

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

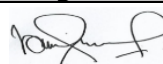
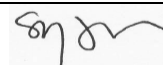

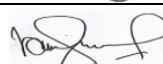
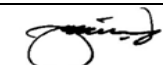
### CERTIFICATION AUDIT REPORT

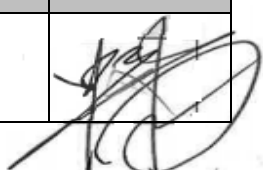
#### Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

##### Machap Plantation Sdn Bhd

##### -Individual Certification-

#### MAIN ASSESSMENT 28<sup>th</sup> July 2020 – 29<sup>th</sup> July 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	01/09/2020	Issued as Draft Report	Ismadi bin Ismail	Lead Auditor	
A	11/09/2020	Peer Review 1 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 1	
A	28/09/2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	06/10/2020	Issued as Final Report	Ismadi bin Ismail	Lead Auditor	
B	15/10/2020	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Machap Plantation Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	15/10/2020	Acceptance of the contents	Mr. Pang Biing Wah	Director	

#### **Declaration**

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

WITH INTEGRITY WE SERVE



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

## SECTION I : PUBLIC SUMMARY REPORT

### 1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Machap Plantation Sdn Bhd.** During this Main Assessment (Stage 2) Audit, the audit team were briefed by Estate Management of the supply base disposition. The Estate is on Individual Certification.

This assessment was conducted onsite on **28<sup>th</sup> July 2020** until **29<sup>th</sup> July 2020** to assess the compliance of the certification unit against the **"MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder"**. The scope of certification is **"Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches"**.

### 1.2 Company details and Contact information

<b>Company Name</b>	Machap Plantation Sdn Bhd
<b>Business Address</b>	PTD 42326, Jalan Seelong, Mukim Senai, 81400 Senai, Johor
<b>Contact Person</b>	Mr. Pang Biing Wah
<b>Office Telephone</b>	+60 197736584
<b>E-Mail</b>	biingwah2401@yahoo.com

### 1.3 Certification Unit

#### Name of the Certification Unit

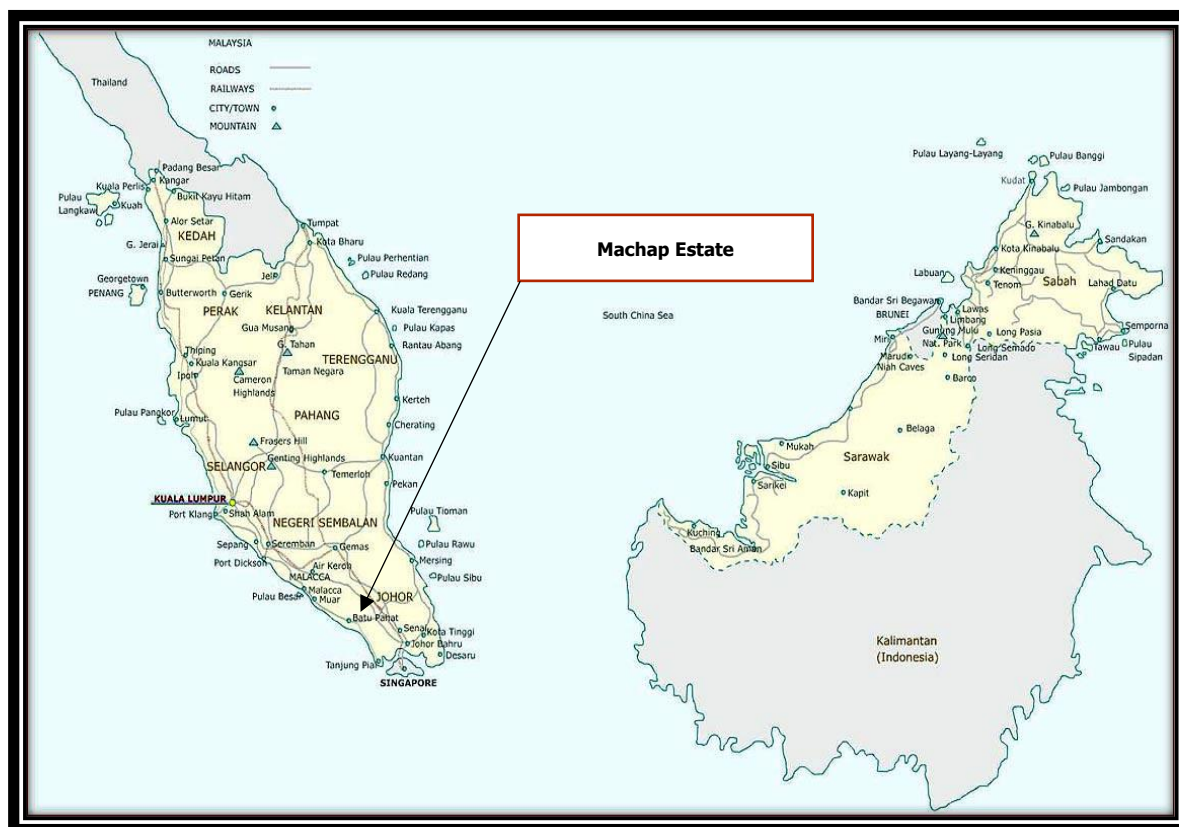
No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Ladang Machap	PTD 6478, Mukim Kluang, 86000 Johor.	E 103.1587	N 1.5588

**MPOB License Information**

No	Name of the Site	Licence Number	Expiry Date	Scope Activity
1.	Ladang Machap	551751002000	31/7/2020	Menjual dan Mengalih FFB

