

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

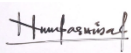


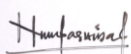
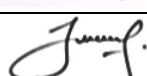
CERTIFICATION AUDIT REPORT


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

Chin Pek Soo Holdings Sdn Bhd
[Seronok Estate and Grik Estate]

-Group Certification-

MAIN ASSESSMENT AUDIT
25th – 26th June 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	29/07/2020	Issued as Draft Report	Nurulashida bt Mohd Saad	Lead Auditor	
A	11/08/2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	17/08/2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	28/08/2020	Issued as Final Report	Nurulashida bt Mohd Saad	Lead Auditor	
B	03/09/2020	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Chin Pek Soo Holdings Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	07/09/2020	Acceptance of the contents	Woo Heap Heng	General Manager	

Declaration

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

WITH INTEGRITY WE SERVE



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

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Chin Pek Soo Holdings Sdn Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by the Company representative, of the supply base disposition.

This assessment was conducted onsite on **25th and 26th June 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"**.

Company details and Contact information

Company Name	Chin Pek Soo Holdings Sdn Bhd
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Business Address	No. 87, Jalan Sultan Yussuf, 30000 Ipoh, Perak
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Contact Person	Ms Letchiumy
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Office Telephone	05-2541064
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E-Mail	estates.cpshldgs@gmail.com
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Certification Unit

Name of the Certification Unit

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Seronok Estate	Lot No. 8439, Kampung Sengat, Simpang Pulai, Perak.	101.102215	4.503238
2.	Grik Estate	Jalan Klian Intan, 33300 Grik, Perak.	101.132465	5.476325

MPOB License Information

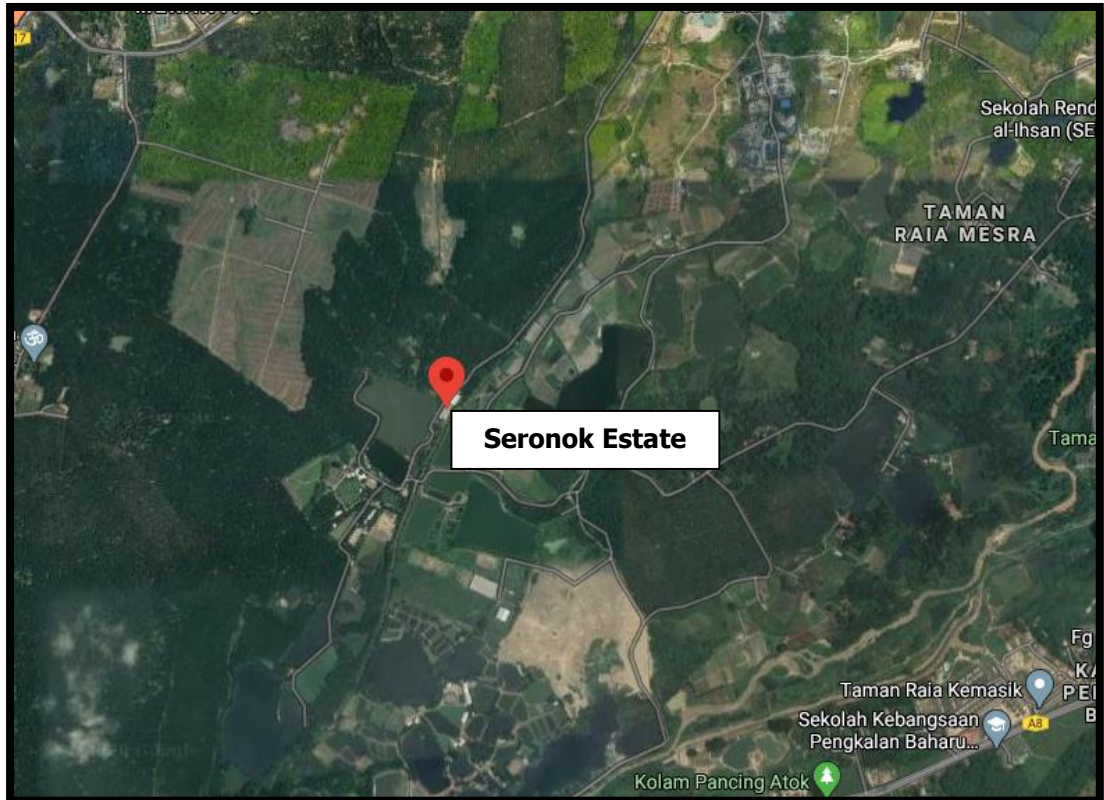
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Seronok Estate	562258-002000	30/6/2021	Menjual dan Mengalih (FFB)
2.	Grik Estate	503230-202000	30/9/2020	Menjual dan Mengalih (FFB)

Others Sustainability Certification

No	Name Of The Site	Others Sustainability Certifications
1.	Seronok Estate	NIL
2.	Grik Estate	NIL

Map Showing Geographical Location

1) Seronok estate location map



Source: Google Map

2) Grik Estate location map



Source: Google Map

Production Area, Actual and Projected FFB Production (MT)

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Seronok Estate	60.49	58.65	58.65
Grik Estate	110.4043	110.40	110.40

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Seronok Estate	n/a	n/a	n/a
Grik Estate	n/a	n/a	n/a

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [July 2019-June 2020]	Projected Production for next 12 Months [July 2020-June 2021]
Seronok Estate	NIL	938.36	850
Grik Estate	NIL	1735.32	1300

Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd. No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-CPSH001-MSPO-00-2020
Initial certificate issued date	3 rd Sep 2020
Certificate expiry date	2 nd Sep 2025
Stage 1 assessment date	17 th February 2020
Stage 2 / Main Assessment	25 th - 26 th June 2020
Annual Surveillance 1 [ASA 1]	May 2021
Annual Surveillance 2 [ASA 2]	May 2022
Annual Surveillance 3 [ASA 3]	May 2023
Annual Surveillance 4 [ASA 4]	May 2024



Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Nurulashida binti Mohd Saad

Graduated in Conservation and Management of Biodiversity with working in Sustainability Department for more than 12 years which involves in certification and compliance affairs. Fully trained in agriculture certification programme such as RSPO, MSPO, SCCS, Biodiversity / HCV, ISCC, ISO and etc.

Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Sesumaran Subramaniam

Sesumaran's Academic Experience are BSc (Hons) Computer Studies, University of Sunderland (UK) Year 2006) and obtain Bachelors in Total Quality Management Year-2011. He has gained his vast experience in quality management and auditing while working in various certification bodies as a Quality Manager and auditor since 2013. Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Auditor in several certification programme. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Tuan Amirudin bin Tuan Sulaiman

Graduated from UiTM in Planting Industry Management. Have working experience several industries mostly on Plantation and consultancy services in sustainability such as MSPO and RSPO for more than two years. Attended and passed MSPO Auditor Training Course and MSPO Supply Chain. Certification Auditor Training. HRDF Trainer Certified. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Audit Methodology

For **Chin Pek Soo Holdings Sdn Bhd**, there are two estates were assessed during the assessment with no sampling is required. The estates are Seronok Estate and Grik Estate. 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.

