

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

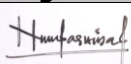


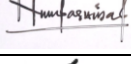
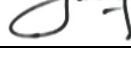
CERTIFICATION AUDIT REPORT


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

Jesselton Potential Sdn Bhd
[Jesselton Plantation Sdn Bhd]

-Individual Certification-

MAIN ASSESSMENT AUDIT
27th July 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	23/09/2020	Issued as Draft Report	Nurulashida bt Mohd Saad	Lead Auditor	
A	29/09/2020	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	06/10/2020	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	22/10/2020	Issued as Final Report	Nurulashida bt Mohd Saad	Lead Auditor	
B	02/11/2020	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Jesselton Potential Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	01/11/2020	Acceptance of the contents	Hamsia binti Dani	MSPO Coordinator	

Declaration

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

WITH INTEGRITY WE SERVE



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

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

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Jesselton Potential Sdn. Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by the Managing Director, of the supply base disposition with the unit audited namely **Jesselton Plantation Sdn Bhd.**

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

1.2 Company details and Contact information

Company Name	Jesselton Potential Sdn Bhd
Business Address	Metro Town, Block B, 2 nd Floor, Unit No. 5, Jalan Bunga Ulam Raja, 88300 Kota Kinabalu, Sabah.
Contact Person	Mdm Joanna Marie Faurillo
Office Telephone	089 - 393089
E-Mail	jesseltonplantationsb@gmail.com

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

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Jesselton Plantation Sdn Bhd	Kg. Darat, Pitas, Kota Marudu, 89050 Sabah, Malaysia.	117.0905555	6.4816667

MPOB License Information

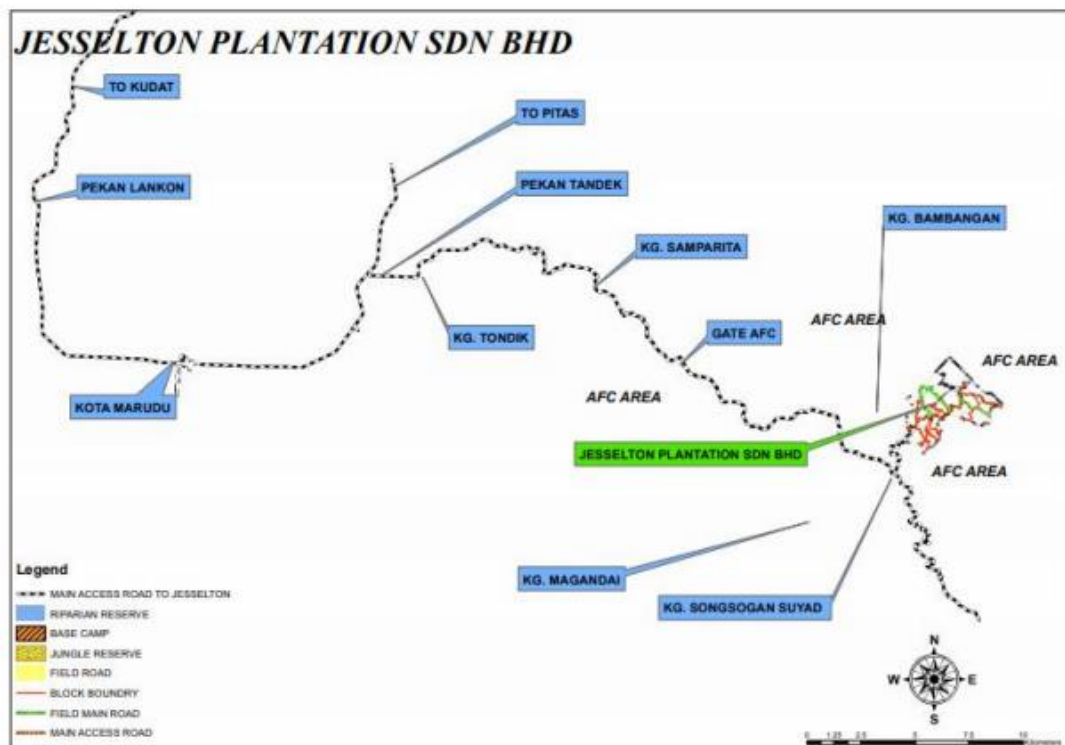
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Jesselton Plantation Sdn Bhd	617771002000	31/10/2021	Menjual dan Mengalih

Others Sustainability Certification

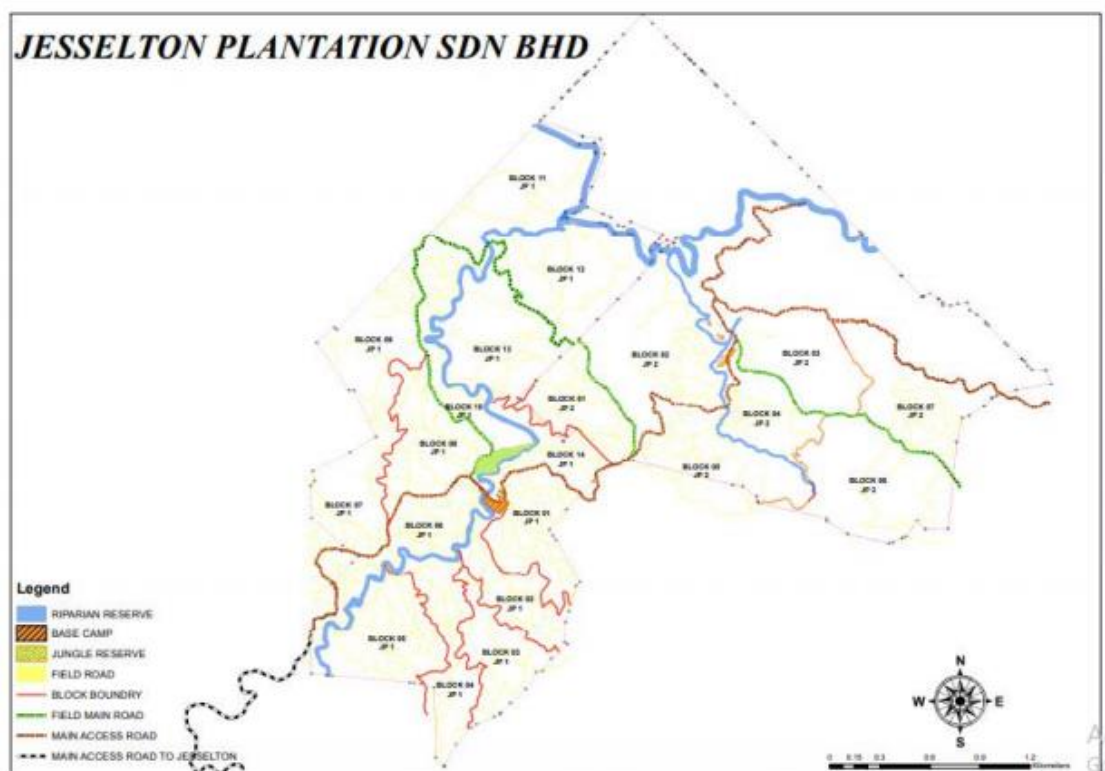
No	Name Of The Site	Others Sustainability Certifications
1.	Jesselton Plantation Sdn Bhd	NIL

1.4 Map Showing Geographical Location

1) Jesselton Plantation Sdn Bhd location map



2) Jesselton Plantation Sdn Bhd Map



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Jesselton Plantation Sdn Bhd	860.61	269.20	171.26

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others (i.e: vacant area, field road, riparian reserves, and base camp)
Jesselton Plantation Sdn Bhd	N/A	N/A	591.41

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]
Jesselton Plantation Sdn Bhd	NIL	540.37mt	2,330.00mt

1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd. No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-JPSB001-MSPO-00-2020
Initial certificate issued date	2 nd November 2020
Certificate expiry date	1 st November 2025
Stage 1 assessment date	20 th February 2020
Stage 2 / Main Assessment	27 th July 2020
Annual Surveillance 1 [ASA 1]	June 2021
Annual Surveillance 2 [ASA 2]	June 2022
Annual Surveillance 3 [ASA 3]	June 2023
Annual Surveillance 4 [ASA 4]	June 2024

1.7 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 etc. Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team.

During this assessment, she assessed on the aspect of compliance to Transparency and Social responsibility, health, safety and employment condition. She is able to speak and understand Bahasa Malaysia and English

Auditor

Name: Hj. Ahmad bin Sukiman

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

During this assessment, he assessed on the aspect of Legal and Environment, Natural Resources, Biodiversity and Ecosystem Services Best Practices. 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.