**Others Sustainability Certification**

No	Name of the Site	Others Sustainability Certification
1.	Ladang Machap	NIL

**1.4 Map Showing Geographical Location****a) Machap Plantation Sdn Bhd – Machap Estate**

**b) Machap Estate**



**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
Machap Estate	132.594	132.594	0.00
<b>Total</b>	<b>132.594</b>	<b>132.594</b>	<b>0.00</b>

Note: All planted hectareage under immatured area

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Machap Estate	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [July 2019-June 2020]	Projected Production for next 12 Months [July 2020-June 2021]
Machap Estate	0.00	0.00	0.00
<b>Total</b>			

**1.6 Certificate Details**

<b>Certification body</b>	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: <a href="http://www.ggc.my">www.ggc.my</a>
<b>Assessment standard</b>	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
<b>Certificate number</b>	GGC-MPSB001-MSPO-00-2020
<b>Initial certificate issued date</b>	15 <sup>th</sup> October 2020
<b>Certificate expiry date</b>	14 <sup>th</sup> October 2025

<b>Stage 1 assessment date</b>	10 <sup>th</sup> April 2019
<b>Stage 2 / Main Assessment</b>	28 <sup>th</sup> July 2020 – 29 <sup>th</sup> July 2020
<b>Annual Surveillance 1 [ASA 1]</b>	July 2021
<b>Annual Surveillance 2 [ASA 2]</b>	July 2022
<b>Annual Surveillance 3 [ASA 3]</b>	July 2023
<b>Annual Surveillance 4 [ASA 4]</b>	July 2024

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** **Ismadi bin Hj. Ismail**

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Management Commitment & Responsibility, Transparency, Legal, Safety and Health, Employment Condition, Social and community engagements, stakeholder's consultation and workers welfare. Able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** **Mohd Razib bin Mohd Noor**

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

During this assessment, he assessed on the aspect of Environment, Natural Resources, Biodiversity, and Ecosystem Services, Best Practices and etc. Able to speak and understand Bahasa Malaysia and English.

## 1.8 Audit Methodology

The audit was conducted based on the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA. In the case of this certification unit, sampling calculation was not applied as the Estate on single site certification.

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. 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.

The Prime Minister, Tan Sri Muhyiddin Yassin did announce that the Conditional Movement Control Order (CMCO) ended 9<sup>th</sup> June 2020 and replaced with the Recovery Movement Control Order (RMCO). The RMCO would take effect from 10<sup>th</sup> June 2020 until 31<sup>st</sup> August 2020 with more lenient restrictions.

With reference to the Federal Government Gazette (9<sup>th</sup> June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities.

Majlis Keselamatan Negara (MKN) had issued a Standard Operating Procedure for “Persijilan bagi Agrokomoditi” dated 12<sup>th</sup> June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

## 1.9 Audit Plan Information

<b>Audit Date</b>	28 <sup>th</sup> July 2020 – 29 <sup>th</sup> July 2020
<b>Name of site(s) visited</b>	Machap Estate
<b>Total number of man-days spent</b>	3 man-days

**1.10 Audit Result Summary Findings**

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	3	No action requires
Area of Concern	0	No action requires
Noteworthy /Positive Comments	2	No action requires

**1.11 Stakeholder Consultation**

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle of the management unit.

GGC has published the public notification on 22<sup>nd</sup> July 2020 (2<sup>nd</sup> Revised) at <https://www.ggc.my/index.php?task=public> and as to accommodate a stakeholders' consultation meeting for Estate. The meeting was conducted on 22/7/2020 at Ladang Machap to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as others aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the mill management before incorporating into the assessment findings. The participants were represented of internal and external stakeholder namely from local communities, government agencies, workers and etc.

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.	Stake holder A Contractor	<ul style="list-style-type: none"> <li>Had a good understanding on the MSPO</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>Has a cordial relationship with the management ever since the being engaged by Estate?</li> </ul>		
2.	Stakeholder B Contract workers	<ul style="list-style-type: none"> <li>They were satisfied with the respond on any issued highlighted to the Management. Prompt action.</li> <li>They were satisfied with the monthly take home pay as no deduction being imposed by the estate.</li> </ul>	No action requires	Positive findings

### 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 Ladang Machap. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit [based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, 3 minor non-conformities have been raised to the facilities that being audited.

The audit objectives as mentioned in the audit plan have been achieved and assessment resulted with no major non-conformity findings. Hereby, the lead auditor recommends to award the certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" to Machap Plantation Sdn Bhd, Machap Estate.

### 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**

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

## 2.1 Principle 1 : Management commitment and responsibility

### Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

**Summary** Machap Plantation Sdn Bhd has established Malaysian Sustainable Palm Oil Policy named "MSPO Polisi Kemampanan" dated 26<sup>th</sup> December 2019 approved by Mr Phang Sun Wah, Director.

Machap Plantation Sdn Bhd have drawn -up 5 criteria to implement the sustainable practices: -

1. To operate sustainability management based on the Principles and Criteria contained in MS 2530: 2013.
2. To continuously improve our operations in line with Social, Environmental and Economic aspects.
3. Ensure protection and conservation for High Biodiversity Value and High Carbon Stock areas.
4. Ensure protection and preservation of rare, threatened, or endangered species.
5. To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

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

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

**Summary** Machap Plantation Sdn Bhd has established MSPO Sustainable policy dated 26<sup>th</sup> December 2019 approved by Mr Phang Sun Wah, Director with emphasizes on commitment to continual improvement.

Stated in the Sustainability Policy; Point no 2 – "To continuously improve our operations in line with social, environmental and economic aspects".

**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** Machap Plantation Sdn Bhd has established Internal Audit Procedure Ref No P1-01 dated 26<sup>th</sup> December 2019 approved by Mr Pang Sun Wah, Director.

