

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

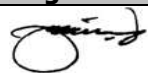
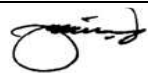

CERTIFICATION AUDIT REPORT


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

The Nyalas Rubber Estates Limited

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT 01
28th July 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	24/08/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	10/09/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	22/09/2020	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by The Nyalas Rubber Estates Limited					
Rev	Date	Description	Management Representative	Role	Signature
B	22/09/2020	Acceptance of the contents	Mr. Raventhiran S/O Vanoogopal	Estate 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 The Nyalas Rubber Estates Limited. During this Annual Surveillance Audit (ASA 1), the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists only The Nyalas Rubber Estates Limited.

This assessment was conducted onsite on 28th July 2020 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

1.2 Company details and Contact information

Company Name	The Nyalas Rubber Estates Limited
Business Address	The Nyalas Rubber Estates Limited, Asahan, P.O, 77100, Asahan Melaka.
Contact Person	Mr. Raventhiran S/O Vanoogopal
Office Telephone	+606 5229678
E-Mail	hq@nyalasestate.com

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

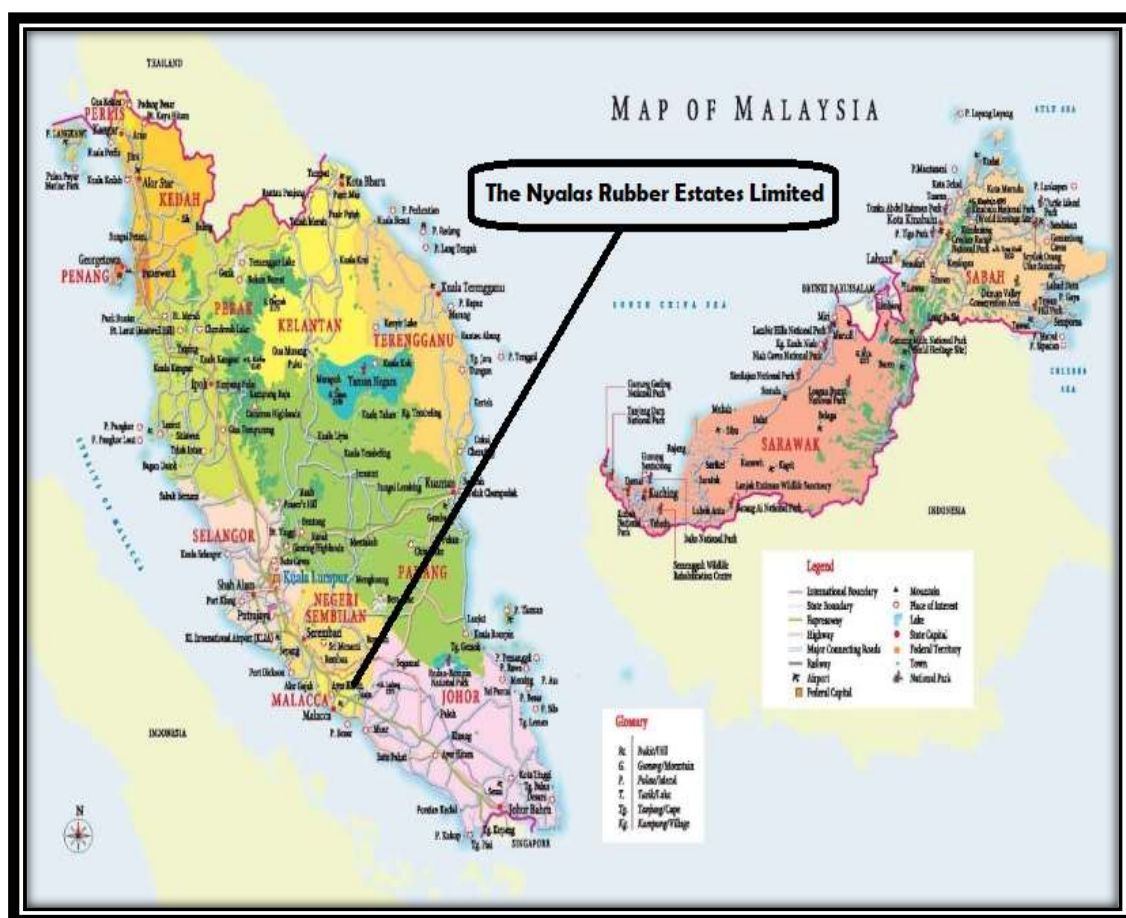
No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	The Nyalas Rubber Estates Limited	Nyalas Estate, Asahan P.O 77100 Asahan, Melaka.	E 102.469710	N 2.445424

MPOB License Information

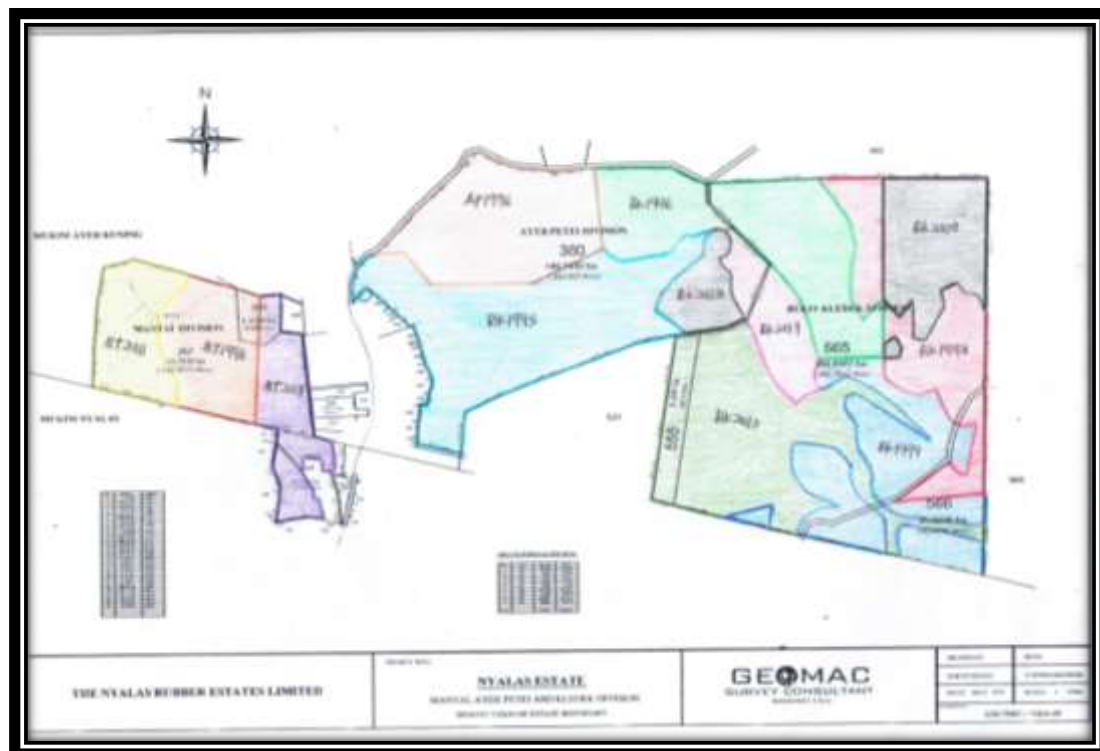
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Nyalas Estate (Guba / Meriang Div)	501412602000	31.12.2020	"Menjual & Mengalih FFB"
1.	Nyalas Estate (Bukit Keledok Div)	501826102000	31.12.2020	"Menjual & Mengalih FFB"

Others Sustainability Certification

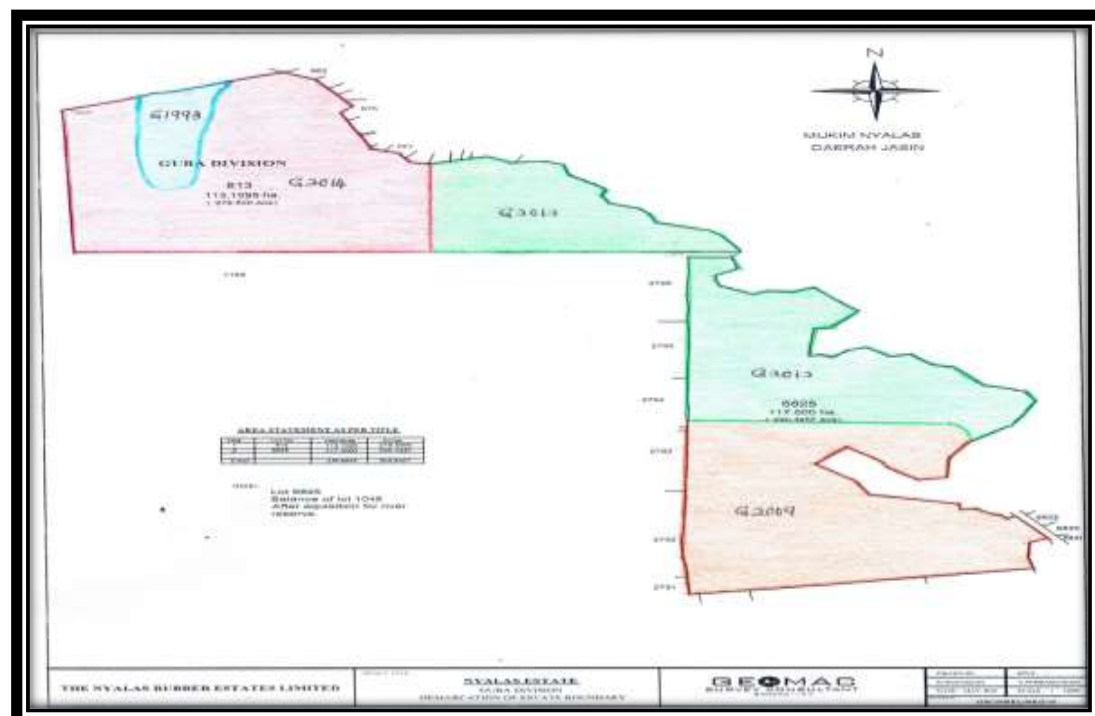
No	Name Of The Site	Others Sustainability Certifications
1.	The Nyalas Rubber Estates Limited	NIL

