

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

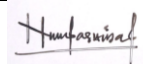
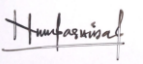

CERTIFICATION AUDIT REPORT


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

Kumpulan Huabok Sdn. Bhd.

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT (ASA01) 12th November 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	13/01/2021	Issued as Draft Report	Nurulashida Mohd Saad	Lead Auditor	
B	18/01/2021	Issued as Final Report	Nurulashida Mohd Saad	Lead Auditor	
B	19/01/2021	Final Report Approved	Muhd Jamalul Arif	Certifier	

Acknowledgment by Kumpulan Huabok Sdn. Bhd.					
Rev	Date	Description	Management Representative	Role	Signature
B	19/01/2021	Acceptance of the contents	Mr. Toh Tau Book	Managing Director	

Declaration

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

WITH INTEGRITY WE SERVE



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

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

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of Kumpulan Huabok Sdn. Bhd. During this Annual Surveillance Audit (ASA 1), the audit team briefed by the MSPO Coordinator, Mr Moorthy s/o Govindasamy of the supply base disposition of the unit audited namely, **Kumpulan Huabok Sdn. Bhd.**

This assessment was conducted onsite on 12th November 2020 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

1.2 Company details and Contact information

Company Name	Kumpulan Huabok Sdn. Bhd.
Business Address	Lot 0011849, Mukim Gemencheh, Daerah Tampin, Negeri Sembilan, Malaysia.
Contact Person	Mr Toh Tau Book
Office Telephone	+60 19 2692828
E-Mail	taubooktoh@hotmail.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.	Kumpulan Huabok Sdn. Bhd.	No. 4230, Mukim Gemencheh, Tampin, Negeri Sembilan	102.43486	2.6620369

MPOB License Information

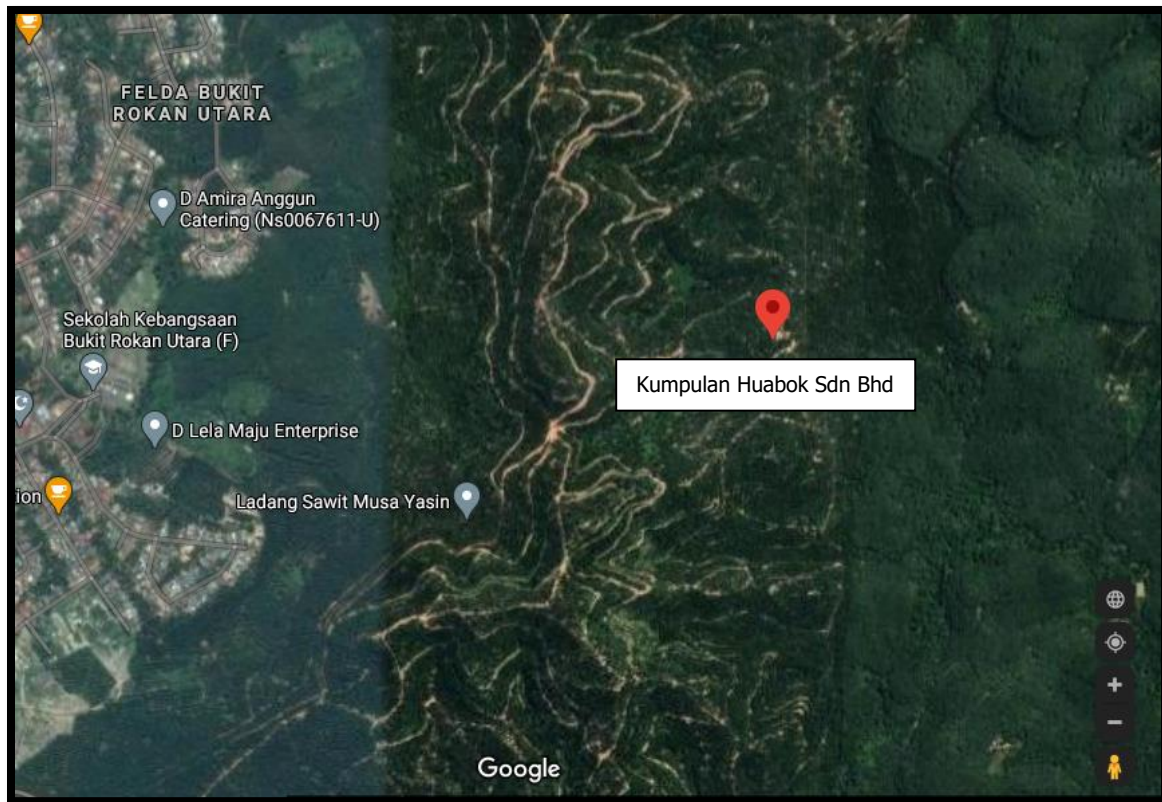
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Kumpulan Huabok Sdn. Bhd.	504021602000	30/09/2021	Menjual dan Mengalih

Others Sustainability Certification

No	Name of the Site	Others Sustainability Certification
1.	Kumpulan Huabok Sdn. Bhd.	Nil

1.4 Map Showing Geographical Location

a) Kumpulan Huabok Sdn. Bhd. location map:



Source: Google Map

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

Name Of The Supply Base	Area Summary (HA)		
	Land Title	Planted	Mature
Kumpulan Huabok Sdn. Bhd.	162.19	160.98	160.98

Notes: The land is a lease title for 30 years from Koperasi Pembangunan Daerah Tampin Gotong Royong Berhad until 12th November 2026.

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others (roads, drains, buildings etc)
Kumpulan Huabok Sdn. Bhd.	-	-	1.21

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [November 2019-October 2020]	Projected Production for next 12 Months [November 2020-October 2021]
Kumpulan Huabok Sdn. Bhd.	1,480.00	1,317.40	1,200.98

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-KHSB001-MSPO-01-2019
Initial certificate issued date	30 th December 2019
Certificate expiry date	29 th December 2024
Stage 1 assessment date	25 th September 2019
Stage 2 / Main Assessment	22 nd November 2019
Annual Surveillance 1 [ASA 1]	12 th November 2020
Annual Surveillance 2 [ASA 2]	October 2021
Annual Surveillance 3 [ASA 3]	October 2022
Annual Surveillance 4 [ASA 4]	October 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Nurulashida binti Mohd Saad

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

Able to speak and understand Bahasa Malaysia and English. Auditing on matters in relation to Management commitment and responsibility, Best Practices and Development of New Planting.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

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

Able to speak and understand Bahasa Malaysia and English. Auditing on matters in relation to Transparency and Social responsibility, health, safety and employment condition.

Auditor

Name: Tuan Amirudin bin Tuan Sulaiman

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

Able to speak and understand Bahasa Malaysia and English. Auditing on matters in relation to Compliance to legal requirements and Environment, natural resources, biodiversity, and ecosystem services

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). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation does not apply. Therefore, total numbers of supply based assessed in the audit is 1 estate. The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

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

The Prime Minister, Tan Sri Muhyiddin Yassin has declared a Conditional Movement Control Order (CMCO) ended on the 6th December 2020. With reference to the Federal Government Gazette (9th June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities. Majlis Keselamatan Negara (MKN) had issued a Standard Operating Procedure for “Persijilan bagi Agrokomoditi” dated 12th June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

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	12 th November 2020
Name of site(s) visited	Kumpulan Huabok Sdn. Bhd.
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

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

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification 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. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints, or disputes prior to the audit.

During this Annual Surveillance Audit (ASA 1), the audit team has conducted stakeholder consultations involving both internal 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.	Stakeholder A (workers)	<ul style="list-style-type: none"> • Good relationship with the management. • He is aware of the MSPO audit and safety requirement, PPE and road safety. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. 	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 Chansun Estate Sdn Bhd. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Annual Surveillance Audit (ASA01).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) is not required. During Annual Surveillance Audit (ASA 1), based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there are 1 Major Non-conformities, 1 Minor Non-conformities and 1 Areas of Concern were raised to the facility that being audited.

