

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)




CERTIFICATION AUDIT REPORT


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

Sungei Bagan Rubber Company (Malaya) Berhad
[Estates]

-Group Certification-

ANNUAL SURVEILLANCE AUDIT
25th August 2020 – 26th August 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	12/09/2020	Issued as Draft Report	Mohamad Razin Bakal	Lead Auditor	
B	01/01/2021	Issued as Final Report	Mohamad Razin Bakal	Lead Auditor	
B	07/01/2021	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Sungei Bagan Rubber Company (Malaya) Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	07/01/2021	Acceptance of the contents	Mr. Mugana Kerisnan A/L Karpiah	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 Sungei Bagan Rubber Company (Malaya) Berhad [Estates]. During this Annual Surveillance Audit (ASA 1), the audit team was briefed by the Estate Manager, of the supply base disposition.

This assessment was conducted onsite on 25th August 2020 – 26th August 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	Sungei Bagan Rubber Company (Malaya) Berhad
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Business Address	Post Office Machang, 18500 Machang, Kelantan.
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Contact Person	Mr. Mugana Kerisnan A/L Karpiah
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Office Telephone	012-9836591
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E-Mail	hq@sungeibaganestate.com
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1.3 Certification Unit**Name of the Certification Unit**

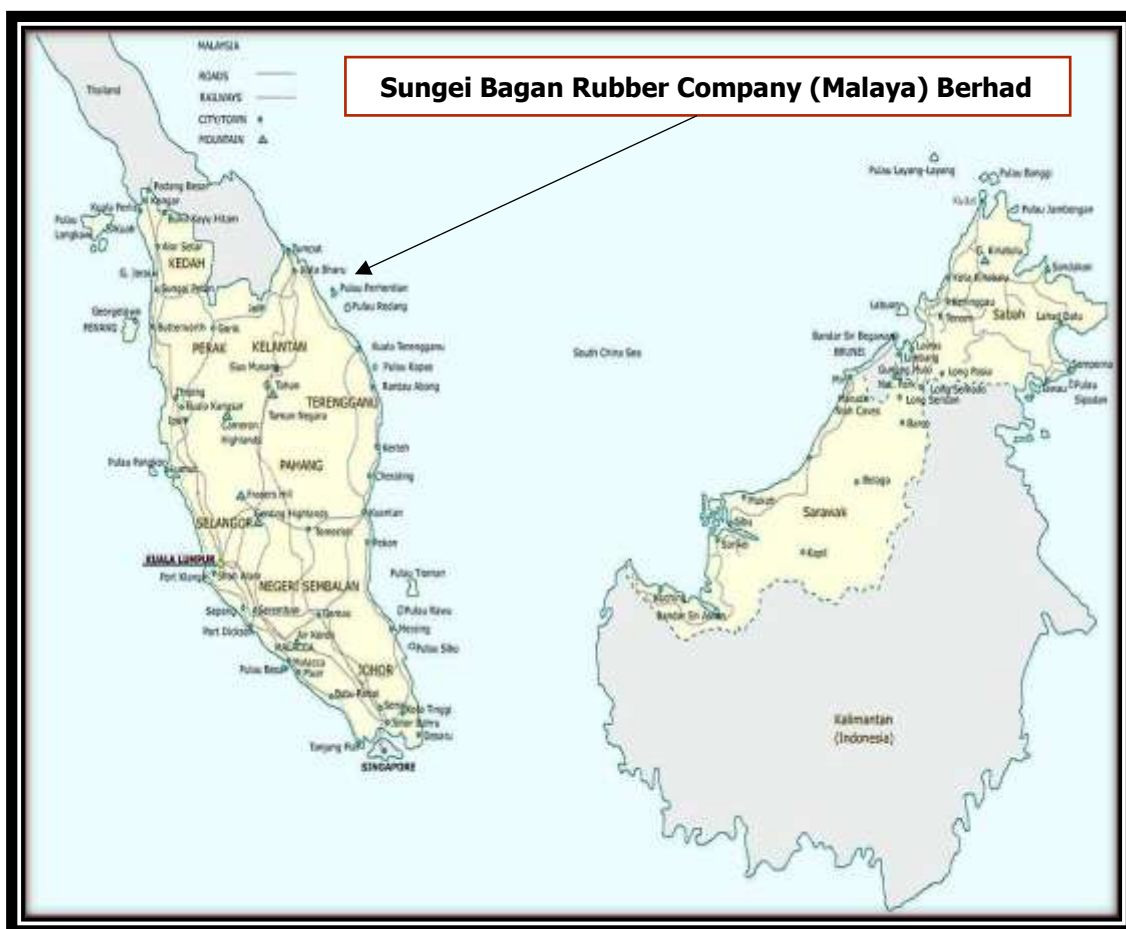
No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Sungei Bagan Estate	Post Office Machang, 18500 Machang, Kelantan	E 102.213411	N 5.842209
2.	Kuala Pergau Estate	Post Office Machang, 18500 Machang, Kelantan	E 102.006216	N 5.379986

MPOB License Information

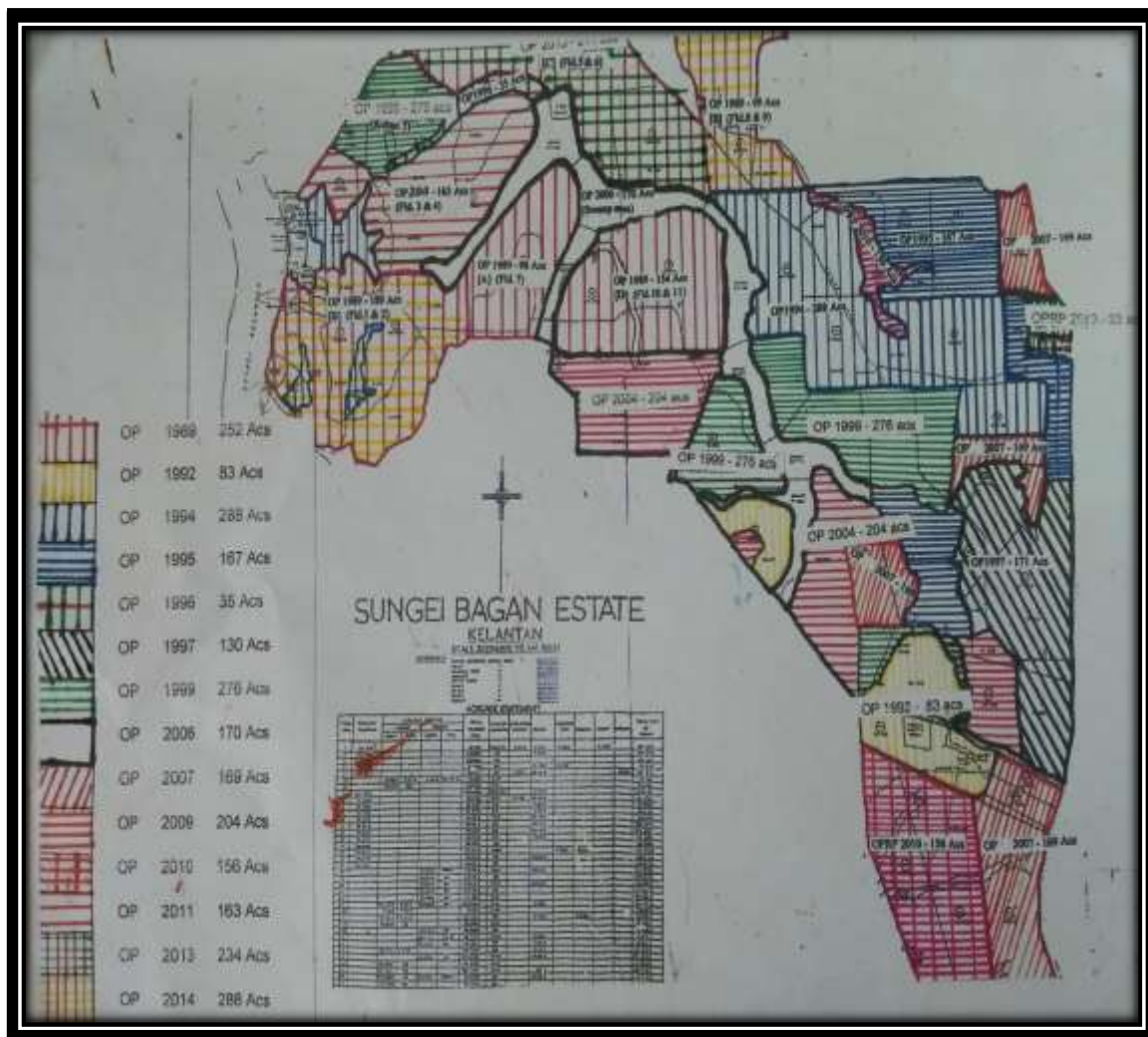
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1	Sungei Bagan Rubber Company (Malaya) Berhad	617887002000	31/12/2020	Menjual dan Mengalih FFB