1.4 Map Showing Geographical Location**1) The Nyalas Rubber Estates Limited**

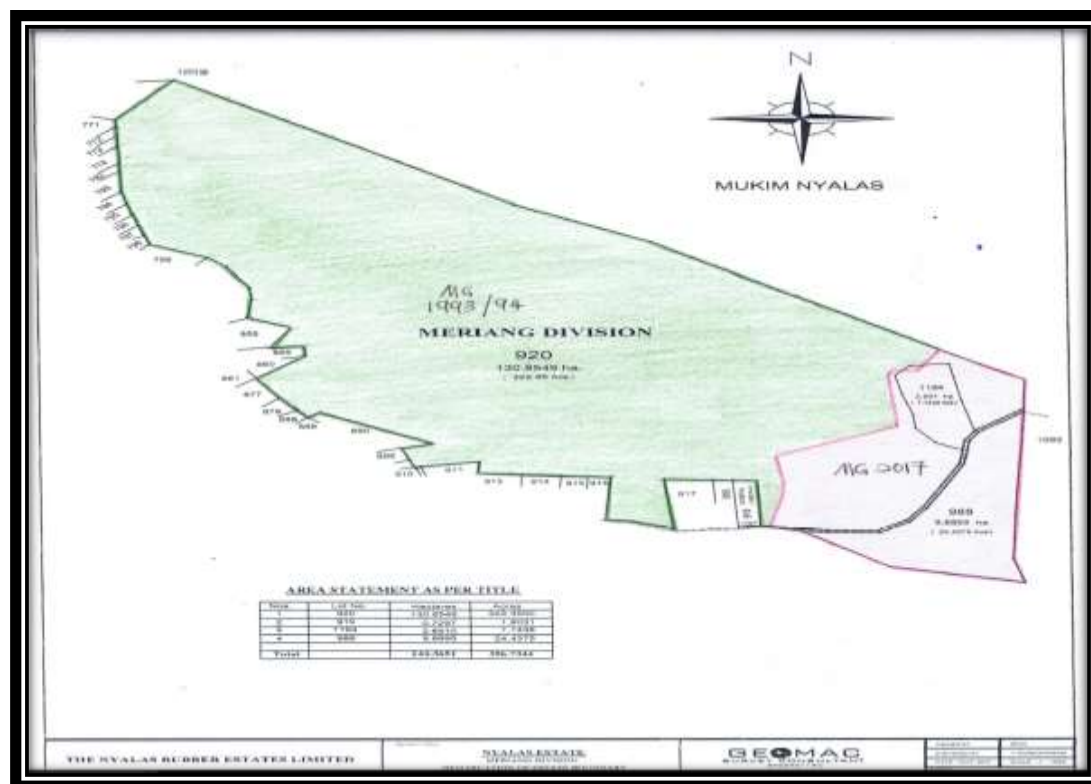
2) Nyalas Rubber Estate



3) Nyalas Rubber Estate – Guba Division



4) Nyalas Rubber Estate – Meriang Division



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

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
The Nyalas Rubber Estates Limited	813.69	785.47	731.22
Total	813.69	785.47	731.22

Name of the Certification Unit	Area Summary (HA)		
	Conservation Area	HCV	Others
The Nyalas Rubber Estates Limited	Nil	Nil	28.22
Total	Nil	Nil	28.22

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [July 2019-June 2020]	Projected Production for next 12 Months [July 2020-June 2021]
The Nyalas Rubber Estates Limited	13,780.00	12,409.08	13,780.00
Total	13,780.00	12,409.08	13,780.00

1.6 Certificate Details

Certification body

Global Gateway Certifications Sdn. Bhd.,
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,
68000 Ampang,
Selangor Darul Ehsan, Malaysia.
Tel.: +603 4256 2689; Fax: +603 4256 2687
Website: www.ggc.my

Assessment standard

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

Certificate number

GGC-TNR001-MSPO-01-2019

Initial certificate issued date

06th September 2019

Certificate expiry date

05th September 2024

Stage 1 assessment date

25th April 2019

Stage 2 / Main Assessment

28th June 2019

Annual Surveillance 1 [ASA 1]

28th July 2020

Annual Surveillance 2 [ASA 2]

July 2021

Annual Surveillance 3 [ASA 3]

July 2022

Annual Surveillance 4 [ASA 4]

July 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

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

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

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

Auditor

Name: **Surenthiran Panneerselvam**

Graduated in PgDip/MSc Oil and Gas Accounting from University of Abertay Dundee, Scotland, UK. Equipped with experience in financial audit, internal audit and sustainability audit. Have more than 8 years working experience. Qualified and involved in MSPO Audit Assessment since year 2017.

Fully trained in audit certification such as MSPO (Malaysian Sustainable Palm Oil), MSPO SCCS (MSPO - Supply Chain) RSPO (Roundtable Sustainable Palm Oil), ISO9001:2015 (Quality Management System), ISO37001:2016 (Anti Bribery Management System). Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Stakeholder's Consultation and Social Responsibility, Health, Safety and Employment Condition. Able to communicate in both Bahasa Malaysia and English (written and spoken).

Auditor

Name: **Baskaran Sankaran**

Master of Occupational Safety & Health Risk Management from Open University Malaysia, Diploma in Mechanical Engineering and Management Programme. More than 20 years of working experience in various industries. Involved in RSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia and Indonesia.

Completed ISO 9001:2008 and ISO 14001:2004 lead auditor course in 2006 & 2010. Also completed RSPO Lead Auditor training in December 2014. Qualified as Lead Auditor/Auditor in several certification programme such as RSPO, MSPO, ISO and etc. Member of GGC MSPO audit team.

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

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as the estate applied for individual certification.

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.

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

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

1.9 Audit Plan Information

Audit Date	28 th July 2020
Name of site(s) visited	The Nyalas Rubber Estates Limited
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	2	Open (Next Surveillance Audit)
Area of Concern	2	No action requires
Noteworthy /Positive Comments	6	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"> • They have good understanding about MSPO. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They were treated equally with no discrimination based on gender. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1, 200.00 per month and understand all the deductions being made. 	No action requires	Positive findings
2.	Stakeholders B (Harvesting Gang)	<ul style="list-style-type: none"> • Good understanding about MSPO. 	No action requires	Positive findings

		<ul style="list-style-type: none"> • They are very happy with the management and hopes to extend their contract. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1, 200.00 per month and no issue on wages received as well as the deductions made. 		
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. • They were aware that any complaints or suggestions could be forwarded to the estate management. • The company has good relation with supplier and there is no issue with company's performance. 	No action requires	Positive findings
4.	Stakeholders E (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> • There was no discrimination, sexual harassment or violence case reported thus far. • The Management is quite supportive on the Committee activities. 	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 The Nyalas Rubber Estates Limited. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Annual Surveillance Audit (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 and 2 area of concerns have been raised to the facility that being audited.

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

1.13 Date of Next Surveillance Audit

The next 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 Policy available title "Sustainable Palm Oil Policy" for MSPO implementation based on 7 principles in MS 2530: 2013 standards. Policy is approved by company Executive Director, Mr. A. Balaraman dated 23rd December 2017. The policy been displayed at office notice board. Policy also emphasized on continuous improvement, ensure protection and preservation of RTE species and high biodiversity values.

Record of briefing to workers sighted during the audit. Briefing was done on 21st July 2020 attended by 17 estate workers. Training / briefing was given by En. Muhammad Shafiq Bin Yusof. Workers understanding on the MSPO has been verified during interview session with estate workers.

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

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

Summary The company has established a MSPO Policy which stating their commitment to implanting the following sustainable practices. The policy was signed by the Executive Director/General Manager dated 23rd December 2017.

The company is committed to:

1. Comply with the requirements of sustainable plantation operations
2. Comply with all legal and specific requirements
3. Comply with and practice good social responsibility, health and safety and employment condition for our people
4. Safeguard the environment
5. Continuously improve our sustainable management system

Management commitment is evident from the various improvement plan including continuous training plan on sustainability, health & safety and introduction of new technology to improve efficiency, etc.

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 Estate management has established internal audit program dated on 1st July 2018. As seen, 4th internal audit was conducted on 6th July 2020.

