

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

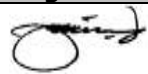


### CERTIFICATION AUDIT REPORT

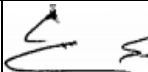
#### Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

Setuan Plantations Sdn Bhd  
Setuan Estate

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT 01  
24<sup>th</sup> February 2021 – 25<sup>th</sup> February 2021

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	20/03/2021	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	07/04/2021	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	17/04/2021	Final Report Approved	Md. Jefri bin Shara'ai	Certifier	

Acknowledgment by Setuan Plantations Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	17/04/2021	Acceptance of the contents	Mr. Alinoordin bin Hashim	General Manager	

#### **Declaration**

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

WITH INTEGRITY WE SERVE



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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 Setuan Plantations Sdn Bhd. During this Annual Surveillance Audit (ASA 1), the audit team were briefed by General Manager and Estate Manager, of the supply base disposition.

This assessment was conducted onsite on 24<sup>th</sup> February 2021 – 25<sup>th</sup> February 2021 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

**1.2 Company details and Contact information**

<b>Company Name</b>	Setuan Plantations Sdn Bhd
<b>Business Address</b>	No. 138, Lot 3424, 1 <sup>st</sup> Floor Parkcity Commerce Square, P.O. Box 1644, 97010 Bintulu, Sarawak.
<b>Contact Person</b>	Mr. Alinoordin bin Hashim
<b>Office Telephone</b>	+6086 316402
<b>E-Mail</b>	stuan.estate@yahoo.com.my

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

No	Name Of The Supply Base	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Setuan Estate	Lot 102 & Lot 104, Block 140, Balingian Land District, Mukah, Sarawak.	E 112.602509	N 2.888629

**MPOB License Information**

No	Name Of The Site	Licence Number	Expiry Date	Scope Activity
1.	Setuan Estate	509204602000	30/09/2021	"Menjual & Mengalih"

## Others Sustainability Certification

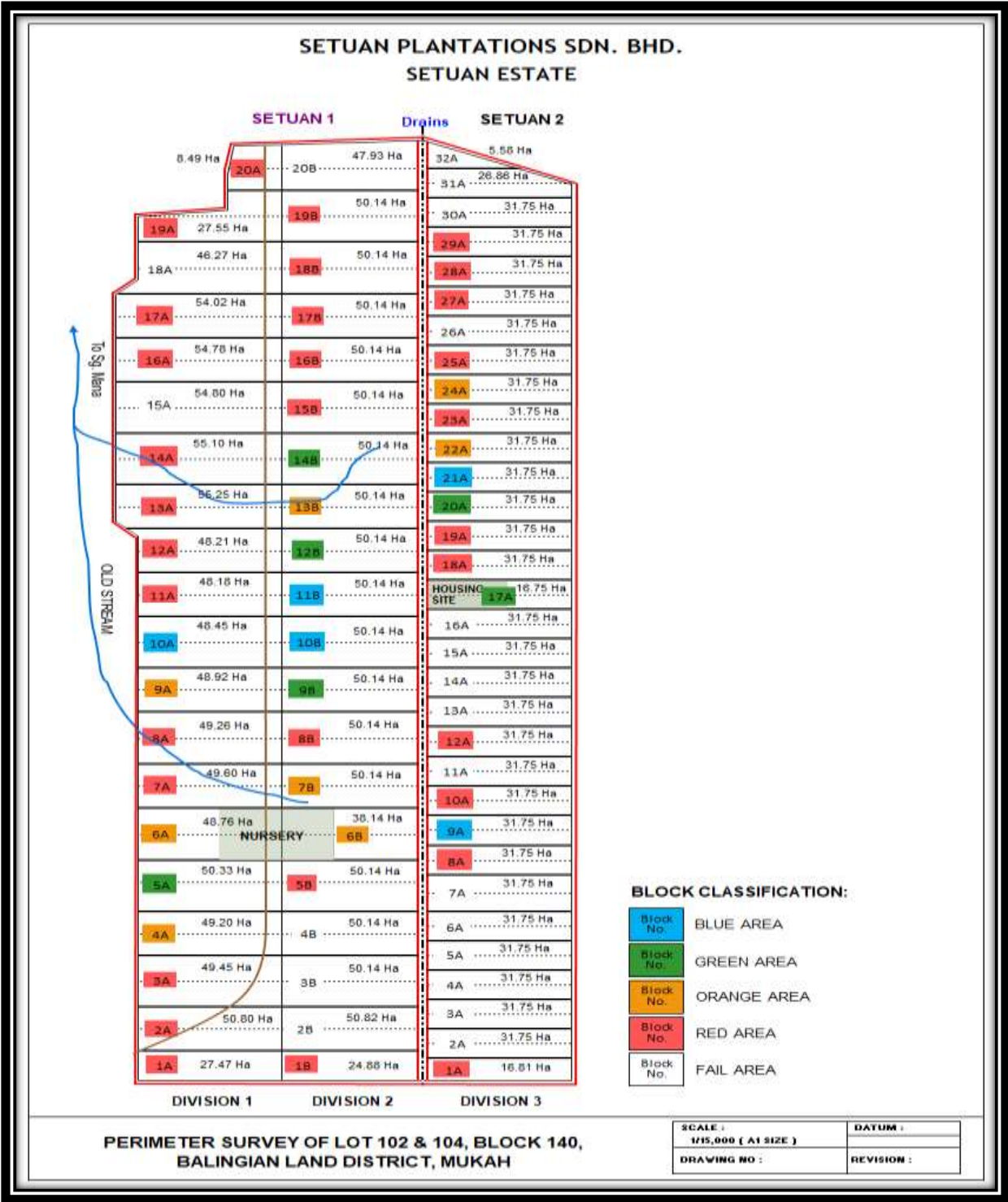
No	Name Of The Site	Others Sustainability Certifications
1.	Setuan Estate	NIL

### 1.4 Map Showing Geographical Location

#### 1) Setuan Plantations Sdn Bhd



2) Setuan Estate



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Setuan Estate	2,870.90	2,843.90	2,843.90
<b>Total</b>	<b>2,870.90</b>	<b>2,843.90</b>	<b>2,843.90</b>

Name of the Certification Unit	Area Summary (HA)		
	Conservation Area	HCV	Others
Setuan Estate	3.00	NIL	NIL
<b>Total</b>	<b>3.00</b>	<b>NIL</b>	<b>NIL</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit [Dec 2018-Nov 2019]	Actual Production for 12 Months [Dec 2018-Nov 2019]	Projected Production for next 12 Months [Dec 2019-Nov 2020]
Setuan Estate	21,450.00	17,446.07	19,410.00
<b>Total</b>	<b>21,450.00</b>	<b>17,446.07</b>	<b>19,410.00</b>

**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](http://www.ggc.my)

**Assessment standard**

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

**Certificate number**

GGC-SPSB001-MSPO-01-2019

**Initial certificate issued date**

27<sup>th</sup> December 2019

**Certificate expiry date**

26<sup>th</sup> December 2024

**Stage 1 assessment date**

07<sup>th</sup> November 2019 – 08<sup>th</sup> November 2019

<b>Stage 2 / Main Assessment</b>	10 <sup>th</sup> December 2019 – 12 <sup>th</sup> December 2019
<b>Annual Surveillance 1 [ASA 1]</b>	24 <sup>th</sup> February 2021 – 25 <sup>th</sup> February 2021
<b>Annual Surveillance 2 [ASA 2]</b>	October 2021
<b>Annual Surveillance 3 [ASA 3]</b>	October 2022
<b>Annual Surveillance 4 [ASA 4]</b>	October 2023

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** **Muhammad Syafiq bin Abd Razak**

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

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur and Social Auditing Workshop on year 2019 in Melaka and conducted by Verite.