Others Sustainability Certification

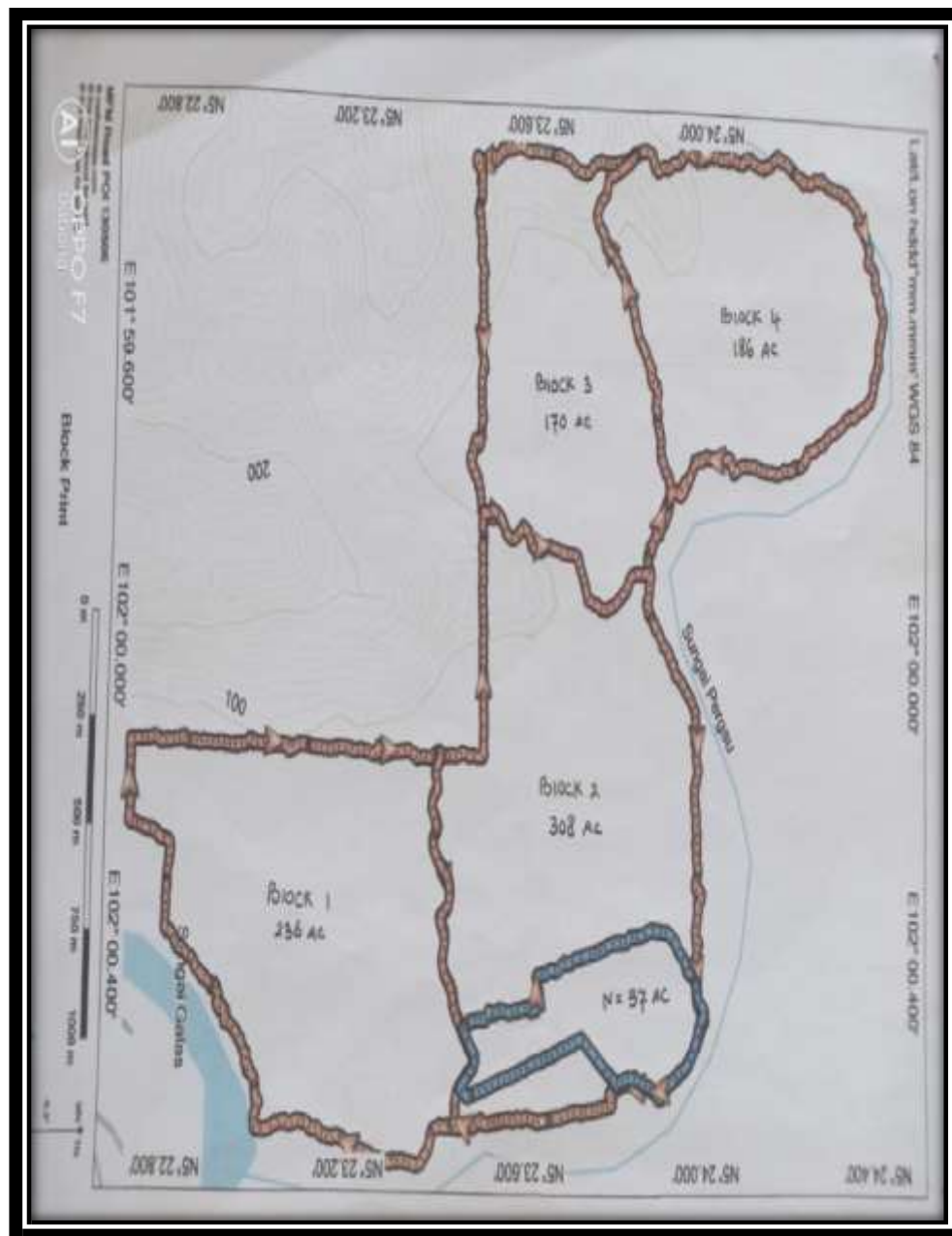
No	Name Of The Site	Others Sustainability Certifications
1	Sungei Bagan Estate	-
2	Kuala Pergau Estate	-

1.4 Map Showing Geographical Location**1) Sungei Bagan Rubber Company (Malaya) Berhad**

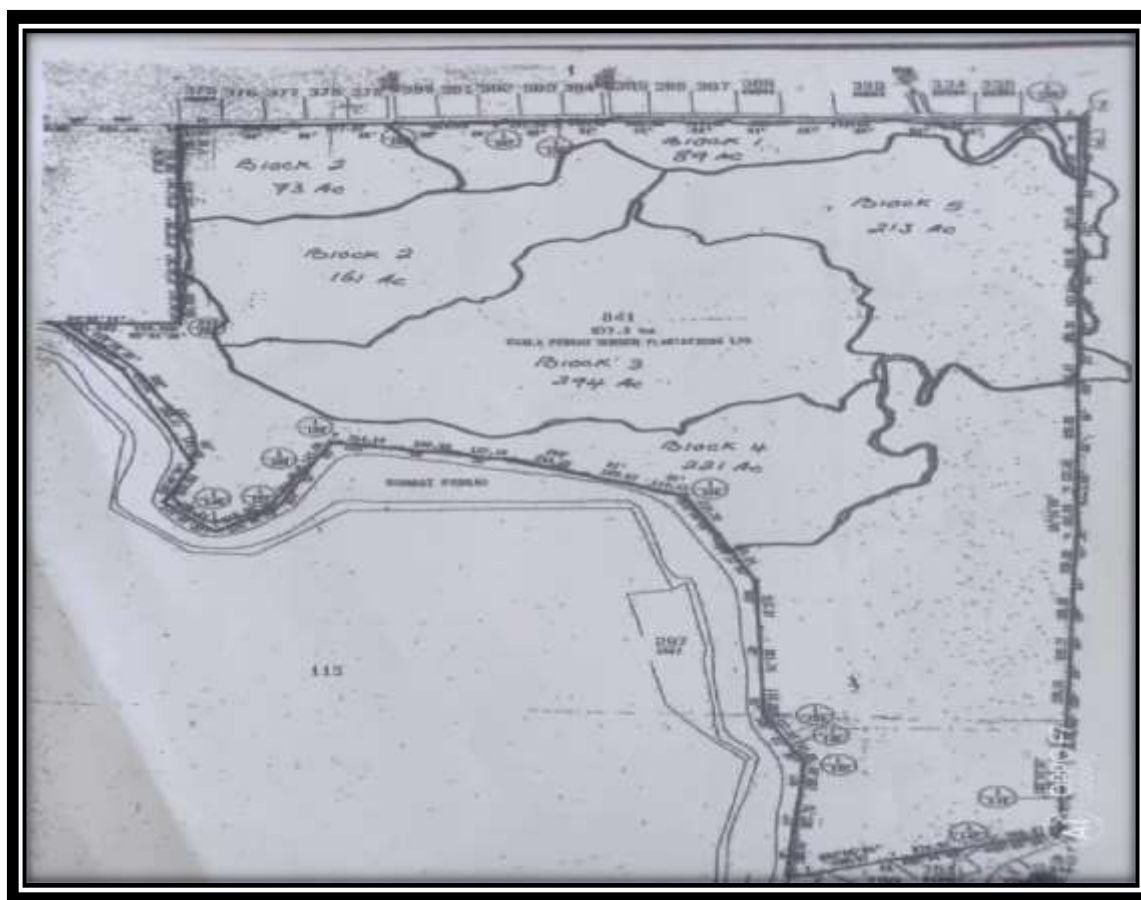
2) Sungai Bagan Estate



3) Kuala Pergau Estate – Home Division



4) Kuala Pergau Estate – Sydney 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
Sungei Bagan Estate	1,148.62	1,058.14	810.46
Kuala Pergau Estate	941.47	938.04	936.04
Total	2,090.09	1,996.18	1,746.50

Remarks :

- Certified area – last year 2,030.64. Different due to wrongly figure declaration last year
- Planted area – last year 1,996.06. Adjustment on the decimal point figure
- Mature area – last year 1,418.98. Conversion area from immature to mature area

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Sungei Bagan Estate	-	-	-
Kuala Pergau Estate	-	-	-
Total	NIL	NIL	NIL

Name of the Certification Unit	FFB Summary (MT)		
	Budget Production for 12 Months [Aug 2019-July 2020]	Actual Production for 12 Months [Aug 2019-July 2020]	Projected Production for next 12 Months [Aug 2020-July 2021]
Sungei Bagan Estate	14,108.00	14,039.40	13,806.00
Kuala Pergau Estate	7457.00	4,086.60	8,000.00
Total	21,565.00	18,126.00	21,806.00

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-SBE001-MSPO-01-2019
Initial certificate issued date	6 th September 2019
Certificate expiry date	5 th September 2024
Stage 1 assessment date	27 th April 2019
Stage 2 / Main Assessment	25 th June 2019 – 26 th June 2019

Annual Surveillance 1 [ASA 1]	25 th August 2020 – 26 th August 2020
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Annual Surveillance 2 [ASA 2]	July 2021
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Annual Surveillance 3 [ASA 3]	July 2022
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Annual Surveillance 4 [ASA 4]	July 2023
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1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohamad Razin bin Bakal

Graduate in Degree of Accountancy with University Putra Malaysia. Having 18 years of working experience in various fields in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administration, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013, ISO 14001:2015 and ISO 9001:2015 from Sirim Berhad. Member of GGC MSPO audit team.

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

Auditor

Name: Ahmad bin Sukiman

He holds MSc in Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experience with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Legal, Stakeholder's Consultation, Workers Welfare and Environment. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Baskran A/L 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 and MSPO 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 programs such as RSPO, MSPO, ISO and etc. Member of GGC RSPO audit team. Able to speak and understand Bahasa Malaysia and English.

During this assessment, he assessed the aspect of Compliance to legal requirements and Safety and Health, Social Responsibility, Health, Safety, Employment Conditions. 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 based on the total number of estates (2) with a medium risk factor (1.5). Total estates selected for this audit were two (2).

The assessment activities include document 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 the environment and social were also been verified.

The methodology for the 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 internal 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	25 th August 2020 – 26 th August 2020
Name of site(s) visited	Sungei Bagan Estate Kuala Pergau Estate
Total number of man-days spent	6 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	1	No action requires
Area of Concern	0	No action requires
Noteworthy /Positive Comments	5	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during 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 audits 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 internal stakeholders to understand the practices concerning environmental, social performance and their performance concerning the MSPO requirements. The meeting was conducted without the presence of estate management.

