

# GLOBAL GATEWAY CERTIFICATIONS



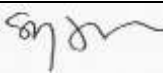

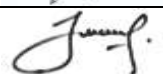
## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

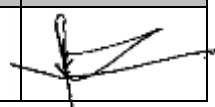
### CERTIFICATION AUDIT REPORT

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

Home & Boom (M) Sdn Bhd  
-Group Certification-

**MAIN ASSESSMENT**  
**18<sup>th</sup> August 2020 - 19<sup>th</sup> August 2020**

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	10/09/2020	Issued as Draft Report	Ismadi bin Ismail	Lead Auditor	
A	25/09/2020	Peer Review 1 Comments	Nzri bin Rasidi	Peer Reviewer 1	
A	10/10/2020	Peer Review 2 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 2	
B	11/11/2020	Issued as Final Report	Ismadi bin Ismail	Lead Auditor	
B	06/01/2021	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Home & Boom (M) Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	06/01/2021	Acceptance of the contents	Mr. Ker Chee Seng	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 **Home & Boom (M) Sdn Bhd.** During this **Main Assessment (Stage 2) Audit**, the audit team were briefed by Estate Management of the supply base disposition. The Home & Boom (M) Sdn Bhd. comprising 2 Estates namely Pagoh and Kesang Estate.

This assessment was conducted onsite on **18<sup>th</sup> August 2020 - 19<sup>th</sup> August 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>	Home & Boom (M) Sdn Bhd
<b>Business Address</b>	TL 19, Jalan Ismail, 84000 Muar, Johor.
<b>Contact Person</b>	Mr. Ker Chee Seng
<b>Office Telephone</b>	06 -9514666
<b>E-Mail</b>	<a href="mailto:limcsker@pesb.com.my">limcsker@pesb.com.my</a>

### 1.3 Certification Unit

#### Name of the Certification Unit

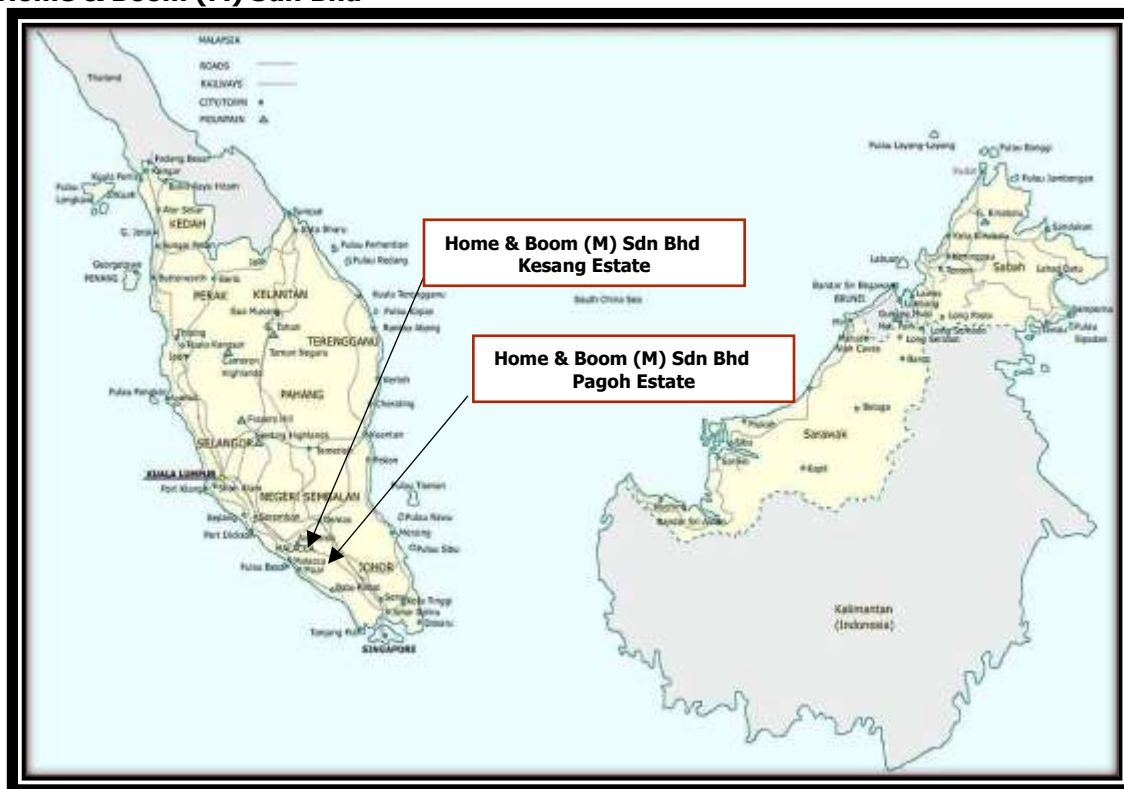
No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Pagoh Estate	Jalan Sengkang, 84600 Pagoh, Muar, Johor.	102.4750791	2.73194
2.	Kesang Estate	Jalan Air Panas, Kesang, Jasin, Melaka	102.2342723	2.1830323