Audit Plan Information

Audit Date	25 th – 26 th June 2020
Name of site(s) visited	Chin Pek Soo Holdings Sdn Bhd
Total number of man-days spent	6 man-days

Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	2	Open
Area of Concern	0	No action requires
Noteworthy /Positive Comments	4	No action requires

Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

GGC has published the public notification on 19th June 2020 and as to accommodate a stakeholders' consultation meeting for the estate. Therefore, it was conducted on 25th June 2020 at Seronok Estate to gather information from the local communities in accordance with Certification Scheme and Stakeholder Consultation requirements.

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

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as other aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the estate management before incorporating into the assessment findings. The details is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Workers)	<ul style="list-style-type: none"> Have good understanding about MSPO. The company has good relationship with the workers and there is no issue with the company. PPE is well provided by the company Good Welfare provided by the company. Training has been provided by the company 	No action requires	Positive findings
2.	Stakeholders B (Contractor)	<ul style="list-style-type: none"> Understood the agreement with the company. The contractor has good relationship and there is no issue with the company. No payment issue to be raised 	No action requires	Positive findings

3.	Stakeholders C (Supplier)	<ul style="list-style-type: none"> Understood the agreement with the company. The supplier has good relationship and there is no issue with the company. No issue on the payment by the company. 	No action requires	Positive findings
4.	Stakeholder D (Neighbour)	<ul style="list-style-type: none"> Good relationship with the management. No issues on the boundaries. Understand the complaint procedure should there is any to be lodged. 		

Recommendation

Chin Pek Soo Holdings Sdn Bhd owned estates [Seronok estate and Grik estate] are located in Simpang Pulai and Grik, Perak. The company's headquarters is in Ipoh, Perak. 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 Chin Pek Soo Holdings Sdn Bhd. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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

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

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of 2 Minor NC raised. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to Chin Pek Soo Holdings Sdn Bhd.

Date of Next Surveillance Audit

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

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.

Abbreviations Used

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

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

Summary The management has established an MSPO Sustainability Policy, dated 10/12/2019 and approved by the Director, Mr. Chin Fung Hao.

The policy is committed to implement o the following key principles of MSPO includes:

1. Principle 1: Management commitment and responsibility
2. Principle 2: Transparency
3. Principle 3: Compliance to legal requirements
4. Principle 4: Social responsibility, health, safety and employment condition
5. Principle 5: Environment, natural resources, biodiversity and ecosystem services
6. Principle 6: Best practices
7. Principle 7: Development of new plantings

The policy for is displayed and sighted on the notice board at both estates. Briefing on the policies has been conducted :

- (21/01/2020) attended by 10 employees at Seronok Estate.
- (20/01/2020) attended by 9 employees at Grik Estate.

Interviewed with the contractor confirmed that he has been briefed on the MSPO requirement and implementation by the management.

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

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

Summary The estate management has established an MSPO Sustainability Policy, dated 10/12/2019 as approved by the Director, Mr. Chin Fung Hao.

The Policy has emphasized or committed to continuously improve the operations in line with social, environmental, and economic aspects as stated in the para (2) point (2).

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 The management has established internal audit procedure, Doc No: MSPO-01, dated on 20/12//2019. Stated in the procedure, the internal audit shall be conducted on annual basis.

Sighted as well is an annual Internal Audit Plan – 2020 is made available as prepared by Mrs Liew Yin Ling and approved by Mr Chin Fung Hao.

Internal audit was conducted on 06 – 07 January 2020 at both estates. The audit is led by Mrs Liew Yin Ling and assisted by Mrs Letchumy Murusamy and Mr Subramaniam. Two Major NC has been identified and the closure of the NC is within the timeframe.

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

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

Summary The management has established an internal audit procedure, Doc No: MSPO-01, dated on 20/12//2019. Stated in the procedure, the internal audit shall be conducted on annual basis.

The Internal Audit for 2019 was carried by Mr Subramaniam (Consultant from GSS) on 6th – 7th January 2020. Audit criteria were based on the MSPO Part 3: General Principles for Oil Palm Plantations and Organised Smallholders and three (2) Non-Conformities were raised during the internal Audit.

Actions plan on the nonconformity raised are as below:

no	Non -conformances	Action Plan
1	Management Review Meeting not conducted	To conduct Management Review Meeting.
2	CHRA not done	To engage OHS registered CHRA assessor .

The internal audit procedure and report were well kept in the file under the name Principle 1: Management Commitment and Responsibility.

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

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

Summary The Internal Audit Report dated 7th January 2020 is made available for management review. Management meeting review was conducted on 04/02/2019 and chaired by Mr Chin Fung Hao and the minutes was prepared by Mrs Letchumy Murusamy. The finding on internal audit is discussed in the meeting.

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

The Company has established a Standard Operating Procedures on Management Review as referred to: MSPO-02: Management Review dated 20th December 2019. The procedure is approved by Mr. Chin Fung Hao (General Manager).

The objective of the management review are to:

- Provide the management with a regular review of the MSPO effectiveness of whole plantation management.
- Facilitate factual decision making and strategic planning through review of measures and other data to provide control, benefit and added value to estate management.
- Facilitate proactive communication and feedback to the employees and other interested stakeholder for continual improvement.

A Management Review Meeting has been conducted on 04.02.2020 as stated in the "Management Review Meeting Minutes (MSPO4.1.3)" attended by 7 personnel. The minutes was prepared by Mrs Letchumy (MSPO Co-ordinator) and approved by Mr Chin Fung Hao (General Manager). Among the agenda discussed during the meeting are;

1. MSPO implementation & Documentation & Procedures
2. MSPO Policies
3. Internal audit results
4. Continual improvement
5. Stakeholder consultation
6. Safety & Health
7. Employment condition
8. HBV
9. Housing condition

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 The company has established its action plan as documented in "Chin Pek Soo Holdings Sdn Bhd: Continual Improvement Plan (CIP) – 2019-2020". The estate identified 8 improvement areas. Sampled are:

No.	Improvement aspect	Planned activities	Date line
1.	PPE Usage and awareness	1. PPE issuance system & record 2. Training and monitoring	15/02/2020
2.	Safety Signage and Training	1. Identify location & type 2. Fixing	15/02/2020
3.	Cleanliness and hygiene in workers housing	1. Awareness on Dengue	15/02/2020
4.	Reduction on domestic waste	1. Awareness to workers 2. Signage 3. Landfill	15/02/2020

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 As per interview with the management and site verification, it was sighted that the usage of pressure pump was implemented as a new technique within the Seronok Estate vicinity.

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 A general Plantation & Safety Procedure, PP-05: Maintenance of Mature Areas is made available for spraying activity. However:
1) the procedure is found to be inadequate to be the reference for pressured pump spraying activity
2) no training has been conducted prior to the system application.
Thus, a nonconformity is raised under this indicator.

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

Sighted a Stakeholder communication and consultation survey report "REF No: 012020" dated 13/02/2020 is made available. Understanding on Company Policies, Complaint and grievance Procedure, Complaint and grievance form, Stakeholder survey form and Request for information form are the part of survey's content.

Estate has established the Communication Procedures for consultation and communication with relevant stake holders was established. Procedure has been communicated to external stakeholders during the stakeholder meeting dated 14.02.2020

Internal and external stakeholder meeting was conducted on 14.02.2020 involving estate workers and stake holders. Attendance sheet sighted with 35 participants or Seronok Estate and 16 participants for Grik Estate.