At the start of the 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 them with the estate management before incorporating them 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 are as per table follows:

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 (Harvesters)	<ul style="list-style-type: none"> MSPO awareness, company policy and SOP are briefed to workers during muster call. All of them have a good understanding of MSPO. Monthly salary payment was made promptly without any delay before the 7th every month. All of them are aware that any complaints or suggestions could be forwarded to estate management. Personal Protective Equipment is distributed free of charge by management. There is no conflict ever happened between worker & estate management. Company well managing the welfare, health and safety of their workers. 	No action requires	Positive findings
2.	Stakeholders B (Manure)	<ul style="list-style-type: none"> They have a good understanding of MSPO. They have a good understanding of complaint and grievance mechanism. PPE is given by company – free. They reported that no sexual harassment and violence cases happened in the workplace. They were treated equally with no discrimination based on gender. 	No action requires	Positive findings
3.	Stakeholders B (Estate Staff)	<ul style="list-style-type: none"> Having good knowledge about MSPO implementation, company policy and SOP Have a good relationship with the estate management and top management from HQ. Have a good understanding of complaint and grievance mechanisms. 	No action requires	Positive findings

		<ul style="list-style-type: none"> Company well managing the welfare, health and safety of their staff. 		
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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 Sungei Bagan Rubber Company (Malaya) Berhad. The Estate Manager is in charge and ensures that the facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to complying with the MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Annual Surveillance Audit (ASA 1).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During Annual Surveillance Audit (ASA 1), based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there were 0 Major, 1 Minor and 0 Area of concern have been raised to the facility that is 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" is awarded to Sungei Bagan Rubber Company (Malaya) Berhad.

1.13 Date of Next Surveillance Audit

The Annual Surveillance Audit 2 (ASA 2) visit will be scheduled after 12 months from the date of Annual Surveillance Audit 1 (ASA 1)

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 Annual Surveillance Audit (ASA 1) 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
PCoP	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 Procedure
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. The policy is approved by the company Executive Director, Mr. A. Balaraman dated 23rd December 2017.

Record of briefing to workers sighted during the audit. The briefing was done on 9th August 2020 attended by 56 estate workers. The worker's understanding of the MSPO has been verified during the interview session with the estate workers.

Record of briefing to workers sighted during the audit. The briefing was done on 15th August 2020 attended by 27 estate workers. Workers have shown their understanding of the MSPO standard during the internal stakeholder 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 an MSPO Policy stating their commitment to implanting the following sustainable practices. The policy was signed by the Executive Director/General Manager dated 23rd December 2017.

The policy also emphasized the followings;

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, natural resources, biodiversity and ecosystem in all our operations.
5. Continuously improve our sustainable management system.

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 The internal audit plan for both estates was sighted during the audit. Management is planning its internal audit based on the type of estate operations. Plans sighted as per below:

Estate	Plan Date	Actual
Bagan Estate / Kuala Pergau Estate	April 2020	August 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 Procedure for internal audit sighted during the audit. The procedure has been simplified into a flow diagram.

Sighted the internal audit report done by the consultant SPO Consultancy Sdn Bhd, for Sungei Bagan Estate estates and Kuala Pergau Estate dated 9th August 2020. There is none non-compliance for both estates but some processes incurred ten (10) – Area of Concern under normative reference following;

No	Indicator
1	4.3.1.1
2	4.4.4.2 – C
3	4.4.4.2 – G
4	4.4.5.3
5	4.4.5.7
6	4.5.5.1
7	Oil spills were noted in the workshop belonging to a contractor which could be avoided if servicing of vehicle is conducted over sand spreads. The contaminated sand could then be buried in an away from water sources
8	Obsolete tire and old empty paraquat drums should be disposed of
9	Spent oil and oil filter should be stored in an identified scheduled waste area with the quantity recorded and disposed of through an accredited vendor
10	Cabinet for PPE for use of visitor is to be kept at the entrance of the store

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

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

Summary The report has been made available to the management for their review. Sighted report by SPO Consultancy Sdn Bhd. dated 9th August 2020 for Sungei Bagan Estate and Kuala Pergau Estate

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 The management review meeting was conducted on 15th August 2020. The review was conducted based on internal audit findings for Report No: Sungei Bagan 1/2020 which was held on 9th August 2020 at Sungei Bagan Office for both estates which attended by General Manager, Manager and Assistant Manager

All findings and corrective actions were taken by the management recorded in the minutes

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

Criterion 4 Continual improvement

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

Summary Estate : Sungei Bagan Estate

No	Type	Units	Date to Implement	Status of Completion
1	Labour quarters	2 blocks x 2	2020/2021	
2	Security post	1	March 2020	Done
3	High-speed TM Telecommunication	1	Jan 2020	Done
4	Concrete pillar bridge	2	Sept 2020	
5	Concrete pole fencing @ staff quarters	-	Jun 2020	Done
6	Tools store	1	Jan 2020	Done
7	Garden Table / Chair	4 sets	Jan 2020	Done
8	Clothes drying lines @ worker quarters	8 sets	July 2020	Done

Estate : Kuala Pergau Estate

No	Type	Expected date of completion	Status of completion
1	Construction of 12 units workers quarters including septic tank (Sydney Div)	Oct 2020	In Progress
2	Construction of 1 unit Staff quarter (Sydney Div)	Oct 2020	In Progress
3	Construction of 1 unit Assistant Bungalow (Sydney Div)	Oct 2020	In Progress
4	Construction of 1 unit Muslim Prayer Hall (Sydney Div)	Oct 2020	In Progress
5	Construction of Badminton Court (Sydney Div)	Oct 2020	In Progress
6	Construction of 1 unit Fertilizer store (Sydney Div)	Oct 2020	In Progress
7	Construction of 1 unit Chemical store (Sydney Div)	Oct 2020	In Progress
8	Schedule Waste store (Sydney Div)	Oct 2020	In Progress
9	1 set of Genset (Sydney Div)	Oct 2020	In Progress
10	Water tank (8000 gln) with piping to workers quarters (Sydney Div)	Oct 2020	In Progress
11	Grading, resurfacing & compacting man road with crusherun @ 15Km (Sydney Div)	Jun – Aug 2020	In Progress
12	Grading, resurfacing & compacting man road with crusherun @ 10Km (Home Div)	August 2020	In Progress

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

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

Summary New technology introduces in both estates is Kingoya Electric FFB Cutter. The harvesting electric cutter system (E-Cutter) is a product from Kingoya Enterprise Sdn. Bhd. (Kingoya). The battery-powered "superfast" harvesting method improves the productivity of harvesters by 2 folds, increasing the income of harvesters to a more than satisfactory level. The followings are advantages of using Kingoya E-Cutter :

- i. Increase productivity of harvesters by 2 folds
- ii. Reduce requirements of harvesters thus reducing foreign labor while encouraging locals to joins plantations (estimated 25% reduction in labor requirement)
- iii. It is safe to use, the product starter switch activates the electric motor and stops when the switch button is released. A heat sink cools the motor. Harvesting tools consist of detachable parts which make them safe to be transported for harvesting.
- iv. Lower sound level and zero-emission of carbon-environment friendly
- v. Battery operated and vibrates less.

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

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

Summary The company disseminates new information and techniques or new industry standards and technologies through training.

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

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

Summary The company has established SOP No.3.0 Stakeholder Communication dated 1st January 2020. The Procedure has outlined processes for consultation and communication with the relevant stakeholder. The SOP has been communicated to internal stakeholders during muster ground briefing and for external stakeholders during external stakeholder meeting as sighted from latest stakeholder meeting

minutes for the meeting held on 08/08/2020 for Sungei Bagan Estate and 30th July 2020 for Kuala Pergau Estate under the title "Cara-cara pengaduan dan permintaan maklumat".

For Sungei Bagan estate has an SOP for dealing with complaints and grievances established titled "Procedure on complaints & Grievances". The SOP prepared by Assistant Manager Mr Poobalan and approved by the Estate Manager Mr Mugana Kerisnan A/L Karpiah dated 17th September 2019 has identified step by step processes from raising a complaint/request, reviewing the complaint/request received by the management and communicating the outcome of the review to the relevant stakeholder. The estate has established forms titled 'Borang Aduan' and 'Borang Permintaan / Request Form' for the stakeholder to record their complaints, grievances, or request which has a column for the management to write their response to the requestor complaint. There is no complaint received by the estate management form its stakeholder since the last audit. However, sighted the latest request dated 4th April 2020 made by an external stakeholder Mr Shamsyul Nieyzam (fish hawker) to sell requesting permission from the estate management to sell wet market items inside the estate. The management has approved the request on the same day from 'Borang Maklumbalas' where the management set conditions such as compliance with SOP for COVID 19, including the requirement for wearing the face mask and maintaining 1-meter social distancing.

Kuala Pergau estate has SOP for dealing with complaints and grievances established titled "Procedure on complaints & Grievances". The SOP prepared by Estate Staff Mr Rosli Bib Awang and approved by the Estate Manager Mr Mugana Kerisnan A/L Karpiah dated 17th September 2019 has identified step by step processes from raising a complaint/request, reviewing the complaint/request received by the management and communicating the outcome of the review to the relevant stakeholder. The estate has established forms titled 'Borang Aduan' and 'Borang Permintaan / Request Form' for the stakeholder to record their complaints, grievances or request which has a column for the management to write their response to the request or complaint. This SOP been communicated to estate workers during muster ground and external stakeholders during the annual stakeholder meeting. Sighted 'Borang Permintaan / Request Form' dated 4th June 2020 raised by Mr Nik Mohd. Habibi (an outsider who works in a nearby rubber plantation) requesting for empty fertilizer bag to which the management responded on the same day in "Borang Maklum Balas" stating that the company can't give away empty fertilizer bags as it classified as scheduled waste.

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 Both estates have identified documents that publicly available and a list of private documents. List of publicly available and private documents identified in the list includes;

- Publicly available documents - Letters /Correspondence from government department such as income tax, MPOB, Kastam Diraja Malaysia, SOCSO, EPF,

DOSH,EPF, DOE, Labour department, Industrial relation department, Majlis Daerah Dabong, PDRM, company annual report

- Private documents – HQ correspondence, General group manager correspondence, Monthly account, Crop return to company secretary, Estate costing report, land title, staff assessment report, bonus/increment, annual estimate, contract.