**MPOB License Information**

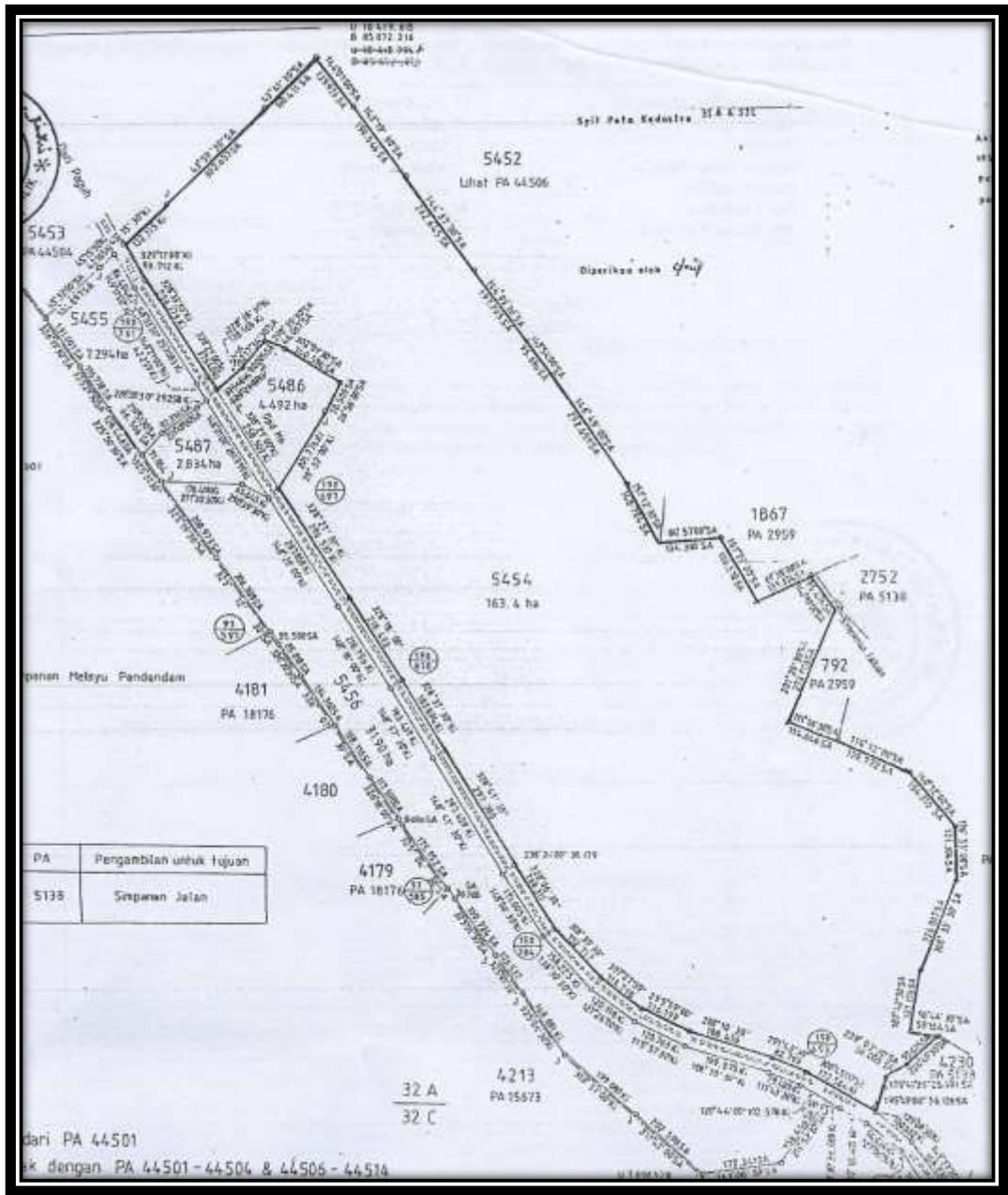
No	Name of the Site	Licence Number	Expiry Date	Scope Activity
1.	Pagoh Estate	513733002000	30/6/2021	"Menjual Dan Mengalih FFB"
2	Kesang Estate Perfect Lamination Enterprise Sdn Bhd	57331500200 489450-101000	31/5/2021 2/3/2017 – 28/2/2022	"Menjual Dan Mengalih FFB"

**Others Sustainability Certification**

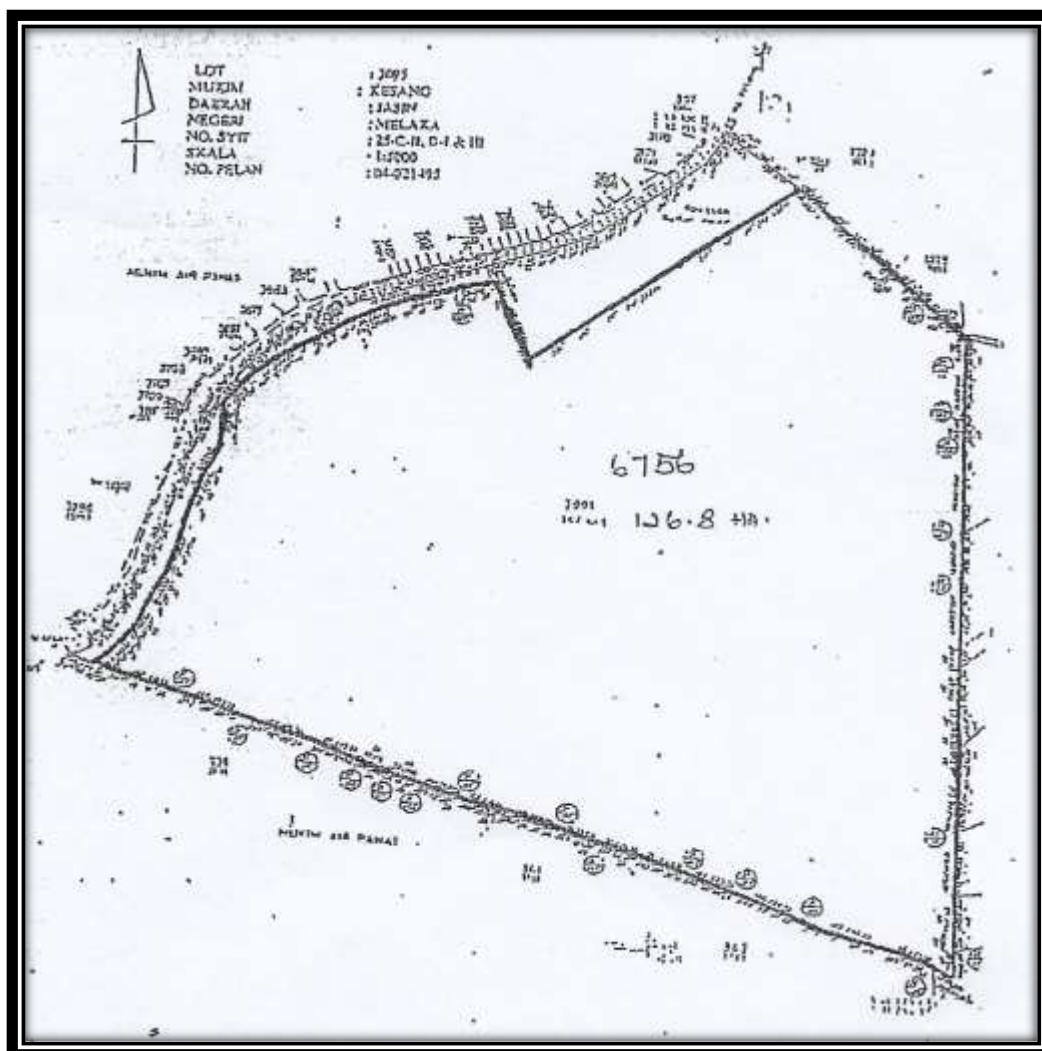
No	Name of the Site	Others Sustainability Certification
1.	Pagoh Estate	NIL
2	Kesang Estate	NIL

