

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

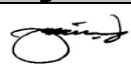

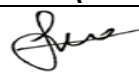
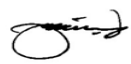

CERTIFICATION AUDIT REPORT


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

Kumpulan Melayu Johore Sdn Bhd
Ladang Kumpulan Melayu Johor

-Individual Certification-

MAIN ASSESSMENT AUDIT
28th April 2019 – 29th April 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	11/06/19	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
A	24/06/19	Peer Review 1 Comments	Muhammad Sufyan bin Azmi	Peer Reviewer 1	
A	24/06/19	Peer Review 2 Comments	Mohamad Fitri bin Mustafa	Peer Reviewer 2	
B	25/06/19	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	27/06/19	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Kumpulan Melayu Johore Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	27/06/19	Acceptance of the contents	Mr. Chin Tong Lai	Estate Sr. Manager	

Declaration

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

WITH INTEGRITY WE SERVE



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

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

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Kumpulan Melayu Johore Sdn Bhd, Ladang Kumpulan Melayu Johor**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists only Ladang Kumpulan Melayu Johor.

This assessment was conducted onsite on **28th April 2019 – 29th April 2019** 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	Kumpulan Melayu Johore Sdn Bhd
Business Address	Batu 17, Jalan Mersing, KB 525, 81907 Kota Tinggi, Johor, Malaysia.
Contact Person	Mr. Chin Tong Lai
Office Telephone	+6019-7799579
E-Mail	ladangkumpulanmelayu.kmj@yahoo.com

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

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Ladang Kumpulan Melayu Johor	Batu 17, Jalan Mersing, KB 525, 81907 Kota Tinggi, Johor.	E 113°59'19.24"	N 1°59'9.50"

MPOB License Information

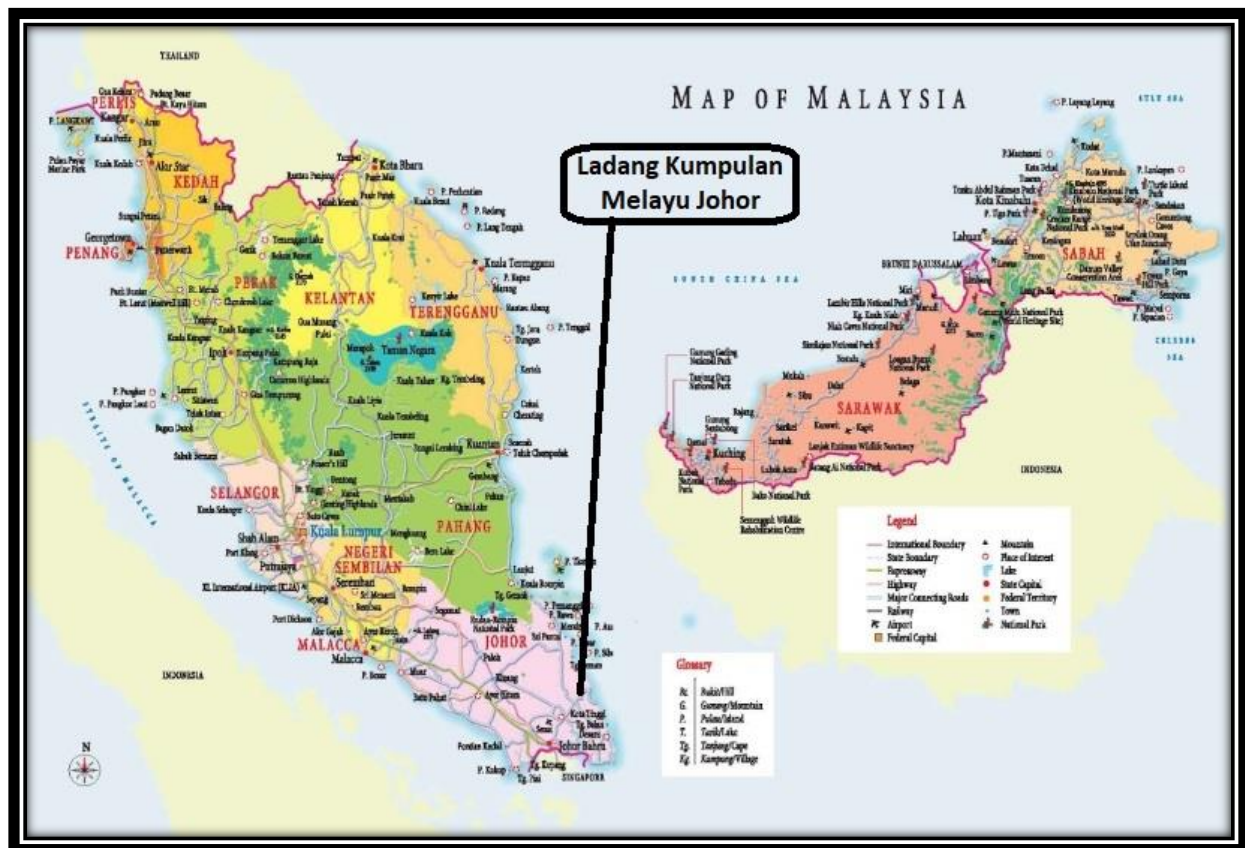
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Ladang Kumpulan Melayu Johor	502055002000	31/12/2019	Menjual & Mengalih FFB

Others Sustainability Certification

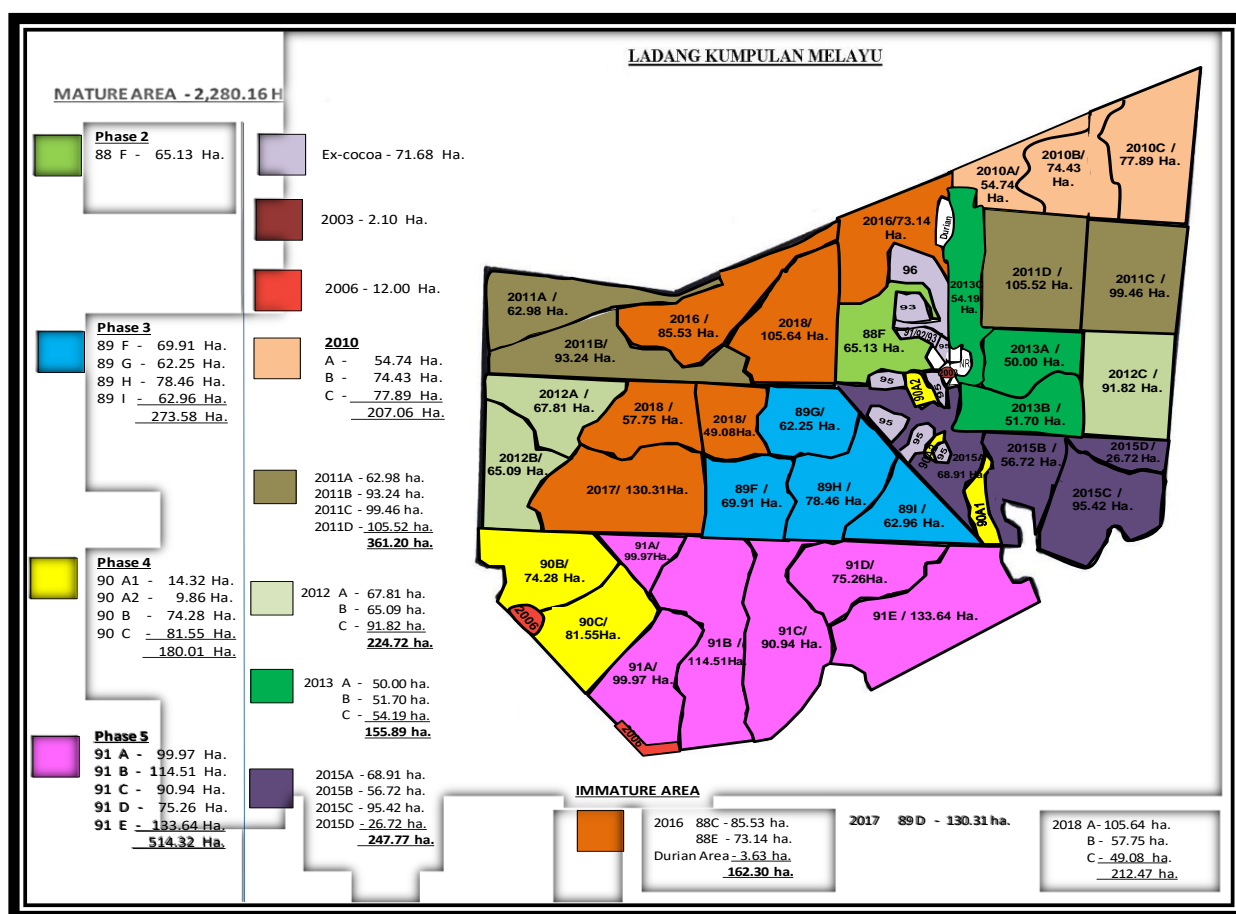
No	Name Of The Site	Others Sustainability Certifications
1.	Ladang Kumpulan Melayu Johor	NIL