Sampled external stake holder record for Seronok Estate: -

- Ms.Chong,Siputeh Sawit sdn bhd (contractor)
- Mr.Mohd Hafiz, Pentas Flora (Ipoh) Sdn Bhd (contractor)

Sampled external stake holder record for Grik Estate: -

- Soo Kuan Peng, sdn bhd (contractor)
- Mr.Thuah kok sin, Perniagaan wen yuen Sdn Bhd (contractor)

In Compliance ☒ Yes ☐ No ☐ Not Applicable

Indicator 2

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

Summary

List of files for Chin Peck Soo Holdings sighted with the total of 30 documents named "(Grik and Seronok Estates) List of Documents and Classification – 2019 (MSPO 4.2.1)". This document prepared by Ms. Letchumy and approved by Mr. Chin Fung Hao. Company policies are found to be publicly displayed on estate notice boards.

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

Chin Pek Soo Holdings Sdn Bhd has established a SOP in MSPO Manual as referred to "MSPO Procedure Title: Stakeholder Communication & Consultation" Ref. No: MSPO-03 dated 20/12/2019.

In Compliance ☒ Yes ☐ No ☐ Not Applicable

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

MSPO Steering Committee Organization Chart was made available and sighted, Management has appointed Mr. Gopal Krishnan to be a MSPO PIC for Stakeholder Communication and Consultation. Appointment Letter dated 12th December 2019 sighted.

Grik Estate

MSPO Steering Committee Organization Chart was made available and sighted, Management has appointed Mr. Hoo Ket Chan to be a MSPO PIC for Stakeholder Communication and Consultation. Appointment Letter dated 12th December 2019 sighted.

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.
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Summary The Company has established an internal and external stakeholders.

Seronok Estate

List of stakeholders available in document named "Stakeholder list". Estate has identified total of 23 stakeholders.

Grik Estate

List of stakeholders available in document named "Stakeholder list". Estate has identified total of 22 stakeholders.

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

Criterion 3	Traceability
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Indicator 1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).
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Summary SOP on traceability is available in MSPO Manual as referred to "MSPO Procedure Title: FFB Traceability" Ref. No: MSPO-04 dated 20/12/2019.

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

Indicator 2	The management shall conduct regular inspections on compliance with the established traceability system.
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Summary Implementation on the traceability procedure is verified and signed on the weighbridge ticket by supervisor or lorry driver witnessed by Plantation Manager. By end of the month, Mr. Woo Heap Heng(General Manager) for Seronok Estate and Mr. Jeffrey (Estate Manager) for Grik Estate are to verify all weighbridge tickets.

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

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

Summary MSPO Steering Committee Organization Chart was made available and sighted, Management has appointed Mr. Jeffrey Hong to be a MSPO PIC Traceability. Appointment Letter dated 12th December 2019 sighted.

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

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

Summary Records are available, sighted during the audit, such as weighbridge ticket, mill statement and transporter invoices. All FFB sold to mill are supported with contracts. Sighted FFB purchasing contract with:-

For Seronok Estate, Siputeh Sawit Sdn Bhd, contract dated-1dec2019,Signed by Estate Manager Gopala Krishnan.

- Weighbridge ticket information are recorded on Lorry No., Product, Time, Quantity, etc.
- Sample taken for:
 - Serial No: 00084171
 - Weighing Date: 04/05/2020
 - Vehicle No.: AHQ5545
 - Product code: [FFB] F.F.B
 - Time in: 09:52
 - Time out: 10:09
 - Nett weight (kg): 5,650

As for Grik Estate, Sawit Langkap Sdn Bhd , contract dated-1 JAN 2020,Signed by Estate Manager.

- Weighbridge ticket information are recorded on Lorry No., Product, Time, Quantity, etc.
- Sample taken for:
 - Serial No: P0015874
 - Weighing Date: 09/05/2020
 - Vehicle No.: AAJ77149
 - Product code: [FFB] F.F.B
 - Time in: 13:40
 - Time out: 13:47
 - Nett weight (kg): 6,410

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

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

Indicator 1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

Summary The Company has established and updated list of applicable laws and regulations that are applicable for the estate. The legal register includes the following (samples):

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

Seronok Estate

Samples of the foreign workers passport is sighted as below: -

- i. Angga (AU276262)
- ii. Nasrudin (AU126623)
- iii. Muhamad Rais (AU365208)

Grik Estate

Samples of the foreign workers passport is sighted as below: -

- i. Mahirudin (C6560498)
- ii. Mahrim (C6560497)
- iii. Ahmad Zulkiplihadi (C6560496)

Sighted four fire extinguishers are made available at Grik Estate.

No.	Location	APA Number
1.	Estate office	SR102012Y072619
2.	Chemical Store	SR012020Y701374
3.	Fertilizer Store	SR012020Y701140
4.	Housing	SR012020Y00655

However, the fire extinguisher (SR102012Y072619) located at the office premise are found to be expired with the expiry date stated of 13-01-2015. Thus, a nonconformity is raised under this indicator.

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

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

Summary The Company has established and updated list of applicable laws and regulations that are applicable for the estate. The legal register includes the following (samples):

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

SERONOK ESTATE

The following license are sighted;

1. Akta Lembaga Minyak Sawit 1998 – No. Lesen: 562258002000. Expiry date : 30/06/2021

The estate has applied for "MENYIMPAN BARANG KAWALAN BERJADUAL BAHAN API PETROLEUM". Reference number: KPDNKK.PK.007/15(005). It was accepted on 07/02/2020 and the permit is still in process.

GRIK ESTATE

The following license are sighted;

1. Akta Lembaga Minyak Sawit 1998 – No. Lesen: 503230202000. Expiry date : 30/09/2020
2. Permit Barang Kawalan Berjadual (Peraturan-peraturan bekalan kawalan bekalan 1974, Peraturan 9(2) No. Siri: A004168 expiring 09.12.2020 valid for the purchase of 200 liters diesel and 60 liters Petrol per day.

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 Ms Oon Lai Kuen will update and distributed the information of new laws or any amendment coming into force. Any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and updated, through the following manner:

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

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

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

Summary Appointment letter of Ms Oon Lai Kuen was made available to the audit team. The appointment was made on 12/12/2019, signed by the company's director, Mr Chin Fung Hao.

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 land title was made available to the audit team during the process. Seronok Estate possessed 19 land title with total area of 60.49 ha and planted 58.65 ha whilst Grik Estate has 32 land title with total area of 110.4043 ha. All land titles were available to the audit team during the audit review.