**1.4 Map Showing Geographical Location****a) Home & Boom (M) Sdn Bhd**

b) Pagoh Estate



## c) Kesang 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
Pagoh Estate	163.40	120.16	92.16
Kesang Estate	126.80	80.16	80.16
<b>Total</b>	<b>290.20</b>	<b>200.32</b>	<b>172.32</b>

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Pagoh Estate	0	0	43.24
Kesang Estate	0	0	46.64
<b>Total</b>	<b>0</b>	<b>0</b>	<b>89.88</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Aug 2019-July 2020]	Projected Production for next 12 Months [Aug 2020-July 2021]
Pagoh Estate	NIL	1,021.62	1,600.00
Kesang Estate	NIL	1,652.59	1,803.00
<b>Total</b>	<b>NIL</b>	<b>2,674.21</b>	<b>3,403.00</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-HBSB01-MSPO-00-2021
<b>Initial certificate issued date</b>	06 <sup>th</sup> January 2021
<b>Certificate expiry date</b>	05 <sup>th</sup> January 2026
<b>Stage 1 assessment date</b>	19 <sup>th</sup> February 2020
<b>Stage 2 / Main Assessment</b>	18 <sup>th</sup> August 2020 - 19 <sup>th</sup> August 2020



**Annual Surveillance 1 [ASA 1]** November 2021

**Annual Surveillance 2 [ASA 2]** November 2022

**Annual Surveillance 3 [ASA 3]** November 2023

**Annual Surveillance 4 [ASA 4]** November 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 Transparency, 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 Azmi Samynathan bin Abdullah**

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

During this assessment, he assessed on the aspect of compliance to Management Commitment and Responsibility, Social Responsibility, Health, Safety and Employment Condition. He is able to speak and understand Bahasa Malaysia and English. Able to communicate in both English and Bahasa Malaysia (written and spoken).

### Auditor

**Name:** **Mohamad Fitri bin Mustafa**

Graduate in degree of agribusiness with more than 8 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017. Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Member of GGC MSPO audit team.



During this assessment, he assessed on the aspect of Compliance to Legal Requirements, Environment, Natural Resources, Biodiversity and Ecosystem Services and Best Practices. 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. 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>	18 <sup>th</sup> August 2020 - 19 <sup>th</sup> August 2020
<b>Name of site(s) visited</b>	Ladang Pagoh & Ladang Kesang
<b>Total number of man-days spent</b>	6 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	2	NC will be reviewed and close during next surveillance audit
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 7<sup>TH</sup> August 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 18/8/2020 at Ladang Pagoh 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 Estate Management before incorporating into the assessment findings. The participants were represented of internal and external stakeholder namely from Contractors, 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> <li>• Has a cordial relationship with the management ever since the being engaged by Estate</li> </ul>	No action requires	Positive findings
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 wages 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 Home & Boom (M) Sdn Bhd, Pagoh and Kesang Estate. 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), two (2) 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 Home & Boom (M) Sdn Bhd.

### 1.13 Date of Next Surveillance Audit

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

### 1.14 Confidentiality

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

**1.15 Abbreviations Used**

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** Home & Boom Sdn Bhd has established Malaysian Sustainable Palm Oil Policy dated 1<sup>st</sup> July 2019 approved by Mr Ker Chee Seng, Director. Home & Boom Sdn Bhd have committed to implement the following 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** Home & Boom Sdn Bhd has established Malaysian Sustainable Palm Oil Policy dated 1<sup>st</sup> July 2019 approved by Mr Ker Chee Seng, Director.

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** Home and Boom Sdn Bhd has established Yearly Internal Audit Plan as per MSPO Procedures P1-01 Internal Audit from 2020 to 2024 dated 1<sup>st</sup> July 2019 prepared by Tuan Amirudin and approved by Mr Ker Chee Seng, Director.

Frequency of internal audit is once a year. Sighted internal Audit Plan dated 9/1/2020. The Internal Audit was carried out by En Tuan Amiruddin and approved by Mr Ker Chee Seng, Managing Director on 9/1/2020.

**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** Home and Boom Sdn Bhd has established Internal Audit Procedure Ref No P1-01 dated 1st July 2019 approved by Mr Ker Chee Seng, Managing Director.

The purpose of this procedure is to describe the audit process conducted internally to determine Home and Boom 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 on 9th January 2020 and zero 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** Sighted Internal Audit Report dated 10th January 2020. The report was prepared by En Tuan Amiruddin, Lead Auditor and approved by Mr Ker Chee Seng, Director.

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

**Criterion 3 Management review**

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

**Summary** Management Review Meeting was conducted on 14th January 2020 prepared by Mr Narayanan a/l Chandran, Estate Manager and approved by Mr Ker Chee Seng, Director.

The following were discussed during the management review meeting

1. Review Internal Audit Findings
2. Review Social Impact Assessment, Environmental and Security Issue
3. Continuous Improvement Program
4. Readiness External Audit

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

**Criterion 4 Continual improvement**

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

**Summary** Home and Boom Sdn Bhd has established Continual Improvement Plan dated 7<sup>TH</sup> January 2020 approved by Mr Narayanan a/l Chandran, Estate Manager.

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
  - b. Stakeholder consultation

**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. This is confirmed through an interview session with Mr Narayanan a/l Chandran, Estate Manager, Home and Boom Sdn Bhd have not implemented any suitable new technology/techniques.