All these documents were sighted and available in the office. Requesting for official and confidential documents shall go through the manager/assistant in charge, whom will decide as to whether the information can be shared or otherwise.

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 company has established SOP No.3.0 Stakeholder Communication dated 1st January 2020. The Procedure has outlined processes for consultation and communication with the relevant stakeholder. The SOP been communicated to internal stakeholder during muster ground briefing and for external stakeholder during external stakeholder meeting as sighted from latest stakeholder meeting minutes for meeting held on 8th August 2020 for Sungei Bagan Estate and 30th July 2020 for Kuala Pergau Estate under the title "Cara-cara pengaduan dan permintaan maklumat".

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 responsible for Sungei Bagan estate stakeholder communication is Estate Staff Mr Azmi and for Kuala Pergau estate is Estate Staff Mr Rosli Bin Awang as sighted from appointment letter issued by the Estate Manager Mr Mugana Kerisan A/L Karpiah

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 Both estates have established a stakeholder list and last updated on 1st January 2020. A total of 23 stakeholders have been identified in the stakeholder list for Sungei Bagan estate and 19 stakeholders for Kuala Pergau Estate. The external stakeholder includes supplier, local police station, town council, government clinic, school, a local mosque, fire brigade, nearby oil palm estates.

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	<p>Seen SOP 5.0, Rev. 1/0 dated 5th May 2019 for Traceability and Supply Chain. Estate and Mill operation flow is made available to confirm the flow.</p> <p>Estate :</p> <ul style="list-style-type: none"> • FFB harvested and carried to the platform • Bunch counter/ mandore will count and conduct grading at the platform (Bunches Record) • FFB loaded onto the trailer and weighed at Estate Weighbridge (Internal Weighbridge ticket) • FFB sent to the POM accordingly. <p>Mill :</p> <ul style="list-style-type: none"> • FFB weighed at Mill weighbridge (Mill Weighbridge ticket/ FFB delivery note) • The delivery note is acknowledged by the mill and return to the estate to record. • FFB discharged into the mill ramp and transferred to the production floor for CPO production. (Mill production record) <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 2	The management shall conduct regular inspections on compliance with the established traceability system.
Summary	<p>Application of the tractability SOP is done annually internal audit for harvesting. The last inspection on traceability was done on 22nd January 2020 for Sungei Bagan Estate and 17th March 2020 for Kuala Pergau Estate during the internal audit for harvesting.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 3	The management should identify and assign suitable employees to implement and maintain the traceability system.
Summary	<p>The person responsible for Sungei Bagan estate maintaining traceability is Estate Staff Mr Azmi and for Kuala Pergau estate is Estate Staff Mr Rosli Bin Awang as sighted from appointment letter issued by the Estate Manager Mr Mugana Kerisnan A/L Karpiah</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 4	Records of sales, delivery or transportation of FFB shall be maintained.
Summary	<p><u>Sungei Bagan Estate</u> Records of the production field, transportation and delivery of FFB are well maintained by the estate. Samples sighted include:</p> <p>FFB Despatch from estate Date : 27th July 2020 Despatch No. 0566</p>

Tonnage : 39,280 Kg
Lorry No. : TTB 5591

Estate's Weigh Bridge Ticket
Date : 26th July 2020
Despatch No. D 002338
Customer : Villa Sutera Sdn Bhd
Vehicle No. : TTB 5591
Inv. No. 302572
Net weight : 31,400 kg

Mill's Weigh Bridge Ticket
Date : 27th July 2020
Ticket No. P 0463059
Mill name : Villa Sutera Sdn Bhd
Vehicle No. : TTB 5591
Net weight : 16,960 kg

Kuala Pergau Estate

Records of the production field, transportation and delivery of FFB are well maintained by the estate. Samples sighted include:

FFB Despatch from estate
Date : 25th August 2020
Despatch No. 0069
Block No. 4 (186 Ha)
Tonnage : 7,200 Kg
Lorry No. : DAM 9839

Estate's Weigh Bridge Ticket
Date : 25th August 2020
Despatch No. D 000478
Customer : Santong Sawit Sdn Bhd
Vehicle No. : DAM 9839
Inv. No. 145069
Net weight : 7,200 kg

Mill's Weigh Bridge Ticket
Date : 25th August 2020
Ticket No. D 000478
Mill name : Palamsel Holding Sdn Bhd
Vehicle No. : DAM 9839
Net weight : 7,110 kg

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

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary Sungei Bagan Rubber Company (Malaya) Berhad has established and updated list of laws applicable to FFB plantation signed by the Estate Manager, Mr Mugana Kerisnan A/L Karpiah.

The Legal Register has been revised and approved by the respective person-in-charge (PIC) and the Estate Manager for the following estates;

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	10 th January 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	1 st June 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

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

1. Prevention and Control of Infectious Diseases Act 1988, Act 342
2. Employment Act 1955 (Act 265)
3. Trade Union Act 1959
4. Employees Provident Fund 1991 (Act 452)
5. OSHA Act 1994 (Act 514)
6. Factories and Machinery Act 1967
7. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
8. Land Conservation Act 1960 (Act 385)
9. Land Acquisition Act 1960
10. National Forestry Act 1984 (Act 313)
11. National Land Code 1965 (Act 56)
12. Industrial Relations Act 1967 (Act 177)
13. Customs Act 1967
14. Environmental Quality Act 1974 (Act 127)
15. Pesticides Act 1974 (Act 149)
16. Employees Social Security Act 1969 (Act 4)
17. Contracts Act 1950, Contracts (Amendment) Act 1976 & Government Contracts Act 1949
18. Companies (Winding-Up) Rules 1972
19. Arm Act 1960 (Act 206)
20. Dangerous Drugs Act 1952 & Drug Dependents (Treatment and Rehabilitation) Act 1983
21. Akta Jalan, Parit and Bangunan 1974
22. Renewable Energy Act 2011
23. Akta Pembangunan Sumber Manusia Berhad 2011 dan Peraturan-Peraturan & Pembangunan Sumber Manusia Berhad Act 2001
24. Federal Constitution



25. Minimum Wages Order 2020
26. Weights and Measures Act 1972 (Act 71)
27. MPOB Act 1998 (Act 582)
28. Electricity Supply Act 1990 (Act 447)

The estates had implemented its Weekly Line site Checklist, the line site inspection was carried out by the PIC as follow;

Estate	Staff/ Person In Charge Name	Date of Visit
Sungei Bagan	Mr Poobalan A/L Subarmaniam (Assistant Manager)	10 th , 16 th , 23 rd August 2020
Kuala Pergau	Mr Rosli Bin Awang (Staff)	12 th , 19 th , 27 th July 2020

The monthly Visiting Medical Officer visit is recorded in a VMO Visit Record;

Estate	VMO Name	Date of Visit
Sungei Bagan	Dr Lim Kuai Lian (Merican Dispensary Sdn Bhd)	23 rd August 2020
Kuala Pergau	Dr Lim Kuai Lian (Merican Dispensary Sdn Bhd)	23 rd August 2020

The Visiting Medical Officer (VMO), Dr Lim Kuai Lian from Merican Dispensary Sdn Bhd visit is recorded in a VMO Visit Book. Report of VMO visit for the month of August 2020 (visited on 23rd August 2020) stated the following;

1. 15 workers collected their medication.
2. Visited laborer's quarters
3. Drainage and surroundings are clean and safe.

Due to pandemic Covid-19 and Federal Government Gazette, Peraturan-Peraturan Pencegahan dan Pengawalan Penyakit Berjangkit (Langkah-Langkah Di Dalam Kawasan Tempatan Jangkitan)(No. 7) 2020 berkuatkuasa 10 Jun 2020 hingga 31 Ogos 2020, the Company has established the management plan to prevent the spread of pandemic Covid-19, based on guidelines provided by Majlis Keselamatan Negara - Protocol for Agri-Commodity Sector. The Disinfection Planning has been prepared and approved by the following personnel;

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	1 st June 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	26 th June 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

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

1. Workers' Quarter
2. Office
3. Store

4. Staff House
5. Executive's Bungalow

Sighted sample of evidence for the disinfection exercise as per Sg Bagan and Kuala Pergau Estates Disinfection Record Book. For the month of August, the disinfection works have been carried out on 2nd August 2020 and 16th August 2020

Sighted also daily workers "Pemeriksaan Covid-19 (Suhu Badan)" form. The implementation of the disinfection exercise has been furnished with a disinfection record and pictorials evidence.

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

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

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

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	1 st July 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	5 th January 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

The lists of permits/licenses for Sungei Bagan Estate which has been monitored and updated periodically include;

1. Lesen MPOB (menjual dan mengalih FFB) for Sungei Bagan Rubber Company (Malaya) Berhad (2,030.96ha). No Lesen 617887002000 for a period 1st January 2020 to 31st December 2020.
2. Lesen Abstraksi Air Perigi, Enakmen Bekalan Air 1995 (Fasal 51(3), No Lesen: GWAL 0056/2019, for Sungei Bagan Estate for the abstraction of 18,880m³ water with the rate of 8m³/hour effective 16th November 2019 to 15th November 2020.
3. Perakuan Kelayakan Pengandung tekanan Tak Berapi, No Perakuan: PMT-KN/19 05885, No Pendaftaran KN PMT 80179 for Air Tank pada tekanan tidak melebihi kelumpang 860 kilo pascal valid till 24th September 2020
4. Perakuan Penentuan Timbang dan Sukat No. Siri Alat: 121267-015345/0286186 for 60mt weight for Sungei Bagan Estate stamping done by Metrology Corporation Malaysia Sdn Bhd on 17th June 2020.

The lists of permits/licenses for Kuala Pergau Estate which has been monitored and updated periodically include;

5. Lesen MPOB (menjual dan mengalih FFB) for Sungei Bagan Rubber Company (Malaya) Berhad (2,030.96ha). No Lesen 617887002000 for a period 1st January 2020 to 31st December 2020.