Sighted internal audit checklist and report which has identified weak points for improvement and positive findings. Corrective action been identified by the estate management in the internal audit report for non-conformance reported. The internal audit surveillance 1 was conducted by SPO Consultancy Sdn Bhd (Mr. Wee Kow Ngoh and Mr. K.Raman). As per internal audit report, in total 6 AOC were raised during the audit. Sighted internal audit report conducted by SPO Consultancy Sdn Bhd, dated on 6th July 2020, [Ref: Report no: Nyalas Estate 1/2020].

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

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

Summary Sighted internal audit report conducted by SPO Consultancy Sdn Bhd, dated on 6th July 2020, [Ref: Report no: Nyalas Estate 1/2020]. In total, 6 area of concern has been raised during the internal audit. Estate management has taken action by providing internal audit closure presented to internal auditor dated on 11th July 2020, sighted the email response sent to internal auditor (Mr. Wee – SPO Consultancy Sdn Bhd).

- AOC 1: 4.3.1.1 (SIA)
- AOC 2: 4.4.4.2 (c) – Training programme
- AOC 3: 4.4.4.2 (g) – OSH meeting
- AOC 4: 4.4.5.3 – Contract agreement
- AOC 5: 4.4.6.1 – Training programme
- AOC 6: 4.5.1.6 – Environmental meeting

Internal audit frequency is once a year prior to the external audit schedule, within 10 months from the date of the last certification. Sighted in SOP – Internal Audit. Internal audit plan is available, as per Flow Chart of Internal Audit – [Establishing the internal audit program].

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

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

Summary The internal audit report has been submitted to management for review on 21st July 2020 involving with manager, and other executives. During the meeting, internal audit report findings has been discussed. Sighted the meeting minutes prepared by En. Norhafizan Bin Ab Aziz.

Management review has been conducted on 7th September 2019, discussing on NC raised during MSPO Main Assessment audit. Action taken has been discussed and taken upon management decision.

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	<p>Management review has been conducted on 7th September 2019, discussing on NC raised during MSPO Main Assessment audit. Action taken has been discussed and taken upon management decision.</p> <p>Estate management will send the "General Estate Report" on quarterly basis to HQ. The last report was sent on 9th March 2020. The report consists of information on labour status, FFB yield, Replanting programme, other activities such as contribution to workers during MCO lockdown.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>The Nyalas Rubber Estate Limited has established Sustainability Policy. Approved by Mr. A. Balaraman, General Manager; Dated on 23rd December 2017. Stated in the Sustainability Policy; Point no 5 – "To continuously our sustainable management system".</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>The company disseminate the new information and techniques or new industry standards and technologies through the training. As per interview with estate manager, estate management has sign up on newsletter with the local authority and other related palm oil agencies to receive the updates. As example, MPOA, MPOB, Labour Office will send an email to estate if there are any new or updated information about the industry.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>The company disseminate the new information and techniques or new industry standards and technologies through the training.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

Summary The Nyalas Rubber Estates Limited has established the Stakeholder Consultation and Communication Procedure; Date: 01st January 2019.

Estate has conducted "MSPO Training" on;

- 17th July 2020 for MSPO Training (Prinsip 2 – Ketulusan); Conducted by Mr. Muhammad Shafiq bin Yusof (Estate Staffs). Attended by 18 workers.
- 27th July 2020 for MSPO Training (Prinsip 2 – Ketulusan); Conducted by Mr. Muhammad Shafiq bin Yusof (Estate Staffs). Attended by 12 workers.
- 14th July 2020 for MSPO Training; Conducted by Mr. Muhammad Shafiq bin Yusof (Estate Staffs). Attended by 16 contractor workers.

Sighted records on request and response matter being addressed by stakeholders in 2019/2020 and action taken by estate management.

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

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

Summary Sighted List of Documents and Classification prepared by Mr. Muhammad Shafiq bin Yusof (Estate Staffs) and approved by Mr. Raventhiran S/O Vanoogopal (General Manager).

All documents were sighted 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.

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 The Nyalas Rubber Estates Limited has established the Stakeholder Consultation and Communication Procedure; Date: 01st January 2019.

The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.

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

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

Summary The person in charge for consultation and communication agenda is led by Mr. Norhafizan bin Ab Aziz (Estate Assistant Manager) and appointed on 01st July 2018 by Mr. Raventhiran A/L Vanoogopal (Estate Manager).

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

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

Summary Sighted latest stakeholder list updated on 20th July 2020. Prepared by Mr. Norhafizan bin Ab Aziz (Estate Assistant Manager) and approved by Mr. Raventhiran A/L Vanoogopal (Estate Manager). Among the stakeholders:

- a) Government / Statutory Bodies
 - MPOB
 - Land Office
 - Majlis Perbandaran
 - PERKESO
 - KWSP
 - Perhilitan
 - Jabatan Pengairan dan Saliran
 - Kementerian Dalam Negeri Melaka
 - Labour Office
- b) Contractor & Suppliers
 - Lee Chon Hin (C)
 - Gan Kem Keong (C)
 - Sri Bukit Kartong (M) Sdn Bhd (C)
 - YYTK Enterprise (C)
 - Maju SP Enterprise
 - Nam Bee Co. Sdn Bhd
 - Hup Thye Hardware Sdn Bhd
 - Ship Yit Trading Sdn Bhd

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

Criterion 3 Traceability

Indicator 1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

Summary The Nyalas Rubber Estates Limited has established the Traceability and Supply Chain Procedure; Date: 01st July 2018. Prepared by Mr. Norhafizan bin Ab Aziz (Estate Assistant Manager) and approved by Mr. Raventhiran A/L Vanoogopal (Estate Manager).

Base on interview with Mr. Pachaimuthu A/L Doraisamy (Estate Staff) person in- charge of all the estate traceability process, he is 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.

As per interviewed with Mr. Raventhiran A/L Vanoogopal (Estate Manager), estate staffs and executives will do the checking for traceability especially for FFB quality.

The internal audit team will do the internal audit for traceability once a year. 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 agenda is led by Mr. Pachaimuthu A/L Doraisamy (Estate Staff) and appointed on 01st July 2018 by Mr. Raventhiran A/L Vanoogopal (Estate Manager).

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

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

Summary FFB being sell to Nam Bee Company Sdn Bhd and being monitored by General Manager.

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

- Date Delivery: 06/07/2020
- Weighbridge Ticket No: 00004932
- DO No: 50867
- Transporter: Gan Kem Keong

- Weight: 14.32 MT
- Seal Number: NE036723

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 List & summary of applicable laws and regulations that are applicable for Malaysia. The Legal Register has been revised and approved by the respective person-in-charge (PIC) and the Estate Manager.

The estate has renewed and updated all licenses and permits that required for its operation. Some of the licenses and permits sighted include:

1. Lesen MPOB (menjual dan mengalih FFB) for The Nyalas Rubber Estates Limited (404.21ha). No lesen 501826102000 expires 31/12/2020.
2. Perakuan kelayakan peraturan-peraturan standard-standard minium perumahan dan kemudahan pekerja 1990 (peraturan 38(1)(a) for 2 blok x 2 unit = 4 unitⁿ rumah pekerja yang telah diluluskan pada 29/09/2019, approval No. PCF 10501/2019/0002 dated 23/09/2019.
3. Permit Barang Kawalan Berjadual No. Siri PK:M000828 untuk membeli dan menyimpan diesel (200 Liter) valid until 14/01/2021.
4. 40 Mt weighbridge Serial No: C117200135 was last calibrated on 01/10/2019 by Metrology Corporation Malaysia Sdn Bhd valid for 1 year.
5. Pump Gun License No. JN 725 – last renewed on 26/06/2020 kept by Estate Manager Mr Raventhuran.

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

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

Summary List of all laws applicable to estate operations have been identified in "The Nyalas Rubber Limited LEGAL REGISTER". In the legal register, the estate has identified 50 laws and regulation that applicable to its operation. Following are some of the laws sighted in the list:

- Environmental Quality Act 1974 (Act 127)
- Environmental Quality Regulations, 1977
- Environmental Quality (Assessment) Order, 1987
- Environmental Quality (Schedule Waste) Regulations, 2005
- Environmental Quality (Declared Activities) (Open Burning) Order, 2003
- Environmental Quality (Industrial Effluent) Regulations, 2009
- Environmental Quality (Sewage) Regulations, 2009
- OSHA Act 1994 (Act 514)
- OSHA, Safety & Health Committee Regulation, 1995

- OSHA (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations, 2013
- OSHA Regulations, 2014
- Trade Unions Act 1959
- Factories and Machinery Act 1967
- MPOB Act 1998 (Act 582)
- MPOB (Licensing) Regulations, 2005
- Industrial Relations Act 1967 (Act 177)
- Employees Provident Fund 1991 (Act 452)
- Children and Young Persons (Employment) Act 1966 (Act 350)
- Employment Act 1955 (Act 265)
- Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
- National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order (Amendment) 2018

As per the requirement of "Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)", the estate has carried out weekly inspection of workers housing. Sighted record of such inspection carried out by estate clerk Ms. Devieswari as sighted from "Labour Quarter Inspection" Checklist and latest inspection was carried out on 23/07/2020.

