

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

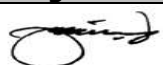
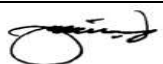
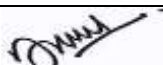
### CERTIFICATION AUDIT REPORT


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

Kumpulan Melayu Johore Sdn Bhd  
Ladang Kumpulan Melayu Johor

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT 1  
07<sup>th</sup> September 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	06/10/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	28/10/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	11/11/2020	Final Report Approved	Md. Jefri bin Shara'ai	Certifier	

Acknowledgment by Kumpulan Melayu Johore Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	11/11/2020	Acceptance of the contents	Mr. Chin Tong Lai	Estate Sr. Manager	

#### Declaration

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

WITH INTEGRITY WE SERVE



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

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

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of Kumpulan Melayu Johore Sdn Bhd, Ladang Kumpulan Melayu Johor. During this Annual Surveillance Audit (ASA1), the audit team were briefed by Estate Sr. Manager, of the supply base disposition. The estate consists only Ladang Kumpulan Melayu Johor.

This assessment was conducted onsite on 07<sup>th</sup> September 2020 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

**1.2 Company details and Contact information**

<b>Company Name</b>	Kumpulan Melayu Johore Sdn Bhd
<b>Business Address</b>	Batu 17, Jalan Mersing, KB 525, 81907 Kota Tinggi, Johor, Malaysia.
<b>Contact Person</b>	Mr. Chin Tong Lai
<b>Office Telephone</b>	+6019-7799579
<b>E-Mail</b>	ladangkumpulanmelayu.kmj@yahoo.com

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

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Ladang Kumpulan Melayu Johor	Batu 17, Jalan Mersing, KB 525, 81907 Kota Tinggi, Johor.	E 103.979530	N 1.930573

**MPOB License Information**

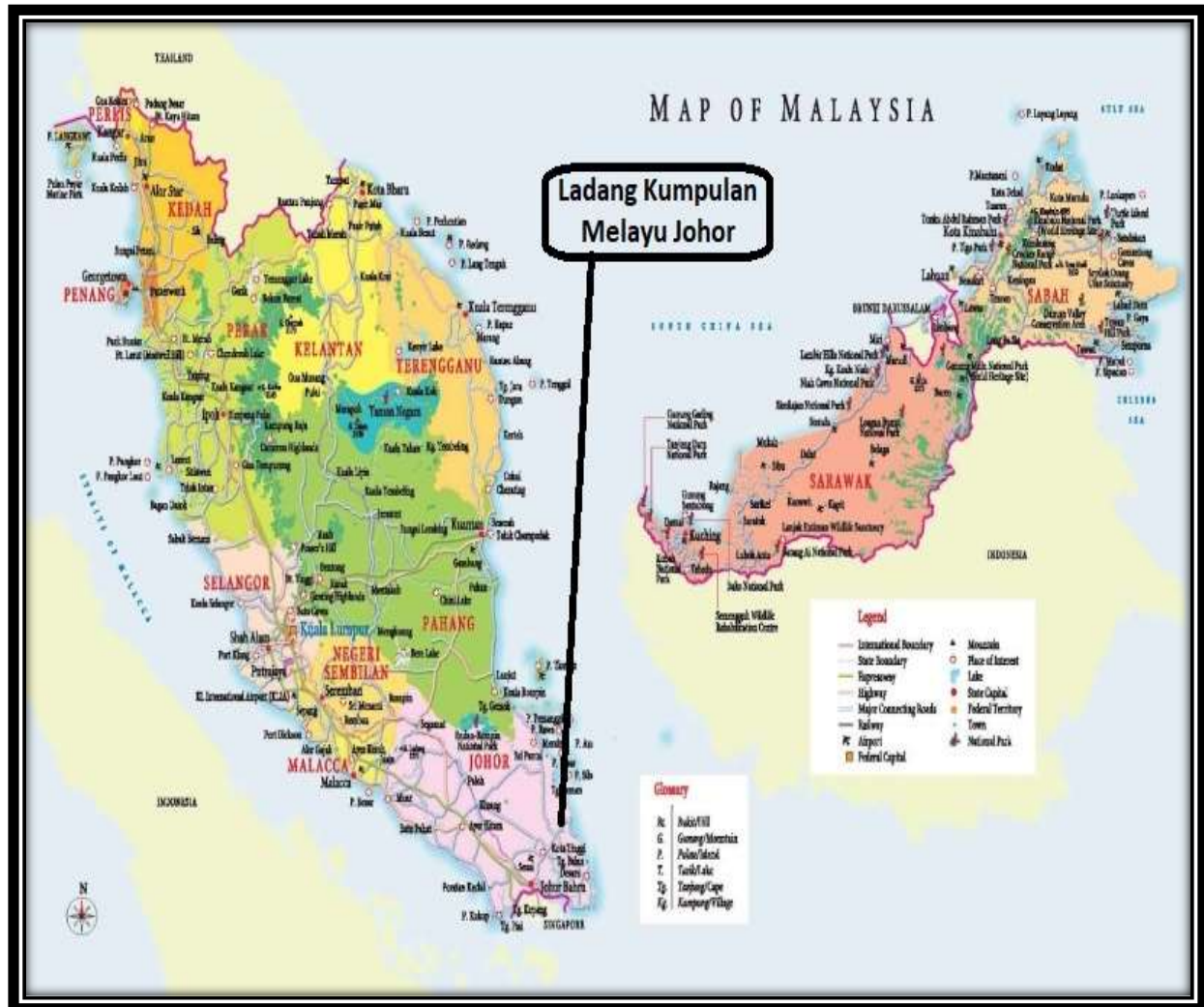
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Ladang Kumpulan Melayu Johor	502055002000	31/12/2020	Menjual & Mengalih FFB

## Others Sustainability Certification

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

### 1.4 Map Showing Geographical Location

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





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

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [June 2019-May 2020]	Projected Production for next 12 Months [June 2020-May 2021]
Ladang Kumpulan Melayu Johor	44,810.00	40,251.46	41,077.00
<b>Total</b>	<b>44,810.00</b>	<b>40,251.46</b>	<b>41,077.00</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-KMJ001-MSPO-01-2019

### Initial certificate issued date

27<sup>th</sup> June 2019

### Certificate expiry date

26<sup>th</sup> June 2024

### Stage 1 assessment date

25<sup>th</sup> February 2019

### Stage 2 / Main Assessment

28<sup>th</sup> April 2019 – 29<sup>th</sup> April 2019

### Annual Surveillance 1 [ASA 1]

07<sup>th</sup> September 2020

### Annual Surveillance 2 [ASA 2]

March 2021

### Annual Surveillance 3 [ASA 3]

March 2022

### Annual Surveillance 4 [ASA 4]

March 2023

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

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

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

During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** **Ahmad bin Sukiman**

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

During this assessment, he assessed on the aspect of Compliance to Legal Requirements, Environment, Natural Resources, Biodiversity and Ecosystem Services and Best Practices. Able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** **Mohd Razib bin Mohd Noor**

Competent Marine Engineer with more than 30 years of working experiences in a various plantation company in Malaysia, Papua New Guinea and Indonesia. Having a skill in Good Milling Practices (GMP) including the crop quality control. Qualified as Auditor for MSPO certification by SIRIM since 2018. Completed the ISO 9001:2015 Quality Management System Lead Auditor course by TOMC in May 2018 and MSPO SCCS Auditor by SIRIM in July 2019 respectively. Experienced in both palm oil mill and kernel crusher plant management, specifically boiler and process control. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Transparency and Social Responsibility, Health, Safety and Employment Condition. Able to speak and understand Bahasa Malaysia and English.



## 1.8 Audit Methodology

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

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

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

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

The company has also applied for postponed and extended the audit date which should have been conducted before or on 26<sup>th</sup> June 2020 due to the Covid-19 pandemic. For that, the GGC has referred to the “Circular For The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme In Lieu of Covid-19 Outbreak” issued by MPOCC as MSPO Scheme Owner on 27<sup>th</sup> April 2020, where surveillance audits or the validity of certificate (recertification) may be extended to no more than 3 months. The audits that should be carried out or delayed will be permitted up to 3 months once certified entities resumes normal operations or until 30<sup>th</sup> November 2020 whichever that is later.

The Prime Minister, Tan Sri Muhyiddin Yassin did announce that the Recovery Movement Control Order (RMCO) ended 31<sup>st</sup> August 2020 has been extended for a period of 01<sup>st</sup> September 2020 until 31<sup>st</sup> December 2020.

With reference to the 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 a 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.

## 1.9 Audit Plan Information

<b>Audit Date</b>	07 <sup>th</sup> September 2020
<b>Name of site(s) visited</b>	Ladang Kumpulan Melayu Johor
<b>Total number of man-days spent</b>	3 man-days



**1.10 Audit Result Summary Findings**

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	Closed
Minor Nonconformities	2	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, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

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

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

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Sprayers Gang)	<ul style="list-style-type: none"> <li>They have good understanding about MSPO.</li> <li>They have good understanding about complaint and grievance mechanism.</li> <li>PPE given by company – free.</li> <li>They were treated equally with no discrimination based on gender.</li> <li>They claimed that the management provides good</li> </ul>	No action requires	Positive findings

		<p>living quarters with proper domestic waste collection and promptly attend to quarters repairs.</p> <ul style="list-style-type: none"> <li>• They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,100.00 per month and understand all the deductions being made.</li> </ul>		
2.	Stakeholders B (Harvesting Gang)	<ul style="list-style-type: none"> <li>• Good understanding about MSPO.</li> <li>• They are very happy with the management and hopes to extend their contract.</li> <li>• They have good understanding about complaint and grievance mechanism.</li> <li>• PPE given by company – free.</li> <li>• They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs.</li> <li>• They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,100.00 per month and no issue on wages received as well as the deductions made.</li> </ul>	No action requires	Positive findings
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> <li>• They have good understanding about MSPO.</li> <li>• They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.</li> <li>• They were aware that any complaints or suggestions could be forwarded to the mill/estate management.</li> <li>• The company has good relation with supplier and there is no issue with company's performance.</li> </ul>	No action requires	Positive findings

4.	Stakeholders D (Suppliers)	<ul style="list-style-type: none"> <li>• Informed that the payment was made promptly.</li> <li>• The contract agreement with the management is fair and transparent.</li> <li>• The company has good relation with supplier and there is no issue with company's performance</li> <li>• He has good understanding about complaint and grievance mechanism.</li> </ul>	No action requires	Positive findings
5.	Stakeholders E (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 Ladang Kumpulan Melayu Johor. Estate Senior Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this 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 2 minor non-conformities have been raised to the facilities 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 Ladang Kumpulan Melayu Johor.