Machap Plantation Sdn Bhd has established Yearly Internal Audit Plan from 2020 to 2023 dated 2nd Jan 2020 prepared by and approved by Mr Phang Sun Wah, Director.

Frequency of internal audit is once a year. Sighted internal Audit Plan dated 12/2/2020.

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

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

**Summary** The purpose of this procedure is to describe the audit process conducted internally to determine Machap Plantation Sdn Bhd operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards

The Internal Audit was carried by En Tuan Amiruddin (Lead Auditor – Consultant from GSS) on 12th February 2020 and One (1) Minor non-conformity being raised during the Internal Audit.

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

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

**Summary** The Non – conformities being closed within the stipulated period by the Internal Auditor of 14 days from date audit report issued.

The report is available for Management Review Meeting in timely manner.

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

**Criterion 3 Management review**

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

**Summary** Sighted Management Review Meeting dated 14/2/2020 prepared by Ms Pang Yok Moy and approved by Mr Pang Sun Wah, Director. The following were discussed during the management review meeting

1. Semakan terhadap kemampanan dan pelaksanaan semua prinsip, kriteria dan petunjuk MSPO
2. Semakan keputusan Audit Dalaman
3. Semakan Penilaian Impak Sosial dan Alam Sekitar dan Isu Keselamatan
4. Program penambahbaikan berterusan

**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** Machap Plantation Sdn Bhd has established Continual Improvement Plan dated 26/12/2019 prepared by Ms Pang Yok Moy and approved by Mr Phang Sun Wah Director.

The Continuous Improvement Plan has taken into consideration of the main social and environmental impact. Details as below: -

1. Safety and Health
  - a. PPE usage and awareness
  - b. Safety signage and training
  - c. Upgrading workers housing
  - d. Spraying
2. Environment
  - a. Reduction on schedule waste generation
  - b. Reduction on domestic waste
  - c. Zero Burning
3. Social
  - a. Road repair and maintenance

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

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

**Summary** The company have not implemented any new technology, as such no action plan is available.

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

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

**Summary** The company have not implemented any new technology, as such no action plan is available

**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** Machap Plantation Sdn Bhd has established Procedures on Stakeholders Consultation and Communication under MSPO Manual Number P2-03 dated 26th December 2019 signed by Mr. Phang Sun Wah, the Managing Director.

No record of request and response raised by Stakeholders to date.

Sighted, the Management has conducted a survey to all External Stakeholders to disseminate the information on MSPO Compliances related to OSH, Environment,

Complaint and Grievances Procedures and Legal Requirements dated 10th December 2019. Merely, 4 external response to the questionnaire during the audit.

The Estate only have the Plantation Manager as the Internal Stakeholder.

**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 Machap Plantation Sdn Bhd to determine the confidentiality of the status or availability for public disclosure.

Evidence, 54 documents being classified under Non – confidential and 20 as confidential. The document being updated by Mr. Pang Yok Moy dated 8th January 2020.

**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** Machap Plantation Sdn Bhd has established Procedures on Stakeholders Consultation and Communication under MSPO Manual Number P2-03 dated 26th December 2019 signed by Mr. Phang Sun Wah, the Managing Director.

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

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

**Summary** Sighted an appointment letter of Mr. Pang Biing Wah as person in charge for transparency. The letter was signed by the Director, Mr Phang Sun Wah on the 15th December 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** Machap Plantation Sdn Bhd has established list of Stakeholders comprising Government, surrounding communities and FFB Dealers. The list being updated on 2nd January 2020 by Mr. Pang Biing Wah.

	No of stakeholders
Government	29
Supplier / Contractor	2
Local Community	2

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

### Criterion 3 Traceability

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

**Summary** Machap Plantation Sdn Bhd has established Procedures on Traceability under MSPO Manual Number P2-04 dated 26<sup>th</sup> December 2019 signed by Mr. Phang Sun Wah, the Managing Director.

No FFB production as the Estate under immature phase covering 132.594 hectare (327.646 acre).

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

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

**Summary** The Manager hold the responsibility on regular inspection of the Estate.

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

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

**Summary** Sighted an appointment letter of Mr. Pang Biing Wah as person in charge for traceability. The letter was signed by the Director, Mr Phang Sun Wah on the 15th December 2019.

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

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

**Summary** No FFB production as the Estate under immature phase covering 132.594 hectare (327.646 acre).

**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** Machap Plantation Sdn Bhd has established Legal Register of applicable laws dated 26TH December 2019 prepared by Ms Pang Yok Moy and approved by Mr Phang Sun Wah, Director.

Machap Plantation Sdn Bhd has established Legal Register of applicable laws dated 26TH December 2019 prepared by Ms Pang Yok Moy and approved by Mr Phang Sun Wah, Director.

There are 86 laws/Act which are applicable to Machap Plantation Sdn Bhd. Given below are some sampled laws applicable to Machap Plantation Sdn Bhd.

1. Employment Act 1955
2. Industrial Relations Act 1967
3. Minimum Wage Order, Amendment 2018
4. Occupational Safety & Health Act 1994
5. Employee Social Security Act 1969 (Act 4)
6. Pesticide Act 1974
7. Environmental Quality Act 1974 (Act 127)
8. National Land Code (Amendment) Act 385
9. Holiday Act 1951
10. Passport Act 1996

#### Minor Non – Conformity

Sighted in the Legal Register of Machap Plantation Sdn Bhd dated 26th December 2019, the estate is complying 100% to all the laws stated. However, the laws listed below are irrelevant to the estate and up-dated timely.