1.8 Audit Methodology

There is only one estate is assessed during the assessment as no sampling is required. 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 Prime Minister, Tan Sri Muhyiddin Yassin has announced that the Conditional Movement Control Order (CMCO) ended 9th June 2020 and replaced with the Recovery Movement Control Order (RMCO). The RMCO would take effect from 10th June 2020 until 31st August 2020 with more lenient restrictions. With reference to the Federal Government Gazette (9th June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities. Majlis Keselamatan Negara (MKN) had issued a Standard Operating Procedure for "Persijilan bagi Agrokomoditi" dated 12th June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

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

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

1.9 Audit Plan Information

Audit Date	27 th July 2020
Name of site(s) visited	Jesselton Plantation Sdn Bhd
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	1	Close
Minor Nonconformities	1	Open
Area of Concern	0	No action requires
Noteworthy /Positive Comments	3	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification, 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 22nd June 2020 and as to accommodate a stakeholders' consultation meeting for the estate. Therefore, it was conducted on 27th July 2020 at Jesselton Plantation Sdn Bhd to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

During this Main Assessment (Stage 2) audit, the audit team has conducted stakeholder consultations involving both internal and external 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 (Sprayer)	<ul style="list-style-type: none"> Have good understanding about MSPO. Aware of complaints or suggestions procedure Has good understanding about MSPO and estate's best practices. The company has good relationship with the workers and there is no issue with the company. 	No action requires	Positive findings
2.	Stakeholders B (Harvester)	<ul style="list-style-type: none"> He mentioned PPE's provided by estate Management Aware of Information on protected species and their habitat with high biodiversity value may be obtained from relevant government agencies such as Forestry Department. 	No action requires	Positive findings

		<ul style="list-style-type: none"> • He also understands open burning was not allowed • The company has good relationship with the workers and there is no issue with the company. 		
3.	Stakeholder C (Supplier)	<ul style="list-style-type: none"> • The company has good relationship with the supplier and there is no issue with the company. • No issues on the payment and communication made by the company. 	No action requires	Positive findings

1.12 Recommendation

Jesselton Plantation Sdn Bhd [Estate] are located at Pitas, Sabah. The company's headquarters is located in Kota Kinabalu, Sabah. 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 Jesselton Potential 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 1 Major NC and 1 Minor NC were raised. Major nonconformance has successfully closed on 24th September 2020. Further verification for Minor nonconformance is required during the next surveillance audit. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to Jesselton Potential Sdn Bhd.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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 Jesselton Plantation Sdn Bhd has established MSPO "Polisi Minyak Sawit Mampan Malaysia", signed by Tuan Hj Agus Bin Mohd Rus, Project Director on 09th July, 2019 include;

1. Continuous improvement plans by creating management systems to improve practices in line with new standards, information, techniques and technologies that will be reviewed and updated periodically for suitability and effectiveness of needs to ensure they remain relevant.
2. Create and communicate certification requirements to employees, contractors, customers and other stakeholders transparently.
3. Comply with the laws and requirements set by local and international governments.
4. Plan, develop, implement and review social responsibility, health, safety and employment conditions in accordance with MSPO guidelines.
5. Ensure environmental management, natural resource, biodiversity and ecosystem services plans are developed and managed to ensure environmental sustainability.
6. Ensure good agricultural practices in plantation management, establish Long-term planning plans, transparency in pricing and contract management.
7. Comply with MSPO laws and requirements in the development of new plantations taking into account the high value of biodiversity, social, environmental and customary land impact.

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

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

Summary The commitment statement on continual improvement is emphasized as stated in the policy, "committed to producing oil palm products taking into account economic, environmental and social interests" and "is committed to adhering to the following MSPO principles";

- "Continuous improvement plan by creating a management system to improve practice in line with new standards, information, techniques and technologies that will be reviewed and updated periodically for suitability and effectiveness of needs to ensure they remain relevant".

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 Jesselton Plantation Sdn Bhd has established the Annual Internal Audit Plan- 2020, prepared by Miss Nur Suhada Binti Ahmad Sah (Account Executive), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 09th July, 2019, scheduled for January 2020 and September 2020.

Evidence of MSPO Internal Audit been conducted on 20th January 2020 lead by Miss Nur Suhadah Binti Ahmad Sah (Account Executive), accompanied by Miss Hamsia Binti Dani (MSPO Coordinator) and Mr Subramaniam (Consultant) to determine the strong and weak points and potential area for further improvement.

The Non-Conformity findings are;

1. Audit Area: Principle 1: 4.1.3 Management Review

Requirements: Clause 4.1.3.1 Management review shall be conducted periodically.

Details of Non-Conformity: No evidence of Management Review has been conducted and report not available.

Action to be taken: To conduct management review meeting, target date: 18.02.2020

2. Audit Area: Principle 4: 4.4.4 Management Commitment and Responsibility

Requirements: Clause 4.4.4.2 (e) Use and Standard of Exposure of Chemical Hazardous to Health Regulation 2000.

Details of Non-Conformity: CHRA report not available.

Action to be taken: To engage OHS register CHRA assessor to conduct audit, target date: 30.03.2020.

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

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

Summary Jesselton Plantation Sdn Bhd has established its Internal Audit Procedure, Doc. No.: MSPO-01, Rev: 0, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 09th July, 2019.

Audit results has been documented and evaluated in the MSPO Internal Audit Report, furnished with action to be taken for two (2) Major Non-Conformity.

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

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

Summary Audit results has been documented and evaluated in the MSPO Internal Audit Report, furnished with action to be taken for two (2) Major Non-Conformity.

The internal audit results (issues and achievement) has been discussed in the Management Review Meeting (Review Internal Audit finding) chaired by Tuan Haji Agus Bin Mohd Rus, Project Director on 17th February 2020 attended by 6 personnel, discussed the following;

1. HQ management to ensure conduct management review meeting after internal and external audit every year.
2. HQ management to find quotation for CHRA and to be conducted the audit on March 2020.

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

Criterion 3	Management review
Indicator 1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

Summary Sighted a Minute Meeting which was held on 26.02.2020 attended by 6 personnel, chaired by Tuan Hj Agus Bin Mohd Rus, Project Director discussed the external audit findings and other issue such as;

1. FFB process flow
2. License Air Compressor
3. Working hours
4. High Biodiversity value habitats
5. Purchasing procedure will be amended.
6. To use bunch count chit (BCC) for easy monitoring and proper documentation for GGB procedures
7. Estate must submit FFB YPH monthly summary report
8. Prepare log book
9. Estate must do stock check and chemical requirement calculation
10. Sequence number in store request form.
11. JKKP meeting will be done 2nd week of March 2020.

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 Jesselton Plantation Sdn Bhd has established Continual Improvement Plan (CIP) – 2020 on Safety & Health, Environment & Social, prepared by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 10th January 2020. Among the improvement aspects are;

1. PPE usage and awareness
2. Safety signage and training
3. Cleanliness and hygiene in workers housing
4. Reduction on scheduled wastes generation
5. Reduction on Domestic waste
6. Zero burning
7. Stakeholders consultation
8. Road repair and maintenance

The planned activities include;

Planned Activities	Target date	Completion date	Status & Comments	No. of Attendees
PPE issuance system and record, training and monitoring	29.02.2020	29.02.2020	Identified necessary PPE required 7 given to workers	1 executive, 3 staff, 1 mandore and 4 sprayers
Identify location & type, fixing	29.02.200	29.02.200	Install safety signages	N/A
Awareness on Dengue	29.02.2020	29.02.2020	Sourcing for posters	N/A
Identify source, storage and recording, eSwiss	30.03.2020	30.03.2020	Identified sources of SW, established SW inventory records	N/A
Awareness to workers, signage, landfill	30.03.2020	30.03.2020	Segregation done	N/A
Signage, weekly inspection on line site	30.03.2020	30.03.2020	Signboard installed	N/A
Annual stakeholder survey	15.02.2020	15.02.2020	Preparation for survey	N/A
Identify area to be improved, budget allocation, schedule repair	18.08.2020	On-going	Site audit completed to identify area for repair	N/A

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

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

Summary The Company is not in the position to establish a system in line with new information and techniques or new industry standards and technology which are not feasible due to small hectareage/ production.

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 There are no new technology/Systems were implemented or adopted, as such there is no planning for new practices was observed during this audit.

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 The company has established procedure titled "P2-05 Stakeholders Consultation and Communication" outlining process of stakeholder communication. The procedure also has identified stakeholder list, stakeholder concerns and resolution matrix, grievances form and request for information form as part of the communication mechanism.

Sighted the Borang Soal Selidik Penilaian Pihak Kepentingan issued to Internal and External Stakeholder. The policies and procedure of MSPO were stated in the form for self-explanation. A total 10 internal and external stakeholders have responded on the Borang Soal Selidik Penilaian. The stakeholder survey report was prepared by Nur Suhada bt Mohd Sah (Internal Audit) and Approved by Hj. Agus Mohd Rus (Director) dated 13th February 2019.

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

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

Summary

The company has established "List of Documents and Classification " which has contained name of document, classification of document whether the document is confidential or publicly available. The following are the samples of document that can be assessed by the public but not limited to:

No	Document name	Classification of Document
1	MSPO Sustainability Policy	Publicly
2	Safety and Health Policy	Publicly
3	Environmental Policy	Publicly
4	Social and Human Right Policy	Publicly
5	Continual Improvement Plan	Publicly
6	Management Review Meeting	Publicly
7	Stakeholder Minute Meeting	Publicly
8	Stakeholder Resolution Matrix	Publicly
9	Complaints and Action Plan	Publicly
10	FFB Delivery Records	Publicly
11	Customer Complaints	Publicly
12	Legal Register	Publicly
13	Boundary Stone Location Map	Publicly
14	FPIC Agreement	Publicly
15	SIA Report	Publicly
16	EIA Report	Publicly
17	Complaint Log	Publicly
18	JKKP Report	Publicly
19	HIRARC	Publicly
20	CHRA	Publicly
21	Training Records	Publicly
22	GHG Reduction Plan	Publicly
23	ROI	Confidential
24	Sales Strategic	Confidential
25	Investment Plan	Confidential
26	Sensitives SIA Issues	Confidential
27	SOP	Publicly
28	Contracts Workers	Confidential
29	Trading License	Confidential
30	Land Tittle	Confidential
31	MSDS	Publicly
32	Warning Letter	Publicly

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

Criterion 2	Transparent method of communication and consultation
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Indicator 1	Procedures shall be established for consultation and communication with the relevant stakeholders.
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Summary The company has established procedure titled "P2-05 Stakeholders Consultation and Communication" outlining process of stakeholder communication. The procedure also has identified stakeholder list, stakeholder concerns and resolution matrix, grievances form and request for information form as part of the communication mechanism.