The audit objectives as mentioned in the audit plan have been achieved and assessment resulted of 1 Major NCs were raised. Major nonconformance has successfully closed on 5th December 2020.

Therefore, the Lead Auditor recommends a continuity on 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 Kumpulan Huabok Sdn. Bhd.

1.13 Date of Next Surveillance Audit

The second annual surveillance assessment visit will be scheduled after 12 months of the first surveillance Audit.

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
CMCO	Conditional Movement Control Order
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
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
MCO	Movement Control Order
MPOB	Malaysian Palm Oil Board
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating Procedure

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 Hua Bok Sdn Bhd has established an MSPO Sustainability Policy dated 2nd May 2019 and signed by Managing Director, Mr Toh Tau Book. As stated in the MSPO Sustainability Policy, the company is committed to:

- implement the following sustainable practices:
 - P1 Management commitment and responsibility
 - P2 Transparency
 - P3 Compliance to legal requirement
 - P4 Social responsibility health safety and employment condition
 - P5 Environment natural resource biodiversity ecosystem
 - P6 Best practice
 - P7 Development of new planting
- To continue improve the operation in line with social, environmental and economic aspects
- Ensure protection and conservation for High Biodiversity value and high carbon stock area
- Ensure protection and preservation of rare threaten or endangered species
- To ensure the sustainability policy is distributed and understood by all employees and stakeholders.

MSPO Policy is sighted available and displayed at the office room notice board. Briefing was communicated to the workers during the MSPO Awareness and Policies training conducted on 20th October 2020.

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

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

The company has established an MSPO sustainability policy, dated on 2nd May 2019 and approved by the Managing Director, Mr. Toh Tau Book. The commitment on continual improvement is emphasized in the MSPO Sustainability Policy as stated, "To continue improve operation in line with social, environment economic aspects".

Implementation of the continuous improvement plan is verified at site.

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 Huabok Sdn Bhd has established an internal audit procedure with ref. no: P1-01: Internal Audit Procedure. It is stated in the procedure (point 5: Procedure Explanation), that the internal audit shall be carried out annually by the team appointed

as internal auditors. Also sighted the Internal Audit Plan for the year 2020 is made available dated 6th August 2020 as prepared by Mr Moorthy (estate manager).

Latest Internal audit was conducted on 8th September 2020. Sighted report of Internal Audit is made available as prepared by Mr Subramaniam (auditor). one minor non-conformities on indicator 4.4.4.2 were raised during the internal audit. The proposed action plan was submitted, and the non-conformity is closed by the auditor on 6th November 2020. Details of the audit are documented in the MSPSO Internal Audit Checksheet.

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 Latest Internal audit was conducted on 8th September 2020. Sighted report of Internal Audit is made available as prepared by Mr Subramaniam (auditor). one minor non-conformities on indicator 4.4.4.2 were raised during the internal audit. The proposed action plan was submitted, and the non-conformity is closed by the auditor on 6th November 2020.

The internal audit procedure and report were well kept in the file name: P1 (Management Commitment & Responsibility).

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

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

Summary Management review meeting was latest conducted on 5th November 2020, chaired by Mr Toh Tau Book (Director) and attended by Mr Moorthy (MSPO coordinator) and Mr Chan (estate supervisor) and Mr Kaliappan (estate mandore).

The finding on internal audit was discussed in the meeting (*point 3: Internal Audit results*). Records on Minutes of meeting is made available as prepared by Mr. Moorthy (MSPO coordinator) and approved by Mr Toh Tu Book (Director) dated 5/11/2020.

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

Criterion 3 Management review

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

Summary Management review meeting was latest conducted on 5th November 2020, chaired by Mr Toh Tau Book (Director) and attended by Mr Moorthy (MSPO coordinator) and Mr Chan (estate supervisor) and Mr Kaliappan (estate mandore). Agenda of the meeting includes:

- i. MSPO implementation & documentation & procedures
- ii. MSPO policies
- iii. Internal audit results

- iv. Continual improvement
- v. Stakeholder consultation
- vi. Safety & health
- vii. Employment condition
- viii. Waste management
- ix. HBV
- x. Housing condition

As stated in the minutes of meeting, the estate is establishing issues identified in the continual improvement plan (CIP). CIP is made available as prepared by Mr Moorthy dated 25th October 2020.

Minutes of meeting is made available and was prepared by Mr. Moorthy (MSPO coordinator) and approved by Mr Toh Tu Book (Director) dated 5/11/2020.

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

Criterion 4	Continual improvement
Indicator 1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

Summary Continual Improvement Plan as referred to: Continuous Improvement Plan (CIP) dated 25th September 2020 is made available to the audit team. 9 items were outlined in the plan:

Improvement Aspect / Subjects	Planned Activities	Dateline / Status
PPE Usage and awareness	<ul style="list-style-type: none"> PPE Issuance system & record Training and monitoring 	As and when required
Safety Signage and Training	<ul style="list-style-type: none"> Identify location & type Fixing 	completed
Reduction on Scheduled Waste generation	<ul style="list-style-type: none"> Identify source Storage and recording eSwiss 	December 2020
Reduction on domestic waste	<ul style="list-style-type: none"> Awareness to workers Provide trash bin 	Ongoing
Zero burning	<ul style="list-style-type: none"> Signage Weekly inspection on line site 	Ongoing
Stakeholder consultation	<ul style="list-style-type: none"> Annual stakeholder survey 	December 2020
Road repair and maintenance	<ul style="list-style-type: none"> Identify area to be improved Budget allocation Schedule repair 	Ongoing

The action plan is prepared by Mr Moorthy s/o Govindasamy (MSPO coordinator).

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

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

Summary As per interview with the MSPO Coordinator and records verification available, there is no new technology or Systems were implemented or adopted by the company as to-date.

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

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

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

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

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 1 The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.

Summary Kumpulan Huabok Sdn Bhd has established a Stakeholders Engagement Procedure Document No: P2-3.0, dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. The procedure was communicated to all management staff, internal and external stakeholders on an individual basis during the distribution of "Borang Soal Selidik" by Mr Chan Teck Ngoh (Supervisor) as the stakeholders were unable to attend the meeting as part of the implementation process. Given below are details of the sampled stakeholders (Internal & External) who were met by Mr Chan Teck Ngoh:

Employees:

NAME	DATE	DESIGNATION
Ikmar Apriansyah (B 9626772)	22/9/2019	General Worker
Rabbani (BH 0682340)	22/9/2019	General Worker

External Stakeholders:

NAME	DATE	DESIGNATION
Cik Norzil Zalaha bt Soleman	21/9/2019	Surrounding Community
En Harun bin Dawood	21/9/2019	Surrounding Community
En Faizal bin Harun	21/9/2019	Surrounding Community
Kim Hoe Trading Sdn Bhd	21/9/2019	Hardware Supplier

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 Kumpulan Huabok Estate Sdn Bhd has established list of documents which are Publicly Available (non-confidential) and not Publicly available (confidential) dated 2nd January 2019 prepared by Mr Moorthy, Estate Manager. Given below are some sampled confidential and non- confidential documents.

Non-Confidential Documents:

NO	DOCUMENT	STATUS
1	Health & Safety Policy	Non-Confidential
2	Standard Operating Procedures	Non-Confidential
3	Continual Improvements Plans	Non-Confidential
4	Complaint & Grievance Procedures.	Non-Confidential
5	FFB delivery records	Non-Confidential
6	Annual Training Plan	Non-Confidential
7	JKKP Record	Non-Confidential
8	Complaints Log	Non-Confidential

Confidential Documents:

NO	DOCUMENT	STATUS
1	Profit & Loss Account	Confidential
2	Return on Investment	Confidential
3	Financial Data	Confidential

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 Kumpulan HuaboK Sdn Bhd has established Stakeholders Engagement Procedure Document No: P2-3.0, dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director.