### 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

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

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

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

Latest stakeholders meeting on 30<sup>th</sup> October 2019. Attended by 20 participants. Conducted by Mr. Chin Tong Lai (Estate Sr. Manager).

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

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

#### Summary

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

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

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

#### Criterion 2 Internal audit

**Indicator 1** Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

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

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

Sighted the internal audit report done by the internal audit team. They have conducted the internal audit on 24<sup>th</sup> June 2020 – 25<sup>th</sup> June 2020. The audit was led by Mr. Rezaudin bin Abdullah. The audit team has raised 9 major and 4 minor non-conformities.

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

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

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

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

Seen the response and action taken by Estate Manager on 26<sup>th</sup> August 2020 for all the findings. All detail findings are well documented by estate management.

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

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

**Summary** The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by both estates management within the acceptable timeframe. This request was implemented in due course and documented as evidence.

The findings from documentation audit has been discussed and approved for implementation by the respective management unit during sustainability management review meeting dated 26<sup>th</sup> August 2020. The report was prepared by Mrs. Zafar Halifah binti Ismail (Clerk) and approved by Mr. Chin Tong Lai (Estate Sr. Manager). Attended by 13 participants.

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

**Criterion 3 Management review**

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

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

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

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

**Criterion 4 Continual improvement**

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

**Summary** Sighted the Continuous Improvement Plan for Ladang Kumpulan Melayu Johore. The plan covers:

Social and welfare

- All sort of CSR need to be recorded
- Complaints and grievance
- Water tube well
- The dusty road at line site
- Estate celebration
- Annual sports day

Environment, Riparian and Biodiversity

- Competent waste scheduled
- Increase number of solar panel in the estate
- Signboard for open burning
- Increase biodiversity in plantation
- Improve energy use efficiency
- Promote integrate pest management to reduce used of chemicals

The Continuous Improvement Plan was included in the Management Review Procedure, Appendix 2 updated on 24<sup>th</sup> August 2020, prepared by Mr. Muhammad Shahrizan Yusof (Estate Assistant Manager).

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

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

**Summary** The company disseminate the new information and techniques or new industry standards and technologies through the training.



Sighted the Ladang Kumpulan Melayu's training program for year 2020 which include the Standard Operation Procedure training, Safety & Health, chemical handling, MSPO training and awareness training.

No planning for new practices observed during this audit.

**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** The staff/workers competency training plan for year 2019/2020 was established. The training identified including operations, understanding of Standard Operation Procedure training, Safety & Health, chemical handling, MSPO training and awareness training.

Training conducted todate as per Training Programme for year 2020.

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

## 2.2 Principle 2 : Transparency

### Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

**Summary** Sighted Ladang Kumpulan Melayu Johore has established the Stakeholder Communication & Consultation Procedure. Ref No: MSPO-03; Rev 0; Date 01/03/2018. The objective of this procedure is to outline the arrangements for consultation and communication with its relevant stakeholders and how their concerns and views are addressed.

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

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

**Summary** The List of Documents and Classification such as the related policies covering sustainable, OSH, social, environmental, SOP or guideline of estate operations, regulatory compliances, estate data on workforces, licenses, monthly and annual financial /production record against budget and others. Sighted there are 7 classified as confidential and 27 that are publicly available.

The company has updated the list on 1.1.2020 by the Assistant Manager, En Muhammad Shahrizan bin Yusuf. All the documents are available in the estate office.

Requests for official documents through the estate office will have to go through the Estate Manager/Assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document. The procedure is based on the Ref Number: USA/MSPO/P2/C2/IN1, Rev:0 Date: 1<sup>st</sup> January 2018.

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

## **Criterion 2 Transparent method of communication and consultation**

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

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

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

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

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

**Summary** Sighted an appointment letter of Mr. Jeridin Bin Kamarudin, Estate Assistant Manager as person in charge for consultation and communication with the relevant stakeholders. The letter dated 01.01.2020, signed by Chin Tong Lai (Senior Estate Manager).

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

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

**Summary** The list of the stakeholder as follows:-

Stakeholder category	No of stakeholder	Sample of stakeholder
Government	22	<ul style="list-style-type: none"> <li>Department of wild life (Perhilitan)</li> <li>Department of Forestry</li> </ul>
NGO	1	<ul style="list-style-type: none"> <li>WWF Malaysia</li> </ul>
Service provider / Suppliers	36	<ul style="list-style-type: none"> <li>MPOA security services Sdn Bhd.</li> <li>Perniagaan Sri Mathai Kota Tinggi</li> </ul>
Neighbouring estate	11	<ul style="list-style-type: none"> <li>Ladang Sg Ara Felcra Bhd.</li> <li>Ladang Tunjuk Laut Kulim Bhd.</li> </ul>
Internal	3	<ul style="list-style-type: none"> <li>Surau committee chairman (Jiridin Kamarudin)</li> <li>Estate Sundry shop (Lew Kim Fah)</li> </ul>
Total	73	

Sighted latest list of stakeholders updated on 1<sup>st</sup> January 2020, prepared by Mr. Shahrizan bin Yusof, Estate Assistant Manager.

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

<b>Criterion 3</b>	<b>Traceability</b>
<b>Indicator 1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).
<b>Summary</b>	<p>Company has established the MSPO Procedure: FFB Traceability Procedure: MSPO Procedure: Title FFB Traceability. MSPO-04; Rev 1; (Second release) Date 20.5.2019 prepared by Mohd Shahrizan Yusof and approved by Mr. Chin Tong Lai Senior Manager.</p> <p>Sighted all records done by Estate Management.</p> <p>Harvesting operation being conducted by Contract workers and the mandore / supervisor is under Estate Management.</p> <p>At field, both Estate mandore / supervisor recorded all the Fresh Fruit Bunches (FFB) that harvested by the harvester in Daily Bunch Record. The daily bunch record consist of the following information:</p> <ul style="list-style-type: none"><li>a. Harvester unique ID</li><li>b. Date</li><li>c. Quantity</li><li>d. Field No.</li></ul> <p>Later, the FFB will be loaded and transported to ramp and recorded in the Bunch Record.</p> <p>The FFB being loaded into the lorry and weighed before transporting to mill. The weighbridge operator will key – in the following information in the system:-</p> <ul style="list-style-type: none"><li>a. Date of weighing</li><li>b. Gross/tare/net weight</li><li>c. Contract Number</li><li>d. Weighbridge ticket number</li><li>e. Descriptions of contents</li><li>f. Vehicle number</li><li>g. Name of driver</li><li>h. Time in / out</li></ul> <p>Finalizing key-in the information, the weighbridge operator will issue dispatch Chit, delivery Note and Dispatch Ticket.</p> <p>Further, at security post guard the security personnel will checked the following information :-</p> <ul style="list-style-type: none"><li>a. Date</li><li>b. Vehicle Number</li><li>c. Name of driver</li></ul>

- d. Name of Supplying Estates and Field No
- e. Time in / out

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

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

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

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

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

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

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

**Summary** The person in charge for traceability is Mr. Fadrin bin Agel dated 1<sup>st</sup> January 2020 signed by Mr. Chin Tong Lai, Estate Senior Manager.

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

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

**Summary** FFB being sell to third party or buyer. The buyer will decide whichever mill to be sell the crop. All the proceeds will be paid to Kumpulan Melayu Johore Sdn Bhd. Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the estate.

Sample of FFB purchase for July 2020.

- Buyer: Ree Fong Agriculture Sdn Bhd(106472-K)
- MPOB license no: 504930-21500
- Date : 31.7.2020
- Purchase invoice: RFP2007-0242
- Net total (less transport and advance) = RM 402,577.97

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

## 2.3 Principle 3 : Compliance to legal requirements

### Criterion 1 Regulatory requirements

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

#### Summary

Kumpulan Melayu Johore Sdn Bhd has established and updated list of laws applicable to Oil Palm Plantation as stated in the "Kumpulan Melayu Johore Sdn Bhd – Summary of Compliance", prepared by Mr. Mohd Shahrizan Bin Yusof (Assistant Manager), approved by the Senior Estate Manager, Mr. Chin Tong Lai dated 01.01.2020.

The list of applicable laws and regulations which consist of documents/ laws that covers the requirements related to MSPO compliance include:

1. Prevention and Control of Infectious Diseases Act 1988, Act 342
2. Occupational Safety and Health Act 1994 (Act 514)
3. Factories and Machinery Act 1967
4. Uniform Building By-Law, 1986
5. Pesticides Act 1974 (Act 149)
6. Electricity Supply Act 1990 (Act 447)
7. Petroleum (Safety Measures) Act, 1984
8. Fire Services Act, 1984
9. Code of Practice for Safe Working In A Confined Space, 2001
10. Environmental Quality Act 1974 (Act 127)
11. Local Government Act
12. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
13. Employment Act 1955 (Act 265)
14. Employees Provident Fund 1991 (Act 452)
15. Employees Social Security Act 1969 (Act 4)
16. Trade Union Act 1959
17. Minimum Retirement Age Act, 2012
18. National Wage Consultative Council Act, 2011, Minimum Wages Order 2020
19. Weights and Measures Regulations, 1981
20. Jadual Pematuhan Department of Environment
21. MPOB Act 1998 (Act 582)

The estate has implemented its Weekly Line site Checklist which was carried out by the PIC as follow;

Staff/ PIC Name	Date of Visit
Mr Zulkifli Bin Saari (Hospital Assistant)	07, 13, 20, 27.08.2020

The monthly Visiting Medical Officer visit is recorded in a Treatment Book (VMO) Visit Record;

VMO Name	Date of Visit
Dr Moiz Bin Siraj (Klinik Moiz Sdn Bhd)	01.09.2020

The Visiting Medical Officer (VMO), Dr Mois Bin Siraj from Klinik Mois Sdn Bhd visit is recorded in a VMO Visit Book. Report of VMO visit for the month of September 2020 (visited on 01.09.2020) stated the following;

1. Lawatan klinik berjalan dengan lancar.
2. Tiada kes besar dilaporkan.
3. Ubatan mencukupi.
4. Pemeriksaan suhu telah dibuat.
5. Bilik rawatan berkeadaan baik.