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

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

Summary According to the Estate Assistant Manager Mr Norhafizan, changes to laws & regulations are monitored through related government department websites, communication with law/enforcement officers, updates received from MAPA, NUPW, MPOB and communication with company's HR department. Legal register will be updated upon confirmation on changes to law/regulation.

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 Estate Assistant Manager is responsible for monitoring estate's legal compliance as sighted from appointment letter signed by the Estate Manager Mr Raventhiran. dated 01/07/2018 for appointing Estate Assistant Manager Mr Norhafizan as person responsible person for monitoring laws and changes in laws.

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

Criterion 2 Land use rights

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

Summary

The estate land consists of 15 titles and all the land titles are under 'The Nyalas Rubber Estate Limited' ownership as sighted from copies of the estate grant. Example of the land titles sighted include:

Lot No	Ownership No.	Hectare	Quit Rent Payment (RM) for year 2020
337	353	1.8717	RM 71.00
445	358	4.3124	RM 212.00
380	40521	146.7489	RM 10,143.00
267	74027	53.7978	RM3,228.00
565	68588	184.8467	RM 25,886.00
566	68589	26.6596	RM 1843.00
555	66100	8.296	RM 399.00
192	22786	11.053	RM 730.00
813	22788	113.1095	RM 6787.00
920	22789	130.8549	RM 8637.00
988	22794	9.8895	RM 594.00
1048	22796	117.7633	RM 7066.00
4415	558	0.8686	RM 47.00
919	1675	0.7297	RM 40.00
1194	1679	2.891	RM 157.00
		813.6926	RM 65,840.00

There is no restriction for planting oil palm on the all the titles except for Grant Title No. 335 (1.8717 Ha) and Grant Title No. 358 (4.3124Ha) which have stated under title 'Syarat Nyata' that only rubber is allowed to be planted. Action to amend the both land title from rubber to oil palm is process as sighted company's letter dated 18/03/2019 sent to land department "Pejabat Daerah Kecil dan Tanah Gemas" by the estate manager Mr Raventhiran requesting to change the condition of planting to oil palm. The letter has stamped acknowledge of receipt by the land department on 18/03/2019. Further, sighted email correspondence dated 10/09/2019 with HQ in Singapore by the Estate Manager requesting the HQ office to provide company documents required to complete the application made to the land department.

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

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

Summary

Sighted breakdown in estates areal statement which totaling the land titles area to 813.69 Ha. Detail of breakdown as follow:

- Oil palm planted area = 785.47 Ha
- Reserve Land = 6.72 Ha
- Swamp & Ravine = 14.52 Ha
- Building Site & Road = 6.5 Ha
- Right of way = 0.16 Ha
- Nyalas Rive Acquire by government for widening = 0.32 Ha

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 map of Demarcation of Estate Boundary by Geomac Survey Consultant as per Drawing No. : GSC/NREL/KE/1-19 dated May 2019.

During field visit, auditors also check 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 staff of the estate. Sighted also the Boundary Markers Monitoring Checklist done by estate management.

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

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

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

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

Criterion 3 Customary rights

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

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

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

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

Summary Maps are made available to show the legally owned land. There is no customary land in or surrounding all the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

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

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

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

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

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

Criterion 1 Social impact assessment (SIA)

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

Summary Seen record of stakeholder meeting dated 19th September 2018 at Nyalas Estate Office, contractors have attended the meeting. Meeting minutes and photographs is available. In total of 23 stakeholders attended the meeting, as meeting minutes, attendance record, photographs and training materials was made available.

Social Impact Assessment (SIA) report was made available. However, there is no evidence that SIA assessment has been conducted, and "Kaji Selidik Penilaian Impak Sosial – Nyalas Estate", not sighted during the audit. There are issues raised by the stakeholders during external stakeholder meeting conducted on 19th September 2018 and no action plan recorded on the issues.

Internal SIA has been conducted on 17th June 2020, sighted Summary of Social Impact Assessment "The Nyalas Rubber Estate Limited. Questionnaire has been distributed to the internal and external stakeholders.

Action plan sighted as per below:

No.	Issue	Analysis based on SIA evaluation/ Action plan
1.	Pekerja-pekerja susah mendapat bekalan makanan	Majikan menyediakan kemudahan untuk membeli barang keperluan setiap minggu
2.	Pekerja susah keluar bekerja kerana tidak dibenarkan membawa motosikal (COVID 19)	Majikan menyediakan kenderaan untuk menghantar pekerja.

During annual surveillance audit 1, there were no action plan provided by the estate management to address the issue has been rectified. However, SIA were conducted during COVID 19 dated on 17th June 2020; "Summary of SIA – The Nyalas Rubber Estate Limited".

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	Any complaint/ grievance raised by the complainant, estate management shall resolve the complaint within 14 days from the date of complaint, as per the SOP. Complaint form is available at the publicly accessible area such as in the front door of the main office. Estate management has established documented procedure of "Prosedur Aduan dan Kilanan untuk Pekerja, Pembekal, Kontraktor, dan Lain-Lain Pemegang Amanah", dated 1 st July 2019. Complaint flowchart was made available.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	Complaint form is available at the publicly accessible area such as in the front door of the main office. Sighted 1 complaint dated 15th July 2019 by En Ramdan (Mandore), which relates to housing repairs. Management has resolved the complaint on 20 th July 2019.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.
Summary	Complaint form is made available at Nyalas Estate main office and "Peti Aduan" is available at outside the office. Those unable to complaint during office hour, they may contact the estate manager for after working hours. The emergency contact number are displayed at the entrance of the estate.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.
Summary	Estate management has provided MSPO briefing on 22 nd July 2020 at Nyalas Estate, Main Office. Item explained was on complaint and suggestion procedure. Meeting minutes, attendance record and photographs were made available.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.
Summary	Complaint form is available at main office as they have allocated "Peti Aduan", as to date there is no complaint. In total 5 complaint/suggestion were documented from the year 2019. 1 complaint were recorded in the month of July 2019 and has been resolved by the estate management.

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 Corporate Social Responsibility Report (CSR) for the year 2020 available. Estate management has contributed as per below:

- Kejohanan Bina Badan – Balai Polis Ayer Kuning; dated 16th March 2020; amounted RM 200.00 sighted PV dated on 16th March 2020
- CSR – Compassion COVID-19 – Workers Nyalas Estate dated 17th April 2020
- Community Nyalas Estate; dated 21st April 2020.
- Hari Raya Puasa – for staff and workers dated 25th May 2020

All evidence sighted with photographs, receipts, and itinerary was made available.

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 OSH policy sighted (Occupational Safety and Health) signed by Mr. A Balaraman, General Manager, dated 23rd December 2017.

Safety and health plan for the year 2020 was made available, listed as below:

Issue	Action plan
Zero fatality	Recognize risks and error-likely situations. Improve the effectiveness of pre-job briefings for high risk task.
Minimum 20 hours training under safety and health	Individual training records. Training matrix by individual Regular assessment or interview on safety and health awareness.
Awareness on road safety	<ul style="list-style-type: none"> • Spot check on individual vehicle in the properties. • Training on estate road safety.

Policy has been displayed on the notice board, and has been briefed during mustercall.

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

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

a) A safety and health policy, which is communicated and implemented.

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

Summary

OSH policy sighted (Occupational Safety and Health) signed by Mr. A Balaraman, General Manager, dated 23rd December 2017. Communicated during MSPO Daily Briefing.

Sighted "Prosedur apabila berlaku kemalangan di tempat kerja – Nyalas Estate" is made available in SOP file.

No	HIRARC
1	Pruning
2	Harvesting
3	Spraying
4	Spraying (Mist Blower)
5	Carrier
6	Driver/ Transporter FFB
7	Tractor driver
8	Other driver
9	Ramp
10	Polybag inserting
11	Merumput di ladang
12	Replanting

13	EFB
14	Rat bait
15	Trunk injection
16	Grass cutting (Tractor)
17	Manuring (manual)
18	Harvesting (cantas)
19	Fertilizing
20	Fertilizing using Emdek Turbo
21	Machine separating loose fruit

HIRARC last updated 21st December 2019, and all record are kept and maintained. HIRARC has been reviewed after the last accident occurred. As last accident occurred on 14th December 2019.

Estate has conducted training for the Staffs and Workers and this was sighted in the training file – Safety and Health Programme for the year 2020.

- Training on Chemical Handling was conducted on 15th July 2020, by En Norhafizan Bin Ab Aziz. Sighted training records, meeting minutes, attendance record and attended by 24 estate workers.
- Training 5's, dated on 17th July 2020, trained by En Raventhuran, Estate Manager. Seen training records inclusive of meeting minutes, attendance record and photographs as evidence. In total 41 participants attended the briefing.
- Training for ERT Team dated on 14th July 2020, held at Nyalas Estate – Main Office, attended by 10 estate workers. Seen training records inclusive of attendance, photographs and training materials.
- Safety Training – PPE training conducted on 11th March 2020, in total 33 workers attended the training presented by En Raventhuran, Estate Manager.
- Training on HIRARC was conducted on 29th February 2020 by En Muhammad Shafiq Bin Yusof.