**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** Home & Boom (M) Sdn Bhd has established Procedures on Stakeholders Consultation and Communication under MSPO Manual Number P2-03 dated 1st July 2019 signed by Mr. Ker Chee Seng, the Managing Director.

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

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



**Indicator 2** Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

**Summary** Home & Boom (M) Sdn Bhd have determined the list of documents which are confidentiality of the status or availability for public disclosure.

Evidence, 53 documents being classified under Non – confidential and 20 as confidential. The document being updated on 18th August 2020 by Mrs Lim Hui Hui.

The list as listed below:-

	Records	Classification	
		Confidential	Non-confidential
1	Internal Audit Plan		/
	Internal Audit Report		/
2	Minutes of meeting		/
3	List of attendance		/
4	Continual improvement Plan including social and environment		/
5	Records of request, response and release of information		/
6	List of documents classified as Confidential/Non-Confidential		/
7	Stakeholder list (internal & external)		/
8	Weighbridge Ticket	/	
9	Legal Requirements Register		/
10	Permits/license	/	
11	Land Title	/	
12	SIA Report		/
13	Questionnaire forms		/
14	Register book with timeline and resolution		/
15	Records of acknowledgement by complainants on action taken		/
16	CSR summary records		/
17	HIRARC		/
18	PPE issuance and replacement record		/

19	SDS		/
20	Emergency Response Plan Procedure		/
21	Accident records		/
22	Handling Chemical Procedure		/
23	CHRA	/	
24	Medical surveillance report	/	
25	Chemical Exposure Monitoring report	/	
26	First aider name list		/
27	JKKP 6, 7, 8		/
28	Employment contract for workers	/	
29	Checkroll	/	
30	Payslips	/	
31	Employee name list record	/	
32	Time recording system	/	
33	Housing inspection record		/
34	Training program and record		/
35	Training Need Analysis		/
36	Aspect and Impact Assessment		/
37	Mitigation and Monitoring plan		/
38	Training record regarding environment		/
39	Minutes of meetings, attendance and record of environment meeting		/
40	Non-renewable energy consumption record		/
41	Records of consumption with baseline value	/	
42	Waste identification ( Domestic & Scheduled)		/
43	Disposal records		/
44	GHG Management Plan		/
45	Water Management Plan		/
46	Water quality sampling report		/
47	HBV assessment report	/	
48	Management Plan for conservation from the assesment	/	

49	Plantation Operation SOP		/
50	Annual budget	/	
51	Sales and purchase agreement	/	
52	Payment record	/	
53	Signed contracts	/	
54	Salary and Wages monitoring report	/	
55	Payment of work completion record	/	
56	Estate Organizational Chart		/
57	Communication (Internal & External)		/
58	Traceability		/
59	Legal		/
60	Safety Officer		/
61	Environmental Officer		/
62	MSPO Policy		/
63	OSH Policy		/
64	Environmental and Biodiversity Policy		/
65	Social Policy		/
66	Internal Audit Procedure		/
67	Communication and Consultation with Stakeholder		/
68	Traceability Procedure		/
69	Social Impact Assessment Procedure		/
70	Training Procedure		/
71	Environmental Management Procedure		/
72	Biodiversity Procedure		/
73	Waste Management Procedure		/

**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** Home & Boom (M) Sdn Bhd has established Procedures on Stakeholders Consultation and Communication under MSPO Manual Number P2-03 dated 1st July 2019 signed by Mr. Ker Chee Seng, 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** Mr Narayanan is the person in-charge of transparency and the letter signed by Mr. Ker Chee Seng, Managing Director dated 1st July 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** Home & Boom (M) Sdn Bhd has established list of Stakeholders comprising Government, surrounding communities and suppliers. The list being updated on 18<sup>th</sup> August 2020 by Mrs Lim Hui Hui.

	No of stakeholders
Government	24
Supplier / Contractor	1
Mill	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** The Procedure is applying to Oil Palm Plantation processes for deliver good quality of FFB to Palm Oil Mill. Sighted, the process flow of delivery FFB start from collection FFB at field till weighing process. All estate has same process flow of delivery FFB from field to Collection Centre.

Initially, the Estate will record all the bunches that harvested by the harvester. Then the record will transfer to FFB Bunch Record Book in order to generate the checkroll and yield record.

Then from field, the FFB will be loaded into the direct to Collection Centre. The driver will bring along the Despatch Note. The weighbridge operator will print the weighbridge ticket and give to the driver.

The records of delivery or transportation of FFB will be maintained and kept by Estate.

The form uses for dispatching the FFB contain the following informations: -

- i. Name of Estate
- ii. MPOB License number
- iii. Date
- iv. Seal Number
- v. Year of planting, Quantity of bunches, Tonnage, Remarks
- vi. Signature, name, identification number of the driver, vehicle number
- vii. Customer Signature, name, identification number

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

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

**Summary** The Manager and the Estate Owner 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** Mr Narayanan is the person in-charge of traceability and the letter signed by Mr. Ker Chee Seng dated 1st July 2019.

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

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

**Summary** The FFB being sell to FFB Dealers, Eng Huat Oil Palm (Pagoh) Sdn Bhd and Eng Huat Latex Concentrate Sdn Bhd at Jasin, Melaka. The sales based on the agreed agreement dated 17th January 2018 as below: -

Rate of FFB = rm60 per Mt, OER = 19.00%

Sample taken on June 2020 Statement for Pagoh Estate.

- a. FFB (RM / Mt) = RM 460.26
- b. Total tonnage = 133.97 Mt
- c. Total Payment
  - i. FFB – RM61,661.03
  - ii. Transport – RM 2,009.55
  - Advance Payment – RM48,000.00
- d. Balance Payment = RM11,651.48

All the records of sales, delivery, and transportation of FFB being kept in the Main Office.

**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** Home and Boom Sdn Bhd has established Legal Register of applicable laws dated 7<sup>th</sup> January 2020 approved by Mr Ker Chee Seng, Managing Director.

There are 76 laws/Act which are applicable to Home and Boom Sdn Bhd. Given below are some sampled laws applicable to Home and Boom 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 Sosial 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 Home & Boom 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 not updated.