1.4 Map Showing Geographical Location

1) Kumpulan Melayu Johore Sdn Bhd – Ladang Kumpulan Melayu Johor



2) Ladang Kumpulan Melayu Johor



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
Ladang Kumpulan Melayu Johor	2,841.36	2,826.19	2,477.76
Total	2,841.36	2,826.19	2,477.76

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Ladang Kumpulan Melayu Johor	-	-	-
Total	-	-	-

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Apr 2018-Mar 2019]	Projected Production for next 12 Months [Apr 2019-Mar 2020]
Ladang Kumpulan Melayu Johor	NIL	39,175.58	44,810.00
Total	NIL	39,175.58	44,810.00

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-KMJ001-MSPO-00-2019

Initial certificate issued date

27th June 2019

Certificate expiry date

26th June 2024

Stage 1 assessment date

25th February 2019

Stage 2 / Main Assessment

28th April 2019 – 29th April 2019

Annual Surveillance 1 [ASA 1]

March 2020

Annual Surveillance 2 [ASA 2]

March 2021

Annual Surveillance 3 [ASA 3]

March 2022

Annual Surveillance 4 [ASA 4]

March 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

Graduate in plantation management with more than 7 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Lead Auditor/Auditor in several certification programme. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia, Indonesia, Australia, Pakistan, India, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3rd Batch) held by MPOB. Member of GGC MSPO audit team.

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur.

During this assessment, he assessed on the aspect of Legal, Environment, Social, Stakeholder's Consultation, Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Ismadi bin Hj. Ismail**

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

During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Transparency, Safety and Health, Employment Condition, Social and Community Engagements, Stakeholder's Consultation and Workers Welfare. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as there is only one estate namely "Ladang Kumpulan Melayu Johor".

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

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

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

1.9 Audit Plan Information

Audit Date	28 th April 2019 – 29 th April 2019
Name of site(s) visited	Ladang Kumpulan Melayu Johor
Total number of man-days spent	4 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	5	Closed
Minor Nonconformities	2	Closed
Area of Concern	0	No action requires
Noteworthy /Positive Comments	5	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards.

GGC has published the public notification on 21st March 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 28th April 2019 – 29th April 2019 in Ladang Kumpulan Melayu Johor to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

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

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Neighbouring Estate)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They have good relationship with the management. • There is no conflict ever happened with both estates. 	No action requires	Positive findings
2.	Stakeholders B (Contractors)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • He is clear that if he employs a worker, he has to officially inform estate management. He also knows the working hours, minimum salary, Socso & EPF (for local workers) that has to be paid as he has been briefed in the Stakeholders meeting. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. • They were aware that any complaints or suggestions could be forwarded to the mill/estate management. • He is very happy with the management and hopes to continue his contract for a long time. • The company has good relation with supplier and there is no issue with company's performance. 	No action requires	Positive findings

3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> Most of the stakeholders attended the meeting are aware about the MSPO. Most of them has little knowledge on the existence of method/ mechanism of complaints/ grievances. 	Management will continue briefing to all stakeholders on MSPO and complaint and grievance mechanism	Will review by next surveillance audit
4.	Stakeholders D (Grocery Store)	<ul style="list-style-type: none"> They are always invited by company to participate in stakeholder meeting annually. They have good understanding about MSPO. They have good understanding about complaint and grievance mechanism. 	No action requires	Positive findings
5.	Stakeholder E (Estate workers)	<ul style="list-style-type: none"> MSPO awareness, company policy and SOP are briefed among workers during muster call. Personal Protective Equipment are distributed free of charged by management. They have good understanding about complaint and grievance mechanism. They are very happy with the management and hopes to continue their contract for a long time. Company well managing the welfare, health and safety of their workers. Housing facilities is provided with water and electrical supply. They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018. 	No action requires	Positive findings
6.	Stakeholders F (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> They have been treated equally without any discrimination. No sexual harassment reported. 	No action requires	Positive findings

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Ladang Kumpulan Melayu Johor. Estate Senior 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 5 major and 2 minor non-conformities have been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of major non-conformity findings is closed. Therefore, the Lead Auditor recommends a certificate of compliance **"MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders"** is awarded to **Ladang Kumpulan Melayu Johor**.

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 Kumpulan Melayu Johore Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices:

- To operate sustainability management based on the principles and criteria contained in MS2530:2013 standard.
- To continuously improve our operation in line with social, environmental and economic aspects.
- Ensure protection and conservation for High Conservation Value and High Carbon Stock areas.
- Ensure protection and preservation of rare, threatened or endangered species and high biodiversity values.
- To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

The policy was signed by Kumpulan Melayu Johore Sdn Bhd's Managing Director, Puan Sri Sharifah Zarah Binti Syed Kechik on 7th June 2018.

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

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

Summary Kumpulan Melayu Johore Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices. The policy was signed off by KMJ's Managing Director, Puan Sri Sharifah Zarah Binti Syed Kechik on 7th June 2018.

Kumpulan Melayu Johore Sdn Bhd committed to continuously improve their operation in line with social, environmental and economic aspects based on the principles and criteria contained in MS2530: 2013 standards.

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 Kumpulan Melayu Johore Sdn Bhd has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st March 2018. Prepared by Mr. Mohd Sharizan Bin Yusof and approved by Mr. Tang Peng Lam (Estate Manager).

Based on the Internal Audit Procedure, the management has planned to conduct internal audit once a year.

Sighted the internal audit report done by the internal audit team. They have conducted the internal audit on 26th September 2018. The audit was led by Mr. Sekhar S/O M Sankaran Nair with audit team member of 4. The audit team has raised 7 major non-conformities.

Through the observation made, the strong and weak points and potential area for further improvement has been discussed, minuted and address to estate management.