SERONOK ESTATE

Sample taken for land title as per below: -

No	Lot No.	Grant No.	Hectare	Syarat Nyata
1.	12105	74096	4.075	Pertanian
2.	312491	345840	11.33	Pertanian
3.	6593	183127	12.14	Komersial
4.	12304	12719	0.9	Komersial
5.	9392	41009	4.27	Pertanian
6.	8439	65922	6.4	Pertanian
7.	2772	154956	1.15	Pertanian
8.	12422	125389	3.23	Pertanian
9.	9706	126371	0.37	Pertanian
10.	3742	324118	1.65	Pertanian

GRIK ESTATE

No	Lot No.	Grant No.	Hectare	Syarat Nyata
1.	6934	5611	2.212	Pertanian
2.	6991	5610	0.7878	Pertanian
3.	6935	5698	3.126	Pertanian
4.	6992	5450	1.369	Pertanian
5.	6933	5451	1.26	Pertanian
6.	1368	3231	3.4803	Pertanian
7.	1369	3232	3.6548	Pertanian
8.	1375	3226	3.8445	Pertanian
9.	1329	3208	3.8647	Pertanian
10.	1330	3209	4.0013	Pertanian

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 legal ownership is extracted from 2019 quit rent ie "Bil Cukai Tanah dan Parit/Tali Air" Kerajaan Negeri Perak as "Chin Pek Soo Holdings Sdn Bhd".

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

The company has clearly demarcated and visibly maintained Legal perimeter boundary markers such as trenches and boundary stone on the ground. This has been verified during the site visit conducted.

During site visit on 25/06/2020 at Seronok Estate, sighted 2 of the boundary markers that was painted red on top. The boundary markers sighted as below: -

No.	Coordinate
1.	4.49638889 , 101.09944444
2.	4.49916667 , 101.10027778

During site visit on 26/06/2020 at Grik Estate, sighted 2 of the boundary markers. The boundary markers sighted as below: -

No.	Coordinate
1.	5.47555556 , 101.13138889
2.	5.47555556 , 101.13166667

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

Indicator 4

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

Summary

There is no evidence of conflict present in this estate. No disputes have been recorded in the estate area. This has been verified during the stakeholder meeting and there is no complaint on disputes being lodged as to-date. All land titles are registered under the respective company and quit rent paid accordingly.

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

Criterion 3 Customary rights**Indicator 1**

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

Summary

There is no customary land identified within or surrounding the estates. There are also no land disputes or claims made on the operating units over customary land. The company has proper legal land titles for the land ownership and quit rent duly paid each year.

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

Indicator 2

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

Summary There is no customary land in or surrounding the estates' landholdings. There are also no land disputes or claims involving these estates as to-date.

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

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

Summary There is no customary land in or surrounding the estates' landholdings. There are also no land disputes or claims involving these estates as to-date. 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 Social Impact Assessment report dated 14/02/2020 sighted. SIA was done by using survey form distribute to the stakeholders. Total of 37 respondents collected, 19 from Grik Estate and 18 from Seronok Estate separately. The respondents are from Government Departments, Workers, Suppliers and Staff. Management plan to mitigate the negative impacts documented in the report (SIA Management Plan - 2020).

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 Procedure established as per MSPO-03 (Stakeholder Communication & Consultation) dated 20/12/2019.

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

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

Summary The procedure have highlighted that feedback will be provided at appropriate time frame.

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 Sighted complaint form is available at the site office together with mailbox. No complaint is recorded as to-date for both estates.

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 Procedure for complaint and grievance has been explained during stakeholder survey conducted by estate management.

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 Sighted complaint form available at the site office together with mailbox. As per interviewed during stakeholders meeting on 26/06/2020 at GRIK Estate, Mr. Soo (Contractor) and Mr. Phuah (Contractor) stated that they have been informed and they know they can make complaints to the company.

As the company has just embarked on the MSPO Certification there is no complaints and resolutions for the last 24 months were documented.

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 On the CSR programme, Chin Peck Soo Holdings Sdn Bhd has practiced such contributions:

1. RM 2,000.00 (Woo Heap Heng) made on 29/11/2019

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

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

Criterion 4 Employees safety and health

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

Summary OSH Policy sighted during the audit. The policy was signed by Director (Mr. Chin Fung Hao) dated 10.12.2019. Briefing of the policy was made on 20/01/2020 attended by 15 participants (Grik Estate) & 21/01/2020 attended by 6 participants (Seranok Estate).

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

OSH Policy sighted during the audit. The policy was signed by Director (Mr. Chin Fung Hao) dated 10.12.2019. Briefing of the policy was made on 20/01/2020 attended by 15 participants.

Risk of all daily operation have been assessed in HIRARC sighted during the audit. The document was prepared by Mr. Gopal Krishnan & Mr. Hoo Ket Chen and approved by Mr. Woo Heap Heng. The HIRARC consists of 11 item including Chemical preparation, Pruning, Weeding etc Latest version dated on 30/12/2019.

Annual training program has been established as per document "Annual Training Plan (Safety, Environment & MSPO Awareness". In the document, stated specifically training for Sprayer on PPE usage.

ii. Copy of SDS for chemical used in the estate available in the office and at the site. Chemical Health Risk Assessment has been done for Seronok estate and Grik estate. CHRA Report prepared by CSK MURNI SERVICES Sdn Bhd. Report Ref. No: HQ/08/ASS/00/250-2020/003 dated on 28th January 2020 (Seronok) and Report Ref. No: HQ/08/ASS/00/250-2020/002

PPE issuance record available for both Grik and Seronok Estate. Sighted document used in the book for both etstate.

Sighted SP-01 Chemical Handling inside Plantation & Safety Procedures.

MSPO Steering Committee Organization Chart was made available and sighted, Management has appointed Mr. Woo Heap Heng to be a MSPO PIC for Occupational Safety and Health. Appointment Letter dated 12th December 2019 sighted.

OSH Committee meeting minutes on 20/01/2020 (Grik Estate) & 20/04/2020 (Seronok Estate). The agenda discussed in the meeting was Emergency Response procedure, First Aid and PPE requirements, Policy briefing and Safety Awareness.

Sighted Emergency Response Plan, Chemical Spillage Emergency Procedure, and Emergency Help. Briefing made during safety team meeting date 20/01/2020 (Grik Estate) & 20/04/2020 (Seronok Estate).

Sighted agenda of First Aid and PPE requirements in the Safety team Meeting 01/2020. First Aid Box were made available at the site office. As for the date there is no accident occurred.

JKKP 8 form sighted for both estates dated on 17/01/2020. For the record, no accident reported in year 2019.

In Compliance ☐ Yes ☒ No ☐ Not Applicable

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

Summary Policy sighted (Social and Equal Rights Policy Statement) signed by Director dated 10/12/2019. Policy briefing was done during training for Grik Etstae (20/01/2020) and Seronok Estate (21/01/2020).

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 Social and Equality Policy signed by Director dated 10.12.2019. The policy ensures that:

- Freely of discrimination and prejudice against gender, race, religion, nationality and political views.

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 The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum wage order 2018. Malaysian minimum salary is RM1, 100.00 as stated in the guidelines.

Sample taken for Seronok Estate as per below:

	Angga	Nasrudin	Rais
	(RM)		
Basic Pay	1242.00	1127.00	1127.00
Overtime	904.68	444.13	444.13
Allowance	362.00	147.00	147.00
Gross Pay	2508.68	1718.13	1718.13
Deduction	1000.00	800.00	800.00
Net Pay	1508.70	918.15	918.15
SOCSSO	31.90	21.90	21.90

Sample taken for Grik estate as per below:

	Mahrim	Hilmi	Mahsar
	(RM)		
Basic Pay	1078.00	1127.00	1127.00
Overtime	450.31	477.88	477.88
Allowance	147.00	147.00	147.00
Gross Pay	1675.31	1751.88	1751.88
Deduction	800.00	1000.00	1000.00
Net Pay	875.35	751.90	751.90
SOCSSO	20.60	21.9	21.90

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 Sighted payment voucher made to Chan Ah Kwei for Contract Tractor Service amount RM 4017.00. The payment was made on 30/05/2020.