1. Environment Protection Enactment 2002- Sabah
2. Peraturan – peraturan Sumber Air Kedah (Pengabstrakan Air) 2015
3. Labour Ordinance 1950 (Amended Sabah) 2004
4. Labour Ordinance 1952 (Amended 2005) Sarawak
5. Minimum Wages Order (Amendment) 2018
6. Business, profession and trading licensing ordinance of Sarawak 1966

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

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

**Summary** Sighted permits/licenses being monitored and updated by the Person-In-Charge. It includes;

1. MPOB License No. 551751002000 expired on 31/07/2020

### Minor Non-Conformity

During site verification, sighted the Fire Extinguisher unit at worker's quarter was obsolete and without valid permit.

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

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

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

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

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

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

**Summary** The Management has appointed Mr Pang Biing Wah, Plantation Manager as the person responsible to monitor compliance and to track and update the changes with regards to regulatory requirements vide letter dated 15th December 2019. The appointment was approved by Mr Phang Sun Wah, Director.

**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** There were no issues of land disputes at Machap Estate.

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

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

**Summary** Sighted land title showing legal ownership of land belonging to Machap Plantation Sdn. Bhd as follows: -  
 No lot: PTD 6478  
 No hakmilik/h.s.(d) : 67284  
 Luas lot : 132.594 Ha @ 327.646 acre

Syarat – syarat Nyata stated only oil palm can be planted under Leasehold land for 99 years until 26 April 2110.

The quit rent for year 2020 has been paid on 9<sup>th</sup> March 2020 under receipt No 0847161 amounting RM18,620.00

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

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

**Summary** As per interview with Mr Pang Biing Wah, Plantation Manager, sighted the perimeter map prepared by the estate management which locate the position of the boundary markers.

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

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

**Summary** There is no customary land in or surrounding the estates. There are also no land disputes or claims involving these estates. The company has proper legal land tile for the land ownership.

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

### **Criterion 3 Customary land rights**

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

**Summary** There is no customary land in or surrounding the estates. There are also no land disputes or claims involving these estates. The company has proper legal land tile for the land ownership.

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

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

**Summary** There is no customary land in or surrounding the estates. There are also no land disputes or claims involving these estates. The company has proper legal land tile for the land ownership.

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

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

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

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

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

### Criterion 1 Social impact assessment (SIA)

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

**Summary** Machap Plantation Sdn Bhd has established Procedures on Social Impact Assessment under MSPO Manual Number P2-05 dated 26th December 2019 signed by Mr. Phang Sun Wah, the Managing Director.

Sighted, the Management has conducted a survey to all External Stakeholders dated 17th February 2020. Merely, 4 external response to the questionnaire during the audit.

1. Trong Trading Sdn Bhd
2. Perniagaan Kelapa Sawit MACHAP
3. Tan Lay Yok
4. Rb Devi Enterprise.

The SIA to assess the Social Impacts from the following factors such as: -

1. Access and Use Rights
2. Economic livelihood and working condition
3. Subsistence activities
4. Cultural and Religious value
5. Health facilities
6. Educational facilities
7. Other Community values

No issue has been raised by the stakeholders during the consultation and communication survey.

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

### Criterion 2 Complaints and grievances

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

**Summary** Machap Plantation Sdn Bhd has established Procedures on Grievance Handling under MSPO Manual Number P2-06 dated 26th December 2019 signed by Mr. Phang Sun Wah, the Managing Director.

. The objective of the procedure: -

1. Sharing information about stakeholder concern and views

2. Giving stakeholders a reasonable opportunity to express their views
3. Taking those views into account and address resolution reasonably practicable.

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

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

**Summary** No complaint being raised by Internal or External Stakeholders to date.

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

**Indicator 3** A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.

**Summary** Complaint Form seen for External and Internal Stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office.

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

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

**Summary** Sighted, the Management has conducted a survey to all External Stakeholders to disseminate the information on MSPO Compliances related to Complaint and Grievances Procedures dated 17th February 2020. Merely, 4 external response to the questionnaire during the audit.

**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** No complaint and resolutions for the last 24 months

**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** No contribution to local development being made thus far.

**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** Machap Plantation Sdn Bhd has established Occupational Health and Safety Policy dated 26th December 2019 signed by Director, Mr. Pang Sun Wah.

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

Indicator 2	The occupational safety and health plan shall cover the following:
	<p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i) all employees involved shall be adequately trained on safe working practices; and</li> <li>ii) all precautions attached to products shall be properly observed and applied.</li> </ul> <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>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.</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 meetings are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</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>

**Summary** Machap Plantation Sdn Bhd has established Occupational Health and Safety Policy dated 26th December 2019 signed by Director, Mr. Pang Sun Wah

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

1. Chemical Preparation
2. Spraying
3. Harvesting

4. Manuring
5. Loading & Transporting
6. Replanting Activities
7. Road Repairs
8. Driving Tractors
9. Chemical Issue
10. Pruning
11. Weeding

HIRAC review date: 1<sup>ST</sup> January 2020.

Evidence, annual training plan for 2020 for Machap Plantation Sdn Bhd.

Type of training	Month Proposed	Completion Date
MSPO Briefing	February	3/2/2020
Safety Briefing	February	4/2/2020
PPE	February	
Environmental Training & Meeting	March	5/2/2020
Harvesting & Pruning	December	
Spraying	March	
Manuring	April	
1 <sup>st</sup> Aid Kit	February	
ERP	February	

Evidence, PPE Issuance and replacement record to the employees being established and documented.

CHRA has been conducted by the appointed consultant, Nisafety Consultancy, Nor Khairunnisa Liyana bt Ahmaid, HQ/15/ASS/00/363 dated 21st February 2020. Sighted, Chemical Handling Procedures under SP-01 and Chemical Storage under SP-02. All the procedures are under Safety Producer dated 2nd March 2019.