Due to pandemic Covid-19 and Federal Government Gazette, Peraturan-Peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Langkah-Langkah Di Dalam Kawasan Tempatan Jangkitan)(No. 8) 2020 bertarikh 1 September 2020 P.U.(A) 254, berkuatkuasa 1 September 2020 hingga 31 Disember 2020, the Company has established its management plan to prevent the spread of pandemic Covid-19, based on guidelines provided by Majlis Keselamatan Negara - Protocol for Agri-Commodity Sector. The Disinfection Planning has been prepared and approved by the following personnel;

Revision Date	PIC	Manager
01.04.2020	Mr. Mohd Shahrizan Bin Yusof (Assistant Manager)	Mr. Chin Tong Lai (Senior Manager)

Sighted the checklist of Covid-19 Disinfection Schedule on the following premises;

1. Labour Quarter
2. Office
3. Store
4. Staff Quarter
5. Executive's Bungalow
6. Shop
7. Surau Mansur (M) Division
8. Surau Syed Kechik (S.K.) Division.

For the month of September, the disinfection works has been carried out on 02.09.2020 and 04.09.2020.

Sighted also record of workers Temperature Checklist (Covid-19) form being filled up and updated daily.

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

- During the audit assessment at Ladang Kumpulan Melayu, sighted monthly payment for contractors' workers being made by the contractors. However, there is no evidence the calculation of SOCSO payments that should be contributed by the employer stated in the monthly salary statement/pay-slip accordance to Employees' Social Security Act 1969.

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

SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks
305	Spent lubricating oil	0.91mt	30.01.2020	221 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).

- Annual medical surveillance for pesticide operators had been implemented in accordance with OSHA USECHH Regulations 2000. Workers (sprayers) under Liew Kim Fah (Estate Contractors) were not in the list for Medical Surveillance and estate was not able to produce documented evidence on the lapses.
- There is no "Perakuan Kelayakan Pengandung Tekanan Tak Berapi", for Horizontal Air Receiver, Serial No. 8601705, Drg No. L-DP510085N02, Type: HVU-205N, Hydraulic Pressure: 213PSI, Year of manufactured: April 2018.

**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 Legal Compliance Checklist – permits and licenses has been revised by the respective person-in-charge (PIC) and approved by the Estate Manager as follow;

Revision Date	PIC	Manager
02.02.2020	Mr. Kalaichelvan A/L Thangavellu (Chief Clerk)	Mr. Chin Tong Lai (Senior Manager)

The lists of permits/licenses which has been monitored and updated periodically include;

1. Lesen MPOB (menjual dan mengalih FFB) for Kumpulan Melayu Johore Sdn Bhd (2,820.54ha). No Lesen 502055002000 for a period 01.01.2020 to 31.12.2020.
2. Lesen Melencong atau Mengabstrak Air Sungai (Seksyen 7) Enakmen Air (Johor) 1921, No lesen: 07/B/KT/044, jumlah maksima abstraksi: 100m<sup>3</sup>/hari valid until 31.12.2020





3. Sighted replied letter on matter related to "permohonan pendaftaran lesen kemudahan dan perkhidmatan (bekalan air) persendirian" from SPAN addressed to Ladang Kumpulan Melayu dated 07.02.2020
4. Permit Barang Kawalan Berjadual, No. Rujukan: KPDNKK.J.KTG/PERMIT 0102 (PD), No. Siri P: J001262 for 10,000 liter minyak Diesel for a period of 21.01.2020 to 20.01.2021.
5. Perakuan Penentuan Timbang dan Sukat No. Siri Alat: 152050083 for 60mt weight for Kumpulan Melayu Johore Sdn Bhd stamping done by Metrology Corporation Malaysia Sdn Bhd on 26.02.2020.
6. Akta Levi Keuntungan Luar Biasa 1998, No Pendaftaran: P10-200800000086, perihal Buah Kelapa Sawit dated 13.08.2008.
7. Perakuan Pendaftaran Akta Bekalan Elektrik 1990, pemasangan No. ST(SJB)P/S/JHR/02505, Fi RM825.00, aggregate kuasa 32kW valid for 5 years effective 21.06.2016.
8. Perakuan Kekompetenan Sebagai Penyelia Elektrik, PE-T-1-B-0005-2014 for Mr Zainuddin Bin Omar, on behalf of One Alpha Electrical Services Sdn Bhd.
9. Latest report of "Visiting Electrical Engineer Inspection" carried out by One Alpha Electrical Services Sdn Bhd at the Estate on 25.08.2020 include;
  - a) Genset 38-A : 0.94-pF and 424-A
  - b) Genset 56-A: 0.95-pF and 421-V

The list of Fire Extinguisher for the estate is tabulated below;

Division	Expiring Date	No. of Unit	Type of Fire extinguisher
Mansur	11.09.2020	10	Dry Powder (ABC)
	13.10.2020	14	Dry Powder (ABC)
	13.02.2021	8	Dry Powder (ABC)
	17.06.2021	3	Dry Powder (ABC)
	21.06.2021	4	Dry Powder (ABC)
Syed Kechik	17.11.2020	8	Dry Powder (ABC)
	30.12.2020	9	Dry Powder (ABC)
	17.06.2021	6	Dry Powder (ABC)
Total		62	

The "Census Perumahan" for the estates is tabulated below;

Description	No. of Population		
	Mansur Div.	Syed Kechik Div.	Total
No. of Houses	36	24	60
No. of Workers	132	53	185
Workers/House	3.67	2.21	3.08
No. of Dependent	8	0	8
Dependent/ House	0.22	0	0.13
Overall Ratio	3.89	2.21	3.22

The Estate population census record for 2020 has a population rate of 3.08 workers per house and 0.13 dependents/house.

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

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

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

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

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

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

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

**Summary** The person in-charge (PIC), responsible to monitor and track and update the changes in regulatory requirements stated below;

PIC	Signed by	Letter Date
Mr. Kalaichelvan A/L Thangavellu (Chief Clerk)	Mr. Chin Tong Lai (Senior Manager)	01.01.2020

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

## **Criterion 2 Land use rights**

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

**Summary** The copy of estate's land titles is kept in the estate's office and were sighted during the audit.

The land title details as tabulated below;

Lot No	No. PT	Land Title (Ha)	Quit Rent (Ha)	Quit Rent (RM)	Ownership
H.S. (D) 857	LO 8	1,764.4294	1,764.4294	247,100.00	Kumpulan Melayu Johore Sdn Bhd
H.S. (D) 858	PTD 161	1,068.3701	1,068.3701	149,660.00	Kumpulan Melayu Johore Sdn Bhd
Total		2,832.7995	2,832.7995	396,760.00	

The land titles are under 'Pengisytiharan Rezab Melayu'.

Evidence of annual payment of Quit Rent 2020 has been paid to Kerajaan Negeri Johor Darul Ta'zim, Pentadbiran Tanah Johor, Daerah Kota Tinggi, Johor amounted to RM396,760.00, is available in a form of receipts.

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

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

**Summary** The land ownership and actual used of land as tabulated below:

Lot No	Ownership	Syarat Nyata	Actual Land Used
H.S. (D) 857	Kumpulan Melayu Johor Sdn Bhd	Oil Palm & Cocoa	Oil Palm
H.S. (D) 858	Kumpulan Melayu Johor Sdn Bhd	Oil Palm & Cocoa	Oil Palm

The detail of Estate's Area Statement is tabulated below;

Description	Hectare
Mature Oil Palm	2,018.29
Immature Oil Palm	568.53
In Course of Replanting	233.72
Sub-total Planted Area	2,820.54
Nursery	5.65
Durian	3.00
Building sites & roads	10.00
Unplanted	51.92
Labourer's garden	0.00
Sub-total Other Area	70.57
Total Estate Area	2,891.1100
Total as per Titled	2,832.7995
Discrepancy Estate Area vs Land Titles	58.3105

Note: There is a discrepancy of 58.3105ha indicating that the declared estate's area is larger than the land titles. In order to reconcile the discrepancy, the estate's representative has paid a visit to Pejabat Tanah Kota Tinggi on 01.02.2019 and 01.05.2020. Sighted chronology of events for land title matter for LO8 and PTD161.

**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** Sighted coordinate map as per Reference No. PA232126, approved by Pengarah Ukur dan Pemetaan Johor dated 27.10.2017 for Lot No. H.S. (D) 858, PTD161 providing the boundary stone coordinate. As a sample evidence,

Lot No	Stone Ref No.	Bearing	Jarak
PTD 161	8	332°40'20"	76.350
PTD 161	13	353°46'10"	135.835
PTD 161	18	359°50'40"	119.797
PTD 161	23	115°00'10"	88.987

During field visit, auditors also checked a few physical boundary stone and verify it with company's GPS coordinate and GGC own GPS coordinate. The coordinate checked by GGC unit are matched to the data that prepared by the estate.

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

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

**Summary** No disputes have been recorded in the estate area. There is no evidence of conflict present in this estate. There is no violence on instigated violence in maintaining peace because company has clear procedures for land conflict.

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

### **Criterion 3 Customary rights**

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

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

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

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

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

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

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

**Summary** There is no land conflict or disputes recorded by the estate. The estate land titles and ownerships are legally identified and documented.

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

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

### Criterion 1 Social impact assessment (SIA)

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

**Summary** Kumpulan Melayu Johore Sdn Bhd has established the MSPO Procedure: Social Impact Assessment Procedure: Ref No: MSPO-03; Rev 0; Date 01/04/2018. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Tang Peng Lam.

The internal social impact assessment had been carried out in month of October 2019 and February 2020. There were fourteen (14) social impact assessment conducted during the period mentioned with 85 respondents involved in the assessment. The method of the assessment was through the interview, site observation and documentation review "Borang soal selidik penilaian impak sosial" to the internal and external stakeholders.

The person in charged is the assistant estate manager En Mohd Shahrizan bin Yusuf.

No	Social /criteria	Impact	Impact analysis	Mitigation/Action	Dateline
1	MSPO awareness	Compliance with standard	Negative	To conduct and plan the awareness program to all workers .	Continuous
2	Relationship with management	Social welfare	Positive	Management and worker has a good relationship	Continuous

3	Communication procedure with estate	Complain and grievance	Positive	The communication SOP has been briefed during the OSH meeting and on muster ground to the workers.	continuous
4	Corporate social responsibility	Social welfare	positive	The Hari Raya beef and Ramadhan contribution and the road from the Batu 17 has been managed by the estate	continuous
5	Job opportunity	community	Positive	The vacancy is made known through banner displayed at estate entrance	As and when required
6	Environment	Pollution/social/community	Negative	The management has an environment management plan to address the issue	Continuous
7	Housing facility	Workers/staffs housing	Positive	The JTK Housing Act 1990 of minimum housing standard compliance.	Continuous
8	Worship place	Religious activity	positive	The estate to provide assistant	Continuous
9	Health facility	OSH/social welfare	positive	To maintain the status	Continuous
10	The school transportation	Social welfare	positive	To maintain the status	Continuous
11	Worker Equal opportunities	Social welfare	positive	To maintain the status	Continuous
12	Worker legal permit and status	Legal compliance	Negative	Monitoring the permit and passport to comply with Labour law 1995/MAPA	Still in the process
13	Worker transportation	Social welfare	positive	To maintain the status	Continuous

14	Stray dogs at the line site	Social/OSH	Negative	Majlis Daerah Kota Tinggi and estate will cooperate to address this issue	As and when required
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**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

## **Criterion 2 Complaints and grievances**

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

**Summary** Company has established the Complaints and grievances procedure. Ref No: MSPO-011; Rev 0; Date 10/05/2019. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Chin Tong Lai.