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
7. Medical Assistant (Registration) Act 1977

**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;

No	License Type	License No	Expiry
1	Lesen MPOB (Kesang Estate) - 126.80 hectare	573315002000	31/05/2020 Renewed yet to obtain the original license.
2	Lesen MPOB (Pagoh Estate) - 163.40 hectare	513733002000	30/06/2021
3	Lesen MPOB (Perfect Lamination Enterprise Sdn Bhd) – 39.9 hectare	489450-101000	2/3/2017 – 28/2/2022
3	BAKAJ	334/300/05/03/06/04	31 <sup>st</sup> December 2020.
4	Fire Extinguisher	2 units	20 <sup>th</sup> January 2021

**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 Narayanan a/l Chandran, Estate Manager as the person responsible to monitor compliance and to track and update the changes with regards to regulatory requirements vide letter dated 1<sup>st</sup> July 2019. The appointment was approved by Mr Ker Chee Seng, Managing 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**

The estate has demonstrated legal ownership of their land by having legal land titles to the land. The land titles are kept in the estate office and were sighted during the audit. The details as listed herein: -

NO LOT	NO HAKMILIK/H.S.(D)	LUAS LOT	REMARK
PAGOH ESTATE			
5454	49927	163.4 Ha	
KESANG ESTATE			
3095	14756	126.80	sharing with Perfect Lamination Enterprise Sdn Bhd

The area statement of both areas as below: -

	Pagoh	Kesang	Perfect Lamination Enterprise Sdn Bhd
Land Title	163.40	126.80	0 (sharing with Kesang)
Planted with Oil Palm	120.16	80.16	39.90
- mature	92.16	80.16	39.90
- immature	28.00		
Others :-			
- durian	42.00		
- housing	1.24		
Government acquired		6.74	

Evidence of annual payment of land tax to the state government is available in the form of receipts.

- RM7,205.00 inclusive RM655.00 penalty being paid to Pejabat Daerah dan Tanah Jasin Melaka dated 22<sup>nd</sup> July 2020 for Kesang Estate, lot 10003095 covering 142.40 hectare under Home & Boom (M) Sdn Bhd & Perfect Lamination Enterprise Sdn Bhd.
- RM14,760.00 being paid to Pejabat Daerah Muar under receipt number 0348092 dated 11<sup>th</sup> February 2019. Quit Rent for FY2020 yet to be paid.

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

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

**Summary**

The estate has demonstrated legal ownership of their land by having legal land titles to the land. The land titles are kept in the estate office and under Freehold. No clause under Syarat – syarat Nyata and Sekatan Kepentingan.

**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 and verification at Site with Mr Narayanan a/l Chandran, Estate Manager the Legal perimeter boundary stones are clearly demarcated and visibly maintained on the ground.

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

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

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

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

**Summary** Maps are made available to show the legally owned land. There is no customary land in or surrounding all 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

**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 all 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** Home & Boom (M) Sdn Bhd has established Procedures on Social Impact Assessment under MSPO Manual Number P2-05 dated 1<sup>st</sup> July 2019 signed by Mr. Ker Chee Seng, the Managing Director.

Sighted, the Management has conducted a survey to all External Stakeholders dated 7<sup>th</sup> November 2019. Merely, 4 stakeholders' response to the questionnaire during the audit. 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

Social Impact Assessment Report was prepared by Mr. Narayanan and approved by Mr. Ker Chee Seng dated 2<sup>nd</sup> January 2020. 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** Home & Boom (M) Sdn Bhd has established Procedures on Grievance Handling under MSPO Manual Number P2-06 dated 1<sup>st</sup> July 2019 signed by Mr. Ker Chee Seng, 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** The Management is using complaint form for any complaint raised by stakeholders. Any complaints will be directly call or meet the Plantation Manager.

**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 7th November 2019. Merely, 4 external stakeholder 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** Home & Boom (M) Sdn Bhd has established Occupational Health and Safety Policy dated 1<sup>ST</sup> July 2019 signed by Managing Director, Mr. Ker Chee Seng. The OSH Plan is targetted zero accidents in the year.

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

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

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
  - i) all employees involved shall be adequately trained on safe working practices; and
  - ii) all precautions attached to products shall be properly observed and applied.

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

### Summary

Home & Boom (M) Sdn Bhd has established Occupational Health and Safety Policy dated 1ST July 2019 signed by Managing Director, Mr. Ker Chee Seng

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. Road Repairs
7. Driving Tractors
8. Chemical Issue
9. Pruning
10. Weeding

HIRAC review date was on 1<sup>ST</sup> January 2020

Seen, annual training plan for 2020 for all the staffs and workers.

Type of training	Month Proposed	Completion Date
MSPO Briefing	February	7/4/2020
Safety Briefing	February	
PPE	February	22/1/2020
Environmental Training & Meeting	March	
Harvesting & Pruning	March	
Spraying	March	
Manuring	April	
1 <sup>st</sup> Aid Kit	February	
Covid 19 Safety	February	21/7/2020

Samples training conducted on MSPO Procedures was sighted on 7<sup>th</sup> April 2020 attended by 5 participants.

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 18<sup>th</sup> July 2020

Sighted, Chemical Handling Procedures under SP-01 and Chemical Storage under SP-02. All the procedures are under Safety Producer dated 1<sup>st</sup> June 2020

Mr Narayanan is the person in-charge of OSH and the letter signed by Mr. Ker Chee Seng dated 1<sup>st</sup> July 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. Fire Extinguisher being fix at both Divisional offices.

The Estate is providing the 1<sup>st</sup> Aid Box at the workplace to mandora.

The Company have registered MyKKP with DOSH on 18<sup>th</sup> August 2020 and yet to obtained the ID Number.

**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** Home & Boom (M) Sdn Bhd has established Social and Human Rights Policy dated 1<sup>st</sup> July 2019 signed by Mr. Ker Chee Seng, The Managing Director. This policy covers: -

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

The Policy being displayed at notice boards outside the office.