The procedure was communicated to all management staff, internal and external stakeholders on an individual basis during distribution of Social Impact Assessment (SIA) Form by Mr Chan Teck Ngoh, Supervisor, as the stakeholders were unable to attend the meeting as part of the implementation process.

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 The management has appointed Mr Moorthy, Estate Manager as the person in-charge of Stakeholder Communication vide letter dated 2nd October 2018 approved by Mr Toh Tau Book, Managing Director.

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 Kumpulah Huabok Sdn Bhd has established the internal and external stakeholders list dated 30th September 2019 prepared by Mr Moorthy, Estate Manager. The stakeholders were divided into internal and external stakeholders. Given below are some sampled internal and external stakeholders list.

Internal stakeholders (4 nos)

NAME	DESIGNATION
Mr Kaliappan	Mandore
En Rabbani	General Worker
Ikmar Apriansyah	General Worker
Supanbat	General Worker

External Stakeholders (13 nos)

NAME	DEPARTMENT
Balai Bomba Gemenchah	Government Department
Balai Polis Gemenchah	Government Department
Indah Water Seremban	Government Agency
Klinik Kesihatan Bkt Rokan Utara	Government Department
THP Gemas Sdn Bhd (Ladang Bkt Rotan)	Surrounding community

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 Kumpulan Huabok Sdn Bhd has established Traceability procedure document Ref No P2-04 dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. Sighted the FFB Traceability Procedure Process Flow Document Ref No: P2-04, dated 2nd May 2019 prepared to facilitate the traceability process.

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

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

Summary Regular inspection of FFB record n complying with the traceability system has been carried out by the field supervisor. Record of daily FFB delivery is sighted during the audit. This document is used to record delivery date, field harvested, lorry number and the FFB weight.

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 management has appointed Mr Kaliappan, Mandore as the person in-charge of Traceability vide letter dated 2nd October 2018 approved by Mr Toh Tau Book, Managing Director.

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

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

Summary The following documents were used to monitor to implement and maintain the traceability system in Kumpulan Huabok Sdn Bhd. Records of sales, delivery, or transportation of FFB are recorded as follows.

1. Bunch Recording book
 - FFB harvested at the field will be counted and recorded. This document records the Name of Harvester, Date harvested and number of FFB bunches harvested.
2. Transport Chit
 - FFB harvested from estate will be loaded into the Lorry.
 - Transport chit will record the following information.
 - Lorry driver's name
 - Lorry Number
 - Seal Number
 - Date transported
3. PALM OIL MILL WEIGH BRIDGE TICKET
 - Total FFB (weight) sent to Palm Oil Mill
 - Estate name
 - Vehicle number
 - Cost per Metric Ton
 - OER
4. Monthly FFB Supplier Intake Statement Sales Record
 - Shows the FFB harvested, FFB price
 - Shows Sales records by Month.
 - Accumulated sales

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 Kumpulan Huabok Sdn Bhd has established list of applicable laws and regulations. The legal register is prepared by Mr. Moorthy on 29th April 2019. Summary list of licenses & permit to be renewed is maintained and documented. Sighted list of permit and licenses prepared by Mr Moorthy review date 2nd May 2020. As sampled:

- MPOB Licence – [No. lesen 504021602000] valid from 1st October 2020 till 30th September 2021 for 162 Ha. "Menjual dan mengalih FFB".
- Fire Extinguisher – APA Number: EE062019Y083173, expiry 09/11/2021. [5 extinguisher and valid).
- Sighted passport for the 2 workers. Both of them are employed as plantation workers. Details as per below: -

Name	Passport No.	Expiry
Apriansyah Ikmar	B9626772	26/07/2021
Rabbani	EE0450247	17/01/2021

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

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

Summary The 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.

The company has established and updated list of applicable laws and regulations. The legal register is prepared by Mr. Subramaniam, (Consultant) 01/01/2020 updated 29/04/2020 and approved by Mr Toh Tau Book, Managing Director. Below are the listed applicable laws as evidenced:

- Minimum Wages Order, Amendment 2018
- Fire Services Act 1988 (Act 314) Amendment 2018.
- Employees Social Security Act 1969 (Act 4)
- Food Act 1983
- Police Act 1967
- Land Acquisition Act 1960
- Minimum Wages Order, Amendment 2020

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

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

Summary As per interviewed with Mr. Moorthy, he will update any new amendments, or any regulations once received through the communication with law/enforcement officers and medias. The list of legal register is last updated on 29th April 2020.

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 Seen appointment letter of Mr. Moorthy dated 2nd October 2018, approved by Mr Toh Tau Bok, Managing Director.

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

Criterion 2 Land use rights

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

Summary Estate has a valid land title indicating correct land title terms which specifies the purpose of the planting of the oil in the respective land. The land title and hectarage datas are as follows: -

1. Lot 11849, Type and ownership No: PN 29456 Total Area of 162.19 Ha.
2. Location: Mukim Gemencih Daerah Tampin, Negeri Sembilan.
Grant No:PA 05-029870
3. Land usage category: Agriculture
Syarat Nyata: for oil palm only
Ownership: Kooperasi Pembangunan Daerah Tampin gotong royong Bhd
4. Lease to Kumpulan Hua Bok
5. Submission No 24667/1996 Jil 14Fol.27 Pajakan seluruh Tanah selama 30 tahun mulai 13th Nov 1996 till 12 Nov 2026

Quit rent payment receipt sighted dated on 11th December 2019 for 162.19 Ha amounting RM 22,708.00.

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

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

Summary Sighted, Record of lease letter between Syarikat koperasi Pembangunan Daerah Tampin Gotong Royong and Kumpulan HuaBok Sdn Bhd stamped on 13th November 1996 dan ended on 12th November 2026.

Taraf pegangan: Pajakan 99 tahun (Lease)
No lot: Lot 11849
Bandar: Mukim Gemencheh
Daerah: Tampin

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 In total as documented verification, 41 boundary markers documented. Sighted JUPEM Map [PA05-029870], approved by Pengarah Ukur dan Pemetaan Negeri Sembilan. During site visit, sighted boundary marker are using PVC and filled up with cement. Boundary markers at block C10 is visible and maintained in good condition plus the neighbor estate and Kumpulan Huabok Sdn Bdn using drain to separate both estate. Sample of boundary stone sighted is:
Latitude: 2.676752
Longitude: 102.885323

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. There is no evidence of conflict present in this estate.

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

Criterion 3 Customary land rights

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

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

During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported.

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 Kumpulan Huabok Sdn Bhd has conducted Social Impact Assessment dated 7th September 2020, approved by Mr Toh Tau Book, Managing Director. The purpose of this study is to measure and to understand both positive and negative social impact of the estate operations towards the workforce.

The Social Impact Assessment have identified the positive impacts and outlined the Management Plan to promote and maintain the positive impacts. Given below are some sampled positive impacts identified from the Social Impact Assessment:

Description	Plans To Promote Positive Impact	Dateline	Pic
Good Relationship with Estate	-to continue to maintain good relationship with the stakeholders	On going	Estate Manager Mr. Moorthy
Job Opportunity to local community	-to continue to advertise job vacancy to local residents.	On going	Estate Manager Mr. Moorthy

As documented in the SIA report, no negative impacts identified from all the estate operations to surrounding stakeholders.

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 Kumpulan Huabok Sdn Bhd has established Standard Operation Procedures for Grievance Handling Doc No: P4-06 dated 2nd May 2019, approved by Mr Toh Tau Book, Managing Director. The purpose of the procedure is to: -

- To facilitate consultation and communication process between the management, planters and employees, local communities, and other affected external parties.
- to treat fairly and receive timely responses to any disagreements to stakeholders.