The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders. Workflow for Stakeholder communication and consultation are made available.

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

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

Summary Sighted the appointment letter of Ms. Azura binti Ardin for the person in charge of complaints & grievance handling. The letter was signed by Haji Agus bin Mohd Rus dated 28th January 2020.

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

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

Summary Jesselton Plantation Sdn. Bhd. has established list of Stakeholders prepared by Hamsia binti Dani (Admin Clerk) and Acknowledge by Mustapha bin Mustain (Estate Manager). Latest stakeholder list is evident as documented in ESTATE Stakeholder list. Latest update on 2020. Sampled are:

Government Agencies/ School

1. Lembaga Minyak Sawit Malaysia (MPOB)
2. Kementerian Perdagangan Dalam Negeri ,Koperasi dan kepenggunaan
3. Jabatan Perhutanan Negeri
4. Jabatan Alam Sekitar (JAS)
5. Balai Bomba dan Penyelamat Pekan

Klinik and Hospital

6. Klinik Desa

Contractor & Suppliers

7. Agri Blossom Sdn Bhd
8. Syarikat Yong Thai
9. KTS trading S/B
10. Cen Mac enterprise

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

Criterion 3	Traceability
Indicator 1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).
Summary	<p>Jesselton Plantation Sdn. Bhd. has established Procedures on Kebolehejekan BTS under MSPO - 04. The manual has been approved by Mr Haji Agus bin Muhd Ruh dated 7th July 2019.</p> <p>The objective of this procedure is to provide guidance that enable the estates trace production of FFB, from seedling, planting, harvesting and transporting. The SOP for FFB traceability procedure – MSPO-04 is effectively implemented.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 2	The management shall conduct regular inspections on compliance with the established traceability system.
Summary	<p>Random check conducted in order to inspect on compliance with the traceability system in the estate. The regular inspection has been carried out by the estate management (Staff, Assistant, Manager) based on the actual harvested bunch. All the bunches has been recorded in the "Daily FFB Record".</p> <p>Mr. Musban (Mandor) is appointed responsible for all records of traceability monitoring daily harvesting record. Sighted sample evidence: - Daily Harvesting record for June 2020 for:</p> <p>JP01 Block 1,2.3.4.5.6.7.8.9.10.11.12.13.14.15</p> <p>JP02 Block 1,2.3.4.5.6.7</p> <p>Sighted evidence above record tally with the weighbridge ticket: Weighing Ticket From Coc Sawit Sdn Bhd Ticket Number :021140 Vehicle Number: St 99190 Date:4/06/2020 Time In=12:12 Time Out=12:16 First Wt(Kg)=20.81 Mt Second Wt(Kg)= 12.19mt Nett=8.62MT</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 3	The management should identify and assign suitable employees to implement and maintain the traceability system.

Summary Sighted an appointment letter of Ms. Azura binti Ardin for the person in charge of transparency. The letter was signed by Haji Agus bin Mohd Rus dated 28th January 2020.

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

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

Summary Records of sales, delivery, or transportation of FFB to collection centre has been maintained and kept properly in office for reference. Sampled weighbridge ticket sighted during the audit:

Weighing Ticket from COC Sawit Sdn Bhd

Ticket Number :021140

Vehicle Number: St 99190

Date:4/06/2020

Time In=12:12

Time Out=12:16

First Wt(Kg)=20.81 Mt

Second Wt(Kg)= 12.19mt

Nett=8.62mt

Weighing Ticket from COC Sawit Sdn Bhd

Ticket Number :021136

Vehicle Number: St 99190

Date:25/06/2020

Time In=10:35

Time Out=10:43

First Wt(Kg)=25.13 Mt

Second Wt(Kg)= 12.27 Mt

Nett=12.86 Mt

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 Jesselton Plantation Sdn Bhd has established Legal and Other Requirements Register (LORR) applicable to Federal, State, Local Laws and Regulation which consist of 27 Acts, Orders and Regulations, prepared/reviewed by Miss Hamsia Binti Dani (MSPO Coordinator), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 10th July 2020. Sampled includes;

1. Prevention and Control of Infectious Disease, 1988, Act 342



2. Occupational Safety and Health Act 1994
3. Factories and Machinery Act, 1967
4. Uniform Building By Law, 1986
5. Pesticides Act 1974 (Act 149)
6. Petroleum (Safety Measures) Act, 1984
7. Electricity Supply Act, 1990
8. Fire Service Act, 1984
9. Code of Practice for Safe Working in A Confined Space, 2001
10. Environmental Quality Act 1974 (Scheduled Wastes) – Regulations 2005
11. Local Government Act, 1976
12. Workers' Minimum Standards of Housing and Amenities Act 1990
13. Akta Kerja 1955
14. Employee Provident Fund Act 1991
15. Employees Social Security Act 1969
16. Akta Kesatuan Sekerja, 1959
17. Minimum Retirement Age Act, 2012
18. National Wage Consultative Council Act 2011, Minimum Wages Order 2020
19. Weights and Measures Regulations 1981.
20. Control of Suppliers Act 1961/ Control of Suppliers Regulation, 1974
21. Trade Licensing Ordinance, 1948
22. Sabah Labour Ordinance (Sabah Cap.67). Act A1238
23. MPOB, 1998
24. United Nations guiding principles against business and human rights, 2011
25. UN Convention on Biological Diversity, 1992
26. ILO Convention 138 (1973) Minimum Age
27. Rotterdam Conventions on Prior and Informed Consent Procedures for Certain Hazardous Chemical and Pesticide in International Trade (1998)

However, there are inadequate monitoring as:

1. The estate has been using one diesel tank without Bomba approval and KPDNHEP Permit Barang Kawalan Berjadual. Sighted invoice from Pengangkutan Debbie, Invoice No. 0506PDT dated 25.06.2020 on the purchase of 10,000 liter of diesel for Jesselton Plantation Sdn Bhd.
2. Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Waste Management, Doc No. JPSB/MSPO/PRO-005, Rev:00, prepared by Miss Hamsia Binti Dani, and approved by Tuan Hj Agus Bin Mohd Rus (Project Director) on 9th July 2019, however the following scheduled waste have been stored more than 180 days.

SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks
305	Used lubricant oil	112 liter	25.01.2020	184 days

3. Sighted that there is no SOCSO contribution were made in the April-May 2020 payslip for workers of:

- a. Rustam bin Tere
- b. Rusli Hafid

Thus, a non-conformity is raised.

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 Permits and Licenses being kept and monitored by the Company as sampled;

1. Certificate of Incorporation of Private Company, Companies Act 2016 (Act 777), Jesselton Plantation Sdn Bhd, Registration No. 1305024-M, incorporated since 26.11.2018.
2. Corporate Information of Jesselton Potential Sdn Bhd, Registration No. 201301028317 (1058147-A), incorporated since 14.08.2013, having the same Directors as JESSELTON PLANTATION SDN BHD.
3. Lesen Berniaga for Jesselton Plantation Sdn Bhd, No Lesen: 581254, expiring 31.12.2020
4. Perihal Air Compressor, No. Kelulusan Rekabentuk: JKPP IS 127/453/2-201824179(2), dated 23.01.2018, No. Rujukan Ujian: SB/HT/18/15349, Kelumpang 965 kilo pascal. Sighted MyKKP submission No Rujukan: SB/105J/20/03447, Nama Pemohon: Nur Suhada Binti Ahmad Sah, submitted on 19.07.2020 attached with Pelan Kedudukan Air Compressor and Pelan Lokasi Jesselton Plantation Sdn Bhd. Jenis Jentera: Pengandung Tekanan, Nama Jentera: Air Compressor, No Siri Jentera: 18141883, Tahun Diperbuat: 2018
5. Permit Khas Barang Kawalan Berjadual, No Siri PK: S001205, No. Rujukan: KPDNHEP.KDT 25/2019 (PK) for 200 litre petrol (sekali pembelian), 2 kali seminggu pembelian dibenarkan (jumlah pembelian seminggu 400 liter) at Stesen Minyak Hap Cheong (Petron) for a period of 19.05.2020 to 18.11.2020.
6. Lesen untuk Menggaji Pekerja Bukan Pemastautin, No. Lesen: JTK.H.KM: 600-4/1/01261/000429 to employ 25 Indonesian and 22 Philippines workers, validity 06.12.2019 to 06.12.2020

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

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

Summary Based on interview with Miss Nur Suhada Binti Ahmad Sah (Account Executive), any new laws or regulations that needs to be complied will be based on the following;

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

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

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

Summary Letter of appointment of Miss Nur Suhada Binti Ahmad Sah (Account Executive) as a person responsible to monitor compliance and to track and update the changes in regulatory requirements signed by Tuan Hj Agus Bin Mohd Rus, Project Director on 28th January 2020.

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 is made available and maintained as tabulated as below;

Total Titles	Titled Ha	Land Status	Ha at MPOB License
Phase 1 – 25 titles	404.694	Native Titles	860.61
Phase 2 - 78 titles	453.113	Native Titles	
Total	857.807		

Status all of the 103 land titles are under Native Titles.

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 Copy of Estate land titles is made available and maintained.

Land Title	Ha	Syarat Nyata	Ownership
Phase 1: 25 titles	404.694	Agricultural of Economic Value	Fazila Nathasa Binti Sairi
Phase 2: 78 titles	453.113	Agricultural of Economic Value	Fazila Nathasa Binti Sairi
Total	857.807		

Sighted "Perjanjian Pajakan" between Fazila Nathasa Binti Sairi (Pemberi Pajak), No.K/P: 761203-12-5652/H0941072) and Jesselton Potential Sdn Bhd (Penerima Pajak, No. Syarikat: 1058147-A) for 1,000 acre (404.694ha) dated 21st September 2018.