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

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

**Summary** Sighted in the Social and Human Rights Policy 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. The Pagoh Estate have engaged 2 workers directly under the Company namely: -

1. Arpah - B 7201618
2. Zulhanapi – B 7196812

Base on the June 2020 salary voucher, both of them earned RM1200/ month with a deduction on SOCSO at RM14.40

**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** Merely, two contractors being engaged by Home 7 Boom (M) Sdn Bhd at Jasin Estate, M/s. M Surendran Enterprise, Mr Surendran a/l B/ Manalan and M/S Choo Kui Yoon – 580713-04-5131 dated 1<sup>st</sup> June 2018.

Payment being made through Payment Voucher to the Contractors before 7<sup>th</sup> of the following month. Sample taken on payment to Surendran a/l B. Manalan dated 7<sup>th</sup> August 2020 amounting RM8,549.10 through OCBC Cheque 001974.

**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** Contract Agreement being established for all workers and stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc.

Sample taken on Arpah - B 7201618 and Zulhanapi – B 7196812 at Pagoh Estate.

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

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

**Summary** Sighted, Employment Contract between Ladang Pagoh with their own workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed are all Indonesians. Sample taken on Arpah - B 7201618 and Zulhanapi – B 7196812 at Pagoh Estate.

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

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

**Summary** The Management has established Time Recording System based on Pocket Check-roll to workers.

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

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

**Summary** The working hour and break time has been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

Working hours is 8 hours. From Monday to Saturday. The overtime maximum is 104 hours according to Malaysian Law. There is no complaint received regarding payment or forced to work on overtime during site interview

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

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

**Summary** Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.

Documented pay slip was distributed to individual workers on the day of payment. Payment being made through cash and verify with consent letter from the workers.

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

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

**Summary** All workers have been contributed under SOCSO.

**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** All workers are provided with housing facilities at workers linesite.

Water for consumption is through Tubewell and seen the Abstraction License from BAKAJ :334/300/05/03/06/04 and valid till 31<sup>st</sup> December 2020.

The electricity is from TNB Supply. Both amenities are provided free to the workers. Domestic waste being disposed to estate landfill.

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

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

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

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

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

**Summary** Sighted in the Social and Human Right Policy on respect and protect human rights and workers' right (including temporary workers, contracts and foreign workers).

In addition, the Social Policy did stated on respect the right of all employees to form or join trade union has been stated under clause:

j. Menghormati hak-hak kebebasan bersuara dan berpersatuan mengikut lunas undang-undang yang ditetapkan

**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.

**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 all the personnel for year 2020. The programme as follows: -

Type of training	Month Proposed	Completion Date
MSPO Briefing	February	7/4/2020
Safety Briefing	February	
PPE	February	22/1/2020
Environmental Training & Meeting	March	
Harvesting & Pruning	March	

Spraying	March	
Manuring	April	
1 <sup>st</sup> Aid Kit	February	
Covid 19 Safety	February	21/7/2020

Samples training conducted on Covid 19 & Safety was sighted on 21<sup>st</sup> July 2020 attended by 5 participants.

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

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

**Summary** Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers which are based on their competencies and job description.

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

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

**Summary** All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive annual training plan for its workers. The training plan for 2020 was sighted. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

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

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

### Criterion 1 Environmental management plan

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

**Summary** Environmental management plan was made available to the audit team. The objectives of the plan were to adopt Environmental Quality Act 1974, to practice conservation of natural resources and to promote environmental awareness among all employees & third parties for better working environment.

Environmental policy was signed by Mr. Ker Chee Seng on 1<sup>st</sup> July 2019.

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

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

**Summary** The management plan covers the environmental policy & objectives and environmental impact & aspect. Sighted the following:

Target	Action Plan	Env Aspect	Env Impact	Mitigation	Promote
Conservation of water	Save Water Campaign	Limitation of daily water usage	Reduce water consumption and conserve water	To reduce domestic water consumption	To install water tank at every house to collect rain water
Foster education on environment	3R Campaign to be implemented	Reuse any domestic waste such as water bottle for flower vase	Increase awareness among workers	Reuse any material for beautification.	Installation recycle bins in estate.

**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** Action plan to mitigate the negative impacts and to promote the positive ones was stated in the Environmental Management Plan, which has been highlighted in indicator 4.5.1.2.

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

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

**Summary** The programs to promote positive impacts is included in the continual improvement plan.

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

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

**Summary** Environmental training for year 2020 was programmed and reviewed. Sighted the appropriate training has been plan and conducted in order to educate and spread the awareness among the workers.

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

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

**Summary** The management has conducted a meeting to discuss on their concern about the environment on 7<sup>th</sup> April 2020. The meeting was attended by all the workers and among the issues discuss were wild life species found in the estate compound, waste management and awareness of no illegal hunting activities.

**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** Record for consumption of non-renewable energy was made available during the audit program. The baseline value has been monitored accordingly.

**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** The record of diesel, petrol and electricity for estate daily operation has been recorded and made available to the audit team. This is also reflected in their annual budget for year 2020.

**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 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** Waste Management Plan was made available to the audit team which cover the schedule waste and domestic waste. The plan outlines the following; Category, Source of Pollution, Control Measures, Action Plan, Monitoring and Remarks.

Waste produced has been identified in the waste management plan. Among the waste identified were contaminated PPE, empty chemical containers, empty paint container, used lubricant oil, oil filter, florescence lamp, electronic devices, battery, fertilizer bags, used tires, household waste and iron scraped.

**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 has included the Control Measures and Action Plan. Sighted the plan as follows:

Sources of Pollution	Control Measures	Action Plan	Monitoring
Vehicles	Containers containing scheduled waste shall always be closed during storage except when it is necessary.	To notify and disposed thru licensed contractors.	Field officer
Empty chemical containers	To reuse the container, triple rinse is a must as per stated in SOP	Proper management and handling.	Field officer
Housing area	To dispose thru dustbin	Assign workers to collect domestic waste to landfill.	Field officer

**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 company has established the MSPO Manual and Plantation & Safety Procedures. Both procedure and manual were signed by Mr. Ker Chee Seng on 1<sup>st</sup> June 2020. The procedures give the guidelines on how to handle the used chemical in order to ensure proper & safe handling, storage and disposal.