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

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

Summary As per interview with Mr Moorthy a/l Govindasamy, Estate Manager all disputes, complaints and grievance can be resolved in an effective, timely and appropriate manner that is accepted by all parties with the existing Standard Operation Procedures for Grievance handling.

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

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

Summary Sighted the complaint and Grievance Forms placed at the Estate's Office entrance. (Beside Notice Board). Upon completing the complaint form(s), it shall be deposited into the suggestion box for further action. Subsequently, the Estate Manager will discuss and attend to the issues raised by the stakeholders with the management to resolve the complaint raised. If the complaint is resolved the complainant will be informed and complained/issues matter will be implemented.

If the matter is not resolved, it will be escalated to the Managing Director for a decision and subsequently resolved and implemented. Sighted the suggestion box which is placed at the estate's office entrance.

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 Kumpulan Huabok Sdn Bhd has established Standard Operation Procedures for Grievance Handling Doc No: P4-06 dated 2nd May 2019, approved by Mr Toh Tau Book, Managing Director.

The procedure was communicated to all internal and external stakeholders on an individual basis (by Mr Chan Teck Ngoh, Supervisor), that complaints or suggestions can be made any time, as the stakeholders were unable to attend the meeting as part of the implementation process. Given below are some sampled Internal and External Stakeholders who were met.

Internal Stakeholders:

NAME	DATE	DESIGNATION
Ikmar Apriansyah	22/9/2019	General Worker
Rabbani	22/9/2019	General Worker

External Stakeholders:

NAME	DATE	DESIGNATION
Cik Norzil Zalaha bt Soleman	21/9/2019	Surrounding Community
En Harun bin Dawood	21/9/2019	Surrounding Community
En Faizal bin Harun	21/9/2019	Surrounding Community
Kim Hoe Trading Sdn Bhd	21/9/2019	Hardware Supplier

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 Seen the Internal and External complaint & grievances form for 2019 and 2020. There were no negative complaints made by either party in the last 24 months. As per interview with Mr Moorthy, Estate Manager, no complaints have been received as such, no complaints and resolutions were recoded.

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 Kumpulan Huabok Sdn Bhd is committed and have contributed to local development. Sampled contribution were made to their worker for the year 2020 is:

- Contributing free chicken (2 nos/employee) during Hari Raya Puasa celebration to all employees.

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 Kumpulan Huabok Sdn Bhd has established Occupational Safety and Health Policy dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. Sighted Stakeholders (Internal & External) meeting to disseminate the information on MSPO Awareness which includes occupational safety and health policy and plan.

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

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

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

Kumpulan Huabok Sdn Bhd has established Occupational Safety and Health Policy dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. The policy was communicated to all internal and external stakeholders on an individual basis during distribution of "Borang Soal Selidik" by Mr Chan Teck Ngoh, Supervisor, as the stakeholders were unable to attend the meeting as part of the implementation process.

Sighted HIRARC dated 20th May 2019 covering all activities and operations of the estate prepared by Mr Goh Eng Huah, Director and approved by Mr Toh Tau Book, Managing Director. The HIRARC is divided into 10 main areas. Given below are some sampled for HIRARC activities.

1. Harvesting
2. Manuring
3. Loading & Transporting FFB
4. Chemical Preparation
5. Genset Room
6. Chemical Issuance
7. Spraying

Sighted Training Needs Analysis and Annual Training Plan dated 10th October 2019 and 11th November 2019 respectively covering safe working practices for the Staffs and Contract Workers. The training programme covers MSPO Awareness, Documentation, PPE Usage, Human Rights Policy Occupational Safety & Health, Environment and Social areas.

Sighted PPE Issuance and replacement record for Management staff and workers being established and documented. PPE issuance and replacement records are maintained based on individual workers. Sampled are:

NO	NAME	POSITION	PPE ISSUED/DATE
1	Rabbani	General Worker	Helmet 9/8/2020
2	Apriannsyah Ikmar	General Worker	Gloves 9/8/2020

Sighted, Chemical Handling and Chemical Storage Procedure Document No SP-01 and SP-02 dated 1st April 2019 approved by Mr Toh Tau Book, Managing Director. Sighted also the Chemical Health Risk Assessment Report REF NO: HQ/08/ASS/00/250-2019/043 carried out by Mr Sivakumar a/l Chinnasamy, DOSH Registration No: HQ/08/ASS/00/250. As no spraying

is being carried out for the past 3 to 4 years the workers need not undergo medical surveillance as per CHRA report.

The management has appointed Mr Kaliappan a/l Krian as the person responsible for workers' Safety and Health vide letter dated 2nd October 2018 approved by Mr Toh Tau Book, Managing Director.

Kumpulan Huabok Sdn Bhd has established OSH committee named Safety Team. Sighted latest Safety Team meeting Ref No: 01/2/2020 dated 6th November 2020. A short OSH Meeting cum OSH Briefing were conducted regularly. With a total number of workers less than 40, Kumpulan Huabok Sdn Bhd is not applicable to Section 30 OSH act 1994 in respect of the frequency of OSH Meeting.

Kumpulan Huabok Sdn. Bhd. has not established Emergency Response Procedure/Plan. Thus, a nonconformity is raised.

Sighted First Aid Training attended by employees dated 20th October 2019 conducted by GSS Sdn Bhd. Given below are some sampled employees who has attended the said training:

- i. Chan Teck Ngoh.
- ii. Kaliapan
- iii. Ranbbani
- iv. Ikmar Apriansyah
- v. Subramaniam

No record keeping on the accident is made available and no JKKP 8 reporting has been submitted to MyKKP system. Thus, a nonconformity is raised.

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 Kumpulan Huabok Sdn Bhd has established Social & Human Rights Policy dated 2nd May 2019 approved by Mr Toh Tau Bok, Managing Director. The policy and MSPO Awareness were communicated to all internal and external stakeholders on an individual basis by Mr Chan Teck Ngoh, Supervisor, as the stakeholders were unable to attend the meeting as part of the implementation process. Policy also sighted being displayed at notice boards outside the office.

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

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

Summary Kumpulan Huabok Sdn Bhd has established Social & Human Rights Policy dated 2nd May 2019 approved by Mr Toh Tau Bok, Managing Director. The policy in para 9 clearly states that it

will ensure all employees are treated fairly and protected from any form of discrimination that would constitute a violation of their human rights.

No evidence to show that Kumpulan Huabok Sdn Bhd is engaged in or in support of discriminatory practices with regards to race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. During interviews, it is clearly stated no forced labour at estate as the workers understand the employment conditions and no complaint is recorded.

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

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

Summary Sighted Pay Slips of all employees and the salary meets the legal or industry minimum standards as per the Minimum Wage Order 2020. Given below are some sampled Pay slips of the employees:

Passport No: BH 0682340
Nationality: Bangladesh
Payment Date: 31/10/2020
Month: October

OCTOBER 2020		
No of Fruit Bunch Harvested	5998 Nos x RM0.70	RM4198.60
Incentive achieve Target	-	RM161.48
DEDUCTIONS	-	NIL
Net Payment		RM4360.08

Passport No: B 9626772
Nationality: Indonesian
Payment Date: 31/10/2020
Month: October

OCTOBER 2020		
No of Fruit Bunch Harvested	4440 Nos x RM0.70	RM3108.00
Incentive achieve Target	-	RM119.54
DEDUCTIONS	-	NIL
Net Payment		RM3227.54

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 Kumpulan Huabok Sdn Bhd has not engaged any contractor to manage its plantation.