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 Kumpulan Melayu Johore Sdn Bhd has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st March 2018. Prepared by Mr. Mohd Sharizan Bin Yusof and approved by Mr. Tang Peng Lam (Estate Manager).

Seen the response and action taken by Estate Manager for all the findings. All detail findings are well documented by estate management

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

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

Summary The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by both estates management within the acceptable timeframe. This request was implemented in due course and documented as evidence. The findings from documentation audit has been discussed and approved for implementation by the respective management unit during sustainability management review meeting dated 30th October 2018. The report was prepared by Mrs. Nurulain Binti Ismail and approved by Mr. Tang Peng Lam.

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 Kumpulan Melayu Johore Sdn Bhd has established MSPO Procedure Title: Management Review, Doc No: MSPO-02, Rev 0, Date 1st March 2018. Prepared by Mr. Mohd Sharizan Bin Yusof and approved by Mr. Tang Peng Lam (Estate Manager).

During the management meeting review, they had discussed and reviewed the internal audit report, SIA EIA and Safety issues, Continuous Improvement Plan and the implementations of MSPO principles and criteria.

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 Sighted the Continuous Improvement Plan for Ladang Kumpulan Melayu Johor. The plan covers:

1. Workers housing and amenities.
2. Waste management.
3. Enforcement of Occupational Safety & Health
4. Good management practices.
5. Productivity enhancement.
6. Job allocation for Field and admin Staff
7. To construct new chemical mixing store and waste schedule store.
8. Enforcement of Occupational Safety and Health
9. Training for all the workers
10. To plan for marking the boundary stone in the Estate.

The Continuous Improvement Plan was included in the Management Review Procedure, Appendix 2 updated on 30.10.2018, prepared by Mr. Muhammad Shahrizan Yusof.

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

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

Sighted the Ladang Kumpulan Melayu Johor's training program for year 2019 which include the Standard Operation Procedure training, Safety & Health, chemical handling, MSPO training and awareness training.

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

Indicator 3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.
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Summary The staff/workers competency training plan for year 2019 was established. The training identified including operations, understanding of Standard Operation Procedure training, Safety & Health, chemical handling, MSPO training and awareness training.

Training conducted to date as per Training Programme for year 2019.

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 Company has established the Stakeholder Communication & Consultation Procedure. Ref No: MSPO-03; Rev 0; Date 01/03/2018.

The purpose of this procedure is to outline the arrangements for consultation and communication by Ladang Kumpulan Melayu Johor with its relevant stakeholders and how their concerns and views are addressed.

However, one minor non-conformity has been raised to Ladang Kumpulan Melayu Johor. No evidence MSPO Awareness being conducted to all internal stakeholders. Furthermore, in the interview session with internal stakeholders during site visit, they are still lack of awareness on MSPO compliance.

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

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

Summary Sighted the List of Documents and Classification as a guideline for Ladang Kumpulan Melayu Johor to determine the confidentiality of the status or availability for public disclosure dated 1st January 2019 updated by Assistant Manager, En Muhammad Shahrizan bin Yusuf.

Evidence, 24 documents classified under Non – confidential and 7 as confidentials.

All the documents are available in the estate Office. Requests for official documents through the estate office will have to go through the Estate Manager/Assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.

The procedure is base on the Ref Number: USA/MSPO/P2/C2/IN1, Rev:0 Date: 1st January 2018.

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

Criterion 2 Transparent method of communication and consultation

Indicator 1 Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary Company has established the MSPO Procedure: Stakeholder Communication & Consultation Procedure. Ref No: MSPO-03; Rev 0; Date 01/03/2018. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Tang Peng Lam.

The purpose of this procedure is to outline the arrangements for consultation and communication by Ladang Kumpulan Melayu Johor with its relevant stakeholders and how their concerns and views are addressed.

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

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

Summary Sighted an appointment letter of Mr. Jeridin Bin Kamarudin, Estate Assistant Manager as person in charge for consultation and communication with the relevant stakeholders. The letter dated 01st July 2018, signed by Mr. Tang Peng Lam (Estate Manager).

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 Sighted latest list of stakeholders on 1st September 2019, prepared by Mr. Shahrizan bin Yusof, Estate Assistant Manager.

	No of stakeholders
Government	22
Suppliers	36
NGO	1
Neighboring Estate	11
Internal	3
Total	73

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 Company has established the MSPO Procedure: FFB Traceability Procedure: Ref No: MSPO-04; Rev 0; Date 01/03/2018. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Tang Peng Lam.

Sighted all records done by Estate Management.

Harvesting operation being conducted by Contract workers and the mandore / supervisor is under Estate Management.

At field, both Estate mandore / supervisor recorded all the Fresh Fruit Bunches (FFB) that harvested by the harvester in Daily Bunch Record. The daily bunch record consist of the following information:

- a. Harvester unique ID
- b. Date
- c. Quantity
- d. Field No.

Later, the FFB will be loaded and transported to ramp and recorded in the Bunch Record.

The FFB being loaded into the lorry and weighed before transporting to mill. The weighbridge operator will key – in the following information in the system:-

- a. Date of weighing
- b. Gross/tare/net weight
- c. Contract Number
- d. Weighbridge ticket number
- e. Descriptions of contents
- f. Vehicle number
- g. Name of driver
- h. Time in / out

Finalizing key-in the information, the weighbridge operator will issue dispatch Chit, delivery Note and Dispatch Ticket.

Further, at security post guard the security personnel will checked the following information :-

- a. Date
- b. Vehicle Number
- c. Name of driver
- d. Name of Supplying Estates and Field No
- e. Time in / out

Then, the FFB being transported to the designated Mill as per Contract.

Base on interview with the Person In – Charge of all the Estates, they are well versed with the procedures.

However, one major non-conformity has been raised to Ladang Kumpulan Melayu Johor. Evidence, Estate practices contradict with the guided MSPO Procedure: Title FFB Traceability. MSPO-04; Rev 0; Date 1st March 2018, Page 3 of 4 on FFB to be weighed before unload to the ramp.

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

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

Summary The Management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Plantation Advisor, Internal and External Auditor and Executive Director visit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.

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

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

Summary The person in charge for traceability is Mr. Hazlie bin Shood dated 1st July 2018 signed by Mr. Tan Peng Lam, Estate Manager.

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

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

Summary FFB being sell to third party or buyer. The buyer will decide whichever mill to be sell the crop. All the proceeds will be paid to Kumpulan Melayu Johore Sdn Bhd.

Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the estate.

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

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary The company has established and updated list of applicable laws and regulations that are applicable for the estate. Sighted "Kumpulan Melayu Johore Sdn Bhd – Summary of Compliance". Prepared by Mohd Shahrizan bin Yusof (Estate Assistant Manager) and approved by Mr. Chin Tong Lai (Estate Sr. Manager) on 22nd April 2019.

The list of law for Kumpulan Melayu Johore Sdn Bhd which include the law:

- Occupational Safety and Health Act 1994
- Factories and Machinery Act 1967
- Environmental Quality Act 1974
- Workers Minimum Standard of Housing and Amenities Act 1990
- Akta Kerja 1955

- Employee Provident Fund Act 1991
- Employees Social Security Act 1969
- Minimum Retirement Age Act 2012

Sighted some of the laws as below:

- Permit Barang Kawalan Berjadual: Diesel (10,000 liter) – Expiry: 13/02/2020
- MPOB License 502055002000, Expiry: 31/12/2019
- Akta Bekalan Elektrik 1990, Expiry for 5 years from date issuance: 21/06/2016.