**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** Reference to the Waste Management Plan: Schedule Waste, empty chemical container shall be reused for the same purpose (water container for spraying purpose) or to dispose the container after triple rinsed to licensed contractor.

However, during the site visit, it was found out the empty chemical containers were not properly managed and were found neglected at the housing area or using it as a bench at the residential area.

**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 for line site area is managed by the estate. All domestic wastes are disposed at landfill.

**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** Assessment of all polluting activities were sighted in Waste Management Plan and GHG Management Plan. The plan was prepared by Mr. Narayanan (Estate Manager) and approved by Mr. Ker Chee Seng.

Source of GHG	Environmental Impact	Action Taken	Status
Emission of GHG gas from nitrogen fertilizer usage.	Air pollution – global warming	Fertilizer application to follow recommendation by agronomist.	On going
Smoke emission from heavy vehicle such as tractor or backhoe.	Air pollution	Ensure regular maintenance.	On going
Transportation of FFB to collection center	Air pollution, noise pollution and GHG	Advise transporter to do regular maintenance.	On going
Open burning of domestic waste	Air pollution and GHG	Enforce no open burning	On going

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

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

**Summary** Action plan to reduce identified significant pollutants and emission has been stated in the Waste Management Plan and GHG Management Plan. Sighted the plan as below:

Source of GHG	Environmental Impact	Action Taken	Status
Emission of GHG gas from nitrogen fertilizer usage.	Air pollution – global warming	Fertilizer application to follow recommendation by agronomist.	On going
Smoke emission from heavy vehicle such as tractor or backhoe.	Air pollution	Ensure regular maintenance.	On going
Transportation of FFB to collection center	Air pollution, noise pollution and GHG	Advice transporter to do regular maintenance.	On going
Open burning of domestic waste	Air pollution and GHG	Enforce no open burning	On going

**In Compliance**

☒ **Yes**

☐ **No**

☐ **Not Applicable**

#### **Criterion 5 Natural water resources**

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

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

**Summary** Water resources for Pagoh Estate and Kersang Estate come from tube well and Syarikat Air Melaka Berhad. Assessment and water consumption record were made available to the audit team.

Monitoring of outgoing water and protection of water courses were not applicable in these two sites since there were no river crossing the estate compound. The management has conducted a briefing to spread awareness to educate the workers not to waste water.

**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 was sighted in the field. Among the methods they use are soil pit and road side drains.

**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 management has established "Pengenalpastian Nilai Habitat Biodiversiti", prepared by Mr. Narayanan on 2nd January 2020. Sighted the rare, endangered and threatened species was stated in the Biodiversity Management Plan 2020. As of the audit date, no RTE species were recorded in the estates compound.

**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** Thru morning briefing, the management has informed the workers not to engage with any illegal hunting activities. This is confirmed via interview with the workers during the site visit.

From the interview with the worker, they can demonstrate fair understanding on illegal hunting activities and aware to report if there is any encroachment of wildlife.

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

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

**Summary** Sighted Biodiversity Management Plan 2020 dated 2nd January 2020. The plan has identified 6 types of biodiversity which cover the RTE habitat, ecosystem area, concentration of biological diversity, protection of water catchment & control of erosion, resources of fundamental for satisfying the basic necessities and historical significant site.

**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** Zero burning practice is available in Polisi Amalan Pertanian Bagi Penanaman Dan Penjagaan Kelapa Sawit. There is no evidence of fire being used waste disposal during site visit.

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** As interviewed with the Manager, no special approval needed for open burning. No open burning sighted in the estate during site visit, and signage is made visible at respective areas.

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

**Indicator 3** Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.

**Summary** No replanting works being carried out in the estate.

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

**Indicator 4** Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched..

**Summary** No replanting works being carried out in the estate.

**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 3 types of Manuals as reference:  
 1) Good Agriculture Practice –  
 2) Standard Operating Procedure & Safety Operating Procedure  
 3) 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 visual reference system to identify each field or block. During site visit, each field has the signboard with block number/year of planting and hectareage.

**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 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.

**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** No replanting programme for the Estate.

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

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

**Summary** Estate has an annual budget for the financial year 2020. The budget includes the projected FFB production, general charges, upkeep & cultivation, collection, Salary and Wages. The 2020 Projection for Pagoh & Kesang Estate as follows:-

		Pagoh	Kesang
1	Progeny/clone	DXP Chemara	DXP Chemara
2	Yield / Ha	19.38 Mt	20.62 Mt
3	Cost of Production	RM 227.30/Mt	RM226.18/Mt
4	FFB price forecast	RM 400/Mt	RM 400/Mt
5	Revenue	RM720,000	RM721,000

**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 management plan will be monitored by the plantation owner by periodical visitation to the plantation and monthly meeting with the estate manager to ensure the management plan is effectively implemented and monitored.

**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 of FFB is discussed and agreed upon by the Home & Boom's Director and the Director of Eng Huat Oil Palm Sdn Bhd (Dealer) based on monthly MPOB pricing.

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

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

**Summary** All the Contract Agreement is fair and transparent. Sighted contract agreement between Home & Boom (M) Bdn Bhd and M. Surendran Enterprise dated 1/6/2018 approved by Mr Ker Chee Seng, Director. Payment terms to be paid not later than 7th of every month and transportation of FFB to dealer will transported by the dealer.

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

<b>Criterion 4 Contractor</b>	
<b>Indicator 1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

**Summary** The contractors have been informed that the estate is undergoing the MSPO certification process and they have been briefed by the estate management to comply with the MSPO standard requirements via MSPO Procedures briefing dated 7th April 2020.

The Contract agreement has a special clause on MSPO where the contractor agreeing to oblige to all MSPO requirements.

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

<b>Indicator 2</b>	The management shall provide evidence of agreed contracts with the contractor.
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**Summary** Sighted contract agreement between Home & Boom (M) Bdn Bhd and M. Surendran Enterprise dated 1/6/2018 approved by Mr Ker Chee Seng, Director where the contractor has agreed to abide by all requirements of MSPO and be audited by the MSPO auditors

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

<b>Indicator 3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.
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**Summary** The estates were audited by Global Gateway Certifications Sdn Bhd which is a certified MSPO Certification Body accredited by Department of Standard Malaysia. The audit was carried out from 18/8/2020 until 19/8/2020.