6. Perakuan Penentuan Timbang dan Sukat No. Siri Alat: 126617-025023/0286263 for 60mt weight for Kuala Pergau Estate (Sydney Division) stamping done by Metrology Corporation Malaysia Sdn Bhd on 8th July 2020.
7. Perakuan Penentuan Timbang dan Sukat No. Siri Alat: 114753-0157934/015245 for 60mt weight for Kuala Pergau Estate (Home Division) stamping done by Metrology Corporation Malaysia Sdn Bhd on 12th December 2019.
8. Gun License No. 25138, F076554 and 1392184 – kept in Kuala Pergau Estate office.
9. Perakuan Kekompetenan Sebagai Chargemen, PJ-T-2-B-0163-2002 for Mr Pazila Bin Abdul Rahim, I.C. No:750617-03-5039, Category Chargemen A1.
10. Perakuan Kekompetenan Sebagai Pendawai Tiga Fasa & Endorsan Pengujian (PW4), PW-T-4-B-2620-1999 for Mr Pazila Bin Abdul Rahim, I.C. No:750617-03-5039, Category PW4 effective 15th December 1999.

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

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

Summary Based on an interview with Mr Poobalan A/L Subarmaniam, any new amendments or any regulations once received through the following manner:

1. HQ Department
2. Communication with law/enforcement officers
3. Website

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

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

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

Estate	Person In Charge	Signed by	Letter Date
Sungei Bagan	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)	1 st May 2019
Kuala Pergau	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)	1 st May 2019

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 original land titles are kept in the estate's office and were sighted during the audit.

For Sungei Bagan Estate, the land title details as tabulated below;

Lot No	Land Title (Ha)	Quit Rent (Ha)	Quit Rent (RM)	Ownership
524	34.5496	34.5496	2,076.00	Sungei Bagan Rubber Company (Malaya) Berhad
1069 (1725)	565.8450	565.8450	84,885.00	Sungei Bagan Rubber Company (Malaya) Berhad
517 (1390)	429.0235	429.0235	64,350.00	Sungei Bagan Rubber Company (Malaya) Berhad
3046	119.2000	119.2000	20,860.00	Sungei Bagan Rubber Company (Malaya) Berhad
Total	1,148.6181	1,148.6181	172,171.00	

Note: The land titles are under 'Permanent Status' (Selama-lamanya).

Evidence of annual payment of Quit Rent 2020 has been paid to Pentadbir Tanah Jajahan Machang, Kelantan amounted to RM172,171.00 is available in a form of receipts.

For Kuala Pergau Estate, the land title is tabulated below;

Lot No	Land Title (Ha)	Quit Rent (Ha)	Quit Rent (RM)	Ownership
113	353.4956	353.4956	53,025.00	Kuala Pergau Rubber Plantation Limited
841	577.2000	577.2000	86,610.00	Kuala Pergau Rubber Plantation Limited
297	9.6161	9.6161	241.00	Kuala Pergau Rubber Plantation Limited
298	1.1622	1.1623	30.00	Kuala Pergau Rubber Plantation Limited
Total	941.4739	941.4740	139,906.00	

Note: Sighted Lease Agreement between Kuala Pergau Rubber Plantations PLC (the Lessor) and Sungei Bagan Rubber Company (Malaya) Berhad (the Lessee) sealed on 01.04.2015. The Lessee shall have an option to renew the Lease of the said Land by giving the Lessor not less than ninety (90) days notices of intention. Sighted a letter from Teo & Chew, Penguambela & Peguamcara, addressed to Kuala Pergau Rubber Plantations Limited dated 8th May 2018 with regards to the automatic renewal of the Lease commencing 1st April 2018 to 31st March 2021.

The land titles are under 'Permanent Status' (Selama-lamanya).

Evidence of annual payment of Quit Rent 2020 has been paid to Pentadbir Tanah Jajahan Kuala Krai, Kelantan amounted to RM139,876.00 and RM30.00 paid to Pejabat Tanah dan Jajahan Machang, Kelantan is available in a form of receipts.

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

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

Summary For Sungei Bagan Estate, the land ownership and actual used of land as tabulated below:

Lot No	Ownership	Syarat Nyata	Actual Land Used
524	Sungei Bagan Rubber Company (Malaya) Berhad	Kelapa Sawit	Oil Palm
1069 (1725)	Sungei Bagan Rubber Company (Malaya) Berhad	Getah	Oil Palm
517 (1390)	Sungei Bagan Rubber Company (Malaya) Berhad	Kelapa Sawit	Oil Palm
3046	Sungei Bagan Rubber Company (Malaya) Berhad	Kelapa Sawit	Oil Palm

Note: Sighted receipt No. 0402A90065 amounted to RM580.00 for the payment of "Tukar Syarat Nyata from Getah to Kelapa Sawit" dated 4th February 2019. Sighted also a chronology of events between estate Field Staff (Mr Hazmi Bin Ghazali) and officers of Pejabat Tanah dan Jajahan Machang, Kelantan regarded the application to change the "Syarat-Syarat Nyata" for Lot 1069(1725) from "Getah" to Oil Palm. The date of the meeting was recorded i.e. 08.05.2019, 21.07.2019, 23.09.2019, 10.12.2019, 09.02.2020, 13.03.2020, and 08.07.2020. April to June 2020 has been declared by the Government of Malaysia as Movement Control Order, therefore no activity could be done during this period to follow up the status of the application.

For Kuala Pergau Estate, the land ownership and actual used of land as tabulated below;

Lot No	Ownership	Syarat Nyata	Actual Land Used
113	Kuala Pergau Rubber Plantation Limited	Tiada	Oil Palm
841	Kuala Pergau Rubber Plantation Limited	Tiada	Oil Palm
297	Kuala Pergau Rubber Plantation Limited	Tiada	Oil Palm
298	Kuala Pergau Rubber Plantation Limited	Tiada	Oil Palm

The detail of Sungei Bagan and Kuala Pergau Estates Area Statement is tabulated below;

Description	Sungei Bagan (Ha)	Kuala Pergau (Ha)
Mature Oil Palm	810.46	936.04
Immature Oil Palm	247.68	-
In Course of Replanting	-	-
Planted	1,058.14	936.04
Nursery	4.05	-
Building sites & roads	9.96	0.00
Swamp/Ravines	65.58	3.41
Labourer's garden	10.89	2.02
Total Estate Area	1,148.62	-



Total as per Titled	1,148.6181	941.47
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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 Demarcation Plan as per survey plan carried out by AA Geomatics and Survey Consultant (Juruukur Berlesen) Ref: ASDE/102/2019 for the following lot;

1. Lot 517 (1390)
2. Lot 1069 (1725) & 524
3. Lot 3046

As sample evidence,

Lot No	Stone No.	Bearing	Jarak
1390	20	283°03'00"	39.840
1725	11	318°07'30"	49.67
524	2	271°38'30"	11.018
3046	23	357°30'00"	16.320

Sighted Demarcation Plan as per survey plan carried out by AA Geomatics and Survey Consultant (Juruukur Berlesen) Ref: ASDE/102/2019 for the following titles;

1. Lot 113
2. Lot 841
3. Lot 297
4. Lot 298

As sample evidence,

Lot No	Stone No.	Bearing	Jarak
113	Boundary with Lot 298	66°28'50"	250.705
841	1/149	183°02'00"	168.01
297	195	189°47'00"	57.858
298	Boundary with Lot 113	7°05'00"	92.481

During the field visit, auditors also checked a few physical boundary stones and verify them with the company's GPS coordinate and GGC's own GPS coordinate. The coordinate checked by GGC unit is matched to the data that prepared by the estates.

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 (Fku).

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

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

Criterion 3 Customary rights	
Indicator 1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.
Summary	There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has the proper legal land title for land ownership.
In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	
Indicator 2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.
Summary	There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has the proper legal land title for land ownership. Therefore, no maps for recognized customary rights are available.
In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 this estate. The company has the proper legal land title for land ownership.
In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<p>Social impact assessment (SIA) for the estate was conducted at Sungei Bagan Estate on 7th January 2020 and Kuala Pergau Estate on 24th April 2020 as sighted from 'Social Impact Analysis' report prepared by Assistant Manager Mr Poobalan and Estate Staff Mr. Rosli respectively. The assessment has cover impact to estate workers from estate activities such as negative impacts from transportation vehicles, chicken coops at workers quarters, waste from labour quarters, sexual harassment, bullying, discrimination by supervisory personnel, etc., and as well positive impacts such as from donations, employment opportunity, water supply, estate football field.</p> <p>For adverse impacts identified both estates have established mitigation plans to reduce its impacts to its stakeholder. Example mitigation measure sighted includes the following:</p>

1. (Activity) FFB lorries/ tractors crossing worker quarter → (Impact) Dust accumulated can cause health and breathing problem to workers → (Mitigation Measure) Limit Speed to 30 Km/hr, Place humps on the road as speed breaker, Spray water using water tank at regular intervals.
2. (Activity) Chicken coops at worker's quarters → (Impact) Can pose serious sanitation and health problem arising from chicken dungs → (Mitigation Measure) Dismantle and remove chicken coops from worker quarters Locate a place that is far away from the worker quarter to rear chicken.
3. (Activity) Wastewater from labor quarters discharge → (Impact) Can pose health problem if water from waterway and river are consumed by villagers → Place dirt traps on drains leading out from worker quarters.

According to Assistant Manager Mr Poobalan, the SIA mitigation measures identified in the management plan were completed in June 2020 for both estates. During a field visit to the estate, line site noted the above-specified mitigation measures have been implemented.