During this assessment, he assessed on the aspect of Transparency, Environment, Natural Resources, Biodiversity and Ecosystem Services, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.



## Lead Auditor

**Name:** Mohamad Razin bin Bakal

Graduate in Degree of Accountancy from University Putra Malaysia. A Domestic and International Oil Palm planter with 18 years of working experience in various fields in Malaysia (West Malaysia, Sarawak, Sabah), Africa and Indonesia.

Having knowledge in Oil Palm Plantation and experienced in handling all the circles starting from the Initial and planning stage, Land development from jungle to OP, Replanting, Nursery management, Field upkeep and maintenance for Mature and Immature, Safety and Health implementation, Maintenance of vehicle running and Others good Agricultural Practices (GAP) including Integrated Pest Management (IPM) in Peat and Mineral soil estate. Well verse in handling social issues related to worker recruitment & welfare, CSR, Community Issue and Other matters relating to the social in the estates.

Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013 (PnC & SCCS), ISO 14001:2015, ISO 9001:2015 from Sirim STS Berhad. RSPO 2018 (PnC & SCCS) from David Ogg and HCV & HCS Course via online from Proforest Sdn. Bhd. Skill and experience in GIS works in the agriculture industry. Involved in UAV Services for Oil Palm Plantation such as digital map derived from UAV image (estate map, slope map, block map and etc), planning for the inventory of all plantation's assets (road, drain, palm tree counting, building site and etc) and geographic analysis services. Member of Toastmaster International, Outward Bound School Lumut (SC 431) and GGC MSPO Audit Team.

During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Compliance To Legal Requirements, Social Responsibility, Health, Safety and Employment Condition, Stakeholder's Consultation and Workers Welfare and etc. He is able to speak and understand Bahasa Malaysia and English.

## 1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was not applied as there is only one estate, namely "Setuan Estate".

The assessment activities include of documents review and interview the workers. 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 observation of tasks and processes, interviews of internal stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment.

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

With reference to the 1<sup>st</sup> Federal Government Gazette (9<sup>th</sup> June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities.



Majlis Keselamatan Negara (MKN) had issued the 1<sup>st</sup> Standard Operating Procedure for “Persijilan bagi Agrokomoditi” dated 12<sup>th</sup> June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

Refer to Circular for Malaysian Sustainable Palm Oil (MSPO) Certification Scheme in lieu of Covid 19 Outbreak issued by MPOCC, MPOCC will be allowing the postponement of field audit activities up to 3 months to support government directives to mitigate the spread of the disease. This facility has expired the annual audit period on 26<sup>th</sup> December 2020. Based on the risk assessment that has been made and processed by the GGC, this facility has been given approval to postpone the audit for 3 months by MPOCC as Scheme Owner.

Also, refer to the Version 2 Updated Circular (27<sup>th</sup> October 2020) of Guidance on Remote Audits due to Covid 19 Pandemic Restrictions, MSPO Audit can be choose to be conducted remotely. Thus, with latest announcement by Malaysian Government for status of Movement Control Order (MCO) for Selangor, Johor and Penang as well as the federal territory of Kuala Lumpur. Conditional Movement Control Order (CMCO) reinstated for Sarawak, Kedah, Perak, Negeri Sembilan, Terengganu, Kelantan, Melaka, Pahang and Sabah as well as the federal territories of Putrajaya and Labuan. Recovery Movement Control Order (RMCO) for Perlis. These will be implemented from 19<sup>th</sup> February 2021 – 4<sup>th</sup> March 2021, the facility chooses to perform a remote audit. Based on the risk assessment that has been made and processed by the GGC, the audit conducted by using the platform google meet and google drive.

### 1.9 Audit Plan Information

<b>Audit Date</b>	24 <sup>th</sup> February 2021 – 25 <sup>th</sup> February 2021
<b>Name of site(s) visited</b>	Setuan Estate
<b>Total number of man-days spent</b>	3 man-days

### 1.10 Audit Result Summary Findings

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	0	No Action Requires
Minor Nonconformities	1	Open (Next Surveillance Audit)
Area of Concern	0	No Action Requires
Noteworthy /Positive Comments	5	No Action Requires

### 1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> 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.

During this Annual Surveillance Audit (ASA 1), the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of estate management.

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

[illegible]

		<p>could be forwarded to the estate management.</p> <ul style="list-style-type: none"> <li>The company has good relation with supplier and there is no issue with company's performance.</li> </ul>		
3.	Stakeholders C (Estate Gender Committee Representatives)	<ul style="list-style-type: none"> <li>There was no discrimination, sexual harassment or violence case reported thus far.</li> <li>The Management is quite supportive on the Committee activities.</li> </ul>	No action requires	Positive findings

### 1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Setuan Plantations Sdn Bhd. General 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 (ASA 1).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) 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 were 0 major, 1 minor non-conformity and 0 area of concern have been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was no major non-conformity findings. Therefore, the Lead Auditor recommends to continuing a certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" to Setuan Plantations Sdn Bhd.

### 1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 9-12 months of the MSPO Certificate being issued.

### 1.14 Confidentiality

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

**1.15 Abbreviations Used**

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

## SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

### 2.1 Principle 1 : Management commitment and responsibility

#### Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

**Indicator 1** A policy for the implementation of MSPO shall be established.

**Summary** Company has established the "Polisi MSPO – Minyak Sawit Mampan Malaysia". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager).

Communication and consultation process is also communicated through training programs and the records with attendance lists was sighted.

Series of Internal and External stakeholders meeting was conducted by the Estate management as follows;

- 1) External  
Sighted the Internal Stakeholder Meeting conducted on 30<sup>th</sup> September 2020 at Meeting room, Estate which was attended by respective external stakeholders. The session was chair by Estate Manager. Minute meeting and attendance record are well maintained and compile in the meeting file for reference.
- 2) Internal  
Sighted the Internal Stakeholder Meeting conducted on 6<sup>th</sup> June 2020 at Muster Ground which was attended by all estate workers and staff . The session was conducted by Estate Manager. Minute meeting and attendance record are well maintained and compile in the meeting file for reference.

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

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

**Summary** Company has established the "Polisi MSPO – Minyak Sawit Mampan Malaysia". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager).

The commitment statement stated that Setuan Plantations Sdn Bhd is committed to sustainable development and continuous improvement on growing operation through MSPO (Malaysian Sustainable Palm Oil) implementations and principles.

**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** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), the frequency of internal audit is performed once a year. Sighted the internal audit programme planned by Internal Audit team from Head Quarters.

Sighted the latest internal audit done by internal audit team on 14<sup>th</sup> February 2021 – 16<sup>th</sup> February 2021 audited by Mr. Ismadi bin Ismail.