However, one major non-conformity has been raised to Ladang Kumpulan Melayu Johor. Evidence on overtime records for En. Hanafi bin Hamdan,

Month	No. of Days Work	No. of Hours Exceeded
March 2019	25	113

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

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

Summary Sighted updated list of applicable laws and regulations that are applicable for estate. The legal register is prepared by En. Mohd Shahrizan bin Yusof (Estate Assistant Manager) and approved by Mr. Chin Tong Lai (Estate Sr. Manager) on 22nd April 2019.

The list is fully covered the requirements that related to MSPO compliance. These documents include information on laws, enforcement bodies, main requirement, environmental aspect, standard, fine, person in charge and compliance status.

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

- 1) Kumpulan Melayu Johore Sdn Bhd
- 2) Plantation Advisor Sdn Bhd (PASB)
- 3) Consultant Company
- 4) Campaign by Government Body
- 5) Communication with JTK
- 6) Newspaper or article on the new or change of amendment
- 7) Website

As per interview with En. Mohd Shahrizan bin Yusof (Estate Assistant Manager), he will update any new amendments or any regulations once received.

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

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

Summary The company has appointed Mr. Kalaichelvan S/O Thangavellu as the person in charge for MSPO Legal Requirement to monitor compliance and to track and update the changes in regulatory requirements.

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

Criterion 2 Land use rights

Indicator 1 The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.

Summary The estate comprises of 2 lot which are Lot No 858 (1068.3701 ha) and Lot No 857 (1764.4294 ha).

- As per land title: 2832.7995 ha.
- Area statement: 2841.36

Syarat Nyata Tanah:

- To be planted with oil palm and cocoa. Other crop permitted to plant with writing to Pejabat Tanah & Daerah.

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

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

Summary Estate has demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles are kept in the estate office and was sighted during the audit. Evidence of annual payment of land cess and quit rent the state government is available in the form of receipts. Sighted the quit rent for both lot no 858 (RM 96,100) and lot no RM (158,850) for 2018. Sighted the payment receipt A0457734 and A0457735.

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 Estate has boundary map. The estate boundary is well demarcated with boundary stones surrounding the land. The boundary stone clearly states the GPS coordinate of that particular point.

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. No evidence, the complaint and grievances being resolved in an effective, timely and appropriate manner that is accepted by all parties.

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 the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

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

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

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership. Therefore, no maps for recognized customary rights is available.

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

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

Summary There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land tile 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 Company has established the MSPO Procedure: Social Impact Assessment Procedure: Ref No: MSPO-03; Rev 0; Date 01/04/2018. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Tang Peng Lam.

However, one minor non-conformity has been raised to Ladang Kumpulan Melayu Johor. No Social impact being identified and plans be implemented to mitigate the negative impacts and promote the positive ones.

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 Company has established the MSPO Procedure: Stakeholder Communication & Consultation Procedure. Ref No: MSPO-03; Rev 0; Date 01/03/2018. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Tang Peng Lam.

The procedure and flowchart outlined the mechanism to handle issues highlighted by all the stakeholders and resolved effectively, timely and appropriate manner that is accepted by all parties. Sample of Grievance Form as per Appendix 3

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

Indicator 2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.
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Summary The purpose of this procedure is to outline the arrangements for consultation and communication by Ladang Kumpulan Melayu Johor with its relevant stakeholders and how their concerns and views are addressed. Any complaints to analyze and provide feedback within an appropriate time frame.

Sample taken on En Zulkifli, Hospital Assistant dated 15th April 2019 on " Kotak 1st Aid tidak lengkap banyak barang yang sudah digunakan perlu diganti balik".

However, one major non-conformity has been raised to Ladang Kumpulan Melayu Johor. No evidence, the complaint and grievances being resolved in an effective, timely and appropriate manner that is accepted by all parties.

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

Indicator 3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.
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Summary Sighted MSPO Procedure, Stakeholder Communication and Consultation Procedures, Ref No: MSPO -03, Rev: 0, Dated 1st March 2017 has been established and documented. Sample of Grievance Form as per Appendix 3.

Complaint form is available at the office and the complaint being place in the Drop Box outside the office.

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

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

Summary Latest meeting with External Stakeholders was held on 22nd October 2018 attended by 25 external and 17 internal stakeholders. The meeting was conducted by Estate Manager, Mr Tam Peng Lam. The minutes being prepared by Cik Nurain bin Ismail.

Sighted in the minutes of meeting the agenda on Complaints and Request Procedure being briefed to all stakeholders.

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 Evidence, all the complaints made by internal and external stakeholders being recorded since 2017.

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 Estate is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence, the management has organized activities as follows:-

- Hari Penyampaian Hadiah dated 28th June 2018 and Hari Sukan Sekolah dated 5th April 2018 amounting RM100.00 per event.

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

Criterion 4 Employees safety and health

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

Summary Sighted the OSH Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018.

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 the OSH Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018. Risk assessment was conducted through HIRARC based on the severity and the Likelihood.

HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRAC review date was on 1st January 2019.

The estate has a comprehensive annual training programme for the Staffs and Workers.

NO	TOPIC	MONTH PROGRAMME
1	SOP Harvesting	January
2	SOP Spraying	February
3	SOP Manuring	March
4	Tractor Maintenance	April
5	Driver training and Safety	May
6	First Aid Training	June
7	PPE Training	July
8	Fire Drill Training	August
9	Schedule Waste	September
10	Chemical Handling	October
11	SOP Security	November
12	MSPO Training	March
13	Awareness Training	May



Training record for Safety Operating Procedure for Spraying was sighted on 8th February 2019 conducted by En. Shahrizan, Assistant attended by 4 participants.

Seen, Standard Operating Procedure for transporting, receiving, handling, storage and disposal of chemicals, MNL/OSH/2009/1 - 1.14 dated 1st March 2009.

Sighted Medical Surveillance report for 6 sprayers, 1 mechanic and 1 storekeeper conducted on 16th May 2018.

The CHRA being conducted on 1st June 2015 by Ganesrao a/l Nagarajoo, 710526-08-6125, JKKP HIE 127/171 -2 (357) from OSH Safety Consultancy (M) Sdn Bhd.

Seen, Standard Operating Procedure for transporting, receiving, handling, storage and disposal of chemicals under KMJ / SOP / 011,012,036,049,057,059,065,066.067 and 068.

Mr. Chin Tong Lai (Estate Sr. Manager) as Person In-charge under OSH. OSH Committee Chart 2019 sighted. Letter of appointment for committee members dated 1/1/2018.

The committee meeting has been conducted as follows :-

- 19th January 2019
- 18th December 2018
- 8th August 2018
- 27th June 2018

To discuss all issues regarding worker's safety and health.

Sighted latest meetings conducted on 19th January 2019 and attended by 19 members. The meeting discussed on OSH Matters, domestic waste, training and scheduled waste store.

Sighted the Emergency Procedure for the Estate under Emergency Response Plan. Ref No : First Edition 2017, Page 1 Rev. No 1, Page 1 dated December 2017.

Emergency response plan include the Emergency Contact Number, Emergency Response Team, Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.

ERP Chart 2018 indicates En. Zulkifli bin Sari, Hospital Assistant as First Aider for Kumpulan Melayu Johor Estate.

Sighted, Training record on 1st Aid sighted on 24th July 2018 conducted by Hospital Assistant, attended by 18 participants.