In Grik Estate, 1 contractor Perniagaan Wen Yuen (FFB transporter). Invoice No. 0259 dated 31/05/2020 made by Perniagaan Wen Yuen. Verified payment copy on 15/06/2020 amount of RM 2664.04.

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 Sighted list of Malaysian workers and Indonesian workers. The list contains the information of full name, Employee code, Date of Joint, Gender, Date of birth, Job description, Wages and Period of employment.

Sample taken from Grik Estate:-

1. Name: Mahirudin
2. Employee code: B 60119
3. Date of Entry: 19/05/2016
4. Gender: M
5. Date of birth: 09/10/1979
6. Job description: Harvester
7. Daily wages: RM 49.00
8. Period of employment: 3 year 7 month
9. Passport no.: B 3062743

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

Grik Estate

Sample contract taken for:

1. Mahsar (Indonesian) dated 21/11/2010 with wages rate of RM 47.00/day. Letter of wages increment 2020 sighted with rate of RM 49.00/day
2. Abdul Rahim bin Harun dated 02/11/2015 with wages rate of RM 36.00/day. Letter of wages increment 2020 sighted with rate of RM 50.00/day

Seronok Estate

Sample contract taken for:

1. Fauzi (Indonesian) dated 19/03/2014 with wages rate of RM 47.00/day. Letter of wages increment 2020 sighted with rate of RM 49.00/day
2. Angga (Indonesian) dated 19/03/2014 with wages rate of RM 52.00/day.
3. Davanah A/P Kathiraveloo dated 01/01/2020 with wages rate of RM 50.00/day

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 Mutually agreed Working hours are clearly stated in employment contract and Daily attendance taken by Manager every morning used as time recording system. Work starts at 07.00 am until 3.00 pm.

Sighted the attendance record for Grik Estate File named as per "Chin Peck Soo Holdings Sdn Bhd Attendance File Grik Estate"

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 Total hours work and record for the month MAY 2020 for each worker sighted during the audit. Total of overtime did not exceed 104 hours for every workers.

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 Overtime hours and payment amount clearly indicated in workers' pay slips. Deduction on payslips was made for an advance. The amount of advance does not exceed 50% of the total wages. Sighted record for cash advance dated 15/05/2020.

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 Social benefits offered to estate employees such as:

1. January's bonus
2. Medical benefit – sick workers sent to nearby clinic. Cost paid by management
3. Water and electricity
4. Housing complex

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 Housing is a permanent structure complete with electricity and water supply free for the workers. Weekly inspection for workers housing sighted during the audit as the indicators included in the inspection as per below: -

- i. Parit saluran keadaan baik?
- ii. Kebersihan sekeliling rumah?
- iii. Tempat berkumpul masa kecemasan dikenalpasti?

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 Social and Equality Policy signed by Director dated 10.12.2019. The policy ensures that:

- Provide workplace free of sexual harassment whether directly or indirectly against all workers, societies 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 The company does not prohibit the rights of all personnel to join trade unions and to bargain collectively. Sighted statement in the Social and Equal Rights Policy "Respect and protect human rights and workers' right (including temporary workers, contracts or foreign workers)".

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

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons

is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

Summary

No child labour hired by company as stated in company's Social and Equal Rights Policy's statement where "Prohibit employing worker by coercion, Children and young persons shall not be employed or exploited, the minimum age shall comply with local, state and national legislation".

There are no children below ages of 18 working is allowed to work in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

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

Criterion 6 Training and competency**Indicator 1**

All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

Summary

Training program for year 2020 sighted for Grik and Seronok Estates. Sighted program for both estates dated 20/12/2019. The training program includes First Aid and ERP, Waste Management, PPE Usage etc.

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

Indicator 2

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

Summary

The management has identified Training Need Analysis for Staff, Mandore, Harvester, Sprayer and General. The items in the Training Needs consist of 14 items including Manuring, Weeding, Spraying etc.

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

Sighted Training program for year 2020 documented for both estates. Sighted training records in Grik Estate for:

1. Policy briefing conducted on 20/01/2020 (Grik Estate) & 21/01/2020 (Seronok Estate)
2. Safety and health conducted on 20/02/2020
3. Recycle waste awareness conducted on 25.05.2019

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

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

Criterion 1 Environmental management plan

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

Summary

Chin Pek Soo Holdings Sdn Bhd has developed Environmental Policy, dated on 10/12//2019 and approved by the director, Mr Chin Fung Hao. The Company is committed in protecting the environment and ensure necessary effort is taken to reduce the impact on the environment from its estate operations in line with Environment Quality Act, 1974.

In line with that objectives, CHIN PEK SOO HOLDINGS SDN. BHD. is committed to implement the following practices:

- To carry out estate activities in accordance with established legal and regulatory framework, those relating to environmental quality;
- To practice "Zero Burning" policy on new planting, replanting except in specific situation.
- To ensure the estates activities follow the guidelines of the current industry practice.
- To plan, implementing, monitoring and measuring predetermined activities to mitigate environmental impacts and greenhouse effect;
- To promote and provide awareness of environmental conservation through training to all employees and stakeholders and
- Ensure awareness of the environmental policy is disseminated to be understood and practiced by employees and stakeholders.

Seronok Estate

Estate's management plan and Environmental Policy has been communicated to its management staffs on 12/12/2019 by Mr. Chin Fung Hao attended by 8 participants including office clerk, Director, Estate Manager, General Manager, Estate Manager, and Internal Auditor.

Estate management plan and Environmental Policy has been communicated to its General workers, Chargeman, Tractor Driver, and Lorry driver by Estate Manager (Mr. Gopala Krishnan) on 20th April 2020. Sighted attendance sheet with 35 Participants. Verified photograph of the training.

Grik Estate

Estate management plan and Environmental Policy has been communicated to its General workers by Estate Manager (Mr. Hoo Ket Chan) on 20th January 2020. Sighted attendance sheet with 15 Participants. Verified photograph of the training.

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 Estates's Management in line with its policies and objectives .

- To carry out estate activities in accordance with established legal and regulatory framework, those relating to environmental quality;
- To practice "Zero Burning" policy on new planting, replanting except in specific situation.
- To ensure the estates activities follow the guidelines of the current industry practice.
- To plan, implementing, monitoring and measuring predetermined activities to mitigate environmental impacts and greenhouse effect;
- To promote and provide awareness of environmental conservation through training to all employees and stakeholders and
- Ensure awareness of the environmental policy is disseminated to be understood and practiced by employees and stakeholders.