**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** Company has established "Prosedur Internal Audit". Date on 01<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

The purpose of this procedure is to describe the audit process conducted internally to determine all estate operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards. No finding during internal audit assessment for year 2020 by the Internal Audit assessment from Mr. Ismadi Ismail on 14<sup>th</sup> February 2021 – 16<sup>th</sup> February 2021.

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

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

**Summary** The internal audit report prepared by the internal audit team dated 14<sup>th</sup> February 2021 – 16<sup>th</sup> February 2021 was prepared by Mr. Ismadi Ismail. The Internal Audit report was made available and discuss during the management review meeting dated 19<sup>th</sup> February 2021, which was conducted at Setuan Plantation Site office.

No finding during internal audit assessment for year 2020 by the Internal Audit assessment from Mr. Ismadi Ismail on 14<sup>th</sup> February 2021 – 16<sup>th</sup> February 2021.

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

### **Criterion 3 Management review**

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

**Summary** Sighted the Management Review Meeting Minute Meeting for year 2020 was conducted on 19<sup>th</sup> February 2021 at Setuan Plantation Site office which attended by 10 estate personnel.

The decision on management action is listed in the Management Review Meeting minutes. Management action has been documented and the time frame is updated with



stating the status of the process.

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

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

**Summary** The Management had established Action Plan for Continual Improvement For Year 2019 / 2020 Dated 11<sup>th</sup> February 2021 signed by Mr. Farizal bin Zakaria (Estate Manager) on the Following Aspect:

Occupational Safety and Health

- To construct chemical store
- Installing signage
- To improve on skid tank foundation
- PPE Store
- Spraying (Material Store)
- Schedule waste store
- Estate workshop
- Chemical store
- Lubricant & Tool store

Best Practices

- Expand mechanization area with Yanmar C30
- Improvised on FFB Internal evacuation through iron wheel concept
- Recycle of use tyre

Social

- To construct new workers quarter to replace the old housing
- To obtain quota from JTK and legalize the workers through Immigration Department
- Medical surveillance – DOSH

Environmental

- Planting & Beneficial plant
- To construct schedule waste store and empty container store
- Electricity – Using solar system

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

<b>Indicator 2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption
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**Summary** There is no new application of new technology implemented during the certification period. The current practices continued and guide by Standard Operation Procedure (SOP)

The estates management will implement and monitor any new technologies being implemented and training of other personnel.

**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** No new technology being in place thus far. Currently the estate were carried out the training based on the estate current practices.

**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** Setuan Plantations Sdn Bhd has established the Procedure On Mechanism For Information Requests By Stakeholders; Doc No: 4.2.1: Dated on 1<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

Last stakeholders meeting was held on 30<sup>th</sup> September 2020. Attended by 9 participants. Conducted by Alinoordin bin Hashim (General Manager).

Estate had the latest training to their workers on 05<sup>th</sup> June 2020. Conducted by Mr. Farizal bin Zakaria (Estate Manager). Attended by 112 participants.

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

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

**Summary** Sighted list of publicly available documents are listed in the Relevant Information And Documents. Prepared by Mr. Farizal bin Zakaria (Estate Manager) on 11<sup>th</sup> April 2020 and approved by Alinoordin bin Hashim (General Manager).

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

<b>Criterion 2 Transparent method of communication and consultation</b>	
<b>Indicator 1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders.
<b>Summary</b>	<p>Setuan Plantations Sdn Bhd has established the Procedure For Consultation And Grievances Communication -Internal/External; Doc No: 4.2.2.1: Dated on 1<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).</p> <p>This procedure is design to facilitate consultation and communication process between the management; growers and employees, local communities and other affected external parties.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.
<b>Summary</b>	<p>The person in charge for consultation and communication agenda is led by Mr. Farizal bin Zakaria (Estate Manager) dated 04th June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager).</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.
<b>Summary</b>	<p>Sighted latest stakeholder list updated on 1<sup>st</sup> October 2020. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved by Mr. Alinoordin bin Hashim (General Manager).</p> <p>a) Government / Statutory Bodies</p> <ul style="list-style-type: none"> <li>• Malaysian Palm Oil Board (MPOB)</li> <li>• Department of Safety and Health (DOSH)</li> <li>• Department of Labour (JTK)</li> <li>• Department of Environment (DOE)</li> <li>• Department of Immigration Malaysia</li> <li>• Social Security Organisation (PERKESO)</li> <li>• Natural Resources and Environment Board Sarawak (NREB)</li> <li>• Jabatan Perhutanan</li> <li>• Hospital Mukah</li> <li>• Klinik Balingian</li> <li>• Balai Polis Balingian</li> <li>• SK Balingian</li> </ul> <p>b) Service Providers / Contractors / Suppliers</p> <ul style="list-style-type: none"> <li>• Terre Bintulu Sdn Bhd</li> </ul>

- Oren Tyre & Battery Sdn Bhd
- Fujibay Sdn Bhd
- Ever Big Enterprise Sdn Bhd
- Kubota Malaysia Sdn Bhd
- Karming Auto Parts Sdn Bhd
- Ecosol Consultancy Sdn Bhd

c) Neighbouring Community /Plantation /Smallholders

- WTK Suajaya Mahir Crop
- Palmcol 1
- Palmcol 2 – Balingian Sdn Bhd
- Worldsign Harvest Plantation Sdn Bhd
- Felcra Pegerut
- Kampung Balingan
- Kampung Kuala Balingan

d) Estate Community / Estate Representatives

- Women's Committee Chairman
- Surau Committee Chairman

e) Others

- Suajaya Mahir Crop Sdn Bhd (Suajaya Mahir Palm Oil Mill)
- Palmgroup Palm Oil Mill Sdn Bhd

**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** Setuan Plantations Sdn Bhd has established the Procedures On Traceability; Doc No: 4.2.3.1: Dated on 1<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

Verified bunch chit and weighbridge tickets that effectively carries the information of harvested Fresh Fruit Bunches (FFB).

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

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

**Summary** As aper interviewed with Mr. Farizal bin Zakaria (Estate Manager), the management team on harvesting holds the responsibility on regular inspection of traceability system.

Periodical inspections also being conducted through General Manager.

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

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

**Summary** The person in charge for traceability agenda is led by Mr. Farizal bin Zakaria (Estate Manager) dated 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager).

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

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

**Summary** FFB being sell to Suajaya Mahir Crop Sdn Bhd and Palmgroup Palm Oil Mill Sdn Bhd. Decision being made by Mr. Alinoordin bin Hashim (General Manager).

Sighted the records of delivery order of FFB. This record will be maintained. The documents are kept by the both site (estate and mill).

As evidence in Setuan Estate,

- FFB Records:
  - Suajaya Mahir Crop Sdn Bhd
  - Weighbridge Ticket: 051159
  - DO Number: 38290
  - Date: 08<sup>th</sup> January 2021
  - Lorry No: QSX 6576
  - Quantity: 4,740 kg
- FFB Records:
  - Palmgroup Palm Oil Mill Sdn Bhd
  - Weighbridge Ticket: 355320
  - DO Number: 38558
  - Date: 31<sup>st</sup> January 2021
  - Lorry No: QSY 242
  - Quantity: 4,990 kg

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

## 2.3 Principle 3 : Compliance to legal requirements

### Criterion 1 Regulatory requirements

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

**Summary** The company has established and updated list of applicable laws and regulations that are applicable for the estate as Compliance With Applicable Laws and Regulations signed by the prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager) on 01<sup>st</sup> July 2017.