Estate has submit JKKP 8 (I & II)(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH JKKP 8 was submitted on 31ST January 2018. No accidents occurred in 2018

However, one major non-conformity has been raised to Ladang Kumpulan Melayu Johor. Details as per below:

- Inadequate Hazard Identification, Risk Assessment and Risk Control (HIRARC) covering all activities and operations be assessed and documented (All Estates).
- No evidence the management provide appropriate Personal Protective Equipment 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).
- No evidence of Management responded to CHRA Recommendations.
- Incompliance to Occupational Safety And Health (Safety And Health Committee) Regulations 1996 Part IV Meetings Of Safety And Health Committee, 21. Frequency of meetings of committee. (1) A safety and health committee shall meet as often as may be necessary commensurate with the risks attendant on the nature of work at the place of work but shall not meet less than once in three months.

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

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

Summary Sighted the Social Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018.

This policy covers :-

- Compliance with established laws and regulations including labour laws, land title laws and minimum standards of workers' housing.
- Ensure minimum retirement age policy is complied.
- Provide the relevant training and development to employers.
- Prohibit employment of workers by coercion or who are under age.
- Paying salaries to employees and staff in accordance with the Minimum Wage Order
- Respect and protect human rights and worker's right (including temporary, contract and foreign workers)
- Freedom of discrimination and prejudice against gender, race religion, nationality and political views.
- Provide a harmonious work environment to employers, customers and stakeholders..
- Provide workplace free of sexual harassment whether directly or indirectly against all workers and stakeholders.

The estate is displayed at notice boards outside the office.

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

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

Summary Sighted in the Social Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018 clause 7, Freedom of discrimination and prejudice against gender, race religion, nationality and political views.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate. During interviews, it is clearly stated no forced labour at estate.

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

Indicator 3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

Summary Pay and conditions are documented in the appointment letter of the staff and workers. Interview with both estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. No confinement history and no illegal or forced deduction as per this audit period.

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

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

Sampled of worker salary taken:

- 1) Mr Kasi Wagiman – (Malaysian)
 - Employee Number - 46
 - Payroll March 2019
 - 25 working day x RM 42.31 = RM1,181.00
 - Washing van – RM50.00
 - Work Rest Day - RM171.52
 - Overtime – RM 908.52
 - Gross salary = RM 2,245.04
 - Deduction:
 - EPF : RM 130.00
 - SOCSO = RM 11.25
 - SIP = RM4.50
 - Net salary = RM 2,099.29

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

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

Summary Sighted, an Agreement between Kumpulan Melayu Johore Sdn Bhd (Ladang Kumpulan Melayu) and Yew Fah Enterprise, 800305-01-5111 on FFB Harvesting and Internal Transport. The agreement valid from 1st January 2019 until 31st December 2019.

Evidence, records of Contract Agreement between The Contractor with his workers, En Zul Candra - B9248177 and En Fendi – B 2906123. Seen the Salary Slip of both workers, valid working documents and insurance coverage.

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, the Labour Registration Card for En. Hanafi Hamdan – 820617-01-5653, Mr Nem Nikolaus – B 9968212 and En Mizhan Taufik - B 3677820.

The registration card stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc.

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

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

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

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian.

Sample taken on En Muraham- B2156566, En Muhammad Subhanadi- AU 357776 and En. Ali Tasyakkur – AT 616453.

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 is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law. Daily attendance recorded during muster call.

Estate has used pocket check-roll as a working time recording system.

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

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

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

There is no complaint received regarding payment or are forced to work overtime during site interview.

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

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

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

Documented payslip was distributed to individual workers on the day of payment. Payment being made through cash and seen the letter of consent from workers to the Management.

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 and accident insurance. Tune Protect Malaysia is appointed as insurance provider to foreign workers

With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

For Indonesian workers, will be covered under SOCSO upon expiring the Foreign Workers Compensation Scheme.

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

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum

Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

Summary All workers are provided with housing facilities at workers linesite. Water is provided free and electricity being deducted RM5.00 per worker.

Sanitary and waste disposal is prepared by estate. Welfare Amenities: Mosque, Chinese temple, football field sundry shop.

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 Employment and Sexual Harassment Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik , the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018.

The above policy also being mentioned under Social Policy clause 7, to ensure this employment and sexual harassment policy is disseminated to and understood by all employers and stakeholders.

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

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

Summary Sighted in the Social Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018 under clause 6 Respect and protect human rights and worker's right (including temporary, contract and foreign workers) and under Employment and Sexual Harrasment Policy, clause 3; Respect the rights of all employees to form and join trade unions of their choice and to bargain collectively.

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 in the Social Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07th June 2018 under clause 4 Prohibit employment of workers by coercion or who are under age.

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

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

Criterion 6 Training and competency

Indicator 1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

Summary

Sighted Training Programme for OSH and Environmental Training for 2019.

NO	TOPIC	MONTH PROGRAMME
Occupational Safety and Health		
1	SOP Harvesting	January
2	SOP Spraying	February
3	SOP Manuring	March
4	Tractor Maintenance	April
5	Driver training and Safety	May
6	First Aid Training	June
7	PPE Training	July
8	Fire Drill Training	August
9	Schedule Waste	September
10	Chemical Handling	October
11	SOP Security	November
12	MSPO Training	March
13	Awareness Training	May

NO	TOPIC	MONTH PROGRAMME
Environment		
1	Waste Handling Training	April '19
2	Pollution Control and Environmental Training	April '19
3	Recycle Waste Awareness	Feb '19

4	Schedule Waste Handling	Feb '19
5	Biodiversity	April ' 19

Sighted, Training record on Latihan Keselamatan dan Kecemasan Kebakarn on 29th August 2018 conducted by BOMBA Kota Tinggi attended by 13 participants.

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

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

Summary Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.

Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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

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

Summary All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

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

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

Criterion 1 Environmental management plan

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

Summary Sighted the "Environmental Policy" approved by Puan Seri Sharifah Zarah binti Syed Kechik (Managing Director) Kumpulan Melayu Johore Sdn Bhd on 07th June 2018. The policy is written in Bahasa and English language. The policy has been communicated to all workers.

Company has established the Environmental Management Plan (EMP) Procedure. Ref No: MSPO-06; Rev 0; Date 01/04/2018.

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

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

Summary Sighted the "Environmental Policy" approved by Puan Seri Sharifah Zarah binti Syed Kechik (Managing Director) Kumpulan Melayu Johore Sdn Bhd on 07th June 2018. The policy is written in Bahasa and English language. The policy has been communicated to all workers.

Company has established the Environmental Management Plan (EMP) Procedure. Ref No: MSPO-06; Rev 0; Date 01/04/2018.

The estate environmental impact assessment and management plan year 2019 has covered processes such as site clearing, construction of roads and establishment of base camp, domestic waste from workers line site and office site, oil leakage from tractors/lorries.

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

Indicator 3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

Summary Company has established the Environmental Management Plan (EMP) Procedure. Ref No: MSPO-06; Rev 0; Date 01/04/2018.

Sighted the Environmental Management Plan (EMP) for estate. Dated on 07th January 2019. Prepared by Mr Shahrizan bin Yusof (Estate Assistant Manager) and approved by Mr. Tang Peng Lam (Estate Manager).

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 estate has a program to identify all activities /aspects of the estate that have impact to the environment. The document was prepared by Mr Shahrizan bin Yusof (Estate Assistant Manager) and approved by Mr. Tang Peng Lam (Estate Manager).