Sighted "Perjanjian Pajakan" between Fazila Nathasa Binti Sairi (Pemberi Pajak), No.K/P: 761203-12-5652/H0941072) and Jesselton Potential Sdn Bhd (Penerima Pajak, No. Syarikat: 1058147-A) for 453.113ha dated 30th April 2019.

Area statement for the estate is tabulated below;

Description	Hectare
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Mature Oil Palm	171.26
Immature Oil Palm	97.94
Vacant area/ potential plantable	543.30
Unplantable Area – base camp, field road, jungle reserve, riparian & river	45.31
TOTAL	857.81

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 estate has established GPS Coordinate Map for Jesselton Plantation Sdn Bhd.

There are two sets of documentation indicated the GPS Coordinates for the estates;

1. GPS Coordinates for JP01 – 51 units
2. GPS Coordinates for JP02 – 47 units

As a sample evidence for JP 01 the GPS coordinate as follow;

No	New/Old Stone No	Longitude	Latitude
1	NS 052/960	117.10334458	6.469481774
51	OS 921/432	117.07867999	6.461739996

As a sample evidence for JP 02 the GPS coordinate as follow;

No	New Peg No	Longitude	Latitude
1	NP 1018	117.09974270	6.47082187
47	NP 914	117.09602432	6.47198662

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

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

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

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

Criterion 3 Customary rights

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

Summary There is no customary land in or surrounding all the estates' land titles. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.

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

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

Summary There is no customary land in or surrounding the estates. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. Thus, no maps for recognized customary rights required.

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

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

Summary No negotiation and FPIC are applicable. There is no customary land in or surrounding the estates. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.

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

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

Criterion 1 Social impact assessment (SIA)

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

Summary Jesselton Plantation Sdn. Bhd. has prepared a Social Impact Assessment dated 14th February 2020 prepared by Mr Subramaniam (consultant). Report is verified by Mr. Mustapha bin Mustain, (Estate Manager) and Approved by Hj. Agus Mohd Rus (Director).

Sighted Social Impact Plan dated 14th February 2020 and "SIA management plan" to mitigate negative impacts and promote the positive ones. Given below are sampled Social Impact identified & the mitigation plan.

No	Social Factor	Social Impact	Action taken	Date
1	MSPO Awareness	Awareness and Knowledge on MSPO	To organize Stakeholder meeting and create more awareness	Ongoing by 30 th April 2020

2	Relationship with estate	Welfare & Goodwill	To maintain good relationship with the stakeholders	Ongoing by 30 th April 2020
3	Communication with Estate	Complaint & grievance	To fully implement Grievance reporting SOP	Ongoing by 30 th April 2020
4	Housing facilities	Welfare	To ensure minimum requirement are fulfilled according to JTK standard	Ongoing by 30 th April 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 Jesselton Plantation Sdn. Bhd. has established a Stakeholder Communication & Consultation Procedure (as referred to: JPSB/MSPO/PRO-003) dated 9th July 2019 and approved by Haji Agus Mohd Rus (Director).

The objective of the procedure is to provide guidance:

1. Sharing information about stakeholder concern and views
2. Giving stakeholders a reasonable opportunity to express their views
3. Taking those views into account and address resolution reasonably practicable.

System for dealing complaints and grievances are addressed in procedure titled "Document reference no. P2-05, "Stakeholder Communication and Consultation". An implementation of 'Grievance Form (Appendix 3)' is made available as attached to the procedure.

This procedure is made as a reference for the management and staff in handling of any complaints and grievance from any stakeholder including individuals, government organization and non-government organization concerning the implementation of MSPO. Sighted Flow chart of complaints and grievances designed for the Stakeholders in point no. 5-Procedure Explanation.

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 System to resolve disputes are addressed in procedure titled "Document reference no. JPSB/MSPO/PRO-003, Stakeholders Communication & Consultation Procedure" where an implementation of 'Grievance Form (Appendix 3)' is made available as attached to the procedure.

The procedure and flowchart are to specify steps for identification and verification of complaints and grievance in order to ensure management is committed to an open and transparent approach to resolve grievances with the involvement of affected stakeholders.

The information on the implementation of MSPO, policies and procedures from the estate management has been distributed to the 10 respondents of Internal and External Stakeholder through the "Borang Soal Selidik Penilaian Impak Sosial and sighted the acknowledgement of understanding from the stakeholders. Sampled stakeholders involved are:

1. KTS Trading Sdn Bhd
2. Hup Kong Sdn Bhd
3. Kian Jang Enterprise
4. Village head of Kampung Sonsogon Suyad
5. Workers

Based on "Buku Aduan Umum" is made available in the estate, sampled complaint received are;

Date received complaint : 17th October 2019

Name of complainer : Musbah A. Muin Baso (Mandore)

Complaint: workers housing need repairs

Date action taken : 23rd October 2019

Action taken : repairs has been done on 23rd October 2019

Date received complaint : 3rd July 2020

Name of complainer : Suandi B. Salam (harvester)

Complaint: damaged stairs at workers housing.

Action taken: Delivery of craftsmen to repair damaged stairs.

Date action taken: 3rd July 2020

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 To ease the employees and relevant stakeholders to lodge the complaint, the complaints and grievances form and box are made available at the estate office and worker housing. This has been verified during the site assessment.

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

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

Summary Sighted the Borang Soal Selidik Penilaian Pihak Kepentingan issued to the Internal and External Stakeholder. The policies and procedure of MSPO were stated in the form for self-explanation. A total 10 internal and external stakeholders have responded on the Borang Soal Selidik Penilaian.

The stakeholder survey report was prepared as a summary to the findings from the "Borang Soal Selidik Penilaian Impak Sosial by Nur Suhada bt Mohd Sah and Approved by Hj. Agus Mohd Rus (Director) dated 13th February 2019.

In Compliance ☐ Yes ☒ No ☐ Not Applicable

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

Summary Records of complaints and resolution for the last 24 months is made available and recorded in the complaint book (Buku aduan umum) and form (grievance form).

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 The company contributes to local community are recorded in the form titled "Contribution to local community". Sampled records are;

1. Contribution to Mr. Maringkai b. Kilim (village head of Kampung Kota Marudu) Rm 100.00 dated 20th December 2019.
2. Contribution to JPLSB workers for Hari Raya Aidilfitri celebration amounted of RM2381.30 dated 17th May 2020.

In Compliance ☒ Yes ☐ No ☐ Not Applicable

Criterion 4 Employees safety and health

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

Summary Jesselton Plantation Sdn. Bhd., has established a Safety and Health Policy, dated 9th July 2019 signed by Tuan Haji Agus bin Mohd Rus (Project Director). The Safety and Health Policy states its commitment to

1. Safety and health for all employees are practice in the workplace.
2. All employees and contractors are responsible for their own and colleagues safety and health during work.
3. All employees and contractors shall comply with the estate safety regulations and occupational safety and health Act (1994) concerned with safety and health issues.

4. Form safer process and work systems for improving efficiency and productivity of works, thus to create a safe, healthy and better working environment.
5. Always provide training and awareness campaign on safety and health issues to all parties involved.
6. Always audit and review the safety and health management system to ensure it remains appropriate and proper in practice.
7. Accidents are investigated and reported accordingly. Proper improvement are taken to mitigate risk and prevention is enhance throughout the organization.

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

Sighted Jesselton Plantation Sdn Bhd has established an Safety and Health Policy, dated 9th July 2019 signed by Mr. Tn Hj Agus bin Mohd Rus (Project Director). The policy was communicated to all employees on 10th July 2020.

Sighted HIRARC covering all activities and operations are made available dated 9th January 2019 i.e. Chemical Preparation, Spraying, Harvesting, Manuring, Loading & Transporting FFB, Replanting activities, Landfill, Clinic, Sundry and Canten, Workshop, Genset room, water treatment plant, Road repair, Chemical issuance, Pruning, Weeding and Driving Tractors.

The estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file. Sighted Training programme is made available in the – Jesselton Plantation Sdn Bhd, Calendar Latihan Tahun 2020.

- a) Sampled Training in the programme are;
- b) Penerangan Polisi MSPO
- c) Peti Pertolongan Cemas
- d) PPE
- e) Menuai
- f) Memnaja
- g) Meracun

Sighted PPE Record maintained by Jesselton Plantation Sdn. Bhd. in the "Rekod Pemberian PPE. The estate management maintained the PPE Issuance and replacement record issued to staff and workers.

Sighted SOP for Chemical Handling (SP-01: Chemical Handling) dated 18th February 2020, prepared by Mustapha bin Mustain (Estate Manager) approved by Haji Agus bin Mohd Rus (Director)

Sighted the appointment letter of Mr. Fredolan Charlie for the person in charge of Safety and Health. The letter was signed by Haji Agus Mohd Rus (Project Director).

The OSH committee meeting has been conducted on 26th June 2020 at the Estate Office.

Jesselton Plantation Sdn. Bhd. has established Emergency Response Procedure (Flow Chart) prepared by En. Abdullah bin Abdullah (Assistant Manager) and Approved by En. Mustapha bin Mustain (Estate Manager)

Total of 4 staffs and executive were attended the Training and Briefing on First aid conducted by Suria Lifecare Sdn. Bhd. dated 24th August 2019. All the trained Employees is presented at all field operations.