Sighted PPE issuance and replacement record is made available. List of allocation of PPE to estate personnel year 2020 sighted in PPE issuance file has been provided as per activity involved. Safety Training – PPE training conducted on 11th March 2020, in total 33 workers attended the training presented by En Raventhuran, Estate Manager.

The estate retains copies of Safety Data Sheet (SDS) that relevant to its operation both at chemical store noted during site visit to chemical store and as well as at office.

SOP Chemical Handling is available [Penerangan pengendalian dan penggunaan bahan kimia]. Available with pictorial prosedur and listed with PPE required during handling chemical use.

CHRA report is available in CHRA report, dated 23rd February 2018 [DOSH Registration: HQ/04/ASS/00/193] by ENV Consultancy & Monitoring Services Sdn Bhd. Form F sighted, all recommendation action to be taken has been in place. Training for spraying, training for PPE usage has been conducted by the estate management.

Sighted per medical surveillance report, as last report dated on 10th July 2020. Report seen for workers as below:

- Mohammad Khairul Nizam Bin Azman
- Iman Zulhakim
- BAdrul Hisham Bin Azman
- Ham Jidi Bin Md Nor

All the above-mentioned workers have gone through with medical surveillance checkup on 10th July 2020 at Poliklinik Perdana. No negatives results sighted for all the workers listed above.

Training on Chemical Handling was conducted on 15th July 2020, by En Norhafizan Bin Ab Aziz. Sighted training records, meeting minutes, attendance record and attended by 24 estate workers.

Seen letter of appointment for AJK Keselamatan & Kesihatan, Norhafizan Bin Abd Aziz, effective from 1st July 2018, approved by Mr Raventhiran a/l Vanoogopal. Organization chart is made available.

"Carta Organisasi AJK Keselamatan Dan Kesihatan Pekerjaan" was made available, as headed by Mr Raventhiran a/l Vanoogopal and assisted by En Norhafizah Bin Ab Aziz.

OSH meeting minute sighted during the audit. Meeting conducted on:

- 17th July 2020 (1st meeting)
- 14th April 2020 (2nd meeting)
- 10th July 2020 (3rd Meeting)

Meeting minutes and attendance record is made available.

ERP (Emergency response plan) sighted in document. Emergency Respond Plan Procedure and exit routes in file and notice board. Record seen "Carta Alir Proses Pertolongan Cemas", displayed with emergency contact name, contact number.

Trained first aider is available in the estate. Training certificate (by SPO Consultancy Sdn Bhd – Mr. Raman Krishnan) sighted during the audit. First Aid Training conducted on 22nd June 2018, attendance record and photographs are made available.

The latest training on First Aid Kit was conducted on 30th September 2019, trained by En Muhammad Shafiq Bin Yusof, in total 21 workers involved in the training. Seen photographs, attendance record and training materials.

Last HIRARC was updated on 21st December 2019. In total 6 accident were recorded, by the management as per below:

- MD Azajul Islam (Harvester) – date of accident: 24th August 2019
- Saraswathy a/p Malayalam (Manuring) – date of accident: 25th September 2019
- Jaher Miah

One minor non-conformity has been raised to estate. Accordance to Occupational Safety and Health Act 1994 Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004, Clause 5 (2);

"If the case is death, serious bodily injury or dangerous occurrence notify the case immediately by the quickest means, then send a written report using form JKPP 6 within seven (7) days and together with other case record in the form JKPP 8. Seven (7) days means calendar days, including any holidays that fall within that seven (7) days".

During the audit, 6 accidents were reported however, there is no evidence of JKPP 6 been submitted by the management. Thus, JKPP 8 were submitted on 27th July 2020 which was not submitted on timely manner.

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

Criterion 5 Employment conditions

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

Summary Policy sighted related "Good social practices policy", approved by Mr. A Balaraman, General Manager, dated 23rd December 2017. The policy is displayed on notice board, at the office.

- a. MSPO Sexual Harassment and Violence Policy" dated 23rd December 2017 and approved by Mr A. Balaraman.
- b. "Good social practices policy", approved by Mr. A. Balaraman dated 23rd December 2017.

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

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

Summary Policy on workers' social life sighted in "Good social practices policy", approved by Mr. A Balaraman, General Manager, dated 23rd December 2017. The objectives listed in the policy are as below:

- a. Maintain no discrimination practices and provided equal opportunity and treatment to all.
- b. Ensure that employees' payment and conditions meet the legal minimum standards.

During interview session with estate workers, there were no existence of any discrimination act in the estate. Policy are displayed on the notice board and were communicated to all employees during the morning mustercall.

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'. National Wages Consultative Council Act 2011 (Act 732), Minimum wage order 2020. Malaysian minimum salary is RM1,200.00 as stated in the guidelines. Interview with both Estate staff and workers they understand the terms and conditions of their employment.

List down the sample workers (payslips):

Islam Md Azajul - Bangladesh
Harvester

June 2020		
Gaji		RM1,657.82
Paid holiday	1 day	RM46.15
		RM1,703.97
<u>Deduction:</u>		
Advance		RM420.00
TNB		RM3.52
SOCSSO		RM21.90
Net Salary		RM1,280.45

Badrul Hisham Bin Azman
General worker - spraying

June 2020		
Gaji	23 x RM42.31	RM973.13
VLP 2019	5 day x RM42.31	RM211.55
Paid holiday	3 days	RM126.93
		RM1,311.61
<u>Deduction:</u>		
Advance		RM200.00
VLP pay		RM186.55
EPF		RM146.00
SOCSSO		RM6.75
SIP		RM2.70
Net Salary		RM769.61

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

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

Summary As per interview with Asst Estate Manager, employment contract is kept in Nyalas Estate. Seen contract agreement between:

- Sri Bukit Karting (M) Sdn Bhd [No: 03/2020/2021] dated 1st July 2020. FFB Transporter.
- Gan Kem Keong [No.: 02/2020/2021] dated 1st July 2020. FFB transporter.

One area of concern has been raised to estate. Estate management has engaged with contractor of FFB Transporter. However, during document audit, found out no evidence of employees of contractors are paid based on legal or industry minimum standard.

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 Name list for estate staff and workers sighted during the audit. Sighted at Nyalas Estate the Personal Particulars data for:

- Rahar a/l Kandasamy – 660627-04-5311 -Malaysian
- Hamjidi Bin Md Nor – 740704-04-5009 - Malaysian

The Labour Registration Card stated the Offered Position, Personal Details, Date Employed, Educational background and Family Data

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 Employment contract available during the audit. Employment contract stated the offered position, wages implied, working hours, working on holiday etc. The contract is in Malay as it is easy to be understood by workers.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of Malaysian, Indonesian, Bangladesh and India. Employment contract available during the audit.

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 Time recording is based on attendance book – Employee Attendance listed as below:

- Checkroll attendance
- Staff attendance book

Seen the working hours being displayed at the notice board. The office will be working from 6.30 am to 2.30pm and break time at 11.00 am to 11.30am

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 have been clearly stated in the Employment Contract. There is no complaint received regarding payment or are forced to work overtime during site interview.

Working hours are set as below:

- Sunday – Friday: 6.30am – 2.30pm

Working hours were stated in the employment contract and agreed and signed between employer and employee. Sighted the employment contract of the workers.

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. As stated in employment contract, salary will be release by 7th of every month.

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

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

Summary All workers have been provided with regards to local workers, staffs and executives, all of them are covered under

- Staff – water, electricity (subsidies RM25)
- Transport to work
- Insurance /SOC SO

EPF & SOC SO as required by the Malaysian Laws and Regulations. Estate management provided housing facilities with free electricity and water. Allowance provided to drivers.

Every medical expense incurred by the workers, are claimable from the employer, which inclusive transportation to clinic/hospital.

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

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

Summary All workers are provided with housing facilities at workers linesite. Electricity and water are provided by the estate without any charges to the workers. Linesite inspection is made on manually by the estate manager, and the frequency of inspection is made on weekly basis. Seen Labour quarters inspection checklist is available. Sighted name list workers for labour quarters, whereby in total 22 houses are available, with 3 different division. The last housing inspection was done on 23rd July 2020, as per weekly housing inspection checklist. During site visit, the housing area condition was well maintained and kept in clean condition.

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 Estate management has established policy of "Sexual Harassment and violence policy", listed as:

- Ensure employees are no subjected to verbal and non-verbal abuse or sexual harassment.
- Maintain condition at the work place that are free of harassment or violence of any kind.
- No form of harassment based on race, religion, gender, national status.

Approved by Mr. A. Balaraman, General Manager, dated 23rd December 2017. The policy has been displayed on the notice board at the main office.

During interview session with staffs/workers, there were no complaints or issues report in regards to sexual harassment case.

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 As interviewed with estate manager, there is no restriction for employees to join trade union. The management allows the employees to attend meeting in regards to trade union meeting (NUPW meeting).

Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in Estate. Thus, their freedom is not restricted by estate management.

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

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

Summary During field visit, there is no children and young person been employed as per record. There are no children below ages of 18 working in the estate and this was proven through checking the list of employees as well as their biodata and through estate visits. The workers were clear that no one below 18 years old should be employed.

As per the list of employees provided by the management, the youngest employee attached to the organization is 20 years old (En. Iman Zuihakim Bin Norsiyah).