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

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

Summary Sighted the training program and records for all workers on MSPO requirement prepared by Mr Shahrizan bin Yusof (Estate Assistant Manager) and approved by Mr. Tang Peng Lam (Estate Manager).

Latest "Larangan Pembakaran Terbuka" training on 07th April 2019 by En. Jeridin bin Kamarudin.

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

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

Summary The estate has conducted regular meeting with their staffs and workers to discuss issues related to environment. Latest meeting on 18/12/2018. Attended by 18 participants.

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

Criterion 2 Efficiency of energy use and use of renewable energy

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

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

Electric – TNB

Year	Kw	MT	Electricity/MT
2016	144,744	37,148.96	3.90
2017	134,994	38,218.61	3.53
2018	205,708	35,535.95	5.79

Diesel

Year	Litre	MT	Diesel/MT
2017	66,441.00	38,218.61	1.74
2018	63,091.00	35,535.95	1.78

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 projection consumption of diesel for estate has been documented on annual basis based on the financial year with the latest available is for year 2018.

Electric – TNB

Year	Kw	MT	Electricity/MT
2017	165,680	43,600	3.80
2018	160,650	45,900	3.50

Diesel

Year	Litre	MT	Diesel/MT
2017	82,000	43,600	1.88
2018	69,000	45,900	1.50

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

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

Summary There was no opportunity to use renewable energy in estate. Operation of vehicle is fully dependent on fossil fuel.

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 Company has established the Waste Management Procedure. Ref No: MSPO-05; Rev 0; Date 01/03/2018.

Sighted list of waste identified by estate management on 1st November 2018 by Mr Shahrizan bin Yusof (Estate Assistant Manager).

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 Sighted the Environmental Management Plan (EMP) for estate, Prepared by Mr Shahrizan bin Yusof (Estate Assistant Manager) and approved by Mr. Tang Peng Lam (Estate Manager). Estate has classified 4 types of waste includes;

- 1) Scheduled waste
- 2) Domestic waste
- 3) Recycle waste
- 4) Clinical waste

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 Company has established the Safe Operating Procedure for Handling Chemical; - Penerimaan, Penyimpanan, Pemindahan, Pengendalian dan Pelupusan Bahan Kimia Berbahaya.

Handling of any used chemical produced in the estate is under controlled and carried out by qualified person.

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

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

Summary As per interviewed, the chemical containers are been triple rinse and punctured to prevent contamination of water source or to human health.

The other empty containers generated from estate are send to G-Planter for disposed. Scheduled waste was disposed in accordance with scheduled waste requirements and regulation.

However, one major non-conformity has been raised to Ladang Kumpulan Melayu Johore. During site visit sighted one of the grease container and empty chemical container inside the landfill. Both containers not dispose as per Environmental Quality Act 1974; Environmental Quality (Scheduled Wastes) Regulations 2005.

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

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

Summary Domestic waste for housing area is disposed at landfill area. Twice a week.

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

Criterion 4 Reduction of pollution and emission including greenhouse gas

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

Summary The assessment of polluting activities are identified and documented in the environmental impact assessment and management plan. From the EIA, it will be evaluated for the impact and any impact will be included in the management plan.

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

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

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

- 1) Storage and disposal of schedule waste
- 2) Rubbish collection
- 3) To ensure regular maintenance (changing exhaust filter of the vehicle involved).
- 4) Etc.

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

Criterion 5 Natural water resources

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

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

Summary Sighted thru the site visit, there is a river crossing the estate compound. As per stated in the Water Management Plan, the water analysis will be conducted every 6 months.

Estate has monitored the water consumption on monthly basis. Sighted the application of EFB in the estate for the month of January 2019. The estate has used EFB up to 128.98 mt.

Sighted all the area has been protect by estate management. Demarcation of buffer zone has been made by signage installation. As evidence, sighted the signboard for "Riparian Zone". The natural vegetation within and along the riparian areas were adequately monitored.

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.

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 Based on interview conducted to Mr Shahrizan bin Yusof (Estate Assistant Manager), there were road side drains constructed along the main road.

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 Company has established the Rare, Threatened, Endangered & High Biodiversity Management Procedure. Ref No: MSPO-07; Rev 0; Date 01/04/2018. There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate.

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

Indicator 2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:

- a) Ensuring that any legal requirements relating to the protection of the species are met.
- b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

Summary There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. However, the estate has established the HBV management. The plan covers as follows:

- Discourage all wild life hunting within the estate compound.

The estate management has committed to comply with the regulations set up by the authorities. As per interview with the workers, they are understood with the employer's instruction to not hunting the wildlife.

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

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

Summary There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. However, the Management Plan for HCVs identified within the unit covering the scope, programme, timeframe, management plan as well as person in-charge to execute the plan is available and has been verified during the audit. The plan is also found to be approved by the estate manager.

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

Criterion 7 Zero burning practices

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

Summary Sighted the "Environmental Policy". Established on 1st August 2018 which was approved by Mr Tai Swe Chong (General Manager). The policy is written in Bahasa and English language. Stated to practice Zero Burning Policy on new planting, replanting except in specific situation.

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 There is a replanting works carried out by the estate. No out-break of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning. The practice is observed during field assessment.

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

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

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

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

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

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

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

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

Summary The estate has implemented Good Agriculture Practice (GAP) as seen from visit to the estate and seen from the document and also interviewing the workers.

Kumpulan Melayu Johore Sdn Bhd established Standard Operating Procedure & Safety Operating Procedure.

Estate have 4 types of Manuals-

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

Sighted the visiting agent report for December 2018 which was done by Plantation Agencies Sdn Bhd. The visit will be conducted every 2 months.

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 A management strategy for purpose of planting on slopes above a certain limit is evident in "Construction of Terraces".

Where the terrain is 15 degrees or steeper, terraces along the contour must be constructed for planting.

Slightly slopes area which is exceeding the 15 degrees slopes as according to the company SOP. During site visit observed there is no terracing above 15 Degrees

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

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

Summary The estate has a visual reference system to identify each field or block. Each field has the signboard with type of planting, year of planting, block number and hectareage; OP2011A.

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

Criterion 2 Economic and financial viability plan

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

Summary Estate had an annual budget for the financial year 2020 – 2024. The estate budget includes the projected FFB, OER, PK and etc production which projected for five years from 2020/2024.

It also incorporated item such as general charges, estate maintenance, process shift labour, general services, processing cost, fixed assets and etc. Sighted documented Business and Management Plan prepared by Mr Chin Tong Lai (Estate Sr. Manager).

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 Sighted the 4 years replanting program for Ladang Kumpulan Melayu Johor from 2019 until 2022. The details as per table below:

Planting Year	Area	Ha
2019	88F 89F 89G 89H	275.75
2020	89I 90A1 91D 91E	286.18
2021	90B	267.80

	90C 91A 2006	
2022	90A2 91B 91C Cocoa	289.09
2023	Nil	Nil

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 Estate had an annual budget for the financial year 2020 – 2024. The estate budget includes the projected FFB, OER, PK and etc production which projected for five years from 2020/2024.

It also incorporated item such as general charges, estate maintenance, process shift labour, general services, processing cost, fixed assets and etc. Sighted documented Business and Management Plan prepared by Mr Chin Tong Lai (Estate Sr. Manager). As evidence,

FY	2020	2021	2022
Total crop	42,309	45,279	43,625
Estimate OER %	20	20	20
FFB Price	450	500	550
KER	4.00	4.00	4.00

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

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

Summary The estate performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure are shown therein.