Mr Pang Biing Wah is the person in-charge of OSH and the letter signed by Mr. Phang Sun Wah dated 15th December 2019. No OSH Committee being establish in the Estate as the strength merely 4 personnel (direct and contract employees)

Sighted, Emergency Response Procedure being established in the Estate. The ERP has clearly justified procedures when dealing with chemical spillage, accident and others.

Training on Handling First Aid will be conducted on 7th August 2020 by Nisafety Consultancy. The delay due Movement Control Order arise from Covid 19 Pandemic.

The Company has registered MyKKP with DOSH on 8TH March 2020 under Registration Number JH/20/04/152559

#### **Minor Non – Conformity**

During site verification, sighted the emergency shower has been installed without the eye wash. Thus, it is not complying to the Chemical Health Risk Assessment, Ladang Machap dated 30<sup>th</sup> January 2020 under 5.3 Recommendation on Emergency Response Preparedness clause 5.3.6 Emergency Shower/ Eyewash facilities

**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** Machap Plantation Sdn Bhd has established Social and Human Rights Policy dated 26<sup>th</sup> December 2019 signed by Mr. Phang Sun Wah, The Director. This policy covers: -

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

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

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

**Summary** Sighted in the Social and Human Rights Policy on Free from discriminatory practices against sex, race, religion, nationality and political opinions.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate among the Contractor 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.

**Summary** Sighted in the Social and Human Rights Policy on Paying salaries to employees and staffs on a minimum wage order. No direct employees being engaged in the Estate.

**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** Machap Estate merely engaged 1 contractor, namely RB Devi Enterprise for Weeding and Applying Fertiliser.

Sighted, an Agreement, between Machap Plantation Sdn Bhd, Machap Estate and RB Devi Enterprise on Weeding and Applying Fertiliser. The agreement valid from 1st January 2020 until 31st December 2020.

Seen, the Agreement between RB Devi Enterprise and his workers,

1. Ravindran a/l Raman – 020620-01-1711
2. Rajalingam a/l Muthu Thamby – 761106-05-5621
3. Pasamanickam a/l Perumal – 711104-01-6295

Pay Slip and workers identification were also attached in the file.

**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** No direct employees being engaged in the Estate. All under contractor.

**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** No direct employees being engaged in the Estate. All under contractor.

**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** No direct employees being engaged in the Estate. All under contractor.

**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** No direct employees being engaged in the Estate. All under contractor.

**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** No direct employees being engaged in the Estate. All under contractor.

**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** No direct employees being engaged in the Estate. All under contractor.

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

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

**Summary** No direct employees being engaged in the Estate. Temporary quarters being build by Management for workers resting areas.

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

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

**Summary** Sighted in the Social and Human Right Policy on provide workplace free from Sexual Harassment whether direct or indirectly, upon all employees, society and stakeholders. No direct employees being engaged in the Estate.

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

**Indicator 13** The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their

work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

**Summary** Sighted in the Social and Human Right Policy on respect and protect human rights and workers' right (including temporary workers, contracts and foreign workers). No direct employees being engaged in the Estate.

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

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

**Summary** Child and young person policy is incorporated in the Social Policy. There are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed. No direct employees being engaged in the Estate.

**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 estate has established the training programmes for contractor workers. The programme as follows: -

Type of training	Month Proposed	Completion Date
MSPO Briefing	February	3/2/2020
Safety Briefing	February	4/2/2020
PPE	February	
Environmental Training & Meeting	March	5/2/2020
Harvesting & Pruning	December	
Spraying	March	
Manuring	April	
1 <sup>st</sup> Aid Kit	February	
ERP	February	

**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** The estate has established the training programmes for contractor workers. No specific training need analysis as the contractor workers turnaround are high.

**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** The estate has established the training programmes for contractor workers.

**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** Sighted the "Environmental Policy" approved by Mr. Phang Sun Wah Director of Machap Plantation Sdn Bhd dated 26 th December 2019, and the Environmental Management Plan (EMP) Procedure. Ref No: MSPO-08) The statement emphasis the followings:

1. To carry out the estate activities in accordance with the established legal and regulatory frame work those relating to the environmental quality.
2. To practice zero burning policy on new planting, replanting except in specific situation.
3. To ensure these activities follow the guide lines of the current industry practice.
4. To plan implementation, monitoring and measuring the pre determine activities to mitigate environmental impact and greenhouse effect.
5. To promote and provide awareness of environmental conversation through training.
6. Ensure awareness on the environmental policy is implemented is disseminate to all employee and stakeholder

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

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

**Summary** Sighted the "Environmental management plan" approved by Mr Phang Sun Wah the Director on 26th December 2019. The policy is written in English language. The policy has been communicated to all workers.

The environmental management plan for Machap Estate as following: -

1. To ensure all activities and facilities which related to oil palm plantation are in accordance to legal and legalization requirement of Malaysia covering state and national level.
2. To ensure all activities and facilities of plantation meets all the criteria in line with the company Environmental policy
3. To identify and determine the palm oil plantation operation environment aspects and potential environmental impact caused by the plantation activities
4. To ensure the implementation of this environmental management plan monitoring reviewing and continues improvement.

**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 Continuous Improvement Plan for Machap Estate as listed herein: -

No	Improvement Aspect /Subject	Planned Activities	Timeline	Status
1	Reduction on Schedule Waste Generation	1. Identify source 2. Storage and recording 3.eSwiss	Dec-20	Identified sources of SW
2	Reduction on Domestic Waste	1. Awareness to workers 2. Signage 3. Landfill	Dec-20	Segregation done
3	Zero Burning	1. Signage 2. Weekly Inspection on line site	Ongoing	In progress finding quotations sign board

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

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

**Summary** Program to promote positive impacts to the environment has been established. Estate established planning to upgrade / build Schedule waste store, Lubricant store, workshop and general store.