Accident records are made available in the "Laporan Kemalangan" form. Jesselton Plantation Sdn. Bhd. has registered with DOSH through the MyKKP online dated 24th July 2020. The person in charge is Mr. MS Junurah Sintian. The registration number is SB/TKLS/20/022939

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 Jesselton Plantation Sdn. Bhd. has established "Social & Human Rights Policy" dated 9th July 2019 signed by Tuan Haji Agus bin Mohd Rus (Project Director). The Policy has been communicated to the employees during the "Taklimat MSPO – Morning Mustercall" dated 10th July 2019 by the estate manager at the morning muster ground. Sighted list of attendance, material and picture maintained by the estate.

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

Indicator 2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.
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Summary Sighted the Social & Human Rights Policy is made available which commits to;

1. Comply with labour laws and relevant regulations
2. Commitment to the ILO and Employment act of Malaysia
3. Implement fair farming agreements
4. Provide orientation for new employees.
5. No forced and trafficked employment
6. Protection of children, prohibition of children and young person.
7. Paying wages that meet minimum wages order and respect living wages
8. Provide habitable accommodation
9. Respect the social environmental practices.
10. Respect the legal land titles in land used terms and cultivations.
11. Commitment to solve social activities and provide sufficient compensation for communities, if any
12. Respect the rights to associate and free to join unions.
13. Respect the rights to live with life free of discrimination
14. Respect the rights to freely exercise of religion and practice beliefs.
15. Respect the rights to free from prejudice on the basis of race, gender, national origin, colour or age.
16. Respect the rights to freedom speech.
17. Respect and protect reproductive rights.

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

Indicator 3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.
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Summary Sighted pay slips of employees for the month of April and May 2020 which meets the legal or industry minimum standards requirements. Sampled pay slip are:

Pay slip for the Month Of April 2020

Nama: Rustam bin Tere (Passport: AT701861)

(ID No: 5045)

Basics	RM1058.00
OT	RM 570.96
Allowance	RM259.18
Public Holiday	RM42.31
Piece rate	RM78.90
Gross Pay	RM 2009.35
KWSP	-
SOCSSO	-
EIS	-
Deduction	-
Nett Pay	RM 2009.35

Pay slip for the Month Of May 2020

Nama: Rustam bin Tere (Passport: AT701861)

(ID No: 5045)

Basics	RM973.36
OT	RM 674.05
Allowance	RM342.67
Public Holiday	RM126.93
Piece rate	RM27.98
Gross Pay	RM 2009.35
KWSP	-
SOCSSO	-
EIS	-
Deduction	-

Contribution to EPF, SOCSSO and SIP were made by employer.

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

Indicator 4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

Summary No contractor is hired in the estate at the time of audit.

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 Employee Register form of Jesselton Plantation Sdn. Bhd. is made available in the Summary no. of worker – June 2020. The company has 55 estate workers thus far.

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

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

Summary Sighted, Employment Contract between Jesselton Plantation Sdn. Bhd. and their workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.

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

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

Summary Working hours for the estate workers is clearly stated in the Employment Contract as stated in para 5) Working Hours and Overtime Terms.

Attendance will be recorded by the Mandor during the morning muster using the checkroll book.

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

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

Summary The working hour and break time has been clearly stated in the Employment Contract. Sighted workers' pay slip and it's confirm complied to legal requirements such as payment of basic salary, deduction of EPF and SOCSO

Rcords of overtime was keyed in the "Daily input data" sheet. It was established between employer and employee to address overtime performed at the estate operation.

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

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

Summary

Salary slips clearly shows the calculations of gross salary and net salary of a worker. Sampled of pay slip for the estate worker for the month of January 2020 as follows;

No	Name	Status	Salary
1	Zamani bin Abdul Rahman	Driver Transport	RM 1,246.15
2	Asraf bin Asjad	Genset, Operator & Watchman	RM 1,419.60
3	Asma binti Asjad	Field Worker	RM 734.28
4	Irwan bin Syarifuddin	Farm Tractor Driver	RM 2,886.00
5	Musrah binti Andi Muin Baso	Field Workers	RM 938.56
6	Syamsul Bahri	Field Workers	RM 1,900.00
7	Nazrah Al Noor binti Sidikah	General Clerk	RM 1,292.31
8	Hapidah binti Canini	Office Cleaner	RM 1,142.64
9	Sudirman	Mandore	RM 1,370.11
10	Marni binti Conta	Field Worker	RM 1,368.32
11	Khifly bin Salam	Field Worker	RM 592.92

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

Indicator 10

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

Summary

All workers have been provided with medical treatment at panel clinics paid by the company. Other benefits given by company such as:

1. Free working tools
2. Muster allowance
3. Free petrol for using own motorcycle to workplace
4. Free housing facilities

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

Indicator 11

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

Summary

All workers are provided with housing facilities at workers housing complex. However, no water sampling has been conducted on the water supply for consumption. Thus, a non-conformance is raised.

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

Indicator 12

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

Summary Sighted the "Sexual Harassment Policy", has been established on 9th July 2019 as approved by Haji Agus bin Muhd Rus (Project Director).

The policy is meant to prevent all forms of sexual harassment and violence at the workplace. As mentioned in the policy, to achieve the objective the company will:

- Respond promptly to complaints of sexual harassment.
- Impose the proper corrective action where necessary that including disciplinary action.

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

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

Summary Sighted the "Social & Human Rights Policy", established on 9th July 2019 as approved by Haji Agus bin Muhd Rus (Project Director).

The policy states that Jesselton Plantation Sdn Bhd embraces its responsibilities and committed and protecting good social and human rights practice through:

- Respect the rights to associate and free to join unions.
- Respect the rights to live with life free of discrimination
- Respect the rights to freely exercise of religion and practice beliefs.
- Respect the rights to free from prejudice on the basis of race, gender, national, origin, colour or age
- Respect the rights to freedom of speech.

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

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

Summary Sighted the "Social & Human Rights Policy", established on 9th July 2019 as approved by Haji Agus bin Muhd Rus (Project Director).

The policy states that Jesselton Plantation Sdn Bhd embraces its responsibilities and committed and protecting good social and human rights practice through:

- No forced and trafficking employment.
- Protection of children, prohibition of children and young person.

It's is confirmed that, there are no children below ages of 18 working in the Estate and this was proven through interview with Mr. Mustapha bin Mustain (Estate Manager) and also by checking the employees register.

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 Sighted Training programme is made available in the – Jesselton Plantation Sdn Bhd, Calendar Latihan Tahun 2020.

Sampled Training in the programme are;

1. Penerangan Polisi MSPO
2. Peti Pertolongan Cemas
3. PPE
4. Menuai
5. Memnaja
6. Meracun

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 Sighted the analysis of the training needs is made available in the : Jesselton Plantation Sdn Bhd, Annual Training Plan (Safety, Environment & MSPO Awareness) – 4.4.6. The analysis was prepared by Ms Suhada dated 20th November 2019.

The employees / type identified are:

1. GM / Managers
2. Supervisors
3. Admin staff
4. General workers
5. Mandore
6. Harvester
7. Sprayer

Sampled Training identified are:

1. MSPO Awareness
2. Business Planning
3. Documentation
4. PPE Usage
5. First Aid and ERP
6. Waste Management
7. Safety Reporting (JKKP8)

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 Calendar for the year 2019 / 2020 being planned and implemented in the Estate.

No	Training	Month Planned
1	MSPO awareness	Nov/Dec 2019
2	Policy / Procedures	Jan/Feb 2020
3	First Aid and ERP	Mar/Apr 2020
4	Documentation	May/Jun 2020
5	Safety Reporting (JKKP 8)	Nov/Dec 2020
6	PPE Usage	May/Jun 2020
7	Waste Management	Jul/Aug 2020

Sample training that has been conducted are:

1. Latihan : Latihan Penggunaan Alat Keselamatan Diri dan Pengendalian Kimia (Meracun)

Tarikh : 19th August 2019

Conducted by : Mr. Roperoto bin Oyong

Attendance : All workers

2. Latihan : Laporan Latihan CPR (First Aid & CPR, AED)

Tarikh : 24th August 2019

Conducted by : Suria Lifecare Sdn. Bhd.

Attendance : Staff, Assistance Manager, Manager

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 Jesselton Plantation Sdn Bhd has established its Environmental Policy, signed by Tuan Hj Agus Bin Mohd Rus, Project Director on 09th July, 2019.

As stated in the Environmental Policy, Jesselton Plantation Sdn Bhd believes in maintaining a sustainable on green balance between environmental conservation and its plantation business, committed, responsible and will strive continual improvement, in safeguarding the environment to achieve the goal of sustainable development.

The statement of the environmental policy includes;

1. Complying with all applicable national and international environmental laws and regulations.



2. No deforestation, no peat and no high carbon stock on new development.
3. Minimize any significant adverse environmental impact of development through the use of integrated environmental management planning and procedures.
4. Prevent pollution, reduce waste and the optimization of resources such as (materials, fuel and energy) and commit to recovery and recycling as opposed to disposal.
5. Implementation of Good Agricultural management practices to reduce soil erosion and prevent land degradation.
6. Development of environmental performance evaluation procedures and associated indicators.
7. Educating and supervising employees to minimize adverse environmental impacts in all related agricultural operations.
8. Preserving and developing riparian buffer zones and areas of conservation set aside into natural corridors for wildlife and other biodiversity.
9. Communicating and managing stakeholders and employee to constantly practice and uphold their concern and care for the environment.
10. Sharing environmental experience and knowledge among relevant stakeholders.
11. Complying to "zero burning policy".

MSPO briefing – morning mustercall has been conducted/ briefed by Mr Abdullah Bin Ariffin (Assistant Manager), attended by 26 workers on 10.07.2020 elaborated the following;

1. Explain to employees the definition of MSPOMSPO principles, one of it is "Prinsip 5 – Responsibility for the environment, natural resources, and Biodiversity and ecosystem services.