Sighted the visiting agent report for April 2019 which was done by Plantation Agencies Sdn Bhd. The visit will be conducted every 2 months.

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

Criterion 3 Transparent and fair price dealing

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

Summary The pricing mechanisms for products and services is decided by the management team which include the Plantation Agencies and Estate Manager before negotiation done with the contractor.

The company will make an announcement for tender for other services like ffb transportation, replanting and hiring excavator.

Sighted the contract agreement between Ladang Kumpulan Melayu Johor with Yew Fah Enterprise. The contract shall remain in force for 1 year commencing from 1st January 2019 until 31st December 2019.

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

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

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Ladang Kumpulan Melayu Johor. As evidence, sampled:

- Sighted the Contract Agreement between estate with Yew Fah Enterprise (FFB Harvesting) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Tulus Jaya Contract Works (FFB Harvesting) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Liew Kim Fah Plantation Sdn Bhd (FFB Transport) sealed on 01.01.2019

Payment will be paid 30 days after the estate received the invoice from contractors.

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

Criterion 4 Contractor

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

Summary All the contractors are aware that estate will be certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement.

As evidence, the management has included a clause in the contract agreement between the Ladang Kumpulan Melayu Johor and Yew Fah Enterprise, stating that, "the contractor must understand the requirements of MSPO standard and should provide the required documentation and information where necessary to any visiting MSPO auditor".

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

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

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Ladang Kumpulan Melayu Johor. As evidence, sampled:

- Sighted the Contract Agreement between estate with Yew Fah Enterprise (FFB Harvesting) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Tulus Jaya Contract Works (FFB Harvesting) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Liew Kim Fah Plantation Sdn Bhd (FFB Transport) sealed on 01.01.2019

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

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

Summary The estate was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 28th April 2019 – 29th April 2019. Sighted audit plan dated 24th April 2019 which have been accepted address to Mr. Chin Tong Lai, (Estate Sr. Manager). All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

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

Summary Estate verified the work done by the contractors before all the payment paid to the contractors. Estate also inspect the contractor's workers. As per interviewed and also during site visit, the workers aware with OSH requirement. As example, the workers wear the PPE during the work task that given to them.

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

2.7 Principle 7 : Development of new planting

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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 At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Indicator 4 Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be

managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Ladang Kumpulan Melayu Johor.

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

Criterion 4 Soil and topographic information

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Criterion 6	Customary land
Indicator 1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Indicator 3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Kumpulan Melayu Johor.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan


AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
27 th April 2019	TBA	Travelling from Ampang, Selangor – Mersing, Johor.	MS	IBI
28 th April 2019	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at Ladang Kumpulan Melayu Johor: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	MS	IBI
	09:00 – 13:00	Ladang Kumpulan Melayu Johor <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. 	MS	IBI
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MS	IBI
		➤ Stakeholder Consultation	MS	IBI
	13:00 – 14:00	➤ Lunch	MS	IBI
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	IBI

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
29 th April 2019	08:00 – 13:00	Ladang Kumpulan Melayu Johor <ul style="list-style-type: none"> ➤ Continue document review: 	MS	IBI

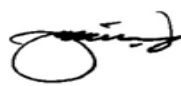


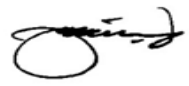

		<ul style="list-style-type: none"> Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 		
	13:00 – 14:00	➤ Lunch	MS	IBI
	14:00 – 15:00	➤ Verify any outstanding issues and auditor discussion	MS	IBI
	15:00 – 16:00	➤ Closing Meeting at Ladang Kumpulan Melayu Johor: ➤ Chaired by the audit Lead Auditor <ul style="list-style-type: none"> Welcome and introduction by the Lead Auditor Presentation of findings by the audit team Questions & answers and Final summary by Lead Auditor ➤ End of assessment	MS	IBI
30 th April 2019	TBA	➤ Travelling from Mersing, Johor to Ampang, Selangor	MS	IBI


Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit			
Major Nonconformities:	The following NC's were raised for this audit.		
Company Name	Kumpulan Melayu Johore Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-L1-MSPO-2019		
NC No. / Ref.	L1/MSPO/MAJOR/01	Date Detected	29 th April 2019
Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	90 Days
Normative Reference and Requirement	4.2.3.1 Major The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Inappropriate Standard Operating Procedure on Traceability Process Flow.		
NC Objective Evidence:			
Evidence, Estate practices contradict with the guided MSPO Procedure: Title FFB Traceability. MSPO-04; Rev 0; Date 1 st March 2018, Page 3 of 4 on FFB to be weighed before unload to the ramp.			
Lead Auditor Signature:	Client Signature:		
	 <small>KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu CHIN TONG LAI SENIOR MANAGER</small>		
Root cause Analysis (to be filled by client):			
This is a generic procedure from HQ not aligned to the actual practice in KMJ.			
Corrective action planned (to be filled by client):			
Updated MSPO-04 FFB Traceability procedure to eliminate weighing before unload to the ramp. See attached copy of the updated pages from MSPO-04 FFB Traceability procedure Rev 1, Dated 20 th May 2019. Completion Date: 25 May 2019.			
Preventive Action (to be filled by client):			

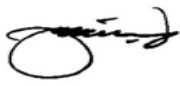




To audit the traceability flow during the next annual Internal Audit.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 30 th May 2019	Lead Auditor Signature: 


Company Name	Kumpulan Melayu Johore 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	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-L1-MSPO-2019			
NC No. / Ref.	L1/MSPO/MAJOR/02	Date Detected	29 th April 2019	
Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	90 Days	
Normative Reference and Requirement	4.3.1.1 Major 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	Incompliance to Part XII Section 60a of Employment Act 1955.			
NC Objective Evidence:				
Evidence on overtime records for En. Hanafi bin Hamdan,				
	Month	No. of Days Work	No. of Hours Exceeded	
	March 2019	25	113	
Lead Auditor Signature: 	Client Signature:  KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu CHIN TONG LAI SENIOR MANAGER			
Root cause Analysis (to be filled by client):				

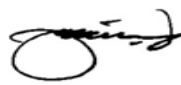
Due to Absence of alternative driver (back-up) OT exceeded 104hrs when working on Weekends and sending children to tuition from 7.00 to 8.00 pm.	
Corrective action planned (to be filled by client):	
Establish check sheet to Monitor accumulative OT does not exceed 104 hours in a month. See attached copy of check sheet. Completion Date: 25 May 2019.	
Preventive Action (to be filled by client):	
Engage back-up driver to reduce OT to only driver.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 30 th May 2019	Lead Auditor Signature: 

Company Name	Kumpulan Melayu Johore 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	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-L1-MSPO-2019			
NC No. / Ref.	L1/MSPO/MAJOR/03	Date Detected	29 th April 2019	
Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	90 Days	
Normative Reference and Requirement	4.4.2.2 Major The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence sighted during the audit.			