According to the estate management, the hiring process are strictly adhered by the human resource department where applicant screening will be conducted prior to hiring any staff or employee. Ensuring the hiring process are conducted based on the law and regulation.

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

Criterion 6 Training and competency

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

Summary Estate management has developed the training programme for all the employees. Training programme was made available. however, file is available and maintained. Training conducted as per below:

- Training on Chemical Handling was conducted on 15th July 2020, by En Norhafizan Bin Ab Aziz. Sighted training records, meeting minutes, attendance record and attended by 24 estate workers.
- Training 5's, dated on 17th July 2020, trained by En Raventhran, Estate Manager. Seen training records inclusive of meeting minutes, attendance record and photographs as evidence. In total 41 participants attended the briefing.

- Training for ERT Team dated on 14th July 2020, held at Nyalas Estate – Main Office, attended by 10 estate workers. Seen training records inclusive of attendance, photographs and training materials.
- Safety Training – PPE training conducted on 11th March 2020, in total 33 workers attended the training presented by En Raventhuran, Estate Manager.
- Training on HIRARC was conducted on 29th February 2020 by En Muhammad Shafiq Bin Yusof.
- Spraying training conducted on 17th January 2020.
- Training on “Cara-cara memotong FFB” dated on 21st December 2019 held at Nyalas Estate – Bukit Keledok Div). Trained by En Pachaimuthu. Attended by 20 estate workers, sighted attendance record, photographs and training materials.

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 Seen Training Needs Analysis – Training Matrix which was prepared on 1st July 2019 for each worker (group) was made available during the audit.

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 Comprehensive annual training plan for the year 2020 is made available.

No.	Training	Date
1.	Pest and disease training	8 th January 2020 (Done)
2.	Risk assessment training	29 th February 2020 (Done)
3.	ERP Training	14 th July 2020 (Done)
4.	Fire drill training	15 th July 2020 (Done)
5.	Chemical handling training	15 th July 2020 (Done)
6.	5's Training	17 th July 2020 (Done)
7.	Chemical mixture operator calibration training	17 th July 2020 (Done)
8.	Schedule waste management training	17 th July 2020 (Done)
9.	MSDS Application training	17 th July 2020 (Done)

10.	Vehicle maintenance training	29 th July 2020 (Planned)
11.	Vehicle safe driving techniques	10 th August 2020 (Planned)
12.	Loading FFB training	26 th August 2020 (Planned)
13.	PPE training	19 th September 2020 (Planned)
14.	First aid training	17 th October 2020 (Planned)
15.	Spray/weeding training	9 th November 2020 (Planned)
16.	Manuring training	27 th November 2020 (Planned)
17.	Harvesting training	7 th November 2020
19.	Froned thinning/ Pruning training	29 th November 2020 (Planned)

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 The estate has established Environment Policy signed by the Executive Director/ General Manager, Mr A. Balaraman dated 23/12/2017.

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

- Comply with all environmental legislations and other requirement
- Prevent pollution and continuously improve the environmental program.
- Use natural resources in an ecologically sustainable manner by implementing best management practices
- Avoid, minimize and mitigate any adverse environment impacts caused by the plantation and mill operations.
- Maintain open channels of communication with stake holders in regard to environmental issues.
- Ensure all employees are aware of the Company's environmental policy, are motivated to conform, are aware of their own responsibilities and are given the support and training necessary to accomplish them.

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

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

Summary The estate has established its Environmental Management Plan dated 01/08/2019 which covers the following;

1. Ecological
2. Soil erosion
3. Air pollution
4. Biomass generation
5. Water pollution (agro-chem & fertilisers)
6. Water pollution (onsite workforce)
7. Water pollution (mill operations)
8. Noise pollution
9. Greenhouse gas emissions
10. Other consideration.

The Company has conducted environmental impact assessment for all its' activities updated on 01/08/2019. The environment impact assessment covers 7 section/location includes the following;

1. Production and office
2. Parking area
3. Maintenance
4. Store
5. Chemical storage area
6. Line sites
7. Plantation area.

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 to mitigate the negative impact was incorporated in the environment management plan.

For example;

- Work activity:
Scheduled waste from estate operations
- Specific Concerns:
Management of toxic waste (or scheduled waste)
- Mitigation plan:
Provide safe disposal of toxic waste, provide measures to contain all pollution waste (bunds, oil traps and other measures), develop waste water treatment systems to contain and treat waste water, develop a system to separate solid waste to avoid toxic and non-biodegradable material into landfills (and disposal methods)

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 programme to promote the positive impacts on environmental was incorporated in the environment management plan. The sample includes;

- Pollution Source:
 - Scheduled waste from estate operations
- Next action plan :
 - To conduct site inspection and documented (for control of pollution sources)
- Next monitoring :
 - Monitoring of surface water quality, heavy metal, hydrocarbons or other common toxins
 - Monitoring of ground water quality, heavy metal, hydrocarbons or other common toxins

The estate yet to start river water monitoring plan. According to estate manager river monitoring plan to commence from next 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 estate has developed annual training programme for its employees on good agricultural practices, environmental and health & safety. Environmental related awareness are departed to estate workers during morning muster ground meeting as sighted from 'MSPO Briefing' record where on 23/20/2020 estate assistant manager Mr Muhammad Shafiq has briefed estate workers on the subject title "Principle 5 – Alam Sekitar, Sumer-sumber Asli, Biodiversiti dan Perkhidmatan Ekosistem".

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 Estate management holds regular meeting with its workers as sighted from muster ground briefing records. For example on 23/20/2020 estate assistant manager Mr Muhammad Shafiq has briefed estate workerson the subject title "Principle 5 – Alam Sekitar, Sumer-sumber Asli, Biodiversiti dan Perkhidmatan Ekosistem" as sighted from MSPO Briefing record. In addition, Estate manager Mr Raventhuran has conducted environmental training titled "Latihan Pengurusan Sampah dan Pencemaran Alam

Sekitar" for 40 estate employees as sighted from meeting minutes and training attendance sheet dated 23/07/2020.

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

Criterion 2 Efficiency of energy use and use of renewable energy

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

Summary The estate monitors its usage of diesel for its operation including diesel used by its contractors for estate activities as sighted from "Diesel Record (Liter) - 2020". Monitoring of efficiency of energy use is done by comparing amount of diesel used per Mt FFB. Diesel usage record sighted for year 2020 as follow:

Month	Diesel (L)	FFB (Mt)	L/Mt FFB
Jan	2,350	610.67	3.85
Feb	2,549	604.11	4.22
March	2,699	812.70	3.32
April	2,750	1001.59	2.75
May	2,895	1,047.36	2.76
June	3,167	1,052.77	3.01

The estate also monitors its usage of electricity on monthly basis against FFB produced as sighted from "Electricity Use (Kwh)-2020". Record sighted for year 2020 as follow:

Month	FFB (Mt)	Elect (Kwh)	Elect rate
Jan	610.67	4,933	8.08
Feb	604.11	4,621	7.65
March	812.70	4,813	5.92
April	1,001.59	4,745	4.74
May	1,047.36	6,653	6.35
June	1,052.77	4,895	4.65

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 estate has annual estimate for diesel usage as sighted from estate's annual "Diesel Estimated (Liter) - 2020" document. For year Jan – Dec 2020 it has estimated diesel usage as 41,238 liters which include its contractor's fuel usage. Estimate diesel usage (in liter) sighted as follow for year 2020:

- Jan – 3559 liter
- Feb - 3569 liter
- Mar – 3639 liter
- Apr – 3409 liter
- May – 3519 liter
- June - 3619 liter
- July – 3699 liter
- Aug – 3529 liter
- Sept – 3549 liter
- Oct – 3329 liter
- Nov – 2939 liter
- Dec - 2879 liter

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

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

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

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

Criterion 3 Waste management and disposal

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

Summary The estate has identified types of waste and source of pollution in document title "Waste Management Action Plan 2020" dated 01/06/2020. Sample sighted include;

Type of waste	Source	Action to be taken
Scheduled waste – Spent lubricant, spent hydraulic oil, etc.	Workshop	Collect & record amount used, store lubricant & hydraulic oil under lock and dispose, label SW 305, SW 306, dispose through licensed contractor
Empty pesticide container	Main division store	Establish SOP for triple rinsing, collect and register empty chemical container, dispose through licensed contractor

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

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:
a) Identifying and monitoring sources of waste and pollution.
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary The estate has established "Waste Management Action Plan 2020" dated 01/06/2020. Sample sighted include;

Type of waste	Source	Action to be taken
Scheduled waste – Spent lubricant, spent hydraulic oil, etc.	Workshop	Collect & record amount used, store lubricant & hydraulic oil under lock and dispose, label SW 305, SW 306, dispose through registered purchaser
Empty pesticide container	Main division store	Establish SOP for triple rinsing, collect and register empty chemical container, dispose through registered purchaser

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 Estate has established Safety Operating Procedure No. 4.4.4.2 titled "SOP For Chemical Handling" 15/05/209 outlining safety procedures for packing, labeling, and storage of chemicals.