Sighted lists of permits/licenses which have been monitored and updated periodically as follows;

No	Type of license	License No	Expiry Date
1	Trading license	340172-X	06.04.2021
2	MPOB License	509204-602000	30.09.2021
3	Sijil Pendaftaran Majikan KWSP	Registered 16.12.2003	-
4	SOCSCO	Registered 01.11.2003	-
5	SSPA – SOCSCO	Registered 01.01.2018	-
6	Fire Extinguisher	-	20.10.2021
7	Workers Labor License – JTK	AAP/2019/002312	09.09.2022

One minor non-conformity has been raised to estate. Details as per below:

- Based on the interview with Estate workers via Google Meet, it's confirmed that the Estate Management is paying consistently the salary on monthly, however the payment normally received latest by 19<sup>th</sup> every month.

According to Labour Ordinance (Sarawak Chapter 76), Clause 109 (1) - The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due.

- Sighted the record of Inventory of Scheduled Waste by Estate Management.

SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks
102	Battery	12 pcs	30.06.2020	238 days
305	Spent lubricating oil	2,954 liters	30.06.2020	238 days
306	Hydraulic oil	3,954 liters	30.06.2020	238 days
410	Filter	288 pcs	30.06.2020	238 days



Referring to Environmental Quality Act 1974 (Act 127):

"Environmental Quality (Scheduled Wastes) Regulations 2005; PU(A) 294/2005; Regulation 9-Storage of Scheduled Wastes; No.5 – Any person may store schedule wastes generated by him for 180 days or less after its generation provided that:

The quantity of scheduled wastes accumulated on site shall not exceed 20 metric tonne; and"

The scheduled waste exceeded the stipulated days (180 days).

As per interviewed with person incharge, due to Covid 19 Pandemic the collector unable to come to collect the scheduled waste.

**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 covers the detail requirements that related to MSPO compliance. These documents include information on title of documents, regulatory authority/summary, requirements, current status and remarks.

All 40 documents are in compliance with the applicable local, state, national and ratified international laws and regulations samples includes;

1. Environmental Quality Act 1974 (Act 127)
2. Environmental Quality Act (Scheduled Waste Regulations) 2005
3. Environmental Quality (Sewage) Regulations 2009
4. OSHA Act 1994 (Act 514)
5. OSH (Classification, Labelling and safety Data Sheet of Hazardous Chemicals) Regulations 2013
6. OSH (Control of Industrial Major Accident Hazards) Regulations 1996
7. OSH Regulations (Safety & Health Committee) 1996
8. etc

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

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

**Summary** Based on interview with Mr. Farizal bin Zakaria (Estate Manager), any new amendments or any regulations once received through the following manner:

- HQ Department
- Communication with law/enforcement officers
- Website

As per interview with all person in charge, all of them will update any new amendments or any regulations once received.

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

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

**Summary** The person in charge for monitor compliance and to track and update the changes in regulatory requirements in estate is Mr. Farizal bin Zakaria (Estate Manager) dated 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager).

**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 land title is available and well maintained. The estate the following land title;

- 1) Lot No 102; Block 140; Code: 10-LCLS-044-140-00102; Balingian Land District, Mukah – 2,023.10Ha; Register Date: 17<sup>th</sup> July 2012 and Expiry Date: 19<sup>th</sup> September 2059
- 2) Lot No 102; Block 140; Code: 10-LCLS-044-140-00104; Balingian Land District, Mukah – 847.80Ha; Register Date: 17<sup>th</sup> July 2012 and Expiry Date: 19<sup>th</sup> September 2059

The land are used for Agricultural Purposed.

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

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

**Summary** Estate demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles are kept in the both estates office. Evidence of annual payment of quit rent the state government is available in the form of receipts.

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

**Indicator 3** Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

**Summary** The estate's boundary is well demarcated using wood plank. The boundary marking clearly states the GPS coordinate of that particular point. Maps clearly showing the estates boundary were also sighted in the estate's office.

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

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

**Summary** There is no evidence of conflict present in estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

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**

### **Criterion 3 Customary rights**

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

**Summary** There is no evidence of conflict present in estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

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**

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

**Summary** There is no evidence of conflict present in estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

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**

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

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

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

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

### Criterion 1 Social impact assessment (SIA)

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

**Summary** Social Impact Assessment for Setuan Plantation was conducted by the Estate Assistant Manager as reported on 30<sup>th</sup> September 2020.

The report consists of a summary of the social impact assessment at Sook Estate which was conducted on 10<sup>th</sup> September 2020.

The stakeholders involved in the assessment include:

1. Staff
2. Estate workers

Stakeholder : Internal Estate workers

Assessment : mengukur, menganalisis dan menilai kesan positif dan negative dari pemasangan isyarat line telefon di kawasan ladang

Issue Raised : Isyarat line telefon

Management Plan : Pihak pengurusan akan menambahbaik dari semasa pemasangan isyarat untuk kebaikan semua staff and pekerja

Current status : Pemasangan isyarat line telefon telah siap di pasang di kawasan perumahan

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

### Criterion 2 Complaints and grievances

**Indicator 1** A system for dealing with complaints and grievances shall be established and documented.

**Summary** Company has been established Procedure For Consultation and Grievances Communication – Internal/External; Date on 01<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

The procedure is for the effective internal and external communication of sustainability requirements and responding to communications from interested parties. A flowchart of complaints & enquiries procedure is included in on handling the records of the request by the stakeholder.

All the complaints and grievances will be handled by the Estate Manager.

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

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

**Summary** The procedure and flowchart outlined the mechanism to handle issues highlighted by all the stakeholders and resolved effectively, timely and appropriate manner that is accepted by all parties.

There is no complaint received by the estate management from its stakeholder since the last audit.

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

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

**Summary** To ease the employees and relevant stakeholders to complain, the complaints and grievances form and box are available at Estate office. The Management shall then monitor the progress of the action taken.

**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** Employees and surrounding communities in both estates have been briefed on the complaint mechanism during muster ground briefing and Internal / External stakeholder during the stakeholder meeting.

Series of Internal and External stakeholders meeting was conducted by the Estate management as follows;

- 1) External  
Sighted the Internal Stakeholder Meeting conducted on 30<sup>th</sup> September 2020 at Meeting room, Estate which was attended by respective external stakeholders. The session was chair by Estate Manager. Minute meeting and attendance record are well maintained and compile in the meeting file for reference.
- 2) Internal  
Sighted the Internal Stakeholder Meeting conducted on 6<sup>th</sup> June 2020 at Muster Ground which was attended by all estate workers and staff. The session was conducted by Estate Manager. Minute meeting and attendance record are well maintained and compile in the meeting file for reference.

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

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

**Summary** No negative complaints were made by internal and external stakeholders within the last 24 months.

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

**Criterion 3 Commitment to contribute to local sustainable development**

**Indicator 1** Growers should contribute to local development in consultation with the local communities.

**Summary** Sighted the records on the contribution to local development for Setuan Plantation Estate in the Summary of Contribution to Employee and Surrounding Communities for the year 2020 as follows:

As evidence, sighted, a letter on

- "Sumbangan Kipas dan Pengimbas suhu kepada Hospital Mukah".
- "Sumbangan Ayam dan Daging Korban kepada Pekerja Ladang".