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

Both estates have SOP for dealing with complaints and grievances established titled "Procedure on complaints & Grievances". The SOP for Sungei Bagan Estate was prepared by Assistant Manager Mr Poobalan and for Kuala Pergau Estate was prepared by Estate Staff Mr Rosli Bin Awang. The SOP was approved by the Estate Manager Mr Mugana Kerisnan A/L Karpiah for both estates. The SOP has identified step-by-step processes from raising a complaint/request, reviewing the complaint/request received by the management and communicating outcome of the review to the relevant stakeholder. The estate has established forms titled 'Borang Aduan & Maklumat' and 'Borang Permintaan / Request Form' for the stakeholder to record their complaints, grievances or request which has a column for the management to write their response to the request or complaint. This SOP been communicated to estate workers during muster ground and external stakeholders during the annual stakeholder meeting.

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

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

Summary

There is no complaint received by the estate management from its stakeholder since the last audit. However, sighted the latest request made by an external stakeholder as follows;

Sungei Bagan Estate :

Sighted latest request dated 4th April 2020 made by an external stakeholder Mr Shamsul Nieyzam (fish hawker) to sell requesting permission from the estate management to sell wet market items inside the estate. The management has approved the request on the same day from 'Borang Maklumbalas' where the management set

conditions such as compliance with SOP for COVID 19, including the requirement for wearing the face mask and maintaining 1-meter social distancing.

Kuala Pergau Estate

Sighted 'Borang Aduan & Maklumat' dated 21st July 2020 raised by Mr Mohd Badrul (a villager from Kg. Biak) who has complained that their village road is damaged by lorries sending fruits from the estate and requesting estate to repair the road. The estate management has responded by agreeing to the villager's request and has appointed contractor Mr Yeo to do the repair work. The repair work is in progress as of this audit period.

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

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

Summary Both estates have established a complaint form titled 'Borang Aduan' which is available both at office and estate line site for the stakeholder to make a complaint.

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

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

Summary The estate has established a complaint form titled 'Borang Aduan' which is available both at the office and estate line site for the stakeholder to make a complaint. According to the Estate Manager, the complaint can be made at any time and posted into the post box located at outside of office and line site, which the management clears it on daily basis. Estate employees have been briefed on the complaint mechanism during muster ground briefing and external stakeholders during the annual stakeholder meeting.

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

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

Summary Sighted all internal complaints filled, responded and the records being maintained for the last 24 months.

No negative complaints were made by internal and external stakeholders within the last 24 months in both estates.

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 Both estates are committed and have contributed to local development. The contribution made to the internal and external stakeholders.

Sungei Bagan Estate	Kuala Pergau Estate
In January 2020 the estate management has contributed RM 312. 00 for the purchase of carom board, sepak takraw ball and net, badminton net and chess set for the estate workers.	Contribution of 50 bags of rice to Kg. Biak villages during MCO period which worth of RM 1,140.00 as sighted from receipt No. 7044 dated 28 th March 2020.
Donation of RM 100.00 (Receipt No. 0886) to welfare organization 'Kelab Membantu Mangsa Bencana Alam dan Kemanusiaan Negeri Kelantan' on 12 th August 2020.	

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.

Sighted local OSH Policy signed by, Estate Manager. The policy was prepared in Bahasa Malaysia and English for easily understood by all levels of its employees. OSH Plan for 2020 is available including objectives.

This policy is displayed in all the offices and on notice boards.

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.

OSH Policy has been established and briefed to estate workers as sighted from "Daily Morning Muster Ground Briefing Record". The last such briefing was given on 26th August 2020 in Kuala Pergau Estate and 25th August 2020 in Sungei Bagan Estate.

Adequate HIRARC being assessed and documented for both estates. Risk assessment was conducted through HIRARC based on the severity and the likelihood.

HIRARC is consist of hazard identification (type of work activity, hazard & effect) Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & Person In Charge appointed are Staff or Executive). HIRARC sighted for the work activities as sample herein:

- Harvesting (manual)
- Harvesting (cantas)
- Transportation
- Manuring
- Spraying
- Housing
- Oil Palm Nursery
- Office

The estate has established annual training programme for its workers which includes OSH Training as sighted from "Sungei Bagan Estate – Revised Training Plan" for year 2020. Safety training identified include training for Driver/loader, training for Sprayer, training for Harvesting and manuring. Training is conducted as planned as sighted from records of training completed. Sighted attendance sheet for safety training conducted for tractor drivers on 9th July 2020 which was jointly organized with Sungei Bagan Estate attended by Kuala Pergau Estate Staff Mr Rosli Bin Awang.

Both estates have provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record sighted for:-

- Staff/AP
- Harvesters
- Field Workers
- General Workers

The type of PPE is included in the HIRARC assessment chart for all types of job activities. During the field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works. All workers involved in the operations have been adequately trained in safe working practice.

The estate has conducted Chemical Health Risk Assessment (CHRA) for the estate operations on 29th January 2017 as sighted from CHRA Report Ref no. HQ/14/ASS/00/357-2017/045)

Sungei Bagan Estate

The estate conducts medical surveillance on annual basis for those handling chemicals. Sighted latest medical surveillance conducted on 6th July 2020. Sighted "Employee Medical Surveillance Summary Report" dated 13th July 2020 prepared by Dr. J.P. Kamalanathan (OSH Doctor, DOSH Reg no. HH/08/DOC/00360). Total of 7 estate workers were examined and all the workers been certified by the OSH Doctor as 'Fit to work' in their individual medical report.

Kuala Pergau Estate

The estate conducts medical surveillance on annual basis for those handling chemicals. Sighted latest medical surveillance conducted on 7th July 2020. Sighted "Employee Medical Surveillance Summary Report" dated 13th July 2020 prepared by Dr. J.P. Kamalanathan (OSH Doctor, DOSH Reg No. HH/08/DOC/00360). Total of 8 estate workers were examined and all the workers been certified by the OSH Doctor as 'Fit to work' in their individual medical report.

The company has appointed Estate Manager Mr Mugana Kerisnan A/L Karpiah as person-in-charge of health and safety for the estate as sighted from the OSH Organization chart for the estate, where he is the chairman.

The estate's safety committee meets every quarter and the latest OSH meeting was held on 17th June 2020 for Sungei Bagan Estate and 6th July 2020 for Kuala Pergau Estate which was attended by OSH committee members representing management and workers including the chairman as sighted from meeting minutes prepared by respective OSH secretary

Sighted the emergency procedure in both Estates. Emergency response plan available in the local language (Malay and English). The ERP has been explained to all workers and staff during training. Emergency response plan includes the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.

There are 6 First Aid box in Sungei Bagan Estate and 4 First aid box in Kuala Pergau Estate. The location of the first aid box is located at strategic locations including hand

carried by madore during field works. Monthly inspection is done on using "First Aid Kits Checklist" and the last inspection was done in August. Usages are recorded in The "First Aid Kit Usage checklist".

The first aider in both estates have been trained by Mr Raman Krishnan a competent trainer from SPO Consultancy Sdn Bhd as sighted from training certificate issued dated 4th May 2018.

Both estates have submitted JKPP 8 (I & II)/(IV) on an annual basis to the DOSH. LTA calculation based on local interpretation from DOSH JKPP which submitted on 23rd January 2020.

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.

Communication of all the policies to the workforce is through training and during muster call for both estates. Seen, the communication to External Stakeholder through the Stakeholder Meeting. This policy covers drive positive socio-economic impact for people and communities, respect and support the Universal Declaration of Human Rights, Respect and Recognize the Rights of All Employees- no forced or bonded labor, no child labor, employment contracts, freedom of Association and Right to Collective Bargaining, minimum income standard, working hours, record keeping, equal employment opportunities, access to education, harassment and violence, whistleblowing, grievance redress procedure and resolve verifiable complaints and conflicts through an open, transparent and consultative process.

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

- 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.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in both estates.

During interviews, it is clearly stated no forced labor in both estates. Each employee is given an employment contract either local or foreign.

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

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

Summary Pay and conditions are documented in the Workers' Contract Agreement and wage payment records/payslip. The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2020 as stated in the guidelines.

Interview with both estates staff and workers and with all male and female confirmed that they understand the terms and conditions of their employment. No confinement history and no illegal or forced deduction as per this audit period.

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

Sungei Bagan Estate

sighted for estate general workers Ms Nor Hidayah, Ms Mariani and Mr Mohd Rizalman. The salaries are as per MAPA/NUPW collective agreement. Sighted salary paid for estate general workers for the month of July 2020. All the workers are paid complying with minimum wages Order 2020. Every worker is provided with a payslip describing their salary earned for the month and deduction details.

Kuala Pergau Estate

sighted for estate general workers Mr Cha Suhani Bin Che Jaafar and Mr Ponniman. The salaries are as per MAPA/NUPW collective agreement. Sighted salary paid for estate general workers for the month of July 2020. All the workers are paid complying with minimum wages Order 2020. Every worker are provided with a payslip describing their salary earned for the month and deduction details.

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 No contract work in Sungei Bagan Estate. Sighted, an Agreement between Kuala Pergau Estate and Golden Star Plantation Sdn. Bhd. dated 1st October 2019.

Golden Star Plantation Sdn Bhd has 3 employees that have been employed directly by the company who are been provided with an employment contract and monthly salary record. Sighted employment contract and monthly salary paid for Mr. Remedtus Boy

(Passport No. B406 7342), Mr Suko Walluyo (Passport No. B 2750520) and Ms Teresia Bela (Passport No. B 6828011). Their salaries recorded above the national minimum wages of RM 1,100.00.

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

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

Summary Both estates have established and keep database of their workers. The Management has compiled on LRC (Labour Registration Card) for every single employer. The workers employed consisted of local and Indonesian. Each employee has an employment contract agreement as format follows;

- Name
- Identify card/Passport No.
- EPF
- SOCSO
- Gender
- Nationality
- Date of birth
- Date of employment
- Either spouse employed
- Wages
- Work category
- Position
- Wages
- Working hour
- Rest day/public holiday
- Working on holiday/OT
- Allowance
- Etc

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

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

Summary Contracts for local and Indonesian foreign workers were sampled. The terms and conditions of employment are contained in the employment contracts and include the duration of employment, place of work, salary, working hours, medical benefits, accommodation, annual leave, sick leave, termination of service, and other benefits provided (housing, employment cost, etc). For contracts that were prepared in Bahasa Malaysia and Bahasa Indonesia. A copy of the employment contract is given to the individual worker and this was further confirmed by the workers during interviews.