The estate has conducted Environmental Aspect and Impact Assessment on 20th Dec 2019 as below: -

No	Environmental Aspect	Environmental Impact	Mitigation Measure	Monitoring Program
		Effect of the Impacts		
1.	Schedule waste generation and spillage	Land and water pollution	Designate collection place prior disposal. Brief workers and staff the right procedure of handling and the legal requirements of Environmental Quality Act	Ongoing
2.	Use of petrochemical (petrol, diesel etc) for transportation activities	Pollution of soil and water course.	Ensure Trucks are properly maintained	Avoid unnecessary trips. Proper planning
3.	Oil leakage from lorries	Pollution of soil and water course.	Trucks are sent for maintenance and inspection quarterly	Drivers inspect trucks daily and quarterly
4.	Disposal of non-biodegradable wastes	Land contamination	Workers were informed to separate organic and inorganic wastes. The recycle wastes will go into the designated recycle bins	Training. Estate supervisor will check and remind workers

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

Estate have developed an environmental improvement plan to mitigate the negative impacts as below. The management plan is derived from the Environmental Aspect Impact Assessment where the positive and negative impact were well identified. The assessment includes:

1. Target
2. Environmental aspect
3. Environmental Impact
4. Mitigation/Improvement program

Target	Environmental Aspect	Environmental Impact	Mitigation /Improvement plan
No opening burning in premises /workers Quarters	Burning of Domestic waste in pits /drums	Emission of smoke and dust particles openly into the air / environment	1.0 Briefing to workers (residents in quarters) about "Zero Burning" Policy & strictly comply to policy. 2.0 Open up land fills.
	Organised burning of fertilizer & chemical packaing	Increase surrounding temperature Causing air pollution, affect human's health	1.0 Fertilizer & Chemical waste packaging material to dispose under schedule waste procedure.
Zero Water pollution from oil(diesel) discharges.	Oily water discharge into surface waters (rivers) from workshop and diesel refueling area.	1.0 Occurrence of river water pollution 2.0 Danger to marine life	Conduct Water Quality Analysis annually sampled at the entry and exist point (2 points)

In Compliance☒ **Yes**☐ **No**☐ **Not Applicable****Indicator 4**

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

Summary

Program to promote the positive impacts included in the Environment Management & Improvement Plan 2019-2020.

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

Estate has developed the training calendar for the year 2019 and 2020 to ensure that the environmental policy to be communicated to all levels of the workforce and stakeholders such as;

1. "MSPO awareness and business planning "briefing scheduled on Nov2019, January and February 2020.

GRIK ESTATE

policy and objectives of the environmental management and improvement plans regularly communicated to workers during morning roll call. Estate management plan and Environmental Policy has been communicated to its General workers by Estate Manager (Mr. Hoo Ket Chan) on 20th January 2020. Sighted attendance sheet with 15 Participants. Verified photograph of the training.

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**Seronok Estate**

The Company has conducted "Quarterly Environment Meeting" held on 20.04.2020 at Seronok Estate Office, chaired by Mr Woo Heap Heng (General Manager) and participated by 35 estates general workers to discussed matters pertaining to the following environmental subjects;

- Sharing information on the Environment Performance
- Giving employees a reasonable opportunity to express their views
- Waste Management
- Control Open Burning
- House-Keeping

Grik Estate

The Company has conducted "Quarterly Environment Meeting" held on 20.01.2020 at Grik Estate Office, chaired by Mr Woo Heap Heng (General Manager) and participated by 15 estates general workers to discussed matters pertaining to the following environmental subjects;

- Sharing information on the Environment Performance
- Giving employees a reasonable opportunity to express their views
- Waste Management
- Control Open Burning
- House-Keeping

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** Estate established" Energy Optimization Plan -2020 "with action plans as below: -
1. Using less power lighting and offer much longer lifespan i.e. LED (light emitting diodes), CFL (Compact Fluorescent lamp)
 2. Switch off equipment when not in use
 3. Use energy efficient devices & energy saving features
 4. Discourage the excessive use of lighting or electricity
 5. Educate all employees on energy saving
 6. Explore use of Solar energy

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 Estates have estimated their diesel usage of their contractors and their own use with their former year diesel usage as per below:-

Seronok Estate

Month	Total FFB proceed(T)	Diesel Consumed	Diesel M/T
Total	2182.12	20537.79	9.41
Total	1877.84	12232.77	6.51
Total	1693.78	15146.34	8.94

Grik Estate

Month	Total FFB proceed(T)	Diesel Consumed	Diesel M/T
2017	2126.12	4286.40	15524
2018	1430.98	5038.50	17390.00
2019	1293.63	4835.20	17209.00

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

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

Summary Estate established an action plan" Explore use of Solar energy" under" Energy Optimization Plan -2020 point 2 "" Innovation in energy use ". However, use of renewable energy not implemented in 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 Estate identified waste products and sources of pollution in "waste management plan -2019-2020" prepared by: Gopal Krishnan on, 20th January 2020 and verified by Mr. Woo Heap Heng on 20th January 2020.

Identified waste products are as per below: -

- Spent lubricating oil
- Contaminated soil, debris or matter resulting from clean-up of a spill of chemical, mineral oil or schedule wastes
- Dispose containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes
- Used Personal protective equipment (PPE)

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 A) Waste management plan is available to the audit team during the process. The estate management has planned to monitor and reduce the pollution inside the estate compound.

Category	Control	Action	Monitoring	Remarks
Spent lubricant	Stored in containers which are durable.	Workshop to update invention on spent lubricant.	Record in SW book	Estate supervisor
Dispose containers, bags	Empty pesticides container to triple rinse using clean water and puncture at least 3 times.	Store keeper to update invention on collected SW409 monthly.	Record in SW book	Estate supervisor

B) Estates kept recycle bins to segregate the waste produce by estate workers.

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 management has established a procedure namely, The management has developed "SP-01: chemical handling procedures".

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**Seronok Estate**

Record of "Schedule waste Stock & collection Record (IN & Out)-year 2020" available for estate. 0 empty pesticide containers available in estate schedule waste store.

Grik Estate

Record of "Schedule waste Stock & collection Record (IN & Out)" year 2020 available for estate. 6 empty pesticide containers available in estate schedule waste store.

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**Seronok Estate**

Domestic waste disposed to dumpsite in the estate compound. Landfill were located in "seronok block" is 1 Kilometer away from workers housing area. Landfill open date is on 1 June 2020.

Grik Estate

Landfill were located in second block is 1 Kilometer away from workers housing area. Landfill open date is on 1 June 2020.