**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** Company has established the "Polisi Keselamatan dan Kesihatan". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

OSH Plan sighted with specific objective. Sighted Occupational Safety and Health (OSH) Training Programme Year 2020 for estate.

As per interviewed with all person incharge during remote audit using Google Meet, all workers involved in the operations have been adequately trained in safe working practice.

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

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

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
  - i) all employees involved shall be adequately trained on safe working practices; and
  - ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and



Risk Control (HIRARC).

e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.

f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.

g) The management shall conduct regular two-way communication with their employees

where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.

h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.

i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.

j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

## Summary

Company has established the "Polisi Keselamatan dan Kesihatan". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

Series of Internal and External stakeholders meeting was conducted by the Estate management as follows;

1) External

Sighted the Internal Stakeholder Meeting conducted on 30<sup>th</sup> September 2020 at Meeting room, Estate which was attended by respective external stakeholders. The session was chair by Estate Manager. Minute meeting and attendance record are well maintained and compile in the meeting file for reference.

2) Internal

Sighted the Internal Stakeholder Meeting conducted on 6<sup>th</sup> June 2020 at Muster Ground which was attended by all estate workers and staff. The session was conducted by Estate Manager. Minute meeting and attendance record are well maintained and compile in the meeting file for reference.

HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). Total 45 HIRARC sighted for the followings work operation:-

Sample HIRARC sighted for the followings work operation :-

1. HIRARC
2. OSH Committee Function & Responsibility
3. Harvesting Operation Training

4. Circle & Path Spraying Training
5. Chemical & Store Management Training
6. First Aid Training
7. Safety Training for Mechanic, Driver & Operator
8. Manuring
9. Emergency Response & Procedure
10. MSPO Training (Policy & SOP)
11. Water Management & Road Maintenance

Estate has provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record. Sighted for:-

- Staff
- Harvesters
- Field Workers
- General Workers

Company has established the Safe Operation Procedure for Chemical and Fertilizer Store. Dated on 1<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager). Handling of any used chemical produced in the estate is under controlled and carried out by qualified.

The company has appointed Alpine Consultant Sdn. Bhd. to carry out CHRA Assessment for Setuan Plantation Sdn. Bhd. A site visit was carried out on 22<sup>nd</sup> November 2019. Report No : REF. No:HQ15/ASS/00/364 – 2019/53 by Anthony Astral Chan (HQ/15/ASS/00/364).

The assessment covers the following station:

1. Maintenance Technical
2. Spraying Operator
3. Manuring Operator

Due to Covid 19 Pandemic issue, the medical surveillance test has been postponed. Sighted letter dated 22<sup>nd</sup> February 2021 from Setuan Plantation Sdn. Bhd to Klinik i-Care.

The Estate Manager was appointed as the Chairman of the Operating Unit ESH Committee. Sighted letters of appointment for all the committees " Jawatan Kuasa Keselamatan dan Kesihatan Pekerja Ladang (JKKP) bagi sesi 2020 " signed by Mr. by Mr. Alinoordin bin Hashim (General Manager).

OSH Meeting is conducted quarterly in year 2020. Notice of meeting, minutes of meeting and attendance for the meeting are available in the file.

The committee meeting has been conducted as follows :-

- a. 30<sup>th</sup> January 2020
- b. 16<sup>th</sup> April 2020
- c. 8<sup>th</sup> July 2020
- d. 15<sup>th</sup> October 2020

Sighted the emergency procedure Prepared by Mr. Farizal bin Zakaria (Estate Manager) dated 1<sup>st</sup> November 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). for the Setuan Plantation Sdn. Bdh. The emergency response plan is available in the local language (Malay and English). The ERP has been explained to all workers and staff during training. Emergency response plans include the emergency contact number, and also have Guidelines on Accidents, Emergency Procedures and Exit routes as well as assembly points in the file and pasted on notice board. List of ERP sighted as below :

1. Accident
2. Fire
3. Chemical spillage

First Aid Training was conducted on 3<sup>rd</sup> February 2020 by Mr. Mohamad Arpia from Pejabat Kesihatan Mukah. Sighted picture, training material and attendance list attended by 21 staff and workers representative

Estate has sent JKPP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. Sighted the latest JKPP 8 was sent on in January 2021.

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

Criterion 5	Employment conditions
<b>Indicator 1</b>	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** Company has established the "Polisi Kod Etika Kerja dan Integriti". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

The company has committed to carry out this policy in all company's operations through:

1. Creating equal opportunities and anti-discrimination
2. Freedom of association
3. Non-sexual harassment
4. Reproductive right
5. Free from child labour
6. The human rights & business ethics

The policy was displayed in the notice boards at the office and worker housing for reference.

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

<b>Indicator 2</b>	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** All workers enjoy the same scale of pay and provided with equal housing and work facilities.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the Setuan Plantations Sdn. Bhd.

During interviews using Google Meet, it is clearly that no forced labour in Setuan Plantations Sdn. Bhd.

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

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

**Summary** Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2020 (Act 732) Malaysian minimum salary as stated in the guidelines.

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

No	Name	Nationality	Net Salary Jan 2021
1	Supardin	Indonesia	2,067.41
2	Ahamd Yani	Indonesia	2,797.13
3	Hermansyah	Indonesia	2,007.50
4	Edy Rahman	Indonesia	1,845.06
5	Arsyad Muhamad Husen	Indonesia	2,041.44
6	Chainel Martin Anak Meruom	Malaysia	2,532.06
7	Johari bin Yasin	Malaysia	1,561.87

**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** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), currently no contractor has been appointed by the estate management.

**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, in the estate system (Pinfosys Sdn Bhd) the details of the workers biodata. The records contain full names, date of birth, date joined, 1<sup>st</sup> work date, marriage status, nationality, gender, race, salary type, date of birth, passport/NRIC and etc.

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

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

**Summary** Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined. The contract agreement for worker covers local and foreign workers and the term and conditions are documented are above the industry minimum standard.

Employment contracts were available in language that understood by the workers. The contract provide a details about the payments and employment conditions such as period of working, working hour, medical assistance, housing, holiday, annual leave, period of notice to terminate the contract, etc. This was confirmed though interview with workers using Google Meet and also through verification of contracts of service and pay slips of workers.

The contract agreement is signed by employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian . List of workers as follows;

No	Name	Nationality	Passport Expiry	Work permit expiry
1	Supardin	Indonesia	09.03.2022	In the process renew
2	Ahamd Yani	Indonesia	06.08.2023	26.06.2021
3	Hermansyah	Indonesia	25.03.2024	In the process renew
4	Edy Rahman	Indonesia	25.02.2024	In the process renew
5	Arsyad Muhamad Husen	Indonesia	25.03.2024	In the process renew
6	Chainel Martin Anak Meruom	Malaysia	-	-
7	Johari bin Yasin	Malaysia	-	-

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

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

**Summary** Working hours is 8 hours. From Monday to Saturday. The overtime maximum is 104 hours according to Malaysian Law.

Daily attendance recorded during muster call. Setuan Plantation Sdn. Bhd. has used pocket check-roll as a working time recording system.

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

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

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

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

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

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

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

Documented pay slip was distributed to individual workers on the day of payment.