This contract is signed by all employees and employers and accompanied by respective witnesses. Workers employed consisted of Malaysian and Indonesian.

All workers enjoy the same scale of pay and are provided with equal housing and work facilities. This was confirmed through an interview with workers from the estates and also through verification of contracts of service and payslips of workers

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

Working hours for both Estates is 8 hours, Monday to Saturday. The total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law.

Seen the working hours being displayed on the notice board. The office working time is 6.30 am to 2.30 pm 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. Sighted in the Contract Agreement the rate of overtime agreed by both parties.

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

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

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

Summary Salary slips clearly show 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.

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 – Gas allowance, water, electricity, insurance (AIA insurance).
- Workers – Workers Compensation

EPF & SOCSO as required by the Malaysian Laws and Regulations.

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 worker's line site. Electricity and water are provided by the estate without any charges to the workers.

Welfare Amenities: Football Field, Surau, Badminton Court

Lineside inspection checklist is made available, and the frequency of inspection is made on weekly basis.

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

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

Summary Sighted policy of "Sexual Harassment and violence policy", listed as:

- Ensure employees are not subjected to verbal and non-verbal abuse or sexual harassment.
- Maintain a condition at the workplace that is 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.

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 Local or foreign workers are given the freedom which it is an option for them to join worker union formed in Estates. Thus, their freedom is not restrict by Estates 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 The company has established and implemented a minimum age policy and no children below ages of 18 workings in the estate and this was proven through checking the list of employees as well as their biodata and through estate visits

There are no children below the ages of 18 workings in the estates and this was proven through checking the list of employees as well as their biodata and through site visits in both estates. The workers were clear that no one below 18 years old should be employed.

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

Criterion 6 Training and competency

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

Summary Training file is available and maintained. Training conducted as per below:

- Training for tractor driver – 22nd March 2019
[Sighted photographs, training materials and meeting minutes as evidence].
- Training Penabur Baja – 16th March 2019
[Sighted photographs, training materials and meeting minutes as evidence].
- Training for chemical sprayers – 10th February 2019
[Sighted photographs, training materials and meeting minutes as evidence].
- Training for Harvester – 13th February 2019
[Sighted photographs, training materials and meeting minutes as evidence].
- Training for Penaburan Baja – 19th May 2019
[Sighted photographs, training materials and meeting minutes as evidence and attendance record is available for 9 workers].
- Training on Environmental Policy – 24th June 2019
[Attended by 46 participants, sighted photographs, training materials and attendance record].
- Training on MSPO Policy – 7th May 2019
[Attended by 47 participants, sighted photographs, training materials and attendance record] – consists of weeder, harvester, loader and staffs.

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 The yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers which are based on their competencies and job description.

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

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

Summary The company has established a "Training Procedure" dated 1st August 2020 for both estates. In line with the training needs and continuous training program the estate has established an annual training plan for the year 2020. Training planned for 2020 include:

- Training for Driver / Loader in Jan 2020
- Training form Sprayer in Feb 2020
- Training for Harvester in July 2020
- Training for manuring in August 2020

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 Sungei Bagan Rubber Company (Malaya) Berhad and Kuala Pergau Rubber Plantation Limited have established an Environmental Policy signed by the Executive Director/General Manager, Mr A. Balaraman dated 23rd December 2017.

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

- Comply with all environmental legislation and another 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 environmental impacts caused by the

- plantation and mill operations.
- Maintain open channels of communication with stakeholders concerning environmental issues.
- Ensure all employees are aware of the Company's environmental policy, are motivated to conform, are aware of their 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 environmental risk assessment covers 17 work activities of the plantation covering elements of aspect and impact identification (work activity, environmental aspect, environmental impact, existing control), risk assessment (likelihood, severity, risk rating), risk control (recommendation and legislation).

The estate's management has conducted an environmental aspect and impact assessment (EAIA) for all its' activities in the year 2020. The environmental assessment findings are recorded in the document titled "Environmental Aspect & Impact Assessment (EAIA) Report", Ref No. Plantation-SB/EAI/001, prepared and approved by the following personnel;

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	7 th April 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	7 th April 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

The environmental aspect & impact assessment (EAIA) register has identified columns for Work Activity, Aspect, Impact, Existing Control, Risk Assessment (likelihood (L), Severity (S), Risk Rating (LXS) & Risk Control (Recommendation), Risk Control (Legislation). EAIA is being reviewed on annual basis.

The EAIA Risk Matrix Table has been established and classified into 5 Severity Categories: Insignificant, Minor, Moderate, Major, Catastrophic. The Likelihood is categorized into rare, unlikely, possible, likely and almost certain. The environmental ratings are classified as Low Risk (1-4), Moderate Risk (5-12) and High Risk (15-25).

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

1. Spraying of herbicides for weed control in the field
2. Manuring of fertilizer on palms
3. Replanting/felling/chipping/shredding
4. Drainage works
5. Fishing/Electric shock
6. Poor management of line site, sanitation drain

7. Use of lorry and tractor in estate operation
8. Open burning
9. Mixing chemical
10. Spraying of herbicides
11. Filling diesel
12. Changing lubricant
13. Dumping of non-biodegradable
14. Dumping of domestic waste
15. Spraying
16. Manuring
17. Fuel used (transport)

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

Work Activity	Existing Control	Risk Assessment	Recommendation
Spraying of herbicides for weed control in the field	Procedure riparian/buffer zone to follow, no spraying 20m from the river (riparian/buffer zone – Kelantan River), good agricultural practice.	8 (Moderate)	Training on the chemical handler, monitoring of no intrusion on the riparian buffer zone, close supervision during spraying works along the river
Manuring of fertilizer on palms	Procedure riparian/buffer zone to follow did not apply fertilizer 20m from the river (riparian/buffer zone – Kelantan River), good agricultural practice.	8 (Moderate)	Training on manuring operators, monitoring of no intrusion on the riparian buffer zone, close supervision during manuring works along the river
Mixing chemical	Using tray while mixing chemical, follow SOP, good agricultural practice.	6 (Moderate)	Training on the chemical handler, regular briefing on workers, close supervision
Changing lubricant	Oil sump/pits/tray, follow scheduled waste management	6 (Moderate)	Regular briefing on drivers, training on the driver, close supervision
Filling diesel	Oil sump/pits/tray, follow scheduled waste management	12 (Moderate)	Regular briefing on drivers, training on the driver, close supervision

In Compliance

☒ **Yes**

☐ **No**

☐ **Not Applicable**

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

Summary The Environmental Improvement Plan has been incorporated with the Continuous Improvement Plan Year 2020 (Environmental) prepared and approved by the following personnel;

Estate	Revision Date	Person in charge	Manager
Sungei Bagan	1 st August 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	15 th July 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

Sample evidence of Environmental Improvement Plan (EIP) established by the estates include;

Action Plan	Target Date & Status
Dispose of scheduled waste by DOE certified scheduled waste dispose Company	September 2020
Enhance fixed rubbish trap at line site to ensure no rubbish goes to the river	September 2020
Have more meetings with workers to educate them on electricity/ water saving attitude	September 2020
Enhance further rain gutter at labor lines to trap rainwater for washing & cleaning	September 2020

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

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

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

Estate	Revision Date	Person in charge	Manager
Sungei Bagan	1 st August 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	15 th July 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

The Continuous Improvement Plan for both estates include;

- Cut side drains/ sumps to divert rainwater into the field for palm growth – September 2020.

- Dispose scheduled waste by DOE certified scheduled waste disposal Company - September 2020.
- Enhance fixed rubbish trap at line site to ensure no rubbish goes to river - September 2020.
- Enhance further rain gutter at labor lines to trap rainwater for washing & cleaning - September 2020.
- Have more meetings with workers to educate them on electricity/ water saving attitude – according to the programme.

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

Sungei Bagan Estate, the training program and implementation on Environmental aspects for the year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
Meeting with stakeholder	September 2020	8 th August 2020	3 executives, 2 staff & 11 external stakeholders
Environmental Impact Briefing (Recycling)	January 2020	12 th February 2020	3 executives, 2 staff & 35 workers
Safety Training With Fire Department	November 2020	17 th August 2020	3 executives, 7 staff & 72 workers
Training/Briefing by DOE – scheduled waste, recycle & Law & Regulations	August 2020	In- Progress	-
Training/Briefing by Wild Life Department – Protection on endangered flora & fauna, Law & Regulations	October 2020	In- Progress	-
Training/Briefing on Recycle & Riparian Zone	December 2020	In- Progress	-

Kuala Pergau Estate, the training program and implementation on Environmental aspects for the year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
Meeting with Stakeholder – awareness for the importance of wildlife and how to care for the environment	September 2020	29 th July 2020	1 executive, 1 staff & 10 external stakeholders
Environmental Impact Briefing (Recycling)	January 2020	14 th July 2020	1 executive, 1 staff & 18 workers
Safety Training With Fire Department – fire drill and CPR	November 2020	17 th August 2020	1 staff & 8 workers
Training/Briefing by DOE – scheduled waste, recycle & Law & Regulations	August 2020	In- Progress	-
Training/Briefing by Wild Life Department – Protection on endangered flora & fauna, Law & Regulations	October 2020	In- Progress	-
Training/Briefing on Recycle & Riparian Zone	December 2020	In- Progress	-

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

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

Summary The Sustainability Management Review Meeting was held on the following date;