Meeting on environmental was held on 05.01.2020 attended by 2 executives, 4 staff and 6 worker's representatives discussed the following;

1. Open burning
2. Domestic waste

Meeting on environmental was held on 26.06.2020 attended by 3 executives, 4 staff and 3 worker's representatives discussed the following;

1. Hygiene
2. Open burning

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

Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Environmental Management Plan (EMP), Doc No. JPSB/MSPO/PRO-006, Rev:00, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 9th July 2019.

The Company has conducted environmental aspect impact assessment (EAIA) for all its' activities in the estate. The environmental assessment findings are recorded in the

document prepared by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 10th December, 2019.

The 15 environmental aspects involved in EAIA includes;

1. Site clearing, construction of roads and establishment of base camp.
2. Use of petrochemical (petrol, diesel, etc.) for transportation activities
3. Human sewage waste generated from workers line site and office site.
4. Domestic waste from workers line site and office site.
5. Oil leakage from lorries
6. Disposal of non-biodegradable wastes
7. Schedule waste generation and spillage
8. Disposal of polybags and fertilizer bags
9. Emission of greenhouse gaseous from Nitrogen & Sulphate base fertilizer usage.
10. Smoke emission of heavy vehicles such as tractors, excavators and backhoe
11. Chemical residues washed into water source
12. Transportation of FFB to Mill
13. Generation of empty chemical containers
14. Disposal of scrap irons
15. Generation of electricity by genset

The EAIA covering elements of

1. Environmental Aspect
2. Environmental Impact (effect of the impacts)
3. Environmental Impact Analysis (Likelihood (a), Consequence (b), Impact Level (axb), -ve or +ve
4. Mitigation Measure
5. Monitoring Program

As a sample evidence of the EAIA assessed by the estate include;

1. Environmental aspect: Emission of greenhouse gaseous from nitrogen & sulphate base fertilizer usage
2. Environmental impact: Air pollution – global warming
3. Environmental impact analysis: Likelihood (3), Consequences (2), Impact Level (6)
4. Mitigation measure: Application of fertilizer shall follow agronomist recommendation
5. Monitoring programme: Will test the soil pH annually.

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.
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Summary	The environmental improvement plan for the Company to mitigate the negative impact was incorporated in the Environmental Management & Improvement Plan 2019-2020 for all its' activities. As a sample evidence;
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Environmental Aspect	Environmental Impact	Action Plan	Dateline
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Emission of smoke openly into the air /environment.	Causing air pollution, affect human's health	To strictly comply to "Zero Burning" policy	May 2020
To determine all wastes produced by Estate	Ensuring proper management & handling of wastes in Estate	Shortlist of all wastes and SW generated by Estate	May 2020
Monthly inventory for all scheduled wastes listed	Proper document upkeep & handling	To keep update the SW scheduled monthly	May 2020

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

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

Summary The program of Continuous Improvement Plan 2020 on Environment prepared by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 10th January, 2020 includes;

Improvement Aspect	Planned Activities 2020	Target Date of Completion	Status	Completed Date
Reduction on scheduled waste generation	Identify source, storage and recording and eSwiss	30.03.2020	Identified source of SW	30.03.2020
Reduction of domestic waste	Awareness to workers, signage, landfill	30.03.2020	Segregation done	30.03.2020
Zero Burning	Signage, weekly inspection on line site	30.03.2020	Signboard installed	30.03.2020

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 The Annual Training Plan for year 2020 in respect of environment includes;

Description	Target Date	Target Audience
Management of High conservation value (HCV) area	August & Oct 2020	Executive, staff & workers

management of riparian buffer zone	August & Oct 2020	Executive, staff & workers
Management of environmental aspect & impact	August & Nov 2020	Executive, staff & workers
Awareness briefing on RTE (Enakmen Hidupan Liar, 2010)	August & Nov 2020	Executive, staff & workers
Training on triple rinsing	Sept & Nov 2020	Executive, staff & workers
Training on chemical handling	Sept & Nov 2020	Executive, staff & workers
Awareness on open burning	Sept & Nov 2020	Executive, staff & workers
Awareness on recycling	Sept & Dec 2020	Executive, staff & workers
Waste management	Sept & Dec 2020	Executive, staff & workers
Energy management awareness	Oct & Dec2020	Executive, staff & workers
Pollution awareness and management	Oct & Dec2020	Executive, staff & workers

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

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

Summary MSPO briefing – morning mustercall has been conducted/ briefed by Mr Abdullah Bin Ariffin (Assistant Manager), attended by 26 workers on 10.07.2020 elaborated the following;

1. Explain to employees the definition of MSPOMSPO principles, one of it is "Prinsip 5 – Responsibility for the environment, natural resources, Biodiversity and ecosystem services.

Meeting on environmental was held on 05.01.2020 attended by 2 executives, 4 staff and 6 worker's representatives discussed the following;

1. Open burning
2. Domestic waste

Meeting on environmental was held on 26.06.2020 attended by 3 executives, 4 staff and 3 worker's representatives discussed the following;

1. Hygiene
2. Open burning

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

The Company has monitored its diesel & electricity consumption in 2020 as follow;

Description	Actual record (January - June 2020)
FFB (mt)	379.28
Diesel used (liters)	35,979.76
Liter diesel/mt FFB	94.86
Electricity utilized (kWh)	80,808
kWh/mt FFB	213.06

The Energy Optimization Plan – 2020 include:

Description	Action Plan	Timeline	Status
Reduce energy consumption	Using less power lighting and offer much longer lifespan i.e. LED and CFL, switch off equipment when not in use, use energy efficient devices & energy saving features, discourage the excessive use of lighting or electricity, educate all employees on energy saving	June 2020	On-going
Innovation in energy use	Explore use of solar energy	June 2020	On-going

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

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Summary

The Company has estimated its diesel & electricity consumption in 2020 as follow;

Description	Estimate record (Jan-December 2020)
FFB (mt)	1,937.40
Diesel used (liters)	60,013
Liter diesel/mt FFB	30.98



Electricity utilized (kWh)	224,640
kWh/mt FFB	115.95

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

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

Summary Not available. Currently, no possible application on use of renewable energy at the estate.

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

Criterion 3 Waste management and disposal

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

Summary Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Waste Management, Doc No. JPSB/MSPO/PRO-005, Rev:00, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 9th July 2019. The Company MSPO Procedure has defined 3 types of waste includes;

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

Jesselton Plantation Sdn Bhd has established List of Waste Identified, prepared by Miss Nur Suhada Binti Ahmad Sah (Account Executive), approved by Mr Mustapha Bin Mustain (Estate Manager) on 20.01.2020 as listed below;

No	Waste	Category	Source
1	SW305	Spent lubricating oil	Tractors, lorry, van, motors
2	SW306	Spent hydraulic oil	Tractors, lorry, van, motors
3	SW408	Contaminated soil, debris or matter resulting from clean-up of a spill of chemical, mineral oil or scheduled wastes	Cleaning up of spillages on the floor
4	SW409	Dispose containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	Unused empty pesticide container, chemical bottles
5	SW410	Used personal protective equipment (PPE)	Workers quarters
6	Domestic waste	Organic & inorganic waste	Workers quarters

The record of scheduled waste collection and disposal sampled are tabulated below;

SW Code	409 (empty bag)	409 (empty gallon)
1 st Generated Date	03.06.2020	01.07.2020
Quantity as at 27.07.2020	260pcs	33pcs
Quantity Disposed (mt)	Nil	Nil
Remarks	< 180 days	< 180 days

Note: e-Swiss registration has been submitted and approved on 24.07.2020.

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 Jesselton Plantation Sdn Bhd has established Waste Management Plan – 2020 prepared by Miss Nur Suhada Binti Ahmad Sah (Account Executive), approved by Mr Mustapha Bin Mustain (Estate Manager) on 20.01.2020 includes the following category,

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

As a sample evidence of the WMP are;

SW Code	Source of pollution	Control measures	Action Plan
305/306	Tractors, lorry, van, motors	Stored in containers which are durable, use spill kit for cleaning spillage	To update inventory every month and fill up Fifth Schedule
408	Cleaning up of spillages on the floor	Stored in separate containers	List of scheduled wastes generated, inventory of scheduled waste
409	Unused empty pesticide container, chemical bottles	Empty pesticide container: triple rinse using clean water and puncture at least 3 holes.	Storekeeper to update inventory on collected SW409 at the end of every month.

410	Workers	Proper label as guideline in Third Schedule	List of scheduled wastes generated, inventory of scheduled waste generated
Domestic waste	Housing quarters	Use dustbin, rubbish collection to be done two (2) times a week.	Assign workers for collection, to record the opening and closing date of every pit, location at least 500m away from water source (rivers, lakes, ponds) and residential areas.

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 Jesselton Plantation Sdn Bhd has established the SOP of "Bab 6 – Delivery and Handling of FFB, pesticides, fertilizers, waste, spare parts and workers, Doc No. JPSB/SOP/OP/006, in the "Safe Work Operating Procedures and Standard Operations" prepared by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 01st August 2019.

The chemical handling procedures has outlined the steps to be taken by workers when handling chemicals includes;

1. Risk / Danger
2. Work procedures and control measures before work
3. Work procedures and control measures during work
4. Work procedures and control measures after work
5. Waste materials
6. Safety and emergency measures
- 7.