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 employees register of Kumpulan Huabok Sdn Bhd which provides an accurate account of all employees. The records contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

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 employees register of Kumpulan Huabok Sdn Bhd which has provided a fair contract of employment to all employees which have been signed by both employee and employer. A copy of the employment contract is available for each and every employee indicated in the employment records/register. The contract of employment has outlined the following:

- i. Name
- ii. Sex
- iii. Age
- iv. EPF/SOCSSO No
- v. Full Address
- vi. Position
- vii. Employee No
- viii. Commencement date
- ix. Salary
- x. Allowances
- xi. Working Hours
- xii. Notice Period
- xiii. Eligible Public Holidays
- xiv. Annual Leave
- xv. Sick Leave
- xvi. Signature of Employer and Employee

Given below are some sampled employment contract sighted for Kumpulan Huabok Sdn Bhd employees:

1. Rabbani
2. Ikhmar Apriansyah
3. Kaaliappan s/o Krian

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 Monday to Saturday. The overtime maximum is 104 hours according to Malaysian Law. Attendance recording for office workers is recorded by recording in an Attendance Record Book whereas attendance for field workers is recorded during Roll Call.

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 Working Hours is complied with Legal Requirement and displayed on Notice Board.

Management Staff & Workers:

7.00am – 4.00pm

Lunch:

12.00pm – 1.00pm

Rest Day : Sunday

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 Wages and overtime payment are documented on Pay slip and sighted during the audit. No evidence of deduction being made to the workers' salary. Documented payslip was distributed to individual workers on the day of payment.

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 Benefit provided Kumpulan Huabok Sdn Bhd to its workers are as follows:

- i. Housing
- ii. FOC Water & Electricity
- iii. Food subsidy during Festive season
- iv. Medical Benefits / Hospitalization
- v. Incentive for achieving target

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 Workers living quarters are provided to individual contractors, these quarters are in habitable conditions and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). This has been verified during site visit.

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 Kumpulan Huabok Sdn Bhd has established Social and Human Rights Policy dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. The policy spells out the company's commitment to ensure Social and human rights are always followed and respected in line with the applicable National and international laws. Para 11 of the policy clearly states that the company will provide workplace free of sexual harassment whether directly or indirectly against all workers and stakeholders. No female employees in the estate.

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

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

Summary Kumpulan Huabok Sdn Bhd has established Social and Human Rights Policy dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. Para 3 of the policy states that the company will comply with established laws and regulations including labour laws. As such employees are free to form or join trade union relevant to the industry and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. As per interview with the manager and workers, no form of workers union in the estate.

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

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

Summary Kumpulan Huabok Sdn Bhd has established Social and Human Rights Policy dated 2nd May 2019 approved by Mr Toh Tau Book, Managing Director. The policy clearly spells out the company's commitment to protect and respect the human rights of all employees. Para 6 of the policy states that the company prohibits employing worker by coercion or children or young persons.

As per interview with the Estate and Site Manager, 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 outlined for 2020 dated 10th November 2019 for Kumpulan Huabok Sdn Bhd's employees approved by Mr Toh Tau Book, Managing Director.

The training is targeted to the following group of workers namely

1. Staff (Estate Manager, Supervisor, Mandore)
2. Harvesters
3. Sprayers
4. Manuring workers

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

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

Summary Sighted annual training programme and training records for Kumpulan Huabok Sdn Bhd dated 10th November 2019 approved by Mr Toh Tau Book, Managing Director.

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

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

Summary Sighted annual Training Plan dated 10th November 2019 for Kumpulan Huabok Sdn Bhd approved by Mr Toh Tau Book, Managing Director. The training plan is focused into four (5) areas namely:

1. MSPO Awareness (All Policies)
2. Occupational Safety & Health
3. Environmental
4. Safety Reporting
5. PPE Usage

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 Kumpulan Hua Bok Sdn Bhd has established Environmental Policy dated 2nd May 2019 signed by Mr. Toh Tau Book, The Managing Director. Based on the Environmental Policy, the Company is committed towards implementing the following practices:

- To execute estates and mill operations in line with relevant legislations and the Environment Quality Act
- To practice a "Zero Burning" policy on new land development and replanting activities
- To ensure that estates and mill activities follow the guidelines of current industry practices: and
- To promote and provide the awareness on environmental protection to all employees and stakeholders

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

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

Summary The estate has conducted Environmental Aspect and Impact Assessment on 20th July 2019. Aspect and Impact covers all Operations of Estate. Environmental Policy is available as referred to: "MSPO-P-02 Environmental Policy" dated 2nd May 2019". The objective of the policy are:

Estate committed in protecting the environment and ensure necessary effort is taken to reduce the impact on the environment from its estate operations in line with Environmental Quality Act, 1974.

In line with that objective, Estate is committed to implementing the following practices:

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

The aspect and impact analysis of environmental operations is available in "Environment Management & Improvement Plan". EIA for the activities sighted and not limited to:

Aspect: Domestic waste from workers line site and office site

Impacts: Pollution of soil and water course

Mitigation measure: Workers were informed to separate organic and inorganic wastes in proper bins. Domestic wastes are pickup every week or every other week

Monitoring program: Estate supervisor will monitor workers waste and schedule pickup accordingly.

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 An environmental improvement plan to mitigate the negative impacts sighted. A document namely "Environment Management & Improvement Plan – 2019 – 2020" has been verified and sampled are:

Objective: Environmental Quality Act 1974

Target: No open burning allowed in premises/quarters

Action Plan: To strictly comply to "Zero Burning" policy

Environmental Aspect: Emission of smoke openly into the air

Environmental impact: Causing air pollution

PIC: Estate supervisor

Dateline: Mar '20

Sighted in the environment minutes meeting briefing regarding no open burning.

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

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

Summary Program to promote the positive impacts included in Continual Improvement Plan – 2019 – 2020. Sighted example for environment as per below: -

Improvement Aspect/Subject: Reduction on Domestic Waste

Planned activities: Provide waste bins

Status: On going

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 Training Program on the environmental management and improvement are available as referred to "Environmental Meeting". Sighted minutes of meeting in regards of:

- briefing on Environment policy
- No open burning
- Domestic waste will be collected and disposed at the public waste collection area

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 Sighted the environment meeting report and was conducted on the 6th November 2020. meeting is attended by 7 workers' participants as recorded in the attendant list.

The environment issued that been discussed were the responsibility of each worker towards the environment and its policy.

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 Records on the consumption of non-renewable energy and the baseline values are available during audit. Sighted Historical Diesel Baseline Value data for three years.

	2017	2018	2019	2020
Actual Diesel usage per MT FFB	3.04	2.73	3.65	4.277
Budgeted Diesel per MT FFB	3.17	3.17	3.14	4.50

Month	Diesel	FFB	Diesel/Mt
Jan	347	41.68	8.32
Feb	362	41.89	8.62
March	416	83.14	5.0
Apr	459	102.06	4.5
May	451	100.47	4.49
June	396	130.86	3.01
July	484	139.71	3.46
Aug	299	157.23	1.90
Sept	230	150.57	1.53
Oct	220	113.61	1.94

There is a trend of decreasing on usage of diesel due to changes of genset to petrol usage.

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 Management has done estimation on usage of fossil fuels. Sighted the record for budget (5400 Liters) and actual (5036 Liters) 2019 and budget (6600 Liters) 2020. Till the date of audit record of diesel usage till October 2020 3661 Liters.

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

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

Summary No usage of renewable energy was applied in the Estate.