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.

**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** Sighted that the complaints and grievance by the stakeholders are being log into the summary book. The record shows the date of the complaint, by whom, what is the issue, the action require from the management, the date expected to be done, the date of completion, acknowledgment by the complainant, status verified by the management.

**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** Company has established the Complains and grievances procedure. Ref No: MSPO-011; Rev 0; Date 10/05/2019. Prepared by Mr. Mohd Shahrizan bin Yusof and Approved by Mr. Chin Tong Lai.

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

Sample:-



Tarikh Aduan	Nama Pengadu	Aduan	Tindakan	Tarikh selesai
19.7.20	Mazuan (Security)	Penutup septic tank pecah merbahaya	Penggantian menggunakan plat besi	25.7.20
3.8.20	Aslin (Mandore)	Kipas elektrik bahagian dapur dan ruang tamu tidak berfungsi	Didapati telak rosak dan diganti unit baru	8.8.20
10.8.20	Rahman (pekerja)	Terdapat kerosakan sinki air tersumbat	Penukaran saluran paip disebabkan tersumbat dilakukan	14.8.20
20.2.20	Arif (external) Felcra driver	Blok 90C terdapat pemasangan culvert dimana keadaan jalan yang lekuk meyebabkan susah lori merentasi jalan ke ladang Felcra.	Pihak ladang segera memperbaiki keadaan jalan tersebut agar lori tidak tersangkut lagi dikawasan culvert crossing tersebut	25.2.20

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

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

**Summary** Latest meeting with External Stakeholders was held on 30.10.2019 attended by 6 from internal stake holders and 10 from external stakeholders.

Sighted in the minutes of meeting the agenda on Complaints and Request Procedure being briefed to all stakeholders. The meeting was chaired by the Estate Senior Manager, Mr. Chin Tong Lai.

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

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

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

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

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

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

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

NO	DATE	ACTIVITY	AMOUNT RM
1	20.2.2020	Jamuan makan pekerja	5,800.00
2	20.4.2020	Ramadhan dan Hari Raya Idilfitri	8,814.00
3	20.4.2020	Tadarus Al Qur'an activity	1,200.00

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

#### **Criterion 4 Employees safety and health**

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

**Summary** Sighted the OSH Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07<sup>th</sup> June 2018. The practices as follows:

- Provide and ensure a safe and healthy working environment and that contingency plans are in place to deal with emergencies
- Ensure that all employees and stakeholders are given information, instructions, training and supervision on safe working procedures.
- Identify and investigate all types of accidents, diseases, poisonous and hazardous conditions and adopt the necessary preventive measures.
- Compliance with legislative requirements, particularly the Safety and Health Act 1994 and the Factory and Machinery Act 1967
- Ensure that all employees and stakeholders carrying out work or field activities are provided with appropriate personal protective equipment.
- Ensure that all contractors and their employees comply with safety and health rules and regulations.
- Ensure continuous improvements on occupational safety and health practices through training to all employees and stakeholders.
- Ensure that the occupational safety and health policy is disseminated to understood and practiced by all employees and stakeholders.

The OSH training plan 2020 that's covers but not limited to the SOPs, first aid training, fire extinguishers and first aid kit was calendared out accordingly.

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

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

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

- ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

## Summary

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

Risk assessment was conducted through HIRARC based on the severity and the Likelihood. This was prepared on 22.2.2019 by estate assistant En Mohd Shahrizan b Yusuf and verified by Mr. Chin Tong Lai Senior Estate Manager.

HIRARC is define as 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).

Sighted the estate activities being assessed for the HIRARC such as but not limited to chemical handling, spraying, landfill, workshop, road repair, electrical maintenance, field roads, premix, driving tractor, harvesting and replanting.

Sample of workshop activity:-

Hazard identification				Risk analysis		Risk control
no	Work activity	hazard	impact	Existing control measure	Risk rating	Control measure recommendation

1	welding	Electric shock	Electrocution	SOP PPE Warning signage	moderate	SOP PPE Retraining
2.	Oxy cutting	Leakages from Oxygen /Methane gas cylinders/ nozzle	Explosion	SOP PPE Warning signage Good ventilation	moderate	SOP PPE Continue the existing measure

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

NO	Topic	Month programme
1	SOP Harvesting	January, July
2	SOP Spraying	February, August
3	SOP Manuring	March September
4	Tractor Maintenance& safe driving	April
5	First Aid Training	May
6	Fire Drill Training	June
7	Schedule Waste	April October
8	Chemical Handling	August
9	Internal auditor MSPO	March
10	Chemical Handling	October
11	SOP Security	November
12	MSPO Training	March
13	Awareness Training	May
14	Social Impact Assessment	October

Training record for Safety Operating Procedure for Harvesting was sighted on 6<sup>th</sup> June 2020 conducted by En. Shahrizan b Yusuf, Assistant attended by 63 participants.

Sighted the Standard Operating Procedure for transporting, receiving, handling, storage and disposal of chemicals, MNL/OSH/2009/1 - 1.14 dated 1<sup>st</sup> March 2019.

Sighted Medical Surveillance report for 4 sprayers, 1 supervisor and 3 manuring workers, conducted on 13<sup>th</sup> August 2019. The result stated all fit to work.

The CHRA was conducted on 10<sup>th</sup> March 2020 by Ganesraoo a/l Nagarajoo, 710526-08-6125, JKKP registration no: JH /05/04/1241 from OSH Safety Consultancy (M) Sdn Bhd, Tmn Tawas Gemilang, Ipoh Perak.

Sighted from the report, there were 30 different chemicals used by the estate being assessed for health risk.

Sighted the CHRA done on 14 types of works description such as but not limited to store keeper, chemical handling, fertilizer application, nursery, premix, weeding, chemical sprayer, POL, vehicle drivers, diesel pump attendant, Schedule waste store, workshop, water treatment, grass cutter operator.

Seen, Standard Operating Procedure for transporting, receiving, handling, storage and disposal of chemicals under KMJ / SOP / 011,012,036,049,057,059,065,066,067 and 068.

Mr. Chin Tong Lai (Estate Sr. Manager) as Person In-charge under OSH. OSH Committee Chart 2019 sighted. Letter of official appointment for Mr Chin Tong Lai the senior manager as chairman of the OSH committee from the Plantation Agency was sighted. Dated 7.9.2020.

For 2020, the OSH committee meeting being conducted as follows:

Quarter	Date	Attendee
First	12.3.2020	15
Second	17.6.2020	15

Sighted the latest meetings agendas discussed were on OSH Matters, face mask distribution, chemical handling and internal MSPO audit.

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

Emergency response plan include the Emergency Contact Number, Emergency Response Team, Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board. The emergency response team is subdivided into 5 specific team namely in case of fire, flood, chemical spillage, accident and lastly first aider.

ERP Chart 2020 (till May 2020) as En. Zulkifli bin Sari, Hospital Assistant as First Aider for Kumpulan Melayu Johor Estate but he left the company in May 2020. As an interim, currently En Muhamad Zulkhari b Muhd Bizi, an assistant manager who had attended NIOSH safety and health officer course will be in charge as a first aider before the estate engaging a new hospital assistant.

Sighted, Training record on 1<sup>st</sup> Aider conducted on 31 December 2019 by the Hospital Assistant, and attended by 9 participants.

There are 2 employees who are competent as a first aider in the estate, the certificate was issued by Bulan Sabit Merah cawangan Negeri Johor.

- Mohd Fairus b Ali  
Certificate no : RK0143608  
Expiry date: 4.9.2021
- Mohd Ropi b Samat  
Certificate no: RK0143607  
Expiry date 4.9.2021

Estate has submitted JKPP 8 (I & II) (IV) on annual basis to DOSH. LTA calculation based on local interpretation from DOSH JKPP 8 was submitted on 29<sup>th</sup> January 2020. No accidents occurred in 2019.

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

<b>Criterion 5 Employment conditions</b>	
<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** Sighted the Social Policy approved by Puan Seri Sharifah Zarah binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07<sup>th</sup> June 2018.

This policy covers :-

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

The estate is displayed at notice boards outside the office.

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

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

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

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

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

**Summary** The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2020'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

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

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

Sampled of worker salary taken:

- 1) Mr. AA – (Malaysian) ; 7745
  - August 2020 salary pay slip
  - 19 working day x RM 42.31 = RM803.89
  - Leave applied 2 days
  - Overtime – 57 hours = RM 452.01
  - Paid holiday = RM 84.62
  - Allowance = RM 57.00
  - Mandore incentive = RM 250.00
  - Gross salary = RM 1,647.52
  - Deduction:
    - Advance = RM 250.00
    - EPF = RM 97.00
    - SOCSO = RM 8.25
    - SIP = RM 3.30
  - Net salary = RM 1,288.97
- Mr. M (Indonesian) : AU 382388
- August 2020 salary payslip



- 20 working day x RM 42.31 = 846.20
- Paid holiday = RM 120.43
- Road side frond tipping = RM 253.86
- Harvesting rate pay = RM 1135.89
- Gross salary = RM 2,356.38
- Deduction
- Advance = RM 155.00
- Socso = RM 29.40
- Net salary = RM 2,171.98

**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** The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2020'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

As evidence:

- The estate contractor Yew Tah Enterprise Sdn Bhd

Address Jalan Yayasan 4/5 Taman Yayasan Segamat provide a backhoe and JCB machinery operation for maintenance work.

The salary of their two workers namely Muhlil passport No B 5783320 and Nursham passport No C5719973 had been paid based on the legal minimum standard.

For Muhlil May 2020 salary, sighted a signed payment voucher amounted RM 2,705 and for Nursham April 2020 salary, sighted a signed payment voucher RM 1753.00.