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

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

**Summary** The estate has established the training programmes for contractor workers. No specific training need analysis as the contractor workers turnaround are high.

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

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

**Summary** The Environmental meeting was conducted on 05/02/2020 with the Contractor and his workers. The meeting chaired by the Estate Manager and attended by 6 participants. The meeting discussing on no open burning, Schedule waste management, HBV management and the disposal of the triple rinsed used chemical container.

**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** A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimize use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel.

For the year 2020 to date till June the total diesel consumption was 1500Litres. The estate merely on immature stage and expected to be matured by FY 2023.

**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** Records on the estimate consumption of non-renewable energy as follows: -

Year	Diesel estimate Liter	FFB
2020	5010	nil
2021	5050	nil
2022	5070	nil

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

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

**Summary** At the moment, there is no renewable energy been practiced at the Estate

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

### **Criterion 3 Waste management and disposal**

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

**Summary** The waste management procedure P5 -09 highlighted the all of the waste generated by the estate such as schedule waste domestic waste and pollutants such as fossil fuel and lubricating oil. The procedure covers the following:

1. Waste management flow process
2. SW management flow process
3. Domestic waste management flow process.

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

**Indicator 2** A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:  
a) Identifying and monitoring sources of waste and pollution.  
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

**Summary** The Waste Management Plan for the Estate as follows: -

Code	Category	Source of Pollution	Control measures
SW 305	Spent lubricating oil	Tractors, Lorry	Stored in containers which are durable and which are able to prevent spillage or leakage of scheduled waste into the environment. - Metal drum
SW 410	Used Personal protective equipment (PPE)	All used PPE should be collected in a container and workers are required to bring the old one in order for them to get the new set of PPE.	Keep a record and to be updated regularly

**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** The establishment of Standard Operating Procedure on Chemical Handling dated 15.05.2019 is to provide guidance for the health risks arising from the use, handling, storage or transportation of chemicals hazardous to health at the workplace as required by USECHH Regulations, 2000. Empty pesticide containers to be treated as follow: -

1. Empty containers are to be triple-rinsed and stored in a dedicated area.
2. Containers for reuse should be appropriately labeled and to be punctured at the base of those for disposal, and dispose through an accredited vendor.

After mixing the chemicals, to ensure the following: -

1. All wash water is to be directed to a soakage-pit sited a distance away from the chemical mixing area.
2. No water should escape into field drains or streams.

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

**Indicator 4** Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers..

**Summary** As per interviewed with the manager Mr Phang Bing Wah, the chemical containers were triple rinsed and punctured to prevent contamination of water source or to human health. As the store inventory record showed 99 pcs of these empty containers generated from estate were send to Blessing Recycle Sdn Bhd, Jalan Haidrulik, Taman Perindustrian Mengkibol 86100 Kluang Johor for disposal on 13.6.2020

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

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

**Summary** Domestic waste from the housing quarter was collected and transported for disposal at land fill which was located Block No 4 away from stream and safe from any contamination. It been carried out on weekly basis. (2 times a week). During site visit, land fill sighted and last open date on 5th May 2019.

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

#### **Criterion 4 Reduction of pollution and emission including greenhouse gas**

**Indicator 1** An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

**Summary** The assessment of polluting activities was identified and documented in the environmental impact assessment and management plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the management plan. The sample of activities are as follows: -

1. Mixing chemicals
2. Spraying of herbicides
3. Filling diesel
4. Changing lubricant
5. Dumping of non-biodegradable
6. Dumping of domestic waste
7. Open burning
8. Line site sanitation.
9. Manuring of fertilizer on palms

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

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

**Summary** The action plan to reduce identified significant pollutants and emissions are included in the environmental management plan. The action plans include:

- 1) Storage and disposal of schedule waste
- 2) Rubbish collection
- 3) To ensure regular maintenance on tractor and spraying pump

**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 use for water supply, the level of the ground water table should be measured at least annually.

**Summary** Machap Plantation Sdn Bhd has established Water Management Plan dated 1.4.2019. The objective is:

1. To ensure the water been utilized effectively
2. Minimizing pollutants that may escape from estate operation and enter to the local water system
3. To avoid damage to the health and welfare of down strem users and downstream environment.

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

**Indicator 2** No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

**Summary** During field visit, no riparian zone as no river across the estate. It is surrounded with neighboring estates

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

**Indicator 3** Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

**Summary** Water harvesting practices is maintained by the estate through silt pit and terraces.

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

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

**Indicator 1** Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:

- a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
- b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

**Summary** The company has established the Rare, Threatened, Endangered & High Biodiversity Management Procedure. Ref No: P5-07; Rev 0; Date 01/04/2019.

No High Conservation Value in the Estate.

**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** No Rare, Threatened and Endangered species 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 plan for HBV is available in document Pelan Pengurusan Habitat Nilai Biodiversiti tinggi”.

Nilai Habitat Biodiversiti	Tindakan	Penunjuk
Memberi perhatian terhadap kepelbagaian biologi	Memantau kepelbagaian biologi	Kemaskini maklumat Jabatan Perhilitan
Habitat jarang ditemui, terancam atau ekosistem merbahaya dan diancam kepupusan	Memantau habitat di dalam ladang	Laporan daripada pegawai
Kawasan ladang yang mempunyai ekosistem yang signifikan di peringkat global	Memantau ekosistem ladang	Laporan daripada pegawai

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

#### **Criterion 7 Zero burning practices**

**Indicator 1** Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.

**Summary** Sighted the “Environmental Policy” approved by Mr. Phang Sun Wah Director of Machap Plantation Sdn Bhd dated 26 th December 2019 and the Environmental Management Plan (EMP) Procedure. Ref No: MSPO-08). The statement emphasis the followings:  
-To practice zero burning policy on new planting, replanting except in specific situation.