In Compliance☒ **Yes**☐ **No**☐**Not Applicable****Criterion 4****Reduction of pollution and emission including greenhouse gas****Indicator 1**

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

Summary

The estate has assessed all polluting activities in "Environmental Aspect and Impact Assessment" on 20th Dec 2019. Estate assessed its Green House Gas emissions as below:-

No	Source of GHG	Environmental Impact	Monitoring Program		PIC/ Dateline
		Effect of the Impacts	Action Taken	Status	
1	Emission of greenhouse gaseous from nitrogen fertilizer usage	Air pollution – global warming	Application of fertilizer shall follow agronomist recommendation	Done/Ongoing	Gopal / Hoo 30/03/2020

2	Smoke emission of heavy vehicle such as tractors, backhoe and Gen Sets	Air pollution	Ensure regular maintenance	Done/Ongoing (Maintenance record)	Gopal / Hoo 30/03/2020
3	Transportation of FFB to Collection Center	Air pollution, noise pollution and GHG	Advice transporter to regularly do maintenance	Done/Ongoing (Training Records)	Gopal / Hoo
			Ensure vehicle engine switch off if idle for 30 min	Ongoing (Training records)	30/03/2020
4	Opening burning of Domestic waste	Air pollution and GHG	Enforce No open burning policy, Enforcement of disposal at land fill	Ongoing	Gopal / Hoo 30/03/2020

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 the identified significant pollutants and emission was made available in the Environmental Aspect Impact Assessment 2019 – 2020. Sampled management plan includes:

No	Environmental Aspect	Environmental Impact Effect of the Impacts	Mitigation Measure	Monitoring Program
1.	Disposal of non-biodegradable wastes	Land contamination	Workers were informed to separate organic and inorganic wastes. The recycle wastes will go into the designated recycle bins	Training. Estate supervisor will check and remind workers
	Schedule waste generation and spillage	Land and water pollution	Designate collection place prior disposal. Brief workers and staff the right procedure of handling and the legal requirements of Environmental Quality Act	Ongoing



	Generation of empty chemical containers	Land pollution	Empty chemical containers are triple rinsed, punctured and stored in schedule waste store	Mandore/Estate Supervisor inspect estates regularly and warn sprayers if they do not collect back empty containers
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The implementation has been verified during the site visit.

In Compliance

☒ **Yes**

☐ **No**

☐ **Not Applicable**

Criterion 5 Natural water resources

Indicator 1

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

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

Summary

Assessment of water is available for Seronok Estate. A water catchment is available within the estate where the estate workers using for domestic use. Spraying activities are prohibited in the water catchment area. Manual slashing for herbicides is in practice. No bore well in the estate

Assessment of water is available for Grik Estate. However, no water course in the Estate. Estates Monitor the pipelines regularly to check the leakages and Estate Using rainwater to wash vehicle. No bore well in the estate

In Compliance

☒ **Yes**

☐ **No**

☐ **Not Applicable**

Indicator 2

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

Summary

During site visit, no construction of bunds, weirs and dams across main rivers or waterways passing through an estate as there is no river crossing the estate and no bore well identified.

In Compliance

☒ **Yes**

☐ **No**

☐ **Not Applicable**

Indicator 3

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

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

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

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

Indicator 1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:
a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Summary The management has prepared a good information on RTE animals, IUCN Red List for Malaysia. The identification of High Biodiversity Value Habitat Area was conducted on 10.12.2019 at Grik Estate. the report was prepared by Mr Hoo Ket Chan and approved by the director, Mr. Chin Fung Hao. The report shows that their estate compound did not have any valuable HBV with wildlifes seldom sighted.

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 According to the estate manager, no endangered species were sighted in their estate compound. The management ensure their workers not to commit in illegal hunting by conveying information regarding on the wild life and environment. The briefing was conducted on 21.01.2020.

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 Estate establish a Management Plan to Monitor High Biodiversity value every month via a format. Sighted and verified "RTE/High biodiversity Monitoring Sheet(2019-2020)-MSPO 4.5.6". Sampled monitoring and indicators includes:

1. Area identified
2. Management action
3. Monitoring/identification
4. Status

Signboard' Prohibited Hunting' were sighted during site visit.

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 Management commitment to zero burning practices and no trace of burning sighted during the field visit.

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

Indicator 2 A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.

Summary Not applicable as there is no replanting works carried out by the estate. No out-break of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning.

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

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

Summary Not applicable as there is no open burning allowed in the estate. No replanting activities at the time of audit.

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

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

Summary Not Applicable as the replanting program is not due yet and no replanting activity is conducted during the audit. Should there is any replanting activity, the old palm to be felled, chipped and stacked at every alternate avenue. The residue is then be naturally decomposed on site.

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

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

Summary The company has established SOP on good practices as referred to:

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

During site visit to the pruning activity, all workers are following the SOP documented by the company.

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

Indicator 2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Summary SOP for replanting as per document PP-01: Oil Palm Replanting. During site visit conducted the estate landscape are flat and undulating. On the roadsides, the estate is also constructing roadside pits and stop bunds to avoid fast moving surface runoffs especially during raining season.

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

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

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

Grik Estate

Sighted block numbering is made available. Sampled block is namely Block 2.

Seronok Estate

Sighted block numbering is made available. Sampled block is namely 40 acre Block.

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 "Chin Pek Soo Holdings Sdn Bhd – 2020, 2021 & 2022" sheet is made available. The budget includes the crop projection, cost of production, cost per tonne FFB and ROI. Details of the estate budget (2020) contains details such as:

	2020	2021	2022
FFB Production (MT)	3534.82	3534.82	3534.82
FFB Price (RM)	608.00	608.00	608.00
Cost of Production (RM/MT)	438.00	438.00	438.00

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

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

Summary As per interview with the estate managers, there is no future replanting program for both estates as the oil palm trees are still producing good yield.

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

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

Summary "Chin Pek Soo Holdings Sdn Bhd – 2020, 2021 & 2022" sheet is made available during the audit. For year 2020, example data sighted in the estate budget such as:

FFB: 3,534.82 MT
 Diesel: 80,766 Liter
 Fertilizer: RM 338,396
 Workers salary: RM 1,029,700
 Price forecast: RM 608/MT
 Cost of Production: RM 438/MT

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 Monitoring of expenditure for the estate sighted in the "Monthly Management Plan (Budget) Monitoring Report – 4.6.2.4" during the audit. The monitoring is on monthly basis prepared by Mr. Chin. Sighted data for January to May 2020, where the management is recording its achievement status, action plan and dateline.

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

Criterion 3 Transparent and fair price dealing

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

Summary Pricing mechanism for the services is documented in the contract agreement. Sampled verified during the audit includes:

Seronok Estate

Contract agreement Purchase of FFB between CHIN PECK SOO HOLDINGS SDN BHD and KEMAJUAN AGRO SAWIT SDN BHD dated 01/01/2020.

Offer made by POM is as follows: -

- Extraction Rates: OER – 18.00%

Grik Estate

Pricing for services provided by contractor in the estate has been stated in contract agreement between the estate and the contractor. Example sighted in contract with: -

1. Perniagaan Wen Yuen - for transporting FFB. Rate stated for transporting FFB from Grik Estate to Sawit Langkap is RM 23.60/m/t.

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 Sighted payment was made to Perniagaan Wen Yuen on the 12.02.2020 which is before the 15th of the following month based on the contract agreement. All payment is made in accordance with the contract terms and agreement

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

Criterion 4 Contractor

Indicator 1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Summary **Grik Estate**

The management have issued memorandum to contractor "Subject: Notice of Understanding of Malaysian Sustainable Palm Oil (MSPO) Requirements" dated 20/01/2020 for contractor, Perniagaan Wen Yuen.

Seronok Estate

The management have issued memorandum to contractor "Subject: Notice of Understanding of Malaysian Sustainable Palm Oil (MSPO) Requirements" dated 25/06/2020 for contractor, Mr Chan Ah Kwei.