Jesselton Plantation Sdn Bhd has established the Safety Procedures, SP-01 Chemical Handling approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 18th February 2020 with the purpose to outline the steps to be taken by workers when handling chemicals. The following items shall be made available for use;

1. Protective helmet or cloth cap.
2. Eye protection (i.e. safety spectacles, goggles or face shield.
3. Appropriate respiratory equipment.
4. One-piece work suit with closely fitting trouser bottoms.
5. Rubber/ plastic gloves or gauntlets.
6. Rubber/ plastic aprons.
7. Work boots with protective toe caps.



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 Based on the Waste Management Plan – 2020, prepared by Miss Nur Suhada Binti Ahmad Sah (Account Executive), approved by Mr Mustapha Bin Mustain (Estate Manager) on 20.01.2020, the empty pesticides containers will be triple rinse using clean water, and puncture at least three holes.

Store keeper to update the inventory on collected SW409 at the end of every month and fill up Fifth Schedule as per requirement by DOE. Monitoring as per record in the SW book.

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 Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Waste Management, Doc No. JPSB/MSPO/PRO-005, Rev:00, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 9th July 2019.

Domestic waste is being disposed according to 5.3 Domestic Waste Disposal Flow as stated in the Waste Management Procedure, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 9th July 2019.

The estate has established monthly Schedule for Rubbish Collection since July 2019. For the month of June 2020, domestic waste collected from houses and office with frequency of 9 times per month or twice a week. For JP 1 & JP 2, the landfills are located at Block 1 & Block 2, respectively more than 500m away from residential areas and streams.

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

Jesselton Plantation Sdn Bhd has identified the source of GHG, prepared by Mr Abdullah Bin Ariffin (Asst. Manager), approved by Mr Mustapha Bin Mustain (Estate Manager) on 22nd January 2020. It include;

1. Emission of Green House Gaseous from Nitrogen fertilizer usage
2. Smoke emission of heavy vehicle such as tractors, backhoe and gen sets
3. Transportation of FFB to Mill
4. Open burning of domestic waste

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

Indicator 2

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

Summary

Jesselton Plantation Sdn Bhd has established GHG Management Plan – 2020, prepared by Mr Abdullah Bin Ariffin (Asst. Manager), approved by Mr Mustapha Bin Mustain (Estate Manager) on 22nd January 2020 to reduce pollutant and emissions from the estate activities include;

Source of GHG	Environmental Impact	Impact Level	Action Taken	Status
Emission of GHG from Nitrogen fertilizer usage	Air pollution – global warming	6	Application of fertilizer shall follow agronomist recommendation	Done/On-going
Smoke emission of heavy vehicle such as tractors, backhoe and gen sets	Air pollution	9	Ensure regular maintenance	Done/On-going (maintenance record)
Transportation of FFB to Collection Center	Air, noise pollution and GHG	9	Advice transporter to regularly do maintenance	Done/On-going (training record)
Open burning of domestic waste	Air pollution & GHG	8	Enforce No Open Burning policy, enforcement of disposal at land fill	On-going

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

Criterion 5	Natural water resources
Indicator 1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ol style="list-style-type: none"> Assessment of water usage and sources of supply. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary

Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Water Management Plan, Doc No. JPSB/MSPO/PRO-008, Rev:00, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 9th July 2019.

The SOP explains the procedures of the following;

1. Determine Source of Water
2. Use of Water
3. Generating Water Quality Action Plan.

The Identification of Water Source prepared Mr Abdullah Bin Ariffin (Asst. Manager), approved by Mr Mustapha Bin Mustain (Estate Manager) on 24th January 2020 has identified the following;

1. River water – only stream, no rivers
2. Rain water (natural) – Drained into Water Conservation pits in estate
3. Harvested/sedimented rain water – drinking, bathing, washing and cleaning – drinking water is boiled before consuming.

The Water Management Plan for Estate has been prepared by Mr Abdullah Bin Ariffin (Asst. Manager), approved by Mr Mustapha Bin Mustain (Estate Manager) on 24th January 2020. The details of management plan include;

Management Action	Period
Analyse water quality and ensure compliance with the legal requirements for in-house treated water and used for drinking, either from river or bore well.	Yearly
Continue training of sprayers to minimise accidental overspray near buffer zones and within water courses.	First initial for new sprayer, twice a year
Apply water harvesting practices wherever practicable.	At appropriate time interval.

Apply way to optimise water and nutrient usage to reduce wastage	At appropriate time interval.
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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 Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Rare, Threatened, Endangered & High Biodiversity Management, Doc No. JPSB/MSPO/PRO-007, Rev:00, prepared by Miss Hamsia Binti Dani (MSPO Coordinator), verified by Mr Mustapha Bin Mustain (Estate Manager), approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 9th July 2019.

The estate has identified the High Biodiversity areas such as;

No.	Identified Areas
1	Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.

2	Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
3	Rare, threatened or endangered ecosystems and habitats.
4	Basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes.

The Fauna identified in the estates includes;

No.	Fauna Species
1	Tortoise
2	Scorpion
3	Snake
4	Eagle
5	Skunk

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 Jesselton Plantation Sdn Bhd has conducted the RTE/Biodiversity Monitoring Sheet (2020) for the month of January to May 2020.

The monitoring parameters observed during the monthly inspection are;

1. Endangered Species/ Wildlife
2. Signage HBV marking/ Illegal hunting etc.
3. Riparian zone
4. Illegal hunting activities
5. Land/ water pollution/chemical spraying/ open burning
6. Other activities observed that may impact HBV protection

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

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

Summary The High Biodiversity Management Plan include;

Identified Areas	Management Action	Monitoring and indicators
------------------	-------------------	---------------------------

Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.	No significant area of HBV in the estate. Wild boars are detected sometimes. Prohibit illegal hunting	Verbally reported by workers, record of security, signage illegal hunting
Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.	Prohibit fishing and prevent wild spraying of weed killers.	Briefing to workers, signage, prevent unauthorized entry.
Rare, threatened or endangered ecosystems and habitats.	Not detected.	Signage of No Hunting, signage to prevent unauthorized entry, visual monitoring by workers.
Basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes.	Apply controlled dosage of pesticides, herbicides and fertilizers to prevent excessive environmental loads.	Riparian zones where applicable.

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 Jesselton Plantation Sdn Bhd has established its Zero Burning Policy, signed by Tuan Hj Agus Bin Mohd Rus, Project Director on 10th June, 2020. The Zero Burning policy include;

1. Jesselton Plantation Sdn Bhd (JPLSB) commits to comply the sustainability standards into its business practices. Its also committed to the sustainable management of its oil palm plantations and to the implementation of responsible, global palm oil supply chains.

2. Amplifies the commitment towards Zero Burning practices across the estate, as part of the efforts in protecting the environment and combating haze problem.
3. JPLSB commits to comply with all applicable legislation and codes of practice.
4. According to the EQA 1974, "open burning" is defined as any fire, combustion or smoldering that occurs in the open air. As prohibited by law, no person shall cause or allow open burning on any premises and subjected to legal action if found guilty.
5. Where burning is necessary, JPLSB will follow the rules in EQA 1974, specifically on Section 29A (Prohibition on open burning) and 29AA (Exclusion from "open burning"), as well as Section 6 of the Guidelines for the implementation of the ASEAN Policy on Zero Burning (Alternative Approaches to the Zero Burning Technique).
6. This Policy is further strengthened by JPLSB commitment on no deforestation and protection of High Conservation Value (HCV) areas as well as no deforestation of High Carbon Stock (HCS) forests, using the revised High Carbon Stock Approach. JPLSB is also committed to no development of peat lands regardless of depth, and protection of peat lands through water management and fire preventions.
7. Will provide training to its workers on fire prevention and techniques to put out fire.

As stated in the Plantation Procedures, PP-01 Oil Palm Replanting, Jesselton Plantation Sdn Bhd is committed to implementing "Zero Burning". It is stated as below;

- DOE had banned burning to avoid excessive release of smoke, which has a major effect on the air quality and visibility given the extent of the area undergoing replanting.

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

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

Summary No significant risk of diseased palm was reported in the estate. Not Applicable as the replanting program is not due yet. No replanting due in 2020. The palms are planted in 2008/2009.

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

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

Summary Not applicable as there is no burning required during the replanting process.

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 Jesselton Plantation Sdn Bhd has established the Plantation Procedures, PP-01 Oil Palm Replanting approved by Tuan Hj Agus Bin Mohd Rus, Project Director on 18th February 2020.

The felling and shredding procedures include;

1. The old stand should be felled using excavator fitted with chipping bucket. The palm trunk and fronds must be chipped and shredded to piece about 5 – 20cm thick across at 45° to 60° end angle to allow rapid decomposition of the residues.
2. Bole tissue and bulk of root mass should be completely removed at the time of felling. The bole pits should be left open for inspection by the management team before closing. The chipped and shredded materials are spread evenly at about 3 – 4m width to avoid thick pile formation.
3. Department of Environment (DOE) has banned burning to avoid excessive release of smoke, which has a major effect on the air quality and visibility given the extent of the area undergoing replanting.

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 Standard Operating Procedure (SOP) for activities conducted within the estate operation dated 1st August 2019. The SOP outlining the procedures for good agriculture practices approved by Mr. Haji Agus bin Mohd Ruh (Operation Director). Given below are some sampled SOP and Manual used in the company's operations:

A. "Plantation & Safety Procedures"

No	Standard Operating Procedure	No. Rujukan
1	Harvesting and Pruning	Bab 1
2	Spraying	Bab 2
3	Manuring	Bab 3
4	Palm Thinning	Bab 4
5	EFB Mulching/Decanter Cake Application	Bab 5
6	Transportation and Handling FFB, Chemical, Fertilizer, Chemical, Waste and Workers	Bab 6
7	Gen set Operation	Bab 7
8	Transportation and Handling of diesel and lubricant	Bab 8
9	Pre Mixing of Herbicides	Bab 9

10	Store, Office, gate and housing security and safety	Bab 10
----	---	--------

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 As verified during the site assessment and interview with Mr. Mustapha bin Mustain (Manager), the estate is undulating and hilly. The estate maintain normal laterite road and have good maintenance for estate operation.