No	Name	Nationality	Net Salary Jan 2021
1	Supardin	Indonesia	2,067.41
2	Ahamd Yani	Indonesia	2,797.13
3	Hermansyah	Indonesia	2,007.50
4	Edy Rahman	Indonesia	1,845.06
5	Arsyad Muhamad Husen	Indonesia	2,041.44
6	Chainel Martin Anak Meruom	Malaysia	2,532.06
7	Johari bin Yasin	Malaysia	1,561.87

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

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



**Summary** All workers have been provided with medical and accident insurance. Chubb Insurance Malaysia Berhad is appointed as insurance provider to foreign workers.

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

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

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

**Indicator 11** In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

**Summary** The workers quarters was found habitable and in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Treated potable water and electricity were provided to the housing for free of charge.

Sanitary and waste disposal is prepared by Estate. Welfare Amenities: Creche Ayah Surau, football field, sundry shop and etc.

**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** Company has established the "Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

Policy has been prepared in in Bahasa language for easily understood by all levels of its employees. The policy to prevent all forms of sexual harassment and violence at the workplace has been incorporated in the Social Policy.

**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** Estate shall recognize and respect the right of employees to form and join trade unions of their choice subject to the provisions of relevant national legislation.

Local or foreign workers are given the freedom which it is an optional for them to join

worker union formed in estate. Thus, their freedom are not restrict by estate management.

**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** Company has established the "Polisi Larangan Buruh Orang Muda dan Kanak-Kanak". Date: 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

The policy of free from child labour at the workplace has been incorporated in the Social Policy. There are no children below ages of 18 working in the Setuan Plantation Sdn. Bhd. and this was proven through checking the list of employees as well as their biodata and through verification visits at estate. 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** Estate a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2020 was sighted.

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

Training covered as per below:

- Harvesting and Operation Training
- Circle and Path Training
- Chemical and Store Management Training
- Manuring Training
- First Aid Training
- Safety Training for Mechanic, Driver & Operator
- Emergency Response Procedure (ERP)

**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** All staff and workers involved in the operations have been adequately trained in safe working practice. As evidence, sighted the training needs analysis prepared by Setuan Plantation Sdn. Bhd. for all staff and workers.

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

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

**Summary** All workers involved in the operations have been adequately trained in safe working practice. Both estates have a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2020 was sighted.

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

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

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

### Criterion 1 Environmental management plan

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

**Summary** Setuan Plantations Sdn Bhd has established the "Polisi Alam Sekitar". Dated on 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language. The policy has been communicated to all workers.

The estate aspect and impact identification and management control plan year 2020 has covered processes such as:

- Harvesting
- FFB Collection
- Workshop (Machinery Maintenance) and Vehicles
- Sales Of Scrap Iron
- Storage Facilities
- Disposal Of Domestic Waste
- Grass Cutting

**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** Setuan Plantations Sdn Bhd has established the "Polisi Alam Sekitar". Dated on 04<sup>th</sup> June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

Estate has established the aspect and impact identification and management control plan year 2020. Prepared by Mr. Rosli bin Ismail (Estate Assistant Manager) and approved Mr. Farizal bin Zakaria (Estate Manager).

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

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

**Summary** Estate has established the aspect and impact identification and management control plan year 2020. Prepared by Mr. Rosli bin Ismail (Estate Assistant Manager) and approved Mr. Farizal bin Zakaria (Estate Manager).

The example of the assessment is: -

- Major Activity: Vehicle Maintenance
- Waste Generated: Used Lubricant Oil/Used Oil Filter/Used Hydraulic Oil
- Aspect: Schedule waste spillage
- Impact: Water Pollution
- Existing Control Measures: To provide drip tray and spill kits at parking bay
- Management Action Plan: Training on management of Wastes Generated by Estate
- Person Responsible: Estate Assistant

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

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

**Summary** The estate has a program to identify all activities /aspects of the estate that have impact to the environment. The document was prepared by Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

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

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

**Summary** Sighted the training program and records for all workers on MSPO requirement prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

Estate had the training to their workers on 22<sup>nd</sup> September 2020. Conducted by Mr. Farizal bin Zakaria (Estate Manager). Attended by 108 participants.

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

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

**Summary** The estate has conducted regular meeting with their staffs and workers to discuss issues related to environment.

Latest meeting on 11/03/2020. Attended by 16 participants.

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

## **Criterion 2 Efficiency of energy use and use of renewable energy**

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

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

Electric – Gen Set

Year	Liter	Hrs	Diesel//Hrs
2020	32,650	4,562	7.02 lt/hrs

Transport

Year	Litre	MT	Diesel/MT
2020	9,430	17,087.70	7.22

Baseline 2019-2019 is 400,420-liter vs 53,517.39 mt = 7.21 ltr/mt

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

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

**Summary** The projection consumption of diesel for estate has been documented on annual basis based on the financial year with the latest available is for year 2021.

Electric – Gen Set

Year	Liter	Hrs	Diesel//Hrs
2021	61,320	8,760	7.00 lt/hrs

Transport

Year	Litre	MT	Diesel/MT
2021	157,000	20,000	7.85

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

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

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

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

### **Criterion 3 Waste management and disposal**

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

**Summary** Sighted "Pengenalpastian Bahan Buangan Terjadual dan Tidak Terjadual Tahun 2020" by estate management. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Farizal bin Zakaria (Estate Manager).

As evidence, list of:

Non- Scheduled Waste

- Domestic waste
- Besi buruk

Scheduled Waste

- SW305 – spent engine oil
- SW410 – used filter
- SW410 – Used PPE

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

**Indicator 2** A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:  
a) Identifying and monitoring sources of waste and pollution.

b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

**Summary** Sighted the "Pengenalpastian Bahan Buangan Terjadual dan Tidak Terjadual Tahun 2020" for estate. Prepared by Mr. Rosli bin Ismail (Estate Assistant Manager) and approved Mr. Farizal bin Zakaria (Estate Manager). Estate has classified 3 types of waste includes;

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

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

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

**Summary** Company has established the Safe Operation Procedure for Chemical and Fertilizer Store. Dated on 1<sup>st</sup> July 2019. Prepared by Mr. Farizal bin Zakaria (Estate Manager) and approved Mr. Alinoordin bin Hashim (General Manager).

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

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

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

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

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

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

**Summary** Domestic waste for housing area is disposed at landfill (Div 2 – Block 6B) area. Three times a week.

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

#### **Criterion 4 Reduction of pollution and emission including greenhouse gas**

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

**Summary** The assessment of polluting activities is identified and documented in the environmental impact assessment and management plan. From the EIA, it will be evaluated for the impact and any impact will be included in the management plan. Estate has been prepared GHG Calculation for year 2020.

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

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

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

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

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

## **Criterion 5 Natural water resources**

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

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

**Summary** Sighted thru the site visit, there is no river crossing the estate compound. As per stated in the Water Management Plan, the water analyses will be conducted every 3 months. Sighted latest The Environmental Monitoring Report (EMR) for estate; (4<sup>th</sup> Quarter 2020 – October 2020 – December 2020).; NREB Ref No: NREB/6-1/2D/23.

Sighted the monitoring usage of water consumption for the operation of the estate. The audit team observed that the consumptions are monitored on a monthly basis and showed satisfactory monitoring of the resources.