Estate	Period	Date of meeting	No. of Attendees
Sungei Bagan	2020	9 th January 2020	8 psn
Sungei Bagan	2020	8 th June 2020	7 psn
Sungei Bagan	2020	15 th August 2020	6 psn
Kuala Pergau	2020	18 th August 2020	6 psn
Kuala Pergau	2020	19 th August 2020	6 psn

Sungei Bagan Estate, the Sustainability Management Review Meeting discussed the following environmental issues;

1. Environment Management Plan
2. Filling and labeling
3. Weekly housing inspection
4. Measurement of ground water level

Kuala Pergau Estate, the Sustainability Management Review Meeting discussed the following environmental issues;

1. Sanitation works at the housing complex
2. Status of empty fertilizer bag at the scheduled waste store
3. Electricity supply extended to 24 hours
4. Prohibited to smoke in the housing area
5. Provide an adequate water source
6. Awareness about the MSPO Policies

Sungei Bagan Estate, the "Perjumpaan Bersama Stakeholder" held on 8th August 2020 (attended by 16 executives/staff and external Stakeholders) has also discussed matters related to the environment include;

1. Important to conserve the environment – promote awareness about recycling and domestic waste disposal
2. To make a report for any illegal hunting

Kuala Pergau Estate, the "Perjumpaan Bersama Stakeholders" held on 29th July 2020 (attended by 12 executives/staff and external Stakeholder) has also discussed matters related to the environment include;

1. Awareness about MSPO
2. Status of damage at the main entrance to the local village
3. No hunting and fishing

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

Criterion 2 Efficiency of energy use and use of renewable energy

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

Summary Monitoring of diesel and electricity usage is conducted by the estates based on liter/mt and kWh/mt FFB transported from January 2020 to July 2020

Description	Sungei Bagan	Kuala Pergau
FFB,mt	8,388.93	3,983.18
Diesel, liter	11,860	10,700.00
Average, Liter/mt FFB	1.41	2.69
Diesel baseline value	1.31	31.80
Electricity, kWh	49,514	15,336
Average, kWh/mt FFB	5.90	3.85
Electricity baseline value	5.49	New Gen-set commenced in 2020
Water, m ³	Not Available	Not Available
Average, m ³ /mt FFB	Not Available	Not Available



Water baseline value	Not Available	Not Available
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The monitoring of diesel consumption for the Estate Genset for a period of January 2020 to July 2020 tabulated below;

Estate	Sungei Bagan	Kuala Pergau
kWH	Electricity supply from TNB	4,500
Diesel (litre)		6,200
kWH/Liter		1.38

The Energy Usage Reduction Plan 2020 approved by Estate Manager covers 6 methods of reduction plan, includes;

1. Continue use of LED bulb which has low voltage bulb highly bright.
2. Fixing the rainwater trap from the roof for each house.
3. Energy lights are turned off at night. No wastage of electricity.
4. Energy electrical appliances are turned off whenever not in use.
5. Prompt repairs/replacement to electrical wiring and fitting.
6. Prompt repairs to leaking pipes, taps, etc. To reduce the wastage of water.

Briefing on energy usage reduction held on 05.05.2020 attended by 1 executive, 1 staff and 12 workers.

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

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

Summary The estimate of direct usage of non-renewable energy & electricity consumption for their operations in 2020 are;

Description	Sungei Bagan	Kuala Pergau
FFB,mt	13,770	8,143.18
Diesel, liter	15,700	18,890
Average, Liter/mt FFB	1.14	2.32
Electricity, kWH	60,500	26,352
Average, kWH/mt FFB	4.39	3.24
Water, m ³	Not Available	Not Available
Average, m ³ /mt FFB	Not Available	Not Available

Note: The Sungei Bagan Estate bore well has not been provided with water flow meter.

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

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

Summary Solar panel has been installed at the office building of Kuala Pergau Estate's office in order to reduce the usage of non-renewable energy by their 9KVA Generator Set.

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 Sungei Bagan Rubber Company (Malaya) Berhad has established Waste Management Flow Chart signed by the Manager on 1st May 2019

The Company has identified the wastes which come from the following sources;

1. Rubbish from labor/staff quarters
2. Tractor - Used tires
3. Tractor - Oil/fuel filter & battery
4. Scrap iron
5. Harvesting – pruned fronds, empty bunch & stalk
6. Weeding operation – empty Pesticides & herbicides containers
7. Weeding operation – empty fertilizer bags

Based on the Standard Operating Procedure for Scheduled Waste Handling, Doc No.: SBE/SWH/4.5.3.3, issue date: 15th May 2019 for Sungei Bagan/ Kuala Pergau Estates, the following procedures include;

1. All scheduled wastes generated shall be kept in steel drums for liquids, open-top steel drums for solids and bags for empty containers.
2. All steel drums containing scheduled waste shall always be closed during storage except when it becomes necessary to add or remove the scheduled wastes.
3. Empty containers shall be punctured before kept in bags.
4. The number of scheduled wastes accumulated on the site shall not exceed 20mt or/and kept for more than 180 days, whichever comes first.
5. All the drums and bags for keeping the scheduled wastes shall be labeled with the Toxic Substances symbol as specified in the 3rd Schedule of EQA (Schedule Wastes) 2005 and marked with the respective codes for each scheduled wastes code as specified in 1st Schedule.
6. The date when the scheduled wastes are first generated, name, address and telephone number of the operating unit shall be clearly labeled on the steel drums and bags that are used to store the scheduled wastes.
7. Empty containers shall be stored in a manner to prevent the accumulation of rainwater.
8. Inventory of all scheduled wastes must be reported to the Department of Environment monthly through Electronic Schedule Waste Information System (eSWIS).
- 9.

The estates had identified all waste products and operational plan to reduce pollution include;

1. SW305 – Spent lubricating oil
2. SW306 – Spent hydraulic oil
3. SW410 – Used filters contaminated with lubrication oil

4. SW410 – Used cotton rags contaminated with lubrication oil
5. SW409 – Used pesticide/chemical containers

The Scheduled Waste Inventory for Sungei Bagan Estate includes;

SW Code	Name of Item	Date of 1 st Generated	Quantity	To-date as at 25.08.2020	Remarks
409	Drum, 200L	29 th January 2019	32pcs	32pcs	575 days
409	Tong, 4L	29 th January 2019	13pcs	13pcs	575 days
409	Pail, 20L	29 th January 2019	30pcs	32pcs	575 days
409	Chemical box, 500gm	25 th August 2020	1pc	1pc	1 day
305	Used Lubricating oil	12 th June 2019	30lit	47lit	441 days
410	Used filters	12 th June 2019	9pcs	32pcs	441 days
Triple rinsed containers	Tong Racun, 20L	29 th January 2019	293pcs	121pcs	Non-SW

Submission of e-swiss by Sungei Bagan Estate for SW 305, SW409 and SW410 and on behalf of Kuala Pergau Estate as tabulated below;

Month	Submission Date (Sg Bagan Estate)	Submission Date (Kuala Pergau Estate)
November 2019	07.11.2019	Submitted by Sg Bagan Estate
December 2019	Not submitted	
January 2020	Not submitted	
February 2020	Not submitted	
March 2020	Not submitted	
April 2020	19 th April 2020	
May 2020	Covid -19	
June 2020	Not submitted	
July 2020	Not submitted	
August 2020	15.08.2020	

The Scheduled Waste Inventory for Kuala Pergau Estate includes;

SW Code	Name of Item	Date of 1 st Generated	Quantity	To date as at 26.08.2020
409	Chemical Box, 250gm	No record	Disposed of by the estate's contractor	Nil
Empty Fertilizer bag	Guni baja	1 st April 2019	5,000pcs	18,523pcs

Triple rinsed containers	Empty chemical container, 20L	1 st May 2019	70pcs	125pcs
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According to Mr Rosli Bin Awang (Staff), the empty boxes of Kennly 20WG has been disposed by Mr Leo Chang Kit (FFB transport contractor) outside the estate.

Non-Conformity (Minor) for Sungei Bagan Estate

Not in compliance with Standard Operating Procedure for Scheduled Waste Handling, Doc No.: SBE/SWH/4.5.3.3, issue date: 15th May 2019.

The inventory of scheduled wastes recorded during the audit;

SW Code	Name of Item	Date of 1 st Generated	Quantity	To-date as at 25.08.2020	Remarks
409	Drum, 200L	29 th January 2019	32pcs	32pcs	575 days
409	Tong, 4L	29 th January 2019	13pcs	13pcs	575 days
409	Pail, 20L	29 th January 2019	30pcs	32pcs	575 days
305	Used Lubricating oil	12 th June 2019	30lit	47lit	441 days
410	Used filters	12 th June 2019	9pcs	32pcs	441 days

Based on the Standard Operating Procedure for Scheduled Waste Handling, Doc No.: SBE/SWH/4.5.3.3, issue date: 15th May 2019, the number of scheduled wastes accumulated on the site shall not exceed 20mt or/and kept for more than 180 days, whichever comes first.

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 Waste Management Plan (WMP) has been established by Sungei Bagan Rubber Company (Malaya) Berhad for Sungei Bagan/ Kuala Pergau Estates to maximize recycling and minimize pollution. The program of WMP has been prepared and approved by the following personnel;

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	2 nd January 2020	Mr Poobalan A/L Subarmianiam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	1 st January 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

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

Waste Product	Source of Pollution & Control Measure	Action Plan to Reduce Pollution
Spent lubricating oil (SW305)	Vehicles (Tractors & Motorcycles) – stored in containers that are durable and able to prevent spillage or leaking.	Staff in-charge to update inventory on spent lubricant oil every month and fill up Fifth Schedule as per requirement by DOE
	Vehicles (Tractors & Motorcycles) – spillage should be cleaned thoroughly using a spill kit. The material used for cleaning should be kept in a container and be disposed of as Scheduled Waste.	Proper management & handling should contain; 1. List of schedule waste (SW) generated. 2. Inventory of schedule waste generated (monthly) 3. Consignment