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

**Indicator 5** The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

**Summary** Sighted the Labour Registration Card as per Internal Security Act 1960 (Labour registration) regulation 3 requirement.

The information stated the name, IC /passport No & expiry date, age, date of birth, offered position, address, date of joining, pay rate, allowance, working hours, probationary period, overtime rate of pay, public holiday etc.

Sample of workers registration card:-



- Zulfakar b Samoin - Malaysian
- Ahmad Hadi - Indonesian
- Mahyudin - Indonesian

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

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

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

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

Sample of workers registration card:-

- Zulfakar b Samoin - Malaysian
- Ahmad Hadi - Indonesian
- Mahyudin - Indonesian

**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** The working hours is 8 hours, from 6.00 am to 2.30 pm and break from 11.00 am to 11.30 am. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law. Daily attendance recorded during muster call. Estate has used pocket check-roll as a working time recording system.

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

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

**Summary** The working hour and break time has been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties. For normal day overtime incurred will be at 1.5 of basic pay while for rest day it will be 2 times of basic pay and lastly for public holiday the overtime will be paid at 3 times of basic pay.

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

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

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

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

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

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

**Summary** All of the workers are under the SOSCO coverage, the estate clinic is open to all of the workers and their dependent with no charges.

The local has the obligatory to enlist in the Skim Insurance Pekerja on monthly nominal deduction.

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

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

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

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

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

**Indicator 12** The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.

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

The company committed to the following: -

- All employee shall be treated fairly in term of employment, progression, term and condition of work and representation regardless of gender race and religion nationality and political views.

- Prevent sexual harassment and other form of violence against women and to protect their reproductive right.
- To ensure this employment and sexual harassment policy is disseminated to and understood by all employee and stakeholders.

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

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

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

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

The gender committee meeting was conducted on 13.11.2019 and chaired by Puan Zafar Halifah binti Ismail. Attended by 5 participants and recorded there was no sexual harassment incidence in the estate.

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

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

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

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

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

**Criterion 6 Training and competency**

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

**Summary** Sighted Training Programme for OSH for 2020.

NO	Topic	Month programme	Date conducted	No of person attended
OSH				
1	SOP Harvesting	January, July	6.6.20	63
2	Tractor Maintenance& safe driving	April	24.1.20	20
3	Schedule Waste	April October	23.4.20 & 26.7.20	3 3
4	Internal auditor MSPO	March	25.6.20	18
5	Chemical Handling	October	10.6.20	4
6	MSPO Training	March	26.8.20	15
7	Awareness Training	May	24.1.20 12.3.20 23.4.20 10.6.20 6.7.20 26.8.20	93

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

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

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

Training Need Analysis 2020 as sighted was done according to the following column:

- 1) target group (operational staff, administration staff, foreman, hospital assistant, mandore, drivers, workers (weeder, harvester, sprayer, pest and disease, security)
- 2) Major task or position
- 3) Training/skills development required (Yes/No)
- 4) If yes, identify what training need exist
- 5) How will this be achieved (on the job, external training)

- 6) When to do
- 7) Who will organize
- 8) Training provider (Internal/External)

The 2020 training matrix for OSHA prepared by Estate assistant Mohd Shahrizan B Yusof and verified by estate Senior Manager Mr Chin Tong Lai that covers activities but not limited to such as PPE implementation and monitoring, First aid and kit, SOP, fire drill, worksite inspection, HIRARC, complaint and grievance, MSPO awareness.

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

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

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

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

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

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

### Criterion 1 Environmental management plan

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

**Summary** Kumpulan Melayu Johore Sdn Bhd has established Environmental Policy signed by Puan Seri Sharifah Zarah Binti Syed Kechik, the Managing Director of Kumpulan Melayu Johore Sdn Bhd dated 07<sup>th</sup> June 2018.

Based on the Environmental Policy, the estates are committed towards implementing the following practices:

1. To carry out estate activities in accordance with established legal and regulatory framework, those relating to environment quality.
2. To practice "Zero Burning" policy on new planting, replanting except in specific situation
3. To value the importance of river and ecosystem functions by minimizing environment pollution.
4. To ensure the estates activities follow the guidelines of the current industry practice and to maintain good balance between environmental protection and business objective.

5. To plan, implement, monitoring and measuring predetermined activities to mitigate environmental impacts and greenhouse effect
6. To promote and provide the awareness on environmental conservation through training to all employees and stakeholders, and
7. Ensure awareness of the environmental policy is disseminated to be understood and practiced by employees and stakeholders.

The Company has established the MSPO Procedure, titled: Environmental Management Plan (EMP), Ref No.: MSPO-06, Rev: 00, dated 01.04.2018, prepared by Mr. Mohd. Shahrizan Bin Yusof (Assistant Manager), approved by Mr Tang Peng Lam (Manager) on 01.04.2018.

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

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

### Summary

The estate management has conducted environmental aspect and impact assessment (EAIA) for all its' activities in year 2020. The environmental assessment findings are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) Guidance for Estate", prepared and approved by the following personnel;

Revision Date	PIC	Manager
02.02.2020	Mr. Mohd. Shahrizan Bin Yusof (Assistant Manager)	Mr. Chin Tong Lai (Senior Manager)

The environmental aspect & impact assessment (EAIA) register has identified 13 work activities covering elements of Environmental Aspect, Environmental Impact, Environmental Impact Analysis - (Frequency/likelihood (a), Consequences (b), Impact level (axb), Mitigation measures and monitoring program. EAIA is being reviewed on annual basis.

The EAIA Risk Matrix Table have been established and classified into 5 Severity Categories: Insignificant, Minor, Moderate, Major, Catastrophic. The Likelihood are categorized into rare, unlikely, possible, likely and almost certain. The environmental ratings are classified as Low Risk (1-4), Moderate Risk (5-10) and High Risk (12-25).

The environmental impact assessment has covered works/processes of the plantation includes;

1. Site clearing, construction of roads and establishment of camp
2. Use of petrochemical (petrol, diesel etc.) for transportation activities.
3. Human sewage waste generated from workers base camp
4. Human sewage waste generated from workers line site and office site
5. Domestic waste of from workers line site and office site
6. Disposal of scrap iron
7. Oil leakage from tractors/ lorries.
8. Disposal of clinical waste
9. Scheduled waste generation and spillage

10. Disposal of polybags and fertilizer bags
11. Chemical residue washed into water source
12. Smoke emission of heavy vehicle such as tractors, backhoe
13. Generation of empty chemical containers

The Environmental Management Plan (EMP) has been incorporated in the Environmental Aspect & Impact Assessment (EAIA) established by the estates which includes;

Environmental Aspect	Environmental Impact	Impact Level	Mitigation measures
Generation of empty chemical containers	Pollution of land	2	To build scheduled waste store and dispose by license contractor
Disposal of clinical waste	Land pollution	1	To dispose by "Kualiti Alam"
Disposal of polybags and fertilizer bags	Land pollution	1	To build scheduled waste store and dispose by license contractor
Scheduled waste generation and spillage	Land and water pollution	1	To build scheduled waste store and dispose by license contractor

**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** The Environmental Improvement Plan has been incorporated with the Environment Management and Improvement Plan Year 2020 prepared and approved by the following personnel;

Revision Date	PIC	Manager
01.01.2020	Mr. Mohd Shahrizan Bin Yusof (Assistant Manager)	Mr. Chin Tong Lai (Senior Manager)

Sample evidences of Environmental Improvement Plan (EIP) established by the estate include;

Action Plan	Proposed Date & (Status)
Briefing to workers (residents in quarters) about "Zero Burning" Policy	Completed
Save water campaign	Completed
3R campaign, reuse, reduce, recycle	Completed



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

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

**Summary** The program of Continuous Improvement Action Plan (Environmental) has been prepared and approved by the following personnel;

Revision Date	PIC	Manager
January 2020	Mr. Mohd Shahrizan Bin Yusof (Assistant Manager)	Mr. Chin Tong Lai (Senior Manager)

The Continuous Improvement Action Plan for the estate include;

1. Competent person for scheduled waste handling – Time frame - September 2020, attended by 1 personnel on 24.06.2020.
2. Increase the number of solar panels in the estate – time frame - June 2020
3. Signboard for open burning – time frame – April 2020
4. Increase biodiversity in plantation – throughout the year
5. Improve energy use efficiency – throughout the year
6. Promote integrated pest management to reduce usage of chemicals - throughout the year

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

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

**Summary** The training programme has been prepared by Mr. Mohd Shahrizan Bin Yusof (Assistant Manager) and approved by Mr. Chin Tong Lai (Senior Manager).

The training implementation on Environmental aspects for year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
Scheduled wastes handling	April 2020	23.04.2020	1 executive, 1 staff & 3 workers
Scheduled wastes handling	October 2020	26.07.2020	1 executive, 1 staff & 3 workers
MSPO training	April 2020	26.08.2020	1 executive, 1 staff & 15 workers
Environment (Aspect & Impact)	October 2020	Not due	In-Progress

**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 Sustainability Management Review Meeting was held on the following date;

Period	Date of meeting	No. of Attendees
2020	26.08.2020	12 psn

The Sustainability Management Review Meeting discussed the following environmental issues;

1. Continuous improvement plan
2. Environment, natural resources, biodiversity and ecosystem services

The Mesyuarat Alam Sekitar ke-4 was held on 10.12.2019 attended by 13 executives/staff and 4 workers representatives has discussed the following;

1. Tangka minyak diesel
2. Tempat parking jentera berat
3. Tong sampah hitam

**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** Monitoring of diesel, electricity and water usage is conducted by the estate based on litre/mt, kWh/mt and m<sup>3</sup>/mt FFB transported for a period of January 2020 to August 2020.

Description	January to August 2020
FFB,mt	29,573.66
Diesel, liter	66,274.35
Average, Liter/mt FFB	2.24
Diesel baseline value	1.88
Electricity, kWh	307,390
Average, kWh/mt FFB	10.39
Electricity baseline value	7.71
Water, m <sup>3</sup>	45,416
Average, m <sup>3</sup> /mt FFB	1.54
Water baseline value	1.46

The Energy Optimization Plan 2020 approved by the Estate Manager covers 3 methods of reduction plan, includes;

1. Reduce energy consumption
2. Reduce energy wastage
3. Innovation in energy use

**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 estimate of direct usage of non-renewable energy, electricity and water consumption for their operations in 2020 are;

Description	January to December 2020
FFB,mt	39,560
Diesel, liter	196,000
Average, Liter/mt FFB	4.95
Electricity, kWh	429,296
Average, kWh/mt FFB	10.85
Water, m <sup>3</sup>	149,780
Average, m <sup>3</sup> /mt FFB	3.79

Note: The Estate bore well has been provided with water flow meter to measure the quantity of water.