**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** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

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

**Indicator 3** Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

**Summary** Based on interview conducted with Mr. Farizal bin Zakaria (Estate Manager), there was road side drains constructed along the main road.

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

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

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

**Summary** Assessment of HBV has been conducted with reference to Environmental Impact Assessment dated 26<sup>th</sup> November 1999 (Ref: CK/0303/213/99). As summary, there is no status of rare, threatened, or endangered species and high biodiversity value area in the estate.

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

**Indicator 2** If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:  
a) Ensuring that any legal requirements relating to the protection of the species are met.  
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

**Summary** There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. Discourage all wild life hunting within the estate compound.

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

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

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

**Summary** There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. Thus, no management plan has been established by estate management. However, estate conducted briefing regarding the Sustainability Policy that includes RTE species.

**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** Company has established the "Polisi Larangan Pembakaran Terbuka". Date: 04th June 2019. Approved by Mr. Alinoordin bin Hashim (General Manager). The policy is written in Bahasa language.

**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 out-break of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning. The practice is observed during field assessment.

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

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

**Summary** As per interview with Estate Manager, no special approval needed to do open burning. Estate has adopted "Polisi Larangan Pembakaran Terbuka".

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

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

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

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

## 2.6 Principle 6 : Best practices

### Criterion 1 Site management

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

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

Estate has 3 types of Manuals-

- 1) SOP Best Practices
- 2) SOP MSPO
- 3) SOP Covid – 19

The document was well maintained and implemented.

- 1) SOP Best Practices includes:
  - i. Harvesting
  - ii. Manuring
  - iii. Sprayers
- 2) SOP MSPO includes:
  - i. Internal Audit
  - ii. Traceability
  - iii. Communication and Consultation
  - iv. Management Review
  - v. Water Management Plan
- 3) SOP Covid-19 includes:
  - i. Sinong Pelita Matu Sdn Bhd (Estate) – SOP Covid 19 (Tempat Kerja/Workplace)
  - ii. COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi
  - iii. SOP Perintah Kawalan Pergerakan Pemulihan (PKPP) Bagi Seluruh Negeri Sarawak (15<sup>th</sup> February 2021)

**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** Oil palm is planted on flat (peat area). No hilly area in the estate. As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), estate has implemented no replanting on steep slopes unless specified in the EIA report and approved by the Natural Resources and Environment Board (NREB).

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

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

**Summary** The estate has a visual reference system to identify each field or block. Each field has the signboard with block number, year of planting, material & hectare only.

- Division 1
  - i. Block 1A
  - ii. 27.47 Ha
  - iii. PM 2004
  - iv. HRU (Highlands Research Unit)
- Division 2
  - i. Block 19B
  - ii. 50.14 Ha
  - iii. PM 2005
  - iv. IOI

**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** Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2020 - 2022 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.

As evidence in Setuan Estate, sighted the 3 years business plan for the estate.

FY	2020	2021	2022
FFB	28,400	26,950	25,500
Estimate OER %	19.50	19.50	19.50
KER	3.80	3.80	3.80
FFB Price	350	350	350
Grand Total Expenditure	12,845,200	12,201,900	11,591,800

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

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

**Summary** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), there is no replanting programme. Oldest is year 2004.

**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** Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2020 - 2022 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.

As evidence in Setuan Estate, sighted the 3 years business plan for the estate.

FY	2020	2021	2022
FFB	28,400	26,950	25,500
Estimate OER %	19.50	19.50	19.50
KER	3.80	3.80	3.80
FFB Price	350	350	350
Grand Total Expenditure	12,845,200	12,201,900	11,591,800

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

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

**Summary** The estate performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure are shown therein. The report is submitted to HQ in Damansara Height Kuala Lumpur.

**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** FFB sell to the mill or collecting center by contract agreement.

The company will make an announcement for tender for other services like harvesting, ffb transportation, hiring back hoe, wiring housing and etc.

**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** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), currently no contractor has been appointed by the estate management.

**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** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), currently no contractor has been appointed by the estate management.

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

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

**Summary** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), currently no contractor has been appointed by the estate management.

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

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

**Summary** The estate was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 24<sup>th</sup> February 2021 – 25<sup>th</sup> February 2021. Sighted audit plan dated 05<sup>th</sup> February 2021 (2<sup>nd</sup> Revised) which have been accepted address to Mr. Farizal bin Zakaria (Estate Manager). All the auditors are qualified MSPO auditor. As per agreed, the Setuan Plantations Sdn Bhd accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

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

**Summary** As per interviewed with Mr. Farizal bin Zakaria (Estate Manager), currently no contractor has been appointed by the estate management.

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

## 2.7 Principle 7 : Development of new planting

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

### Criterion 2 Peat land

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

**Summary** At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Setuan Plantations Sdn Bhd.

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

**Criterion 4 Soil and topographic information**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

**Criterion 5 Planting on steep terrain, marginal and fragile soils**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.





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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

**Criterion 6 Customary land**

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

**Indicator 2** Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

**Indicator 3** Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

**In Compliance** ☐ Yes ☐ No ☒ **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 Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

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

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Setuan Plantations Sdn Bhd.

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

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

- 1) The estate management has demonstrated fully commitment during the entire audit process.
- 2) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 3) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 4) Good positive feedback received from internal and external stakeholders.
- 5) Interview with sampled workers revealed, the estate management impose strict control measure on safety compliances.

## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
24 <sup>th</sup> February 2021	08:00 – 09:00	<ul style="list-style-type: none"> <li>➤ <b>Opening Meeting at Setuan Estate:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> </li> <li>➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).</li> </ul>	MS	MRB
	09:00 – 13:00	<b>Setuan Estate:</b> <ul style="list-style-type: none"> <li>➤ <b>Document review and interviews as applicable to this audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul> <p><i>(GGC recommends every 2 hours break session)</i></p>	MS	MRB
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	MRB
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	MRB
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	MRB

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
25 <sup>th</sup> February 2021	08:00 – 13:00	<b>Setuan Estate:</b> <ul style="list-style-type: none"> <li>➤ <b>Continue Document review and interviews as applicable to this audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	MRB


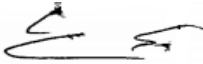


		<b><i>(GGC recommends every 2 hours break session)</i></b>		
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	MRB
	14:00 – 15:00	➤ Verify any outstanding issues and auditor discussion.	MS	MRB
	15:00 – 16:00	➤ <b>Closing Meeting at Setuan Estate:</b> ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ <b>End of assessment</b>	MS	MRB

## Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit																												
<b>Major Nonconformities:</b>		Non-were raised during this audit.																										
<b>Minor Nonconformities:</b>		The following NC's was raised for this audit.																										
<b>Company Name</b>		Setuan Plantation Sdn. Bhd.																										
<b>Stage of Audit</b>		Initial Stage 1	<input type="checkbox"/>																									
		Initial Stage 2	<input type="checkbox"/>																									
		Surveillance	<input checked="" type="checkbox"/>																									
		Recertification	<input type="checkbox"/>																									
<b>Audited Standard</b>		MSPO Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders																										
<b>Client Number</b>		GGC-BM1-MSPO-2019																										
<b>NC No. / Ref.</b>	BM1/MSPO/MINOR/01	<b>Date Detected</b>	25 <sup>th</sup> February 2021																									
<b>Site(s) concern</b>	Setuan Estate	<b>Target Completion</b>	Next Surveillance Audit																									
<b>Normative Reference and Requirement</b>	4.3.1.1 Minor  All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.																											
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern																											
<b>Description of Non-Conformity</b>	<ul style="list-style-type: none"> <li>Non-Compliance to the Sarawak Labour Ordinance</li> <li>Non-compliance to Environmental Quality Act 1974 (Act 127), Environmental Quality (Scheduled Wastes) Regulations 2005; PU(A) 294/2005</li> </ul>																											
<b>NC Objective Evidence:</b>																												
<ul style="list-style-type: none"> <li>Based on the interview with Estate workers via Google Meet, it's confirmed that the Estate Management is paying consistently the salary on monthly, however the payment normally received latest by 19<sup>th</sup> every month.</li> </ul> <p>According to Labour Ordinance (Sarawak Chapter 76), Clause 109 (1) - The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due.</p> <ul style="list-style-type: none"> <li>Sighted the record of Inventory of Scheduled Waste by Estate Management.</li> </ul>																												
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>SW Code</th> <th>Description</th> <th>Quantity Accumulated</th> <th>Date of its first generated</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>102</td> <td>Battery</td> <td>12 pcs</td> <td>30.06.2020</td> <td>238 days</td> </tr> <tr> <td>305</td> <td>Spent lubricating oil</td> <td>2,954 liters</td> <td>30.06.2020</td> <td>238 days</td> </tr> <tr> <td>306</td> <td>Hydraulic oil</td> <td>3,954 liters</td> <td>30.06.2020</td> <td>238 days</td> </tr> <tr> <td>410</td> <td>Filter</td> <td>288 pcs</td> <td>30.06.2020</td> <td>238 days</td> </tr> </tbody> </table>				SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks	102	Battery	12 pcs	30.06.2020	238 days	305	Spent lubricating oil	2,954 liters	30.06.2020	238 days	306	Hydraulic oil	3,954 liters	30.06.2020	238 days	410	Filter	288 pcs	30.06.2020	238 days
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410	Filter	288 pcs	30.06.2020	238 days																								



<p>Referring to Environmental Quality Act 1974 (Act 127):          "Environmental Quality (Scheduled Wastes) Regulations 2005; PU(A) 294/2005; Regulation 9- Storage of Scheduled Wastes; No.5 – Any person may store schedule wastes generated by him for 180 days or less after its generation provided that:</p> <p>The quantity of scheduled wastes accumulated on site shall not exceed 20 metric tonne; and"</p> <p>The scheduled waste exceeded the stipulated days (180 days).</p> <p>As per interviewed with person incharge, due to Covid 19 Pandemic the collector unable to come to collect the scheduled waste.</p>	
<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b> 
<b>Root cause Analysis (to be filled by client):</b>	
<ol style="list-style-type: none"> <li>1) The Covid 19 pandemic has resulted in the mill making late payments to the company. This caused the estate to be slow in making payments to the workers.</li> <li>2) The estate overlooked to dispose of the SW within the stipulated time.</li> </ol>	
<b>Corrective action planned (to be filled by client):</b>	
<ol style="list-style-type: none"> <li>1) The estate will make payment according to the time specified in the act.</li> <li>2) The estate will make an application to increase the SW storage day because the quantity is not enough for the collector to take. The estate also will dispose of the SW as stipulated in the act.</li> </ol>	
<b>Preventive Action (to be filled by client):</b>	
<ol style="list-style-type: none"> <li>1) The estate will ensure the payment of salaries to employees in accordance with the employment act.</li> <li>2) The estate will ensure that SW will be disposed of in accordance with the environmental act.</li> </ol>	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
<p>All the corrective action planned submitted were found adequate and therefore this minor non-compliance will be verified by next surveillance audit.</p>	
<b>NC Closed:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Site verification:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified:</b>	<b>Lead Auditor Signature:</b>

<b>Area of Concern:</b>	Non-were raised during this audit.
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<b>Non-Conformities Identified During Previous Audit</b>
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<b>Major Nonconformities:</b>	Non-were raised during this audit.
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<b>Minor Nonconformities:</b>	The following NC's was raised for this audit.
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<b>Company Name</b>	Setuan Plantations Sdn Bhd		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance 2	<input type="checkbox"/>	Recertification
<b>Audited Standard</b>	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-BM1-MSPO-2019		

<b>NC No. / Ref.</b>	BM1/MSPO/MINOR/01	Date Detected	12 <sup>th</sup> December 2019
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<b>Site(s) concern</b>	Setuan Estate	<b>Target Completion</b>	Next Surveillance Audit
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<b>Normative Reference and Requirement</b>	4.4.6.3 Minor  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.
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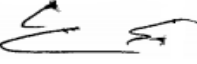
<b>NC Type</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern
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<b>Description of Non-Conformity</b>	No evidence sighted during audit
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**NC Objective Evidence:**

There is no training conducted for :

- 1) Pest and Disease
- 2) Water Management
- 3) Loading/Transporting FFB


<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b> 
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<b>Root cause Analysis (to be filled by client):</b>
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1. Estate has been overlooked into this matter and has not enforced the training for: <ul style="list-style-type: none"> <li>• Pest and Disease</li> <li>• Water Management</li> <li>• Loading/Transporting FFB</li> </ul>
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<b>Corrective action planned (to be filled by client):</b>
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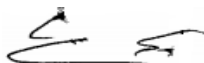
Training and briefing have been conducted on:	
1. Pest and Disease – 05 <sup>th</sup> June 2020; Attended by 27 participants 2. Water Management – 01 <sup>st</sup> October 2020; Attended by 18 participants 3. Loading/Transporting FFB - 05 <sup>th</sup> July 2020; Attended by 21 participants	
<b>Preventive Action (to be filled by client):</b>	
The estate will make training according to the work task by the estate workers.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b> 25 <sup>th</sup> February 2020	<b>Lead Auditor Signature:</b> 

<b>Area of Concern:</b>	The following AOC's was raised for this audit.
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<b>Company Name</b>	Setuan Plantations Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-BM1-MSPO-2019			
<b>NC No. / Ref.</b>	BM1/MSPO/AOC/01	<b>Date Detected</b>	12 <sup>th</sup> December 2019	
<b>Site(s) concern</b>	Setuan Estate	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	4.6.1.1 Area of Concern  Standard operating procedures shall be appropriately documented and consistently implemented and monitored.			
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Inadequate Standard Operating Procedure.			

**NC Objective Evidence:**

The company has established the Standard Operating Procedure for estate operation. However, the SOP is not included some of the estate operation activity such as Pest and Disease, Upkeep Drains, Water Management, Roads & Paths, Loading/Transporting FFB and etc.

**Lead Auditor Signature:**A handwritten signature in black ink, appearing to be 'G. S. S.', enclosed in a rectangular box.**Client Signature:**A handwritten signature in black ink, appearing to be 'S. S.', enclosed in a rectangular box.

## Appendix C : List of Stakeholders Contacted

### Attendance List

#### Internal Stakeholders

- 1) Setuan Plantations Sdn Bhd management team and staff
- 2) Male and Female workers
- 3) Workers Representatives
- 4) Foreign Workers Representatives

#### External Stakeholders

- 1) Contractors
- 2) Suppliers