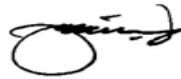
NC Objective Evidence:	
No evidence, the complaint and grievances being resolved in an effective, timely and appropriate manner that is accepted by all parties.	
Lead Auditor Signature: 	Client Signature: KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu  CHIN TONG LAI SENIOR MANAGER
Root cause Analysis (to be filled by client):	
1.0 Separate SOP not established. 2.0 Training not provided on handling of Complaint and grievances 3.0 This is the initial stage of MSPO implementation estate not clear on the process.	
Corrective action planned (to be filled by client):	
1.0 Established SOP on "Handling of Complaints and grievance". 2.0 Training provided to Management team on the SOP by Assistant Manager and Senior Manager(see training attendance sheet attached). Completion Date: 25 May 2019.	
Preventive Action (to be filled by client):	
To ensure the implementation of SOP: Handling of complaints and Grievance" during internal audit.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 30 th May 2019	Lead Auditor Signature: 


Company Name	Kumpulan Melayu Johore 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	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-L1-MSPO-2019			
NC No. / Ref.	L1/MSPO/MAJOR/04	Date Detected	29 th April 2019	


Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	90 Days
Normative Reference and Requirement	4.4.4.2 Major b The risks of all operations shall be assessed and documented. d The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). 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. g The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during the audit.		
NC Objective Evidence:			
b. Inadequate Hazard Identification, Risk Assessment and Risk Control (HIRARC) covering all activities and operations be assessed and documented (All Estates). d. No evidence the management provide appropriate Personal Protective Equipment 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. No evidence of Management responded to CHRA Recommendations g. Incompliance to Occupational Safety And Health (Safety And Health Committee) Regulations 1996 Part IV Meetings Of Safety And Health Committee, 21. Frequency of meetings of committee. (1) A safety and health committee shall meet as often as may be necessary commensurate with the risks attendant on the nature of work at the place of work but shall not meet less than once in three months.			
Lead Auditor Signature:	Client Signature:  KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu CHIN TONG LAI SENIOR MANAGER		
Root cause Analysis (to be filled by client):			
Lack of understanding and interpretation of the MSPO clause due initial stage of implementation.			
Corrective action planned (to be filled by client):			



1.0 Reviewed the current HIRARC and included all the missing activities (Fertilizer Store, Chemical Store, Re-planting, Transporting FFB, Clinic, Landfill, Sundry shop, Canteen) 2.0 Established PPE issuance record register. 3.0 Reviewed CHRA report and completed the recommended action, see list of recommendation and action taken. 4.0 Established OHS committee SOP and Minutes of Safety committee meeting.
Preventive Action (to be filled by client):
1.0 To established annual OHS committee meeting schedule (15 March 2019, 15hb June 2019, 18 Sept 2019 and 18 Dec 2019). 2.0 To ensure OHS regulations are audited in the next internal Audit.
Review of corrective/preventive action (to be filled by Lead Auditor)
All the evidence submitted were found adequate and therefore this major non-compliance is closed.
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 30 th May 2019 Lead Auditor Signature: 


Company Name	Kumpulan Melayu Johore Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-L1-MSPO-2019		
NC No. / Ref.	L1/MSPO/MAJOR/05	Date Detected	29 th April 2019
Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	90 Days
Normative Reference and Requirement	4.5.3.4 Major Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		

Description of Non-Conformity	Grease and chemical container sighted at the landfill area.		
NC Objective Evidence:			
<p>Kumpulan Melayu Johore Sdn Bhd has established Safe Operating Procedure for Handling Chemical; - "Penerimaan, Penyimpanan, Pemindahan, Pengendalian dan Pelupusan Bahan Kimia Berbahaya".</p> <p>However, during site visit sighted one of the grease container and empty chemical container inside the landfill. Both containers not dispose as per Environmental Quality Act 1974; Environmental Quality (Scheduled Wastes) Regulations 2005.</p>			
Lead Auditor Signature:		Client Signature:	
		 KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu CHIN TONG LAI SENIOR MANAGER	
Root cause Analysis (to be filled by client):			
1.0 Lack of awareness on the Handling of Chemical procedure. 2.0 Lack of enforce among the workers on the Chemical Handling requirements.			
Corrective action planned (to be filled by client):			
1.0 Provided re-training to all employees on the Chemical Handling procedure. Training material, photos and attendance list attached. 2.0 Installed Signboard at Landfill to show what can and cannot dispose into the landfill. Completion Date: 25 May 2019.			
Preventive Action (to be filled by client):			
1.0 To organize 3 months once awareness training of waste management and chemical handling SOPs. Training schedules (24 May 19, 24 Aug 19, 24 Nov 19) 2.0 To ensure Chemical handling and waste management SOP is audited during next internal audit.			
Review of corrective/preventive action (to be filled by Lead Auditor)			
All the evidence submitted were found adequate and therefore this major non-compliance is closed.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified: 30 th May 2019		Lead Auditor Signature:	
			

Minor Nonconformities:		The following NC's were raised for this audit.	
Company Name	Kumpulan Melayu Johore Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-L1-MSPO-2019		
NC No. / Ref.	L1/MSPO/MINOR/01	Date Detected	29 th April 2019
Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.2.1.1 Minor 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.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence during the audit.		
NC Objective Evidence: No evidence MSPO Awareness being conducted to all internal stakeholders. Furthermore, in the interview session with internal stakeholders during site visit, they are still lack of awareness on MSPO compliance.			
Lead Auditor Signature: 	Client Signature: KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu  CHIN TONG LAI SENIOR MANAGER		
Root cause Analysis (to be filled by client): Stakeholders were not given any hardcopy of the MSPO requirements and Stakeholder meeting objectives.			
Corrective action planned (to be filled by client): To circulate a one-page MSPO requirements to all Stakeholders registered in the Estate Stakeholders List. Completion Date: 25 May 2019.			
Preventive Action (to be filled by client):			

To provide MSPO requirements handouts during the next Stakeholders meeting.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 30 th May 2019	Lead Auditor Signature: 

Company Name	Kumpulan Melayu Johore 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	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-L1-MSPO-2019			
NC No. / Ref.	L1/MSPO/MINOR/02	Date Detected	29 th April 2019	
Site(s) concern	Ladang Kumpulan Melayu Johor	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.4.1.1 Minor Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	There is no evidence sighted during the audit.			
NC Objective Evidence:				
No Social impact being identified and plans be implemented to mitigate the negative impacts and promote the positive ones.				
Lead Auditor Signature: 	Client Signature:  KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu GHIN TONG LAI SENIOR MANAGER			
Root cause Analysis (to be filled by client):				
MSPO Social Impact Assessment procedure not implemented fully.				

Corrective action planned (to be filled by client):	
1.0 To conduct SIA survey using the Survey form, see attachment. 2.0 To analyse the SIA survey conducted and compile a SIA report. 3.0 To establish a SIA Management plan to mitigate the negative impacts and promote the positive ones.	
Preventive Action (to be filled by client):	
1.0 To ensure SIA Management plan is audited during the internal audit. 2.0 To discuss the effectiveness of the SIA management plan in the Management review meeting.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 30 th May 2019	Lead Auditor Signature: 

Area of Concern:	The following area of concern was raised for this audit.
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Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Ladang Kumpulan Melayu Johor management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Mr. Teoh Cheng Kooi – Contractor
- 2) Mr. Wong Yong Meng – Neighboring Estate
- 3) Mr. Ah Hong - Grocery Store
- 4) Ms Linda - Grocery Store
- 5) Mr. Mohd Fazli bin Sita – Pasir Panjang Estate
- 6) Mr. NS Sarawanan – Bukit Kelompok Estate
- 7) Mr. Gimantoro - Neighboring Estate
- 8) Mr. Ooi Ben Ong – Tropica
- 9) Mr. Ng. Kok Liang – Contractor