Sighted audit plan dated 7th August 2020 which have been accepted by Home & Boom Sdn Bhd address to Mr Narayanan Nair a/l Chandran (Mr C. Raj), Estate Manager, Home & Boom (M) Sdn Bhd.

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

<b>Indicator 4</b>	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.
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**Summary** Upon receiving an invoice from contractor, for completion of work in the estate, the Estate Manager will verify to confirm completion of work. Upon receiving confirmation on completion of work from the Estate Manager the payment will be released to the respective contractors. Payment to be paid not later than 7<sup>th</sup> of every month.

Sighted Invoice for work done from Surendran Enterprise dated 30/7/2020 (Invoice No 37462) and payment made to Surendran Enterprise dated 7/8/2020, OCBC cheque No: 001974.

**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 all estates.

**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 all estates.

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

### **Criterion 2 Peat land**

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

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

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

### **Criterion 3 Social and Environmental Impact Assessment (SEIA)**

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

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

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



<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 all estates.
<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 all estates.
<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.
<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 2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.
<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>Criterion 5</b>	<b>Planting on steep terrain, marginal and fragile soils</b>
<b>Indicator 1</b>	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 all estates.

**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 all estates.

**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 all estates.

**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 all estates.

**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 all estates.

**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 all estates.

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

<b>Indicator 4</b>	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.
<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 5</b>	Identification and assessment of legal and recognised customary rights shall be documented.
<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 6</b>	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
<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 7</b>	The process and outcome of any compensation claims shall be documented and made publicly available.
<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 8</b>	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.
<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>

## 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>
17 <sup>th</sup> Aug 2020	TBA	➤ Travelling to Muar, Johor.	IBI	MAS MFM
18 <sup>th</sup> Aug 2020	08:00 – 09:00	➤ <b>Opening Meeting at Ladang Pagoh</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	MAS MFM
	09:00 – 13:00	➤ <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>	IBI	MAS MFM
		➤ <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>	IBI	MAS MFM
	10:30 – 12:30	➤ <b>Stakeholder Consultation</b>	IBI	MAS MFM
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	IBI	MAS MFM
	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	MAS MFM
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	IBI	MAS MFM

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
19 <sup>th</sup> August 2020	08:00 – 13:00	<b>Ladang Kesang</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,</li> </ul> </li> </ul>	IBI	MAS MFM




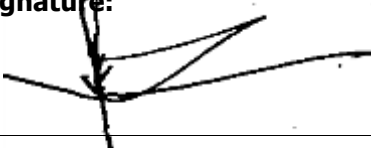
		<p>payment records, complaint records, workers records, training records, permits, CIP, etc.</p> <ul style="list-style-type: none"> <li>Field Inspection / Interview: Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>		
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	IBI	MAS MFM
	14:00 – 15:00	<ul style="list-style-type: none"> <li>➤ Continue document audit:</li> <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> <li>➤ Verify any outstanding issues and auditor discussion.</li> </ul>	IBI	MAS MFM
	15:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Closing Meeting at Home and Boom (M) Sdn Bhd:</b></li> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> <li>➤ <b>End of assessment</b></li> </ul>	IBI	MAS MFM

## 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 Minor NC's were raised for this audit.
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<b>Company Name</b>	Home & Boom (M) 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-BT1-MSPO-2020			
<b>NC No. / Ref.</b>	BT1/MSPO/MINOR/01	<b>Date Detected</b>	19 <sup>th</sup> August 2020	
<b>Site(s) concern</b>	Pagoh & Kersang 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 Home & Boom Sdn Bhd dated 2 <sup>nd</sup> January 2020, the estate is complying 100% to all the laws stated. However, the laws listed below are irrelevant to the estate and not updated. <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> <li>7. Medical Assistant (Registration) Act 1977</li> </ol>				
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>		
				
<b>Root cause Analysis (to be filled by client):</b>				

Home & Boom Sdn 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 check the list of register law every 3 month to make sure if there is any new amendment	
<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	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Company Name</b>	Home and Boon 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 Plantation and Organized Smallholders		
<b>Client Number</b>			
<b>NC No. / Ref.</b>	BT1/MSPO/MINOR/02	<b>Date Detected</b>	19 <sup>th</sup> August 2020
<b>Site(s) concern</b>	Kersang Estate	<b>Target Completion</b>	Next Surveillance
<b>Normative Reference and Requirement</b>	4.5.3.4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national program on recycling of used HDPE pesticide containers.		
<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>	Inappropriately dispose of Empty Chemical Containers		



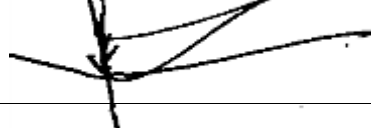


**NC Objective Evidence:**

Reference to the Waste Management Plan: Schedule Waste, empty chemical container shall be reused for the same purpose (water container for spraying purpose) or to dispose the container after triple rinsed to licensed contractor.

However, during the site visit, it was found out the empty chemical containers were not properly managed and were found neglected at the housing area or using it as a bench at the residential area.

**Lead Auditor Signature:**

**Client Signature:**

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

Home & Boom Sdn still in the process of complete implementation of MSPO requirement and going through its learning process.

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

1. To collect all the empty chemical containers and put inside the store
2. To give training to workers about Used chemical container

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

To do site inspection every 3 month to make sure compliance to company SOP

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

The proposed corrective and preventive action are acceptable. The evidence of effective implementation shall be verified in the next surveillance assessment.

**NC Closed:** ☐ Yes ☒ No

**Site verification:** ☐ Yes ☒ No

**Date Verified:**

**Lead Auditor Signature:**

**Area of Concern:**

Non-were raised during this audit.

## Appendix C: List of Stakeholders Contacted

### Internal Stakeholders

- 1) Ker Chee Seng – Director
- 2) Narayanan @ Raj – Estate Manager
- 3) Choo Ku Yoon – Estate Manager
- 4) Lim Hui Hui – Staff
- 5) Noorhaizun - Staff

### External Stakeholders

1. Manimaran Arumugam – Contractor Worker
2. M. Surendran - Contractor