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

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

Summary Sampled legitimate contents of the following work contract duly signed is verified during the audit;

Contractor: Perniagaan Wen Yuen
Type of work: Transporting FFB
Date of contract: 01/06/2019
Date sign : 06/06/2019
Rate: RM 23.60 per ton
Payment: After 15th
Validation: 1 year

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

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

Summary The Estate management accepted the audit by Global Gateway Certifications Sdn Bhd as per the audit plan dated MSPO auditor on 19th June 2020.

All the auditors are qualified MSPO auditor. As per agreed, the Estate accept the GGC MSPO Auditors to verify assessment of contractors by physical inspection if required for audit purpose.

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

Indicator 4 The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.

Summary Control point verifying work completion for the month of January 2020 is sighted. It involved the preparation of an invoice.

The invoice illustrated the type of work performed, tonnage amount, and payment amount.

Payment voucher receipt payment to: -

1. Perniagaan Wen Yuen- RM 830.12 (December) dated 12/02/2020

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

2.7 Principle 7 : Development of new planting

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

Criterion 2 Peat land

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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 are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

Criterion 4 Soil and topographic information

Indicator 1 Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

Criterion 5	Planting on steep terrain, marginal and fragile soils
Indicator 1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 6	Customary land
Indicator 1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
Summary	There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Chin Pek Soo Holdings Sdn Bhd.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
24 th June 2020	TBA	➤ Travelling from Ampang, Selangor – Perak	NMS	SS / TA
25 th June 2020	08:00 – 09:00	➤ Opening Meeting at Grik Estate: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan.	NMS	SS / TA
	09:00 – 13:00	Grik Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	SS / TA
		➤ Field Inspection / Interview: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	NMS	SS / TA
	10:30 – 12:30	➤ Stakeholder Consultation	NMS	SS / TA
	13:00 – 14:00	➤ Lunch/Rest	NMS	SS / TA
	14:00 – 16:00	➤ Continue document audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	SS / TA
26 th June 2020	16:00 – 17:00	➤ Verify any outstanding issues and auditor discussion.	NMS	SS / TA
	08:00 – 13:00	Seronok Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	SS / TA
		➤ Field Inspection / Interview:	NMS	SS / TA



		Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.		
	13:00 – 14:00	<ul style="list-style-type: none"> • Lunch/Rest 	NMS	SS / TA
	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document audit: • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	SS / TA
	15:30 – 16:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues and auditor discussion. 	NMS	SS / TA
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Closing Meeting at Seronok Estate: • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	NMS	SS / TA

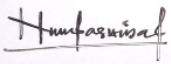
Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit

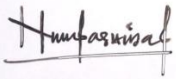

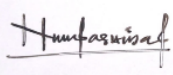
Major Nonconformities:	0 was raised during this audit.
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Minor Nonconformities:	2 were raised during this audit.
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Company Name	Chin Pek Soo Holdings Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-BU1-MSPO-2020			
NC No. / Ref.	BU1/MSPO/ MINOR /01	Date Detected	26 th June 2020	
Site(s) concern	Chin Pek Soo Holdings Sdn Bhd	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.1.4.3 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.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Inadequate procedure for pressure pump spraying activity and no training prior to the implementation.			
NC Objective Evidence:				
A general Plantation & Safety Procedure, PP-05: Maintenance of Mature Areas is made available for spraying activity. However: 1) The procedure is found to be inadequate to be the reference for pressured pump spraying activity 2) No training has been conducted prior to the system application.				
Lead Auditor Signature:		Client Signature:		
				
Root cause Analysis (to be filled by client):				
1) Lack on awareness on the procedure for pump spraying activity 2) Training on pressured pump spraying is missed from the scheduled				
Corrective action planned (to be filled by client):				
1) Establishment of the pressured pump activity procedure 2) Training to be provided to the respective workers				

Preventive Action (to be filled by client):	
Monitoring on the pressured pump spraying is conducted by the Estate Manager.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
Corrective/preventive action is accepted and to be verified during the next Surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 16/07/2020	Lead Auditor Signature: 

Company Name	Chin Pek Soo Holdings Sdn Bhd																		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>															
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>															
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders																		
Client Number	GGC-BU1-MSPO-2020																		
NC No. / Ref.	BU1/MSPO/MINOR/02	Date Detected	26 th June 2020																
Site(s) concern	Grik Estate	Target Completion	Next Surveillance Audit																
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.																		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern																		
Description of Non-Conformity	Expired of Fire Extinguisher																		
NC Objective Evidence: Sighted four fire extinguishers are made available at Grik Estate.																			
	<table border="1"> <thead> <tr> <th>No.</th> <th>Location</th> <th>APA Number</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Estate office</td> <td>SR102012Y072619</td> </tr> <tr> <td>2.</td> <td>Chemical Store</td> <td>SR012020Y701374</td> </tr> <tr> <td>3.</td> <td>Fertilizer Store</td> <td>SR012020Y701140</td> </tr> <tr> <td>4.</td> <td>Housing</td> <td>SR012020Y00655</td> </tr> </tbody> </table>				No.	Location	APA Number	1.	Estate office	SR102012Y072619	2.	Chemical Store	SR012020Y701374	3.	Fertilizer Store	SR012020Y701140	4.	Housing	SR012020Y00655
No.	Location	APA Number																	
1.	Estate office	SR102012Y072619																	
2.	Chemical Store	SR012020Y701374																	
3.	Fertilizer Store	SR012020Y701140																	
4.	Housing	SR012020Y00655																	
However, the fire extinguisher (SR102012Y072619) located at the office premise are found to be expired with the expiry date stated of 13-01-2015.																			

Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client): Fire extinguisher No. SR102012Y072619 was not sent for the re-inspection and no monitoring on the expiry date.	
Corrective action planned (to be filled by client): 1) Fire extinguisher No. SR102012Y072619 is sent for inspection 2) To ensure approval for usage is provided by the inspector	
Preventive Action (to be filled by client): To prepare a tracking record on all fire extinguisher expiry date and follow up by the Assistant Manager	
Review of corrective/preventive action (to be filled by Lead Auditor) Corrective/preventive action is accepted and to be verified during the next Surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 16/07/2020	Lead Auditor Signature: 

Area of Concern:	0 was raised during this audit.
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Appendix C: List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Chin Fung Hao, Director
- 2) Jeffrey Hong, Manager (Grik Estate)
- 3) Letchiumy, MSPO Coordinator
- 4) V Gopalakrishna, Manager (Seronok Estate)
- 5) Hoo Ket Chan, Sr Manager (Grik Estate)
- 6) Liew Yin Ling, Finance Exec
- 7) Shukri bin Zakaria, Supervisor
- 8) Ahmad Zulkifli Hadi, Worker
- 9) Hilmi, Worker
- 10) Mahirudin, Worker
- 11) Bathma, supervisor
- 12) Kamarul, worker
- 13) Bala, worker
- 14) Aziz, worker
- 15) Mohd Rais, worker
- 16) Nasrudin, worker
- 17) Anga, worker

External Stakeholders

- 1) Davin Wong, Supplier
- 2) Chan Ah Kwei, Contractor
- 3) Soo Kwan Peng, Contractor
- 4) Phuah Kok Sin, neighboring village
- 5) CHla Siew Chee, neighboring village