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

Criterion 3 Waste management and disposal

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

Summary Kumpulan Hua Bok Sdn Bhd has established the Waste Management. Procedure under MSPO Procedure No P5-09 dated 2nd May 2019 signed by Managing Director, Mr Toh Tau Book. The MSPO Procedure describes the following implementation of:

- 1) Waste management flow
- 2) Scheduled waste disposal flow
- 3) Domestic waste disposal flow

Waste Management Plan is available as referred to: "Source Identification & Type of waste". Sighted Category, source of pollution, and Control measures as below:

Category	Source of Pollution	Control measures
Used Personal protective equipment (PPE)	Workers	All used PPE should be collected in a container and workers are required to bring the old one in order for them to get the new set of PPE.
		Proper label as per guideline in Third Schedule
Domestic waste	Housing quarters	Wrap in a plastic before being discarded into bin
		Disposal by quarters should be only into the dustbin provided by Estate Management
		Rubbish collection to be done three times a week, and those collected rubbish should be disposed in a rubbish landfill area
		Ensure that no schedule wastes were discarded together with domestic waste - segregation

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

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:

- a) Identifying and monitoring sources of waste and pollution.
- b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary A waste management plan to avoid or reduce pollution developed as below: -

Category	Source of Pollution	Control measures
Spent lubricating oil	Vehicles (Tractors)	Done by external workshop
Spent hydraulic oil	Vehicles (Tractors) and Heavy machineries	Done by external workshop
Dispose containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	Unused empty pesticide container, chemical bottles	Empty pesticide container: Triple rinse using clean water, and puncture at least three holes
		To reuse the container, triple rinse as per requirement stated in SOP and rinsed water shall only be applied to permitted areas only.
		EPC is not allowed to be reused as dustbin, flower pots and workers are not allowed to bring back these to their quarters.
		Stored in designated areas with appropriate fencing, good ventilation, and must be kept locked at all times.
		Proper label as per guideline in Third Schedule
Used Personal protective equipment (PPE)	Workers	All used PPE should be collected in a container and workers are required to bring the old one in order for them to get the new set of PPE.
		Proper label as per guideline in Third Schedule
Domestic waste	Housing quarters	Wrap in plastic before being discard into bin

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

Indicator 3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

Summary The management has established Standard Operating Procedure for handling of used chemicals under Plantation and Safety Procedures No SP-01 & SP-02 dated 2nd May 2019 signed by Managing Director, Mr Toh Tau Book.

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 Record of empty pesticide container is available as the latest record is on 08/12/2019. There is 5 empty containers and 10 filled chemical containers. The record has been cross checked through site visit at chemical store.

As per interviewed with Mr. Moorthy (Manager), due to no sprayer, spraying work have been stop since December 2020.

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

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

Summary Domestic waste wrap in plastic before being discard into bin and were disposed at the Local council (Gemenceh) by Mr. Chan. No Landfill available in the estate.

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

Criterion 4 Reduction of pollution and emission including greenhouse gas

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

Summary Assessment of polluting activities were recorded inside GHG Management Plan (2019-2020). The record as per below: -

No.	Source of GHG	Environmental Impact
1.	Emission of greenhouse gaseous from nitrogen fertilizer usage	Air pollution
2.	Smoke emission of heavy vehicle such as tractors, backhoe and gen sets	Air pollution
3.	Transportation of FFB to Mill	Air, Noise pollution & GHG
4.	Opening burning of Domestic waste	Air pollution & GHG

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

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

Summary An action plan to reduce identified significant pollutants and emissions established in GHG Management Plan (2019-2020). The record as per below: -

Source of GHG: Open burning of domestic waste
 Action taken: Enforce no open burning policy
 Status: On going

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

Criterion 5 Natural water resources

Indicator 1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).
 The water management plan may include:
 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 Kumpulan Hua Bok Sdn Bhd has established the Water Management.Procedure No P5-10. Sighted Water Management Plan dated 12 Oct 2019 and Identification of Water Source is available as per below: -

Source of Water	Use of Water
River water	Only steam no river
Local authority	Use for workers for domestic purpose only
Spring water (Natural)	Domestic usage not for drinking and cooking

Sighted in Water Management Plan for Estate: -

Management Action	Period	Responsibility
Record water usage	Monthly	Estate Manager

However, there is no record of water usage provided by the management during the audit. Thus, a nonconformity is raised on this indicator.

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 Based on the field observation at all the Estates, sighted no construction of bunds, weirs, and waterways pass through the estate. Only trickling stream is passing through the 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 Water harvesting practices implemented in the Estate as the Silt pits, site drains constructed. During site visit, there were road side drains constructed along the main roads to divert and conserve water at designated points.

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 Estate have established procedure for " P5-11 – Rare, Threatened And Endangered Species & Highbiodiversity Value Procedure" . As per the procedure following forms used as guidance for the estates to manage high biodiversity value.

Sighted Biodiversity Monitoring Sheet (2019-2020)-MSPO 4.5.6 to Identify Rare, Threatened And Endangered Species & Highbiodiversity Value. Latest monitoring in October 2020 recorded no report on open burning nor pollution.

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 Estate have established procedure for "P5-11 – Rare, Threatened And Endangered Species & Highbiodiversity Value Procedure" . The objectives of this procedure are to provide the necessary guidance:
• steps for identification of high biodiversity value habitats and rare and threatened ecosystem
• conservation status on legal protection, population status and habitat requirements of rare threaten, or endangered species
• mitigation for protection of rare, threatened, endangered species, or high biodiversity value and ecosystem

No rare, threatened and endangered species sighted during site visit.

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 Biodiversity Management Plan is available as referred to, "Biodiversity Management Plan-2020". The example of the plan is: -

- High Biodiversity Areas Identified: Rare, threatened or endangered ecosystem and habitats.
- Management Action: No detected
- Monitoring and Indicators: Signage of no hunting, signage to prevent unauthorized entry & visual monitoring by workers.
- Dateline: Dec 2020
- Status: Done

Signboard on 'Prohibited Hunting' & 'No fishing' sighted during site visit.

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

Criterion 7 Zero burning practices

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

Summary As stated in the Environmental Policy, Kumpulan Hua Bok Sdn Bhd is committed towards implementing the following practices:

- To practice a "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 No significant risk of diseased palm was reported in the estate. Not Applicable as the replanting program is not due yet.

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

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

Summary Not Applicable as the replanting program is not due yet.

No controlled burning being sought by the estate.

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

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

Summary Not Applicable as the replanting program is not due yet and no replanting activity is conducted during the audit.

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 Two manuals are made available namely:

1. MSPO Manual, MS 2530-2013 Part 3 Oil Palm Plantation - as approved by the Managing Director, Mr Toh Tau Book dated 2nd May 2019. The procedures include:
 - i. P1-01 Internal Audit
 - ii. P1-02 Management Review
 - iii. P2-03 Stakeholders Consultation & Communication
 - iv. P2-04 Traceability
 - v. P4-05 Social Impact Assessment
 - vi. P4-06 Grievance Handling
 - vii. P4-07 Training
 - viii. P5-08 Environmental Management Plan
 - ix. P5-09 Waste Management Plan
 - x. P5-10 Water Management Plan
 - xi. P5-11 Rare, Threatened and Endangered Species & High Biodiversity Value (HBV)
2. Plantation & Safety Procedures with date issuance of 2nd May 2019 is made available at for Kumpulan Huabok Sdn Bhd. The procedures include:

Plantation Procedures

 - i. PP-01: Oil Palm Replanting
 - ii. PP-02: Terrace and Platform Construction
 - iii. PP-03 Fertilizer application
 - iv. PP-04 Frond stacking
 - v. PP-05 Maintenance of mature areas
 - vi. PP-06 FFB Harvesting

Safety Procedures

 - i. SP-01 Chemical Handling
 - ii. SP-02 Chemical Storage
 - iii. SP-03 Accident Investigation

Implementation of the procedures has been verified on site during the field assessment. Sampled activity sighted during this assessment is harvesting at field C9.

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 Based on the field visit at the estate, sighted no river passing through the estate and no contamination of surface water sighted. The field soil erosion had been minimized through the method grass cutting on the path of harvesting. Thus, maintaining the soft grasses.

Procedures in relation to the soil conservation, prevention on soil erosion, siltation of drains and waterways are detailed out in the PP01: Oil Palm Replanting and PP-05: Maintenance of Mature Areas procedures.

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

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

Summary Block / Field marking/identification system has been established within the estate landholdings. Sampled field numbering is:

- Block B. 16
- Total palm: 200

Site verification has been conducted during the audit.

