms as per SOP MSPO/PPNT/SOP-01/KPA are not made available for internal and external parties to lodge any complaints.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Even though the complaint system existed, but the PIC estate was unaware in preparing the form at every premise.			
Corrective action planned (to be filled by client):			
A complaint form was put in estate area on 12 th March 2020.			
Preventive Action (to be filled by client):			
An order/memo had been issued by the superior and was distributed to every PPK estate on 12 th March 2020 in order to inform every estate should prepare complaint form in premise area.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective and preventive action plan will be verified during next annual surveillance audit.			
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Date Verified: 27.05.2020	Lead Auditor Signature: 
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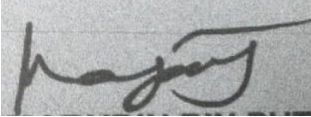
Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/ MINOR /03	Date Detected	27 th February 2020
Site(s) concern	PPK Kuala Berang, PPK Bukit Diman	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.2.4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Lack of understanding to estate workers.		
NC Objective Evidence:			
No briefing record is made available for "Komunikasi dan Penyelesaian Aduan dan Rungutan" procedure to estate workers in PPK Kuala Berang. This has been confirmed during interview with the estate workers where they are not aware of this procedure. For PPK Bukit Diman, no briefing record for this procedure being made to estate contract workers (Contractor: Mohd Peteri Bin Ibrahim).			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Contractor was informed about communication process and the resolution of complaints from PPN team. However, the contractor team failed to inform every workers under their supervision.			
Corrective action planned (to be filled by client):			
Refreshment was carried out to contractor workers on 18 th May 2020.			
Preventive Action (to be filled by client):			
Refreshment to every PIC estate and contractor team regarding MSPO matters will be done on the first week July 2020.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective and preventive action plan will be verified during next annual surveillance audit.			

NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 27.05.2020	Lead Auditor Signature: 

Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/MINOR/4	Date Detected	25 th February 2020
Site(s) concern	PPNT, PPK Kuala Berang	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.5.3.5 Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit		
NC Objective Evidence			
Domestic was not disposed of at the landfill. Found domestic waste at the surrounding area and perimeter drains of the workers quarters during site visit.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
The absence of special bins at workers' housing area had caused this issue happened.			
Corrective action planned (to be filled by client):			
Domestic waste at workers' housing area had been cleaned on 28 th February 2020. Dustbin had been prepared at every worker's house on 28 th February 2020.			
Preventive Action (to be filled by client):			
A regular table of garbage collection had been created and PIC was responsible to monitor once every week.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective and preventive action plan will be verified during next annual surveillance audit.			
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Date Verified: 27.05.2020	Lead Auditor Signature: 
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Area of Concerns:	The following AOC was raised for this audit.
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Company Name	Pertubuhan Peladang Negeri Terengganu		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-BP1-MSPO-2020		
NC No. / Ref.	BP1/MSPO/AOC/1	Date Detected	25 th February 2020
Site(s) concern	PPNT, PPK Kuala Berang, PPK Bukit Diman	Target Completion	-
Normative Reference and Requirement	4.1.1.1 A policy for the implementation of MSPO shall be established.		
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence to show that the policy was communicated to the stakeholders.		
NC Objective Evidence			
The company has established "Polisi MSPO" dated 30/10/2019. However, the policy was not communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.			
Lead Auditor Signature: 		Client Signature: 	

Appendix C: List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Estate workers (Muhammad Jailani)
- 2) Estate worker (Sahirman)
- 3) Estate Staffs
- 4) En. Kamarudin Puteh

External Stakeholders

- 1) Pn Norhayati (Sekolah Menengah Kebangsaan Bukit Besar)
- 2) En. Zulkifli (Kilang Sawit FGV)
- 3) KPT Peladang Sdn Bhd
- 4) Rashidah Mohd Yunof (Pejabat Kesihatan Daerah Kuala Terengganu)
- 5) Khairul Lokman Bin Zakariya (JKKP)
- 6) Fitri Bin Ibrahim (Kontraktor)