One minor non-conformity has been raised to estate. Under estate's "Waste Management Action Plan 2020" dated 01/06/2020 has identified that "Spent lubricant, Hydraulic oil, Empty pesticide container" are to be disposed through registered purchaser as mitigation to prevent pollution. However, there is no evidence that the tractor service contractor (Rutherswaran Auto) who collected the estates schedule waste has valid license form DOE to collect and dispose the waste from the site as required by Environment Quality Regulations (Scheduled Waste) 2005. Similarly, no evidence that empty chemical containers are disposed to DOE registered contractor.

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 Empty pesticide containers 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 accredited vendor.

After mixing the chemicals, 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 Domestic waste for linesite area is well managed by the estate. All domestic wastes are disposed at landfill located at Block MT96.

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 All activities contributing to pollution in the estate has been accessed as per document of Environmental Impact Assessment dated 01.08.2019 includes the following 17 work activities;

1. Usage of computer, light, plan
2. Usage of toilet
3. Printing/scanning
4. Usage of air condition
5. Ventilation system
6. Usage of parking area
7. Usage of lubricant oil
8. Fertilizers storage
9. Scheduled waste
10. General waste
11. Diesel tank
12. Chemical storing (liquid) at storage area
13. Disposal of items (general and domestic waste)
14. Discharge of waste water
15. Application of chemicals (solid and liquid)
16. Good agriculture practice
17. Transportation

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

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

Summary Action plan and monitoring sighted in document of Environmental Management Plan" dated 01/08/2019.

One of the action plan is on water pollution due to agro-chemicals and fertilizers application activities. The action/mitigation plan carried out by the estate are;

1. Avoid fertilizer application close to water bodies or on rainy days.
2. Improve efficiency of fertilizer application (research)

3. Develop reduction plans for high-risk agro-chemicals
4. Develop plans to reduce chemical exposure in sensitive areas workers, settlements, waterways)

The estate has recommended additional monitoring & Action plan on water pollution due to agro-chemicals and fertilizers application activities as follow;

1. Surface and ground water quality monitoring – from lab.
2. Monitoring of surface water including DO, TSS, turbidity, COD, BOD, faecal coliform, oil & grease, agro-chemicals (nitrate, phosphate)
3. Ground water monitoring including agrochemicals (nitrate, phosphate)
4. Monitor efficiency of fertilizer inputs (measure leaf samples vs soil samples)

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

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

Summary Sighted Water Management Plan established by the estates dated 01/07/2018.

Syarikat Air Melaka Sdn Bhd has been identified as a water source for domestic consumption. Therefore, the water test shall be excused has stated in the water management plan.

The estates outlined it water management plan as follow;

- a) Drainage and irrigation system
- b) Plan on drainage system and run-off construction
- c) River water Quality Monitoring at natural stream and river.
- d) Drinking water quality monitoring

Five rivers namely Sg. Nyalas, Chabang Sg. Meriang, Anak Sg. Meriang, Sg. Batang Tekah dan Sg. Mantai, are passing through the estate land. Buffer zone has been established and demarcated.

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	Five rivers namely Sg. Nyalas, Chabang Sg. Meriang, Anak Sg. Meriang, Sg. Batang Tekah dan Sg. Mantai, are passing through the estate land. No dam or bund being constructed across the river.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	The estate is surrounded by neighboring estates and smallholders. No RTE species identified within the estate as sighted from summary of biodiversity identification done for the estate. Biodiversity identification was done by estate assistant Mr Norhafizan as sighted from document titled "Identified Several Species Of Wild Life Found At The Estate"" dated 02/01/2020. The identification was by snapping pictures of wild life detected in the estate. There are 27 species identified in the list including ular sawa batik, ular tedung selar, musang, Kuching Bengal, babi hutan, kera, biawak, kura-kura, ayam hutan, etc. Proper warning signage with statement "No Hunting" and "No Fishing" have been displayed at strategic locations in the estate including main entrances of the estate.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 No RTE species identified within the estate.

However, there is management plan to protect wild life that enters into estate as sighted from document titled "Biodiversity Management Plan" prepared by estate assistant Mr Norhafizan dated 02/01/2020. The management plan include:

- Erecting warning sign boards
- Awareness training on wild life conservation to workers
- Monthly census of wild life
- Monitor and prevent hunting

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 No RTE species identified within the estate. However, there is management plan to protect wild life that enters into estate.

- Erecting warning sign boards
- Awareness training on wild life conservation to workers
- Monthly census of wild life
- Monitor and prevent hunting

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 Presently replanting is taking place at block no. MG93 (117.76 Ha). During the field visit to replanting noted there is no evidence of fire been used for land clearing as the contractor is using felling and chipping method for land clearance as sighted from replanting contract agreement signed by contractor "Lee Brother Enterprise" and The Nyalas Rubber Estates Limited dated 02/07/2020.

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

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

Summary No significant risk of diseased palm was reported. Estate replanting programme based on estate's operation policies and agronomic practices.

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

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

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

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

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

Summary 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.

Estate have 3 types of Manuals-

- 1) Occupational Safety & Health Safety Operating Procedure - PKLS
- 2) The Nyalas Rubber Estates Limited - MSPO Procedure
- 3) COVIC 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi

The document was well maintained and implemented.

- 1) Occupational Safety & Health Safety Operating Procedure – PKLS (3) includes:
 - i. Kandungan
 - ii. Polisi Keselamatan dan Kesihatan Pekerjaan Syarikat
 - iii. Prosedur Kerja Selamat Bagi Operasi:
 - Memotong buah sawit
 - Menolak buah kelapa sawit dengan menggunakan kereta sorong
 - Memangkas pelepah kelapa sawit
 - Memunggah tandan sawit
 - Memotong buah kelapa sawit berhampiran kabel TNB
- 2) The Nyalas Rubber Estates Limited - MSPO Procedure includes:
 - i. SOP Traceability
 - ii. SOP Internal Audit

iii. SOP Consultation & Communication

3) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi includes:

- i. Saringan Kesihatan
 - Pemeriksaan dan Pemantauan Kesihatan Sebelum Operasi
 - Tindakan Pencegahan Semasa Operasi
 - Pemeriksaan Kesihatan ke atas Pelawat/Pembekal
- ii. Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
- iii. Aplikasi Sejahtera
- iv. Protokol Pencegahan Penyakit & Sekatan
- v. Saringan Kesihatan
- vi. Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
- vii. Aplikasi Sejahtera

As evidence sighted "Taklimat Mengenai Bahaya COVID-19" on 19th March 2020 by Mr. Raventhiran S/O Vanoogopal (Estate Manager).

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 Estate is generally area with undulating and hilly at certain area. Terrace planting method sighted in estate hilly areas. No steep is more than 25 degrees. During site visit, observed there is no terracing above 25 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 field marking (boundary marker) sighted during field visit.

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. The budget includes the projected FFB production, general charges, upkeep & cultivation, collection and immature areas.

Sighted the 3 years business plan for the estate.

FY	2020	2021	2022
Total crop	14,000	14,000	14,000
Estimate OER %	19.25	19.25	19.25
KER	5.00	5.00	5.00
FFB Price	400	400	400

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

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

Summary As per interviewed with Estate Manager, there is replanting programme for estate for year 2020-2024:

Field/ Block	Replanting Year	HA
93 (Felda Yamganbi)	2020/2021	117.76
-	2021/2022	-
-	2022/2023	-
95 (Felda Yamganbi)	2023/2024	69.20
95 (Felda Yamganbi)	2024/2025	115.76

Oldest palm is year 1995.

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. The budget includes the projected FFB production, general charges, upkeep & cultivation, collection and immature areas.

Sighted the 3 years business plan for the estate.

FY	2020	2021	2022
Total crop	14,000	14,000	14,000
Estimate OER %	19.25	19.25	19.25
KER	5.00	5.00	5.00
FFB Price	400	400	400

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.

As evidence, sighted the Monthly Account for May 2020 prepared by Estate Clerk, check by Mr. Raventhiran S/O Vanoogopal (Estate Manager) and approved by Mr. Balaraman A/L Annamaly (General Manager).

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 Sighted the "Offer to Purchase FFB" between:

The Nyalas Rubber Estates Limited dated 25th June 2020. Signed and agreed by Mr. Chuah Beng Sun, Senior Manager of Nam Bee Company Sdn Bhd and Mr. Raventhiran A/L Vanoogopal (Estate Manager).

Pricing formula for CPO & PK:

One of examples - Extraction rate: min 19.25% (CPO) and 5.00% (PK).

Price so shall be deduction of MPOB Cess and Levy as imposed by statutory bodies, CPO Transport cost RM14/mt of CPO, Processing charges RM36.00/mt of FFB.

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

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 The Nyalas Rubber Estates Limited.

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

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

Criterion 4 Contractor

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

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

One area of concern has been raised to estate. Estate have contractors for FFB. However, records are not sufficient for auditors to verified.

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 The Nyalas Rubber Estates Limited. As evidence, sampled:

- Sighted the Contract Agreement between estate with Mr. Chuah Beng Sun, Senior Manager of Nam Bee Company Sdn Bhd dated 25th June 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 28th July 2020. Sighted audit plan dated 22nd July 2020 (2nd Revised) which have been accepted address to Mr. Raventhuran A/L Vanoogopal (Estate 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 inspects 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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.