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 3 Years Business Plan dated 1st January 2019 namely, Kumpulan Huabok Sdn Bhd Annual Budget: 2019-2021 is made available and sighted. The plan is prepared by Mr Moorthy. The budget includes the Projection for yield, Diesel usage, Fertilizer usage, worker salary, maintenance cost, cost of production, ROI, planting materials, numbers of workers and forecasted FFB price.

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 The Oldest palm was planted in Year 1998 (22-year-old palm) and the Youngest palm planted in Year 2000 (18-year-old palm) with a total planted area of 162.19 Hectare. There was no long-term replanting programmed as the land is a lease title for 30 years from Koperasi Pembangunan Daerah Tampin Gotong Royong Berhad until 12th November 2026.

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 3 Years Business Plan dated 1st January 2019 namely, Kumpulan Huabok Sdn Bhd Annual Budget: 2019-2021 is made available and sighted. The plan is prepared by Mr Moorthy and approved by the Managing Director, Mr Toh Tau Book. The budget includes the Projection for yield, Diesel usage, Fertilizer usage, worker salary, maintenance cost, cost of production, ROI, planting materials, numbers of workers and forecasted FFB price.

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 Implementation of the business plan is discussed during the Management review meeting. Latest meeting was conducted on 5th November 2020. Meeting is chaired by Mr Toh Tau Book (Director) and attended by Mr Moorthy (MSPO coordinator) and Mr Chan (estate supervisor) and Mr Kaliappan (estate mandore).

The agenda includes of management and operational decision as well as the continuous improvement on the implementation of MSPO. Records on minutes of meeting and attendance list are made available. However, Management is to discuss on the achievement of the business plan as a monitoring method.

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

Criterion 3 Transparent and fair price dealing

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

Summary Pricing Mechanism is practice by requesting Supplier to submit their Quoted Price. The common practice is one-off request to the supplier. Sighted sample proof of payment to the supplier, Kim Hoe Trading Sdn. Bhd. dated 9th November 2020 for supplying of mask respirator with Tax Invoice No.: CAD17091.

The pricing mechanism adopted is for worker salary which follow strictly to MAPA/NUPW.

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

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

Summary No contract was applied for all activity in the estate. Supplier are paid through an agreed one-off payment as and when available. No contract was engaged.

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	There is no Contractor engaged by Kumpulan Huabok Sdn. Bhd. as to-date.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 2	The management shall provide evidence of agreed contracts with the contractor.
Summary	There is no Contractor engaged by Kumpulan Huabok Sdn. Bhd. as to-date.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.
Summary	The management agreed and approved with the Global Gateway Certifications Sdn Bhd by accepting the audit plan which was sent to the person in charge dated 5 th November 2020 (4 th Revision). All the auditors are qualified MSPO auditor. As per agreed, the Estate accept the GGC MSPO Auditors to verify assessment of contractors by physical inspection if required.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	There is no Contractor engaged by Kumpulan Huabok Sdn. Bhd. as to-date.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable

2.7 Principle 7 : Development of new planting

Criterion 1 Oil palm shall not be planted on land with a high biodiversity value	
Indicator 1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

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

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

Criterion 2 Peat land

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

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

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 the estate.

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 the estate.

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 the estate.

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 for the estate.

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 the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 5	Planting on steep terrain, marginal and fragile soils
Indicator 1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 6	Customary land
Indicator 1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable

Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 5	Identification and assessment of legal and recognised customary rights shall be documented.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate. .
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 7	The process and outcome of any compensation claims shall be documented and made publicly available.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for the estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.

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

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

2.8 Details of Audit Findings

Details Non-Conformity

- Refer Appendix B

Details of Area of Concern

- Refer Appendix B



Details of Noteworthy / Positive Findings


- 1) Good relationship with the stakeholders and commitment in spreading the awareness on MSPO requirements to the employees.
- 2) Good cooperation and commitment from the management of Kumpulan Huabok Sdn. Bhd.
- 3) Good positive feedback received from internal stakeholders.

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
11 th November 2020	TBA	➤ Auditors travelling from Selangor to Negeri Sembilan.	NMS	MAS/TA
12 th November 2020	08:00 – 09:00	➤ Opening Meeting at Kumpulan Huabok Sdn. Bhd. <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor ➤ Confirmation of assessment scope and finalize Audit Plan	NMS	MAS/TA
	09:00 – 13:00	Kumpulan Huabok Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	NMS	MAS/TA
	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. 	NMS	MAS/TA
	13:00 – 14:00	➤ Lunch/Rest	NMS	MAS/TA
	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. 	NMS	MAS/TA
		➤ Verify any outstanding issues, auditor discussion and end of audit for day.	NMS	MAS/TA
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Closing Meeting at Kumpulan Huabok Sdn. Bhd. <ul style="list-style-type: none"> ➤ Chaired by the audit Lead Auditor • 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 	NMS	MAS/TA


Appendix B: Non-Conformity details


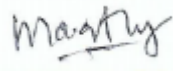
Non-Conformities Identified During This Audit			
Major Nonconformities:		1 Major non-conformity was raised during this audit.	
Company Name		Kumpulan Huabok Sdn. Bhd.	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Surveillance 1	<input checked="" type="checkbox"/>
Audited Standard		Initial Stage 2	<input type="checkbox"/>
		Recertification	<input type="checkbox"/>
Client Number		GGC-AH1-MSPO-2019	
NC No. / Ref.	AH1/MSPO/MAJOR/01	Date Detected	12 th November 2020
Site(s) concern	Kumpulan Huabok Sdn. Bhd.	Target Completion	90 Days
Normative Reference and Requirement	4.4.4.2 The occupational safety and health plan shall cover the following: h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	1. No evidence of Emergency Response Procedure/Plan made available during audit 2. No records on accident occurrence and no submission of JKPP 8.		
NC Objective Evidence: (Recurrence from the previous years' non-conformity) h) Kumpulan Huabok Sdn Bhd have not establish an Emergency Response Procedure/Plan. i) No record keeping on the accident is made available and No JKPP 8 reporting has been submitted to MyKKP system.			
Lead Auditor Signature:		Client Signature:	
			
Cause Analysis (to be filled by client):			
1. Emergency Response plan is not documented. Only verbal instruction were given to the employees. 2. Lack of knowledge on accident investigation and reporting as per the established SOP P3-Accident Investigation and report.			
Correction (to be filled by client):			


1. Establish the Emergency Response Plan and implement. 2. Establish accident record book. 3. To register Kumpulan Huabok Sdn Bhd in MyKKP system. 4. Submit JKPP8 in the MyKKP system.	
Corrective Action (to be filled by client):	
To provide training on EMP and SOP P3- Accident Investigaton.	
Review of correction/corrective action (to be filled by Lead Auditor)	
Correction / Corrective action is accepted with the sufficient evidence submitted therefore this NC is considered 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: 5 th December 2020	Lead Auditor Signature: 


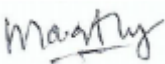
Minor Nonconformities:	1 Minor non-conformity was raised during this audit.
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Company Name	Kumpulan Huabok Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 1	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organised Smallholder			
Client Number	GGC-AH1-MSPO-2019			
NC No. / Ref.	AH1/MSPO/MINOR/01	Date Detected	12 th November 2020	
Site(s) concern	Kumpulan Huabok Sdn. Bhd.	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No record of water usage by the estate.			
NC Objective Evidence:				
Kumpulan Huabok Sdn. Bhd. has established a Water Management Plan for Estate dated 12 th October 2019 as prepared by Mr Moorthy. However, there is no record of water usage available at the time of audit.				