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

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

**Summary** Estate has no opportunity to use equipment with capability of using renewable energy at time of audit. Vehicles and equipment used for its operation are totally 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** Kumpulan Melayu Johore Sdn Bhd has established MSPO Procedure, Title: Waste Management Procedure, Ref No.: MSPO-05, Rev: 0, dated 01.03.2018.

The Company has identified the wastes (updated on 01.01.2020) which come from the following sources;

Type of Waste	Source	Disposal by
Chemical drums	Weeding works	Registered contractor/ Jabatan Pertanian Kota Tinggi/ triple rinse
Fertilizer bags	Manuring works	Registered contractor
Battery	Estate vehicles	Registered contractor
Spent lubricant oil	Estate vehicles	Registered contractor
Contaminated filter	Estate vehicles	Registered contractor
Clinical waste	Clinic waste	"Kualiti Alam"
Domestic waste	Labour and staff quarter	Landfill

The estate has identified all waste products as stated in the waste management plan 2020 to reduce pollution include;

1. SW102 – spent lead acid batteries
2. SW305 – Spent lubricating oil
3. SW404 – clinical waste
4. SW408 – contaminated soil, debris or matter resulting from clean-up of a spill of chemical, mineral oil or schedule wastes
5. SW410 – Used personal protective equipment (PPE)
6. SW409 – disposed containers, bags or equipment contaminated with chemical, mineral oil or scheduled wastes

The Scheduled Waste Inventory for the Estate includes;

SW Code	Name of Item	Date of 1 <sup>st</sup> Generated	Quantity (mt)	To-date as at 07.09.2020	Remarks
409	Empty Pesticides Container, 20L	31.01.2020	0.011	0.072	Non-SW
409	Empty fertilizer bags	30.01.2020	0.058	0.370	Non-SW
102	Spent batteries	09.04.2020	0.04	0.09	< 180 days
305	Used Lubricating oil	30.01.2020	0.093	0.910	> 180 days

Sighted letter from the estate, addressed to Pengarah, Bahagian Bahan Berbahaya, Jabatan Alam Sekitar dated 25<sup>th</sup> August, 2020 with regards to request for the retention period to be extended from 6 months to 24 months due to little amount of clinical waste generated. The clinical waste has been generated from January 2019 until the date of the letter (accumulated quantity of 655gram). Last disposal was on 20.01.2019.

**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:

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

**Summary** The MSPO Procedure, title: Waste Management Procedure (WMP), Ref No.: MSPO-05, Rev: 0, dated 01.04.2018 has been established by Kumpulan Melayu Johore Sdn Bhd with the objective to maximize recycling and minimize pollution. The program of WMP have been prepared and approved by the following personnel;

Revision Date	PIC	Manager
01.04.2018	Mr. Mohd Shahrizan Bin Yusof (Assistant Manager)	Mr. Chin Tong Lai (Senior Manager)

As a sample evidence of the Waste Management Plan for 2020 to Reduce Pollution include;

Waste Product	Source of Pollution & Control Measure	Action Plan to Reduce Pollution
Spent lubricating oil (SW305)	Vehicles (Tractors, lorry, Van & Motors) – stored in containers which are durable and able to prevent spillage or leaking – metal drum	Workshop to update inventory on spent lubricant oil every month and fill up Fifth Schedule as per requirement by DOE
	Vehicles (Tractors, lorry, Van & Motors)– spillage should be cleaned thoroughly using spill kit. Material used for cleaning should be kept in a container and be disposed as Scheduled Waste.	Proper management & handling should contain; 1. List of schedule waste (SW) generated. 2. Inventory of schedule waste generated (monthly) 3. Consignment notes 4. Cleanliness of SW store
	Vehicles (Tractors, lorry, Van & Motors)– proper label as per guideline in Third Schedule	By Chief Foreman & Storekeeper.
Dispose containers, bags or equipment contaminated with chemicals, pesticides,	Unused empty pesticide container, chemical bottle – empty pesticide container: triple rinse using clean water and puncture at least three holes.	Storekeeper to update inventory on collected SW409 at the end of every month and fill up Fifth Schedule as per requirement by DOE
	Unused empty pesticide container, chemical bottle – to reuse the container,	

mineral oil or scheduled wastes	triple rinse as per requirement stated in SOP and rinsed water shall only be applied to permitted areas only	
Domestic Waste (Organic Waste)	Housing quarters – wrap in a paper before being discarded into Bin	Assign workers (tractor drivers) to collect rubbish from quarters to be disposed into rubbish pit
	Housing quarters – Disposal by quarters should be only into dustbin provided by estate management	Management team to liaise with estate on rubbish pit and landfill, provided with appropriate mapping for every landfill
	Housing quarters – Rubbish collection to be done three times a week	To record the opening date and closing date for every pit dug for domestic waste disposal
	Housing quarters – ensure that no schedule waste Labour quarter were discarded together with domestic waste - segregation	Landfill should be at least 500 meters away from water source & residential area.

**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** Kumpulan Melayu Johore Sdn Bhd has established the Safe Operating Procedure for Handling Chemical; - Penerimaan, Penyimpanan, Pemindahan, Pengendalian dan Pelupusan Bahan Kimia Berbahaya which cover activities such as;

1. Menyembur racun
2. Pengeluaran racun di stor
3. Penyelenggaraan peralatan menyembur racun
4. Penyimpanan dan pelupusan bekas racun
5. Membeli racun
6. Penggunaan PPE semasa pengendalian racun
7. Membancuh/ penyimpanan semula racun
8. Pengurusan & penyimpanan tong racun kosong

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** Based on the Waste Management Plan 2020 prepared by Mr. Mohd Shahrizan Bin Yusof (Assistant Manager) on 01.01.2020 the following action includes;

Empty pesticide containers are to be treated as follow;

1. Empty containers are to be triple-rinsed and stored in a dedicated area.
2. Containers for reuse should be appropriately labeled and 3 holes are to be punctured at the base of those for disposal, and dispose through an appointed licensed contractor.

After mixing the chemicals, estate is to ensure the following;

1. All wash water is to be directed to a soakage-pit sited a distance away from the chemical mixing area.
2. No water should escape into field drains or streams.

**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** The domestic waste from the housing area is well managed and all domestic wastes are collected and disposed at the following designated landfill;

Collection frequency (times per week)	Location of landfill	Collection Date
2 times	Block 90A2	12, 16, 19, 23, 27, 30.08.2020

The measurement to control pollution contributed from domestic waste are;

1. Work Activity: Open burning of Domestic waste
2. Environmental Impact: Air pollution and GHG
3. Risk assessment (Likelihood): 1
4. Risk assessment (Severity): 1
5. Risk assessment (Risk Rating): 1 (low)
6. Action Taken: Enforce "No Open Burning" policy. Enforcement of disposal at landfill.

**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 polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA).

As a sample evidence, the assessment on greenhouse gas emissions has identified the following plan;

1. Work Activity: Emission of GHG from nitrogen fertilizer usage
2. Environmental Impact: Air pollution – global warming
3. Risk assessment (Likelihood): 2
4. Risk assessment (Severity): 2
5. Risk assessment (Risk Rating): 4 (low)
6. Action Taken: Application of fertilizer shall follow agronomist recommendation.

**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 pollutant from the work activity of human sewage waste disposal which will cause river pollution and disturb ecosystem of the river has been incorporated in EAIA such as;

1. Environmental Aspect: Human sewage waste generated from workers line site and office site
2. Environmental Impact: Pollution to soil and water course
3. Risk assessment (Likelihood): 1
4. Risk assessment (Severity): 1
5. Risk assessment (Risk Rating): 1 (low)
6. Mitigation measures: To give and establish rubbish bin
7. Monitoring program: Monthly

The action plan to reduce emission from the work activity of heavy machinery such as tractors and backhoe – emission of smoke which will cause air pollution has been incorporated in EAIA such as;

1. Environmental Aspect: Smoke emission of heavy vehicle such as tractors and backhoe
2. Environmental Impact: Air Pollution
3. Risk assessment (Likelihood): 3
4. Risk assessment (Severity): 3
5. Risk assessment (Risk Rating): 9 (Medium)
6. Mitigation measures: To reduce number of tractors or vehicle used
7. Monitoring program: 6 monthly period.

**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**

The MSPO Procedure, title: Water Management Procedure (WMP), Ref No.: MSPO-08, Rev: 00, has been established by Kumpulan Melayu Johore Sdn Bhd dated 01.04.2018.

The Water Management Plan for Estate have been prepared and approved by the following personnel;

Revision Date	PIC	Manager
01.01.2020	Mr. Mohd Shahrizan Bin Yusof (Assistant Manager)	Mr. Chin Tong Lai (Senior Manager)

The identification of water source is as follow;

1. Main drain has been used for general use and nursery – for watering palm, no treatment is required. For general use, water treatment is being conducted before distributed to labour quarter.
2. Rain water has been used for general use and nursery through water harvesting method
3. The bore well has been identified as a water source for estate resident drinking. Estate has engaged contractor to do water treatment and sampling.

Note: Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

The Water Management Plan established by the estates as tabulated below;

Details of Plan	Period
Record water usage	Monthly
Analyze water quality and ensure compliance with the legal requirements for in-house treated water and used for drinking, either from river or bore well	First initial, every quarterly
Analyze incoming water quality as well as outgoing water quality to determine if estate operations have a positive, zero or negative effect	First initial, every quarterly
Analyze ground water table if bore well is uses for water supply	Annually

One minor non-conformity has been raised to the estate. Kumpulan Melayu Johore Sdn Bhd has established MSPO Procedure, title: Waste Management Procedure (WMP), Ref No.: MSPO-08, Rev: 00, dated 01.04.2018 and water management plan for estate dated 01.01.2020. However, no analysis being conducted for incoming and outgoing water quality for Sungai Haus as well as ground water table for bore well.

**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** There is a river flowing across the estate land i.e. Sungai Haus. No bunds, weirs or dams being constructed across the river.

**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** There were road side drains constructed along the main roads to divert and conserve water at designated points.

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

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

**Indicator 1** Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:

- a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
- b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

**Summary** Kumpulan Melayu Johore Sdn Bhd has established the Rare, Threatened, Endangered and High Biodiversity Management Procedure, Ref No.: MSPO-07, Rev: 00, dated 01.04.2018.