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

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

Summary The estate was having the reference for block for estate planted during site visit at the plantation. Sampled field are:

1. B8
2. B7
3. B15

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 The company established business plan for year 2020 & 2021. The plan has identified estimated FFB, Diesel, Fertilizer, Maintenance, Worker Salary & Wages, Tool & Equipment, and cost of production. Sampled Budget are:

	2020	2021
Yield (FFB tonne)	2485.00	6000.00
Diesel (litres)	60013	84000
Fertilizer (RM)	233808	233808
Worker salary (RM)	1101200.00	1192000
Maintenance (RM)	47000.00	71000.00
Cost of production/Mt	618.45	285.59

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 Oil palm planting for the whole estate was done in year 2009, 2010 and 2013 and next replanting is expected in year 2034, 2035 and 2038.

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 Records on crop projection, cost of production and financial indicators are made available in the Jesselton Plantation Sdn Bhd Budget 2020 prepared by Mr Mustapha bin Mustain and price forecast was between are based on the MPOB pricing basis.

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 progress is based on the Summary cost of allocation on monthly basis. Sighted Summary cost of allocation from January till December 2019 maintained by the company.

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 product and services was normally done through opened tender for comparison of quotations. So far there has been no complaint lodge by suppliers or service providers with regards to the pricing mechanism.

The Pricing Mechanisms implementation is based on the guideline of Policy and procedures, Title: Purchasing Procedure with revision date of 14th July 2020. The policies is outline the followings;

1. Ordering and purchasing of store items by raising purchase order.
2. Receipt of store items by checking the delivery orders.
3. Issue of store items
4. Stock check / old or slow moving / obsolete



stock items.
5. Security and insurance

Sampled tendering process involving three suppliers, Cen Mac Enterprise, Sinsantrac Sdn Bhd and Astral Profit Sdn Bhd dated 16th June 2020 : To seek Board of Directors of Approval on Purchase of Spare Parts of Heavy Machinery (Hitachi EX120) as prepared by Ms Nur Syuhadah (Account Executive) and approved by Mr Ashar A. Paturusi (Director). The recommendation stated that the purchase of spare part tendered is awarded to Astral Profit Sdn Bhd as the price is cheaper and reliable.

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 No contractor is hired in the estate at the time of audit. Estates' works are performed by estate workers.

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 No contractor is hired in the estate at the time of audit. Estates' works are performed by estate workers.

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

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

Summary No contractor is hired in the estate at the time of audit. Estates' works are performed by estate workers.

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 management accept MSPO approved auditors to verify the assessment through a physical inspection. The site visit for the estate was carried out on 27th July 2020. All matters during audit assessment was accompanied by the Estate Management Team.

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.

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 No contractor is hired in the estate at the time of audit. Estates' works are performed by estate workers.

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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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 Jesselton Plantation 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) Good positive feedback received from the internal and external stakeholders.

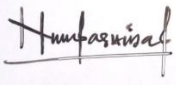
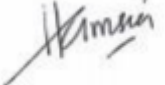
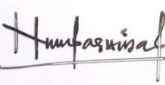
Appendix A: Audit Plan

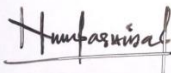
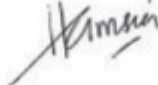
AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
26 th July 2020	TBA	➤ Travelling from Ampang, Selangor – KK, Sabah	NMS	SS / AS
27 th July 2020	08:00 – 09:00	➤ Opening Meeting at Jesselton Plantation Sdn Bhd: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan.	NMS	SS / AS
	09:00 – 13:00	Jesselton Plantation Sdn Bhd <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 / AS
		<ul style="list-style-type: none"> ➤ 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 / AS
	10:30 – 12:30	➤ Stakeholder Consultation	NMS	SS / AS
	13:00 – 14:00	➤ Lunch/Rest	NMS	SS / AS
	14:00 – 15:30	➤ 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 / AS
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	NMS	SS / AS
	16:00 – 17:00	➤ Closing Meeting at Jesselton Plantation Sdn Bhd: <ul style="list-style-type: none"> • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment	NMS	SS / AS

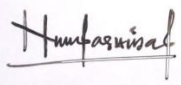
Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit													
Major Nonconformities:	1 was raised during this audit.												
2.9 Company Name	Jesselton Potential Sdn Bhd												
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2										
	Surveillance	<input type="checkbox"/>	Recertification										
Audited Standard	MSPO Part 3: Oil Palm Plantations and Organised Smallholders												
Client Number	GGC-BX1-MSPO-2020												
NC No. / Ref.	BX1/MSPO/MAJOR/01	Date Detected	27 th July 2020										
Site(s) concern	Jesselton Plantation Sdn Bhd	Target Completion	90 days										
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.												
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern												
Description of Non-Conformity	1. Not in compliance with Peraturan 9(2), Peraturan-Peraturan Kawalan Bekalan 1974. 2. Not in compliance with Environmental Quality (Scheduled Wastes) Regulations 2005 3. No SOCSO contribution made for workers according to Employees' Social Security Act, 1969.												
NC Objective Evidence:													
1. The estate has been using one diesel tank without Bomba approval and KPDNHEP Permit Barang Kawalan Berjadual. Sighted invoice from Pengangkutan Debbie, Invoice No. 0506PDT dated 25.06.2020 on the purchase of 10,000 liter of diesel for Jesselton Plantation Sdn Bhd.													
2. Jesselton Plantation Sdn Bhd has established its MSPO Procedure, Title: Waste Management, Doc No. JPSB/MSPO/PRO-005, Rev:00, prepared by Miss Hamsia Binti Dani, and approved by Tuan Hj Agus Bin Mohd Rus (Project Director) on 9 th July 2019, however the following scheduled waste have been stored more than 180 days.													
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;">SW Code</th> <th style="width: 25%;">Description</th> <th style="width: 25%;">Quantity Accumulated</th> <th style="width: 25%;">Date of its first generated</th> <th style="width: 10%;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">305</td> <td>Used lubricant oil</td> <td style="text-align: center;">112 liter</td> <td style="text-align: center;">25.01.2020</td> <td style="text-align: center;">184 days</td> </tr> </tbody> </table>				SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks	305	Used lubricant oil	112 liter	25.01.2020	184 days
SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks									
305	Used lubricant oil	112 liter	25.01.2020	184 days									
3. Sighted that there is no SOCSO contribution were made in the April-May 2020 payslip for workers of: <ul style="list-style-type: none"> c. Rustam bin Tere d. Rusli Hafid 													



Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client): <p>Lack of awareness and proper understanding on the legal requirements because Jesselton Plantation Sdn Bhd is still in the early stages of complete implementation of the MSPO requirements.</p>	
Corrective action planned (to be filled by client): <ol style="list-style-type: none"> 1. To submit application for diesel use and storage for Bomba approval and KPDNHEP Permit Barang Kawalan Berjadual. 2. To establish diesel tank installation plan. 3. To establish storage control on SW waste to disposal accumulate SW waste before 6 months. Train and educate person in charge. To dispose immediate the SW waste exceeded storage date. 4. To register and pay monthly SOCSO contribution for Rustam bin Tere and Rusli Hafid. 	
Preventive Action (to be filled by client): <p>To conduct awareness and requirement training of the following legal requirements:</p> <ol style="list-style-type: none"> 1. BOMBA and KPDNHEP Permit Barang Kawalan Berjadual 2. Schedule waste storage and disposal 3. SOCSO deduction for employees. 	
Review of corrective/preventive action (to be filled by Lead Auditor) <p>Corrective/preventive action is accepted with the sufficient evidence submitted. Therefore this Major NC is closed.</p>	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 24 th September 2020	Lead Auditor Signature: 

Minor Nonconformities:		1 was raised during this audit.	
Company Name		Jesselton Potential 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: Oil Palm Plantations and Organised Smallholders	
Client Number		GGC-BX1-MSPO-2020	
NC No. / Ref.	BX1/MSPO/MINOR/01	Date Detected	27 th July 2020
Site(s) concern	Jesselton Plantation Sdn Bhd	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No water sampling to ensure safe water supply for consumption		
NC Objective Evidence: All workers are provided with housing facilities at workers housing complex. However, no water sampling has been conducted to ensure that the water supply for consumption is safe.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Water sampling points for drinking water supply was not identified			
Corrective action planned (to be filled by client):			
To collect water samples from the water reservoir supplying water to worker house and send to certified external laboratory for testing to determine water quality			
Preventive Action (to be filled by client):			
1. To establish a planned scheduled to send water samples every 6 months. 2. Water testing scheduled to be monitored by the estate			
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: 24 th September 2020	Lead Auditor Signature: 

Area of Concern:	Non-were raised during this audit.
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Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Mr. Agus bin Mohd Rus, Operation Director
- 2) En. Mutapha bin Mustain, Estate Manager
- 3) Joanna M Faurillo, Corporate Executive
- 4) Nur Suhadah bt Ahmad Sah, Account Executive
- 5) Hamsia binti Dani, MSPO Coordinator
- 6) Nurasyikin bt Thamin, Clerk
- 7) Rohaedi bin Su, Sprayer
- 8) Herik bin malewa, Sprayer
- 9) Aswan bin Sainuddin, Harvester
- 10) Anto bin Antum, Harvester
- 11) Rostam, Driver

External Stakeholders

- 1) Chin Yen Ching, Supplier
- 2) Wong Voon Yee, Supplier