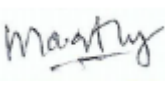
Area of Concern:		1 Area of concern was raised during this audit.	
Company Name		Kumpulan Huabok Sdn. Bhd.	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input type="checkbox"/>
		Surveillance 1	<input checked="" type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organised Smallholder	
Client Number		GGC-AH1-MSPO-2019	
NC No. / Ref.	AH1/MSPO/AOC/01	Date Detected	12 th November 2020
Site(s) concern	Kumpulan Huabok Sdn. Bhd.	Target Completion	-
Normative Reference and Requirement	4.6.2.4 The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.		
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of Non-Conformity	Management to discuss the achievement of the business plan.		
NC Objective Evidence: Implementation of the business plan is discussed during the Management review meeting. The agenda includes of management and operational decision as well as the continuous improvement on the implementation of MSPO. However, Management is to discuss on the achievement of the business plan as a monitoring method.			
Lead Auditor Signature:		Client Signature:	
			


Non-Conformities Identified During Previous Audit			
Major Nonconformities:		2 Major non-conformity was raised during the previous audit.	
Company Name		Kumpulan Huabok Sdn. Bhd.	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input checked="" type="checkbox"/>
		Surveillance 1	<input type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organised Smallholder	
Client Number		GGC-AH1-MSPO-2019	
NC No. / Ref.	AH1/MSPO/MAJOR/01	Date Detected	22 nd November 2019
Site(s) concern	Huabok Jelai Estate	Target Completion	90 Days
Normative Reference and Requirement	4.5.2.2 The oil palm premises shall estimate the direct usage of non-renewable 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.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Records was not made available.		
NC Objective Evidence:			
Records on the consumption of non-renewable energy and the baseline values are not available for fuel used by contractors, including all transport and machinery operations during the audit.			
Lead Auditor Signature:		Client Signature:	
			
Cause Analysis (to be filled by client):			
Diesel consumption from contractor's lorry transporting FFB and the managers truck were not included in the calculation. Since this is the beginning of MSPO Implementation, Kumpulan Huabok was not fully aware of the requirements.			
Correction (to be filled by client):			
1.0 The sources of diesel consumption were identified as below: Genset, tractor, manager's vehicle and contractor's lorry.			
2.0 Please see revised calculated figures and baseline values.			
Corrective Action (to be filled by client):			
1.0 Established worksheet and included all the diesel consumption source (Please see improved worksheet and corrected calculation).			
2.0 During internal audit, diesel consumption and baseline will be audited.			


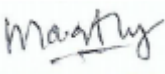
Review of correction/corrective action (to be filled by Lead Auditor)	
The findings been verified, all the evidence is sufficient. Sighted Kumpulan Huabok Sdn Bhd – Diesel Consumption on FFB for the year 201, 2018 and 2019. The baseline value was provided with the actual diesel usage per MT FFB and estimated diesel usage per MT FFB. Site visit were not required as all document were submitted and satisfy the needs to close the non-conformity.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 29 th November 2019	Lead Auditor Signature: 


Company Name	Kumpulan Huabok Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance 1	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organised Smallholder			
Client Number	GGC-AH1-MSPO-2019			
NC No. / Ref.	AH1/MSPO/MAJOR/02	Date Detected	22 nd November 2019	
Site(s) concern	Huabok Jelai Estate	Target Completion	90 Days	
Normative Reference and Requirement	4.5.3.2 A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Lubricant oil spillage found during site observation.			
NC Objective Evidence:				
During the site visit, found out lubricant oil spillage from the generator room. Therefore, clearly indicates Waste Management Plan not implemented effectively as per the control measures in waste management plan and in accordance to Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974.				
Lead Auditor Signature: 		Client Signature: 		
Cause Analysis (to be filled by client):				
Excess diesel leakage from the Genset room over flowed. No proper containment was established.				

Correction (to be filled by client):	
1.0 Outlet pipe from the Genset room is directed into a containment pit with concrete reinforce to prevent secondary leakage. See photo attached.	
2.0 Spill-kit was installed in the genset room to trap spillage.	
Corrective Action (to be filled by client):	
1.0 Genset operator was trained on the new containment method.	
2.0 Weekly inspection on lubricant spillage to be conducted by mandore.	
Review of correction/corrective action (to be filled by Lead Auditor)	
The findings been verified, all the evidence is sufficient. Sighted Kumpulan Huabok Sdn Bhd developed new collection pit constructed in concrete and a collect pail installed. Site visit were not required as all document, photographs of development were submitted and satisfy the needs to close the non-conformity.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 29 th November 2019	Lead Auditor Signature: 

Minor Nonconformities:		2 Minor non-conformity was raised during the previous audit.	
Company Name		Kumpulan Huabok Sdn. Bhd.	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input checked="" type="checkbox"/>
		Surveillance 1	<input type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organised Smallholder	
Client Number		GGC-AH1-MSPO-2019	
NC No. / Ref.	AH1/MSPO/MINOR/01	Date Detected	22 nd November 2019
Site(s) concern	Huabok Jelai Estate	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.6.2.3 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		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Inadequate record made available.		
NC Objective Evidence:			
During audit, crop budget and budgeted continual improvement was made available, however, documentation for the planting material, cost of production, price forecast cost benefit return on investment was inadequate.			
Lead Auditor Signature:		Client Signature:	
			
Cause Analysis (to be filled by client):			
Kumpulan Huabok Sdn Bhd still in the stage of learning pertaining to new MSPO requirement.			
Correction (to be filled by client):			
Reviewed budget format and included planting material, cost of production, price forecast and ROI in the annual budget spread sheet.			
Corrective Action (to be filled by client):			
1.0 The revised budget format is updated into the MSPO manual. 2.0 Business plan adequacy to be audited during the annual internal audit.			
Review of correction/corrective action (to be filled by Lead Auditor)			
The findings has been verified, all the evidence is sufficient. The nonconformity is closed during the first surveillance audit.			

NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 12 th November 2020	Lead Auditor Signature: 

Company Name	Kumpulan Huabok Sdn. Bhd.			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance 1	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organised Smallholder			
Client Number	GGC-AH1-MSPO-2019			
NC No. / Ref.	AH1/MSPO/MINOR/02	Date Detected	22 nd November 2019	
Site(s) concern	Huabok Jelai Estate	Target Completion	90 Days	
Normative Reference and Requirement	4.4.4.2 The occupational safety and health plan shall cover the following: j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Record not sighted.			
NC Objective Evidence:				
As per JKPP 8 – Guidelines on NADOPOD Regulations 2004, under "Peraturan 10, Peraturan Keselamatan dan Kesihatan (Pemberitahuan Kemalangan, Kejadian Berbahaya, Keracunan Pekerjaan dan Penyakit) 2004", no JKPP 8 form has been submitted.				
Lead Auditor Signature: 		Client Signature: 		
Cause Analysis (to be filled by client):				
Kumpulan Huabok Sdn Bhd is not registered under MyKKP yet.				
Correction (to be filled by client):				
1.0 Kumpulan Huabok register in the online MyKKP portal. 2.0 Records of accidents will be reviewed quarterly during meeting. 3.0 JKPP 8 form attached to MSPO Procedure.				
Corrective Action (to be filled by client):				

1.0 Review of accident record included as an item in the safety team meeting. 2.0 JKKP 8 records will be audited during the annual internal audit.	
Review of correction/corrective action (to be filled by Lead Auditor)	
The findings been verified, and found that the nonconformity is not close as yet. It is now escalated to be a Major nonconformity during the first surveillance audit conducted on 12 th November 2020.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 12 th November 2020	Lead Auditor Signature: 

Area of Concern:	No Area of concern was raised during the previous audit.
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Appendix C: List of Stakeholders Contacted

Internal Stakeholders

- 1) Kumpulan Huabok Sdn. Bhd. management team and staff
- 2) Workers Representatives
- 3) Moorthy s/o Govindasamy (MSPO Coordinator)
- 4) Chan Teck Ngoh (Estate supervisor)
- 5) Kaliappan a/l Krian (Estate mandore)
- 6) Ikmar, Harvester
- 7) Rabani, Harvester

External Stakeholders

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