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

Criterion 4 Soil and topographic information

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Criterion 6	Customary land
Indicator 1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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 The Nyalas Rubber Estates Limited.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings


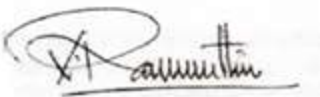
- 1) The estate management has demonstrated fully commitment during the entire audit process.
- 2) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 3) The management is highly committed to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

Appendix A: Audit Plan



AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
28 th July 2020	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at The Nyalas Rubber Estates Limited: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	MS	SP BS
	09:00 – 13:00	The Nyalas Rubber Estates Limited <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	SP BS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: ➤ Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MS	SP BS
	13:00 – 14:00	<ul style="list-style-type: none"> ➤ Lunch 	MS	SP BS
	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	SP BS
	15:30 – 16:30	<ul style="list-style-type: none"> ➤ Verify any outstanding issues, auditor discussion and end of audit. 	MS	SP BS
	16:30 – 17:30	<ul style="list-style-type: none"> ➤ Closing Meeting at The Nyalas Rubber Estates Limited: ➤ Chaired by the audit Lead Auditor <ul style="list-style-type: none"> • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	MS	SP BS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit			
Major Nonconformities:		Non-were raised during this audit.	
Minor Nonconformities:		The following NC's were raised for this audit.	
Company Name		The Nyalas Rubber Estates Limited	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input type="checkbox"/>
		Surveillance	<input checked="" type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		MSPO Part 3: Oil Palm Plantations and Organised Smallholders	
Client Number		GGC-P2-MSPO-2019	
NC No. / Ref.	P2/MSPO/MINOR/01	Date Detected	28 th July 2020
Site(s) concern	The Nyalas Rubber Estates Limited	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Not in compliance with "Occupational Safety and Health Act 1994 Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004".		
NC Objective Evidence: Accordance to Occupational Safety and Health Act 1994 Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004, Clause 5 (2); "If the case is death, serious bodily injury or dangerous occurrence notify the case immediately by the quickest means, then send a written report using form JKPP 6 within seven (7) days and together with other case record in the form JKPP 8. Seven (7) days means calendar days, including any holidays that fall within that seven (7) days". During the audit, 6 accidents were reported however, there is no evidence of JKPP 6 been submitted by the management. Thus, JKPP 8 were submitted on 27 th July 2020 which was not submitted on timely manner.			

Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
The estate person incharge was unaware that the JKPP 6 need to send to OSH Department and forgot to send the document at the specified time	
Corrective action planned (to be filled by client):	
Training for person in charge that manage JKPP 6 and JKPP 8	
Preventive Action (to be filled by client):	
The JKPP 6 and JKPP 8 will monitor and check during internal audit	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the Corrective/Preventive Actions to address identified minor non-conformity has been detailed on an action plan and the intended action reviewed by the Lead Auditor, deemed to be satisfactory and will be followed up at the next surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified:	Lead Auditor Signature:



Company Name	The Nyalas Rubber Estates Limited			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: Oil Palm Plantations and Organised Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/MINOR/02	Date Detected	28 th July 2020	
Site(s) concern	The Nyalas Rubber Estates Limited	Target Completion	Next Surveillance Audit	

Normative Reference and Requirement	4.5.3.3 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.	
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern	
Description of Non-Conformity	Collection and disposal of schedule waste is not in compliance with Environmental Quality (Scheduled Wastes) Regulations 2005	
NC Objective Evidence: Under estate's "Waste Management Action Plan 2020" dated 01/06/2020 has identified that "Spent lubricant, Hydraulic oil, Empty pesticide container" are to be disposed through registered purchaser as mitigation to prevent pollution. However, there is no evidence that the tractor service contractor (Rutherswaran Auto) who collected the estates schedule waste has valid license form DOE to collect and dispose the waste from the site as required by Environment Quality Regulations (Scheduled Waste) 2005. Similarly, no evidence that empty chemical containers are disposed to DOE registered contractor.		
Lead Auditor Signature: 	Client Signature: 	
Root cause Analysis (to be filled by client): The estate person incharge was unaware that the contract contractor required a license from the DOE to collect and dispose the waste from the estate.		
Corrective action planned (to be filled by client): 1. Training for person in charge that manage the SW. 2. To ask the contractor to apply licence from DOE		
Preventive Action (to be filled by client): The Scheduled Waste will monitor and check during internal audit		
Review of corrective/preventive action (to be filled by Lead Auditor) All the Corrective/Preventive Actions to address identified minor non-conformity has been detailed on an action plan and the intended action reviewed by the Lead Auditor, deemed to be satisfactory and will be followed up at the next surveillance audit.		
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Date Verified:	Lead Auditor Signature:
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Area of Concern:	The following AOC's were raised for this audit.
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Company Name	The Nyalas Rubber Estates Limited		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: Oil Palm Plantations and Organised Smallholders		
Client Number	GGC-P2-MSPO-2019		
NC No. / Ref.	P2/MSPO/AOC/01	Date Detected	28 th July 2020
Site(s) concern	The Nyalas Rubber Estates Limited	Target Completion	
Normative Reference and Requirement	4.4.5.4 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.		
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of Non-Conformity	Insufficient of records sighted.		
NC Objective Evidence:			
Estate management has engaged with contractor of FFB Transporter. However, during document audit, found out no evidence of employees of contractors are paid based on legal or industry minimum standard.			
Lead Auditor Signature:	Client Signature:		
			


Company Name	The Nyalas Rubber Estates Limited			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: Oil Palm Plantations and Organised Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/AOC/01	Date Detected	28 th July 2020	
Site(s) concern	The Nyalas Rubber Estates Limited	Target Completion		
Normative Reference and Requirement	4.6.4.1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Insufficient of records sighted.			
NC Objective Evidence: Estate have contractors for FFB. However, records are not sufficient for auditors to verified				
Lead Auditor Signature: 		Client Signature: 		


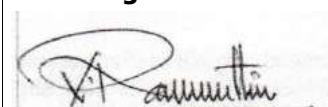
Non-Conformities Identified During Previous Audit [Main Assessment Audit]
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Major Nonconformities:	Non-were raised during this audit.
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Minor Nonconformities:	The following NC's were raised for this audit.
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Company Name	The Nyalas Rubber Estate Ltd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-P2-MSPO-2019		
NC No. / Ref.	P2/MSPO/MINOR/01	Date Detected	28 th June 2019
Site(s) concern	Nyalas Estate	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.1.1 Minor Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during audit.		
NC Objective Evidence:			
Social Impact Assessment (SIA) report was made available. However, there is no evidence that SIA assessment has been conducted as no date and attendance form attached. Furthermore, no evidence of SIA survey form (Kaji Selidik Penilaian Impak Sosial – Nyalas Estate) has been distributed to respondents prior to complete the SIA Assessment Report.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Document used for to conduct assessment were not maintained and no proper documentation of the event.			
Corrective action planned (to be filled by client):			
A proper team and PIC formed and new set of "Kajian Selidik Penilaian Impak Sosial" survey form being issued with proper evidence of date and time.			

Preventive Action (to be filled by client):	
Upon completion, PIC to report to management and management to review in Management Meeting.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified: 28 th July 2020	Lead Auditor Signature: 

Company Name	The Nyalas Rubber Estates Limited			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/MINOR/02	Date Detected	28 th June 2019	
Site(s) concern	Nyalas Estate	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	4.3.1.1 Minor All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	Incompliance to Section 23 (2) WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990			
NC Objective Evidence: Weekly housing inspection record was not available during the audit as required by Section 23 (2) WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990. The Visiting Hospital Assistant, Mr Rajamani A/L Manickam visited the estate twice a month of May 2019 i.e. 10.05.2019 and 24.05.2019 as reported in HA Book.				
Lead Auditor Signature: 		Client Signature: 		

Root cause Analysis (to be filled by client):	
VMO and HA records were not properly spelled out.	
Corrective action planned (to be filled by client):	
New format has been introduced.	
Preventive Action (to be filled by client):	
Additional regular supervision to be conducted by estate staff with proper team.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified: 28 th July 2020	Lead Auditor Signature: 

Area of Concern:	Non-were raised during this audit.
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Company Name	The Nyalas Rubber Estate Ltd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-P2-MSPO-2019			
NC No. / Ref.	P2/MSPO/AOC/01	Date Detected	26 th June 2019	
Site(s) concern	Nyalas Estate	Target Completion	-	
Normative Reference and Requirement	4.4.5.6 Area of Concern 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.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Incomplete records			

NC Objective Evidence:

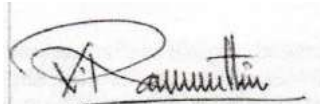
Employment contract was not fully changed into detailed format as provided by Jabatan Tenaga Kerja (JTK).
Summary as below:

- 15 local workers, 4 new contracts, 11 workers are yet to change the contract

Lead Auditor Signature:



Client Signature:



Appendix C : List of Stakeholders Contacted

Attendance List
Internal Stakeholders
1) The Nyalas Rubber Estates Limited management team and staff
2) Gender Committee Representatives
3) Male and Female workers
4) Workers Representatives
5) Foreign Workers Representatives
External Stakeholders
1) Estate Contractors