The information about wildlife species availability in the estate has been obtained from Pejabat Perhilitan Bandar Penawar which includes among others;

Kelas	Nama Tempatan	Status Perlindungan Akta Pemuliharaan Hidupan Liar 2010 (Akta 716)
Mamalia	Gajah Asia	Jadual Kedua
	Tapir	Jadual Kedua
	Kucing batu	Jadual Kedua

	Babi bodoh	Jadual Kedua
	Tenggalong	Jadual Kedua
Aves	Lang berjambul	Jadual Kedua
	Ruak-ruak	Jadual Kedua
	Cecawi anting-anting	Jadual Kedua
	Belatok ranting	Jadual Kedua
	Jampuk kubur	Jadual Kedua
	Enggang kelingking	Jadual Kedua
	Enggang gatal birah	Jadual Kedua
Reptilia	Biawak air	Jadual Pertama
	Ular tedung selar	Jadual Pertama
	Ular sawa	Jadual Pertama
	Ular punti/ tiong	Jadual Pertama

**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** The identification of High Biodiversity Value Habitat and Conservation Status include;

Biodiversity Value habitat	Evidence	Findings
HCV 1 – Concentrations of biological diversity including endemic species, and rare, threatened or endangered (RTE) species that are significant at global, regional or national levels.	Sources from Jabatan Perhilitan Desaru Johor and observation in the field	Present
HCV 3 - Rare, threatened, or endangered ecosystems, habitats or refugia.	Sources from Jabatan Perhilitan Desaru Johor and observation in the field	Present
HCV 4 – Basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes.	Water catchment maintain by the estate, planted Vertivar grasses.	Present

Note: It was reported by Mr. Mohd Shahrizan Bin Yusof (Assistant Manager) and Mr. Chin Tong Lai (Senior Manager) elephant intrusion in the estate has occurred this year and has been promptly reported to the Jabatan Perhilitan Desaru Johor. The report on the damage done by the elephant has been documented and furnished together with pictorial evidence.

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

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

**Summary** The high biodiversity monitoring sheet has been used on 20.05.2020 as a checklist to check the following monitoring indicator;

Location	Field and Jalan Utama from mile 17 of Mersing Road
Monitoring Date	20.05.2020
Parameter	Findings
Endangered species/ wildlife	Refer endangered species file
Signage HCV Marking/ Illegal hunting, etc.	Papan tanda telah dipasang
Riparian Zone	Kawasan ini telah diletak papan tanda
Illegal hunting activities	Tiada aktiviti ini di Kawasan ladang. Papan tanda "Di larang Memburu" telah dipasang
Land/ water pollution/ chemical spraying	Tiada penyemburan racun di Kawasan HBV. Arahan telah diberikan secara lisan supaya kawasan-kawasan ini tidak dilakukan sebarang aktiviti.
Other activities observed that may impact HBV protection	Nil

**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** No burning of oil palm residue during replanting activities in the estate.

Kumpulan Melayu Johore Sdn Bhd committed towards implementing the following practices on environment:

1. To carry out estate activities in accordance with established legal and regulatory framework, those relating to environment quality.
2. To practice "Zero Burning" policy on new planting, replanting except in specific situation

Sighted signage of "No Open Burning" been erected by the estate at the strategic locations.

The estates commitment on "No Open Burning" has been established in its EAIA which include the following;

1. Work Activity: Open burning of Domestic waste
2. Environmental Impact: Air pollution and GHG
3. Risk assessment (Likelihood): 1
4. Risk assessment (Severity): 1

5. Risk assessment (Risk Rating): 1 (low)
6. Action Taken: Enforce "No Open Burning" policy. Enforcement of disposal at landfill.

**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** Estate replanting programme based on estate operation policies and agronomic practices.

No significant risk of diseased palm was reported in the estate. Open burning during new plantings and re-plantings is not allowed.

Estate replanting programme is based on document on Estate Operation Policies and Agronomic Practices.

No special approval needed by the estate to carry out the controlled burning as no outbreak of pest and diseases reported thus far.

**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** Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to the employees and stakeholders.

No controlled burning being sought by the estate.

During replanting process, the palm trunk is to be chipped to not more than 10cm thick (approx. 3 inches) to allow rapid disintegration and decomposition of the residue. Remnants of palm bole tissues and bulk of the root mass are to be dug out, broken up and the hole refilled. The shredded pieces are to be stacked in single rows and layer to reduce the thickness of the stack.

**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** The following practices has been implemented by the management during replanting:

1. The palm trunk is to be chipped to not more than 10cm thick (approx. 3 inches) to allow rapid disintegration and decomposition of the residue. Remnants of palm bole tissues and bulk of the root mass are to be dug out, broken up and the hole refilled.

2. The shredded pieces are to be stacked in single rows and layer to reduce the thickness of the stack.

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

## 2.6 Principle 6 : Best practices

### Criterion 1 Site management

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

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

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

Estate have 4 types of Manuals-

- 1) Good Agriculture Practice – Ladang Kumpulan Melayu
- 2) Standard Operating Procedure & Safety Operating Procedure
- 3) - Occupational Safety & Health - Safe Operating Procedure for Oil Palm Estate
- 4) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi

Sighted the visiting agent report for Jun 2020 which was done by Plantation Agencies Sdn Bhd. The visit will be conducted every 2 months.

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

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

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

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

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

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

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

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

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

**Criterion 2 Economic and financial viability plan**

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

**Summary** Estate had an annual budget for the financial year 2020 – 2022. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2020/2024.

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

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

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

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

**Summary** Sighted the 4 years replanting program for Ladang Kumpulan Melayu Johor from 2020 until 2023. The details as per table below:

Planting Year	Area	Ha
2020	89I 90A1 91D 91E	286.18
2021	90B 90C 91A 2006	267.80
2022	90A2 91B	289.09

	91C Cocoa	
2023	Nil	Nil

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

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

**Summary** Estate had an annual budget for the financial year 2020 – 2022. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2020/2024.

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

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

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

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

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

Sighted the visiting agent report for Jun 2020 which was done by Plantation Agencies Sdn Bhd. The visit will be conducted every 2 months.

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

### **Criterion 3 Transparent and fair price dealing**

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



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

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

Sighted the contract agreement between Ladang Kumpulan Melayu Johor with Yew Fah Enterprise. The contract shall remain in force for 1 year commencing from 1<sup>st</sup> January 2020 until 31<sup>st</sup> December 2020.

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

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

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

- Sighted the Contract Agreement between estate with Yew Fah Enterprise (FFB Harvesting) sealed on 01.01.2020
- Sighted the Contract Agreement between estate with Tulus Jaya Contract Works (FFB Harvesting) sealed on 01.01.2020
- Sighted the Contract Agreement between estate with Liew Kim Fah Plantation Sdn Bhd (FFB Transport) sealed on 01.01.2020

Payment will be paid between 10-15 days every month after the estate received the invoice from contractors.

As evidence sighted the invoice send by:

- Tulus Jaya Contract Works (FFB Harvesting) to estate on 31<sup>st</sup> July 2020. Estate paid to the contractor on 07<sup>th</sup> August 2020.; Cheque no: 236041; RM 42,817.22
- Liew Kim Fah Plantation Sdn Bhd (FFB Transport & Others Job) to estate on 31<sup>st</sup> July 2020. Estate paid to the contractor on 07<sup>th</sup> August 2020.; Cheque no: 236042; RM 74,494.83.

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

#### **Criterion 4 Contractor**

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

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

As evidence, the management has included a clause in the contract agreement between the Ladang Kumpulan Melayu and Tulus Jaya Contract Works, stating that, "the

contractor must understand the requirements of MSPO standard and should provide the required documentation and information where necessary to any visiting MSPO auditor”.

- Sighted the contract agreement/payment slip for their workers (Tulus Jaya Contract Works):
- Mr. R (Harvester)
  - Aug 2020  
= RM 2,287.80
  - July 2020  
= RM 2,281.00
  - June 2020  
= RM 2,529.90
- Sighted the contract agreement/payment slip for their workers (Liew Kim Fah Plantation Sdn Bhd):
- Mr. E P (Harvester)
  - Aug 2020  
= RM 1,500.00
  - July 2020  
= RM 1,500.00
  - June 2020  
= RM 1,500.00
- Mr. M A (Harvester)
  - Aug 2020  
= RM 2,862.00
  - July 2020  
= RM 2,765.00
  - June 2020  
= RM 3,318.00
- Sighted the contract agreement/payment slip for their workers (Yew Fah Enterprise):
- Muhlil (Harvester) – C5718792
  - May 2020  
= RM 2,705.60
  - Apr 2020  
= RM 2,977.80

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

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

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

- Sighted the Contract Agreement between estate with Yew Fah Enterprise (FFB Harvesting) sealed on 01.01.2020
- Sighted the Contract Agreement between estate with Tulus Jaya Contract Works (FFB Harvesting) sealed on 01.01.2020
- Sighted the Contract Agreement between estate with Liew Kim Fah Plantation Sdn Bhd (FFB Transport) sealed on 01.01.2020

**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 07<sup>th</sup> September 2020. Sighted audit plan dated 02<sup>nd</sup> September 2020 (2<sup>nd</sup> Revised) which have been accepted address to Mr. Chin Tong Lai, (Estate Sr. Manager). All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

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

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

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

## 2.7 Principle 7 : Development of new planting

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

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

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

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

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

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

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

**Criterion 2 Peat land**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Criterion 4 Soil and topographic information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Criterion 6 Customary land**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

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



## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
06 <sup>th</sup> September 2020	TBA	➤ <b>Travelling to Kota Tinggi, Johor.</b>	MS	ABS RMN
07 <sup>th</sup> September 2020	08:00 – 09:00	➤ <b>Opening Meeting at Ladang Kumpulan Melayu Johor:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	MS	ABS RMN
	09:00 – 13:00	<b>Ladang Kumpulan Melayu Johor</b> <ul style="list-style-type: none"> <li>➤ <b>Document 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	ABS RMN
	10:30 – 12:30	➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	MS	ABS RMN
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	ABS RMN
	14:00 – 16:00	➤ <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>	MS	ABS RMN
	16:00 – 16:30	➤ Verify any outstanding issues and auditor discussion.	MS	ABS RMN
	16:30 – 17:00	➤ <b>Closing Meeting at Ladang Kumpulan Melayu Johor:</b> <ul style="list-style-type: none"> <li>➤ Chaired by the audit Lead Auditor</li> <li>• Welcome and introduction by the Lead Auditor</li> <li>• Presentation of findings by the audit team</li> </ul>	MS	ABS RMN

		<ul style="list-style-type: none"><li>• Questions &amp; answers and Final summary by Lead Auditor</li></ul> <p>➤ <b>End of assessment</b></p>		
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## Appendix B : Non-Conformity details