No evidence of fire used for waste management disposal during field visit. Signage was displayed on strictly no open burning is allowed in estate area.

**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 out-break of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning. The practice is observed during field assessment

**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** As per interview with Estate Manager, no special approval needed to do open burning. Estate has adopted Zero Burning Policy. The practice is observed during field assessment

**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** Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. During replanting process, the old palm to be felled, chipped and pulverized and been remained in the field for self-composed.

**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 estate has established the Standard Operating Procedure & Safety Operating Procedure. Estate have 4 types of Manuals as reference:

- 1) Good Agriculture Practice –
- 2) Standard Operating Procedure & Safety Operating Procedure
- 3) Occupational Safety & Health
- 4) Safe Operating Procedure for Oil Palm Estate

**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** During site visit observed there is no terracing above 15 Degrees. Terraces along the contour being constructed for planting, where the terrain is within 15 degrees.

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

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

**Summary** The estate has a visual reference system to identify each field or block. Each field has the signboard with type of planting, year of planting, block number.

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

## **Criterion 2 Economic and financial viability plan**

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

**Summary** Estate had an annual budget for the financial year 2020 – 2022. The estate budget includes the projected FFB, OER, KER and production cost which projected for three years. It also incorporated item such as general charges, estate maintenance, labour, general services, processing cost, fixed assets and etc. Sighted documented Business and Management Plan prepared by Ms Pang Yok Moy.

**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** There is no replanting program as the replanting work just completed at the end 2019.

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

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

**Summary** The Business and Management Plan was prepared by Ms Pang Yok Moy and approved by Mr Phang Sun Wah, the Director as follows: -

Year	2020	2021	2022
FFB	nil	nil	nil
OER %	nil	nil	nil
KER %	nil	nil	nil
Total Cost RM	183,500	192,000	203,500

The FFB production will only begin in 2023 onward.

**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** The estate performance was recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, capital expenditure and labour cost.

**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 mechanisms for products and services is decided by the Owner and Estate Manager and being documented in the Contract Agreement.

**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 Contract Agreement is fair and transparent. Seen, in the Contract Agreement stated " Tempoh kredit ialah selama 30 hari dari tarikh tuntutan bayaran tetapi tertakluk kepada budi bicara serta perbincangan dari masa ke semasa di atas persetujuan kedua-dua belah pihak"

**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** All Policies and MSPO requirements have been communicated through "Latihan dan Mesyuarat Pengenalan MSPO kepada pihak Kontraktor" from 3<sup>rd</sup> to 5<sup>th</sup> February 2020 which attended by Contractor's workers.

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

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

**Summary** All contracts are kept in estate office. Sighted the Contract Agreement signed by Contractor RB Devi Enterprise, Co no register JM0893635-W and Macap Plantation Sdn Bhd dated 1<sup>st</sup> January 2020 on providing general workers for weeding and applying fertilizer in the estate.

Payment will be paid 30 days after the estate received the invoice from contractors. The invoice raised by the contractor No: 0030 with the claim amount RM 12,555.00 on 31.5.2020, as payment paid to the contractor on the completed works.

Date of the cheque issued was on 15.6.2020, Voucher no (M) PV RHB -2006 -002  
Cheque NO 001126, Amount: RM 12,555.00

**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** All the auditors are qualified MSPO auditor. As per agreed, the Machap Plantation Sdn Bhd 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** Estate verified the work done by the contractor before all the payment paid to the contractor.

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

## 2.7 Principle 7 : Development of new planting

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

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

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

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

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

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

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

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

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

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

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

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

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

**Criterion 5 Planting on steep terrain, marginal and fragile soils**

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

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

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

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

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

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

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

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

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

**Criterion 6 Customary land**

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

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

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

**Indicator 2** Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.

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

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

**Indicator 3** Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

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

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

**Indicator 4** The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.

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

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

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

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

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

**Indicator 6** A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.

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

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

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

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

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

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

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

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

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

- 1) Good cooperation and commitment from the management and staff
- 2) Good relationship being maintained with surrounding communities

## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
27 <sup>th</sup> July 2020	TBA	➤ Travelling to Kluang, Johor.	IBI	RMN
28 <sup>th</sup> July 2020	08:00 – 09:00	➤ <b>Opening Meeting at Ladang Machap:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> ➤ Confirmation of assessment scope and finalize Audit plan.	IBI	RMN
	09:00 – 13:00	<b>Ladang Machap</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	IBI	RMN
		<ul style="list-style-type: none"> <li>➤ <b>Field Inspection / Interview:</b> <ul style="list-style-type: none"> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul> </li> </ul>	IBI	RMN
	10:30 – 12:30	➤ <b>Stakeholder Consultation</b>	IBI	RMN
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	IBI	RMN
	14:00 – 16:00	➤ <b>Continue document audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	IBI	RMN
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	IBI	RMN

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
29 <sup>th</sup> July 2020	08:00 – 13:00	<b>Ladang Machap</b> <ul style="list-style-type: none"> <li>➤ <b>Continue Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint</li> </ul> </li> </ul>	IBI	RMN



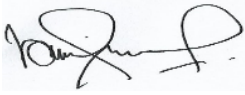

		records, workers records, training records, permits, CIP, etc.		
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	IBI	RMN
	14:00 – 15:00	➤ Verify any outstanding issues and auditor discussion.	IBI	RMN
	15:00 – 16:00	➤ <b>Closing Meeting at Ladang Machap:</b> <ul style="list-style-type: none"> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> </ul> ➤ <b>End of assessment</b>	IBI	RMN

## Appendix B: Non-Conformity details

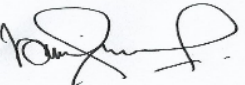

### Non-Conformities Identified During This Audit

<b>Major Nonconformities:</b>	Non-were raised during this audit.
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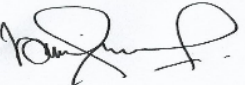

<b>Minor Nonconformities:</b>	The following NC's were raised for this audit. (3)
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<b>Company Name</b>	Machap Plantation Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-BS1-MSPO-2020			
<b>NC No. / Ref.</b>	BS1/MSPO/MINOR/01	<b>Date Detected</b>	29 <sup>th</sup> July 2020	
<b>Site(s) concern</b>	Machap Estate	<b>Target Completion</b>	Next Surveillance	
<b>Normative Reference and Requirement</b>	4.3.1.1 Major downgrade minor All operations shall be in compliance with applicable local, national and ratified international laws and regulations.			
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Irrelevant laws being updated in the Legal Register.			
<b>NC Objective Evidence:</b> Sighted in the Legal Register of Machap Plantation Sdn Bhd dated 26 <sup>th</sup> December 2019, the estate is complying 100% to all the laws stated. However, the laws listed below are irrelevant to the estate and up-dated timely. <ol style="list-style-type: none"> <li>1. Environment Protection Enactment 2002- Sabah</li> <li>2. Peraturan – peraturan Sumber Air Kedah ( Pengabstrakan Air ) 2015</li> <li>3. Labour Ordinance 1950 (Amended Sabah) 2004</li> <li>4. Labour Ordinance 1952 (Amended 2005) Sarawak</li> <li>5. Minimum Wages Order (Amendment) 2018</li> <li>6. Business, profession and trading licensing ordinance of Sarawak 1966</li> </ol>				
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>		
				
<b>Root cause Analysis (to be filled by client):</b>				
Machap Plantation still in the process of complete implementation of MSPO requirement and going through its learning process.				

<b>Corrective action planned (to be filled by client):</b>	
1. To update the list of register law 2. To remove the irrelevant regulations to law	
<b>Preventive Action (to be filled by client):</b>	
To update the list of register law every 3 month	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The proposed corrective and preventive action are acceptable. The evidence of effective implementation shall be verified in the next surveillance assessment	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Company Name</b>	Machap Plantation Sdn Bhd		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-BS1-MSPO-2020		
<b>NC No. / Ref.</b>	BS1/MSPO/MINOR/02	<b>Date Detected</b>	29 <sup>th</sup> July 2020
<b>Site(s) concern</b>	Machap Estate	<b>Target Completion</b>	Next Surveillance
<b>Normative Reference and Requirement</b>	4.3.1.2 Major downgrade minor The management shall list all laws applicable to their operations in a legal requirement register.		
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	No valid permit of Fire Extinguisher.		
<b>NC Objective Evidence:</b>			
During site verification, sighted the Fire Extinguisher unit at worker's quarter was obsolete and without valid permit.			
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>	
			
<b>Root cause Analysis (to be filled by client):</b>			
Machap Plantation still in the process of complete implementation of MSPO requirement and going through its learning process.			

<b>Corrective action planned (to be filled by client):</b>	
To request for valid permit for Fire extinguisher from Bomba	
<b>Preventive Action (to be filled by client):</b>	
To do inspection for all permits and license every 3 months	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The proposed corrective and preventive action are acceptable. The evidence of effective implementation shall be verified in the next surveillance assessment.	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Company Name</b>	Machap Plantation Sdn Bhd		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-BS1-MSPO-2020		
<b>NC No. / Ref.</b>	BS1/MSPO/MINOR/03	<b>Date Detected</b>	29 <sup>th</sup> July 2020
<b>Site(s) concern</b>	Machap Estate	<b>Target Completion</b>	Next Surveillance
<b>Normative Reference and Requirement</b>	4.4.4.2 Major downgrade to Minor  The occupational safety and health plan shall cover the following: h Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.		
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	Non- compliance to Chemical Health Risk Assessment		
<b>NC Objective Evidence:</b>			
During site verification, sighted the emergency shower has been installed without the eye wash. Thus, it is not complying to the Chemical Health Risk Assessment, Ladang Machap dated 30 <sup>th</sup> January 2020 under 5.3 Recommendation on Emergency Response Preparedness clause 5.3.6 Emergency Shower/ Eyewash facilities			
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>	
			
<b>Root cause Analysis (to be filled by client):</b>			

Machap Plantation still in the process of complete implementation of MSPO requirement and going through its learning process.	
<b>Corrective action planned (to be filled by client):</b>	
To install eye wash at the emergency shower	
<b>Preventive Action (to be filled by client):</b>	
To do site inspection every 3 months to make sure compliance to company SOP	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The proposed corrective and preventive action are acceptable. The evidence of effective implementation shall be verified in the next surveillance assessment	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Area of Concern:</b>	Non-were raised during this audit.
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## Appendix C: List of Stakeholders Contacted

### Internal Stakeholders

- |                 |                    |
|-----------------|--------------------|
| 1. Jenny Pang   | - MSPO Coordinator |
| 2. Pang Bii Wah | - Estate Manager   |

### External Stakeholders

- |                |                     |
|----------------|---------------------|
| 1. Raman       | - Contractor        |
| 2. Raja        | - Contractor worker |
| 3. Navin       | - Contractor worker |
| 4. Pasamanikam | - Contractor worker |