### Non-Conformities Identified During This Audit

<b>Major Nonconformities:</b>	Non-were raised during this audit.
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<b>Minor Nonconformities:</b>	The following NC's were raised for this audit.
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<b>Company Name</b>	Kumpulan Melayu Johore 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>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders													
<b>Client Number</b>	GGC-L1-MSPO-2019													
<b>NC No. / Ref.</b>	L1/MSPO/MINOR/01	<b>Date Detected</b>	07 <sup>th</sup> September 2020											
<b>Site(s) concern</b>	Ladang Kumpulan Melayu	<b>Target Completion</b>	Next Surveillance Audit											
<b>Normative Reference and Requirement</b>	4.3.1.1 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 "Employees' Social Security Act 1969".</li> <li>Non-compliance to Environmental Quality Act 1974 (Act 127), Environmental Quality (Scheduled Wastes) Regulations 2005; PU(A) 294/2005</li> <li>Non-compliance to OSHA USECHH Regulations 2000</li> <li>Non-compliance with Regulation 10 (1) of Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970</li> </ul>													
<b>NC Objective Evidence:</b>														
<ul style="list-style-type: none"> <li>During the audit assessment at Ladang Kumpulan Melayu, sighted monthly payment for contractors' workers being made by the contractors. However, there is no evidence the calculation of SOCSO payments that should be contributed by the employer stated in the monthly salary statement/pay-slip accordance to Employees' Social Security Act 1969.</li> <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 style="width: 15%;">SW Code</th><th style="width: 25%;">Description</th><th style="width: 20%;">Quantity Accumulated</th><th style="width: 20%;">Date of its first generated</th><th style="width: 20%;">Remarks</th></tr> </thead> <tbody> <tr> <td>305</td><td>Spent lubricating oil</td><td>0.91mt</td><td>30.01.2020</td><td>221 days</td></tr> </tbody> </table>					SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks	305	Spent lubricating oil	0.91mt	30.01.2020	221 days
SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks										
305	Spent lubricating oil	0.91mt	30.01.2020	221 days										

**NC Objective Evidence:**

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).

- Annual medical surveillance for pesticide operators had been implemented in accordance with OSHA USECHH Regulations 2000. Workers (sprayers) under Liew Kim Fah (Estate Contractors) were not in the list for Medical Surveillance and estate was not able to produce documented evidence on the lapses.
- There is no "Perakuan Kelayakan Pengandung Tekanan Tak Berapi", for Horizontal Air Receiver, Serial No. 8601705, Drg No. L-DP510085N02, Type: HVU-205N, Hydraulic Pressure: 213PSI, Year of manufactured: April 2018.

**Lead Auditor Signature:**



**Client Signature:**

KUMPULAN MELAYU JOHORE SDN. BHD.  
(10979-H)  
Ladang Kumputan Melayu  
  
CHIN TONG LAI  
SENIOR MANAGER

**Root cause Analysis (to be filled by client):**

- 1) The contractor did not follow the contracts agreement as the contract agreement stated all the regulation and act related to workers that must be followed.
- 2) The Estate did not record and followed the DOE regulation to dispose all the waste within 180 days or the schedule waste that quantity exceeded 20mt.
- 3) The Estate did not send the contract workers for medical surveillance as the current practice only checkroll workers send for medical surveillance.
- 4) The Estate did not have "Perakuan Kelayakan Pengandung Tekanan Tak Berapi".



**Corrective action planned (to be filled by client):**

- 1) Estate has given a letter to all the contractors regarding the SOCSO issue. The contract meeting will be held between November and December 2020 to discuss further on this issue.
- 2) Letter to "Pengaruh Bahan Berbahaya Jabatan Alam Sekitar, Putrajaya" has been send on 26<sup>th</sup> August 2020 regarding the extension of Clinical waste and to dispose through our Panel Doctor. Estate will improved on the inventory records for all schedule waste that has been declared before and update every month using E-Swiss as well as to dispose the waste before the allocated time.
- 3) Estate has send 2 contract sprayers for medical surveillance on 30<sup>th</sup> September 2020, Estate will list and schedule the medical surveillance for all the check roll and contract sprayers every year.



4) En Nohd Shahrizan Bin Yusof the Assistant Manager went to DOSH Johor Bahru and met the DOSH officer and collected all the information regarding the application to get the "Perakuan Kelayakan Pengandung Tekanan Tak Berapi". All the procedure are using online and the officer will do the assessment before they certified. Estate estimate to solve the issue before next year 2021.	
<b>Preventive Action (to be filled by client):</b>	
1) To monitored and conduct training regarding all contract matters. 2) To appointed 1staff to update and monitored schedule waste record. 3) To identified number of contractors spraying every year and schedule the medical surveillance. 4) To recheck and monitor any compulsory license related to estate operation.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
All the corrective action planned evidence submitted were found adequate and therefore this minor non-compliance will be verified by next surveillance audit.	
<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>Company Name</b>	Kumpulan Melayu Johore Sdn Bhd		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-L1-MSPO-2019		
<b>NC No. / Ref.</b>	L1/MSPO/MINOR/02	<b>Date Detected</b>	07 <sup>th</sup> September 2020
<b>Site(s) concern</b>	Ladang Kumpulan Melayu	<b>Target Completion</b>	Next Surveillance Audit
<b>Normative Reference and Requirement</b>	4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.		
<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>	No records are made available during audit.		



<b>NC Objective Evidence:</b>	
Kumpulan Melayu Johore Sdn Bhd has established MSPO Procedure, title: Waste Management Procedure (WMP), Ref No.: MSPO-08, Rev: 00, dated 01.04.2018 and water management plan for estate dated 01.01.2020. However, no analysis being conducted for incoming and outgoing water quality for Sungai Haus as well as ground water table for bore well.	
<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b>  KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu CHIN TONG LAI SENIOR MANAGER
<b>Root cause Analysis (to be filled by client):</b>	
<ol style="list-style-type: none"> <li>1) Estate did not have contractor that can conduct water quality analysis.</li> <li>2) The early information gathered and declared the drain act as outgoing water flow and did not declared as Sungai Haus.</li> </ol>	
<b>Corrective action planned (to be filled by client):</b>	
<ol style="list-style-type: none"> <li>1) Estate has appointed Kenep Resources (Asia) Sdn Bhd to conduct all necessary issues regarding water analysis and other compulsory that related to act and regulation.</li> <li>2) En Mohd Shahrizan Bin Yusof Assistant Manager has met "Jabatan Perparitan dan Saliran" officer to confirm the information regarding Sungai Haus location.</li> </ol>	
<b>Preventive Action (to be filled by client):</b>	
Annual schedule for water analysis for Estate.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
All the corrective action planned evidence submitted were found adequate and therefore this minor non-compliance will be verified by next surveillance audit.	
<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>	The following AOC's were raised for this audit.
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Non-Conformities Identified During Previous Audit			
<b>Major Nonconformities:</b>	Non-were raised during this audit.		
<b>Minor Nonconformities:</b>	The following NC's were raised for this audit.		
<b>Company Name</b>	Kumpulan Melayu Johore Sdn Bhd		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-L1-MSPO-2019		
<b>NC No. / Ref.</b>	L1/MSPO/MINOR/01	<b>Date Detected</b>	29 <sup>th</sup> April 2019
<b>Site(s) concern</b>	Ladang Kumpulan Melayu Johor	<b>Target Completion</b>	Next Surveillance Audit
<b>Normative Reference and Requirement</b>	4.2.1.1 Minor The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.		
<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>	No evidence during the audit.		
<b>NC Objective Evidence:</b>  No evidence MSPO Awareness being conducted to all internal stakeholders. Furthermore, in the interview session with internal stakeholders during site visit, they are still lack of awareness on MSPO compliance.			
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b>  KUMPULAN MELAYU JOHORE SDN. BHD. (10979-H) Ladang Kumpulan Melayu CHIN TONG LAI SENIOR MANAGER	
<b>Root cause Analysis (to be filled by client):</b>			
Stakeholders were not given any hardcopy of the MSPO requirements and Stakeholder meeting objectives.			
<b>Corrective action planned (to be filled by client):</b>			

To circulate a one-page MSPO requirements to all Stakeholders registered in the Estate Stakeholders List.  
Completion Date: 25 May 2019.

**Preventive Action (to be filled by client):**

To provide MSPO requirements handouts during the next Stakeholders meeting.

**Review of corrective/preventive action (to be filled by Lead Auditor)**

All the evidence submitted were found adequate and verified by the audit team. Therefore, this minor non-compliance is closed.

**NC Closed:** ☒ Yes ☐ No

**Site verification:** ☐ Yes ☒ No




**Date Verified:** 07<sup>th</sup> September 2020

**Lead Auditor Signature:**



<b>Company Name</b>	Kumpulan Melayu Johore 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-L1-MSPO-2019			
<b>NC No. / Ref.</b>	L1/MSPO/MINOR/02	<b>Date Detected</b>	29 <sup>th</sup> April 2019	
<b>Site(s) concern</b>	Ladang Kumpulan Melayu Johor	<b>Target Completion</b>	Next Surveillance Audit	
<b>Normative Reference and Requirement</b>	4.4.1.1 Minor Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.			
<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>	There is no evidence sighted during the audit.			
<b>NC Objective Evidence:</b>				
No Social impact being identified and plans be implemented to mitigate the negative impacts and promote the positive ones.				



<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b>  KUTUBILAH Melayu JOHORE SDN. BHD. (10979-H) Ladang Mumpukan Melayu CHIN LONG LAI SENIOR MANAGER
<b>Root cause Analysis (to be filled by client):</b>	
MSPO Social Impact Assessment procedure not implemented fully.	
<b>Corrective action planned (to be filled by client):</b>	
1.0 To conduct SIA survey using the Survey form, see attachment. 2.0 To analyse the SIA survey conducted and compile a SIA report. 3.0 To establish a SIA Management plan to mitigate the negative impacts and promote the positive ones.	
<b>Preventive Action (to be filled by client):</b>	
1.0 To ensure SIA Management plan is audited during the internal audit. 2.0 To discuss the effectiveness of the SIA management plan in the Management review meeting.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
All the evidence submitted were found adequate and verified by the audit team. 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> 07 <sup>th</sup> September 2020	<b>Lead Auditor Signature:</b> 

## Appendix C : List of Stakeholders Contacted

### Attendance List

#### Internal Stakeholders

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

#### External Stakeholders

- 1) Contractors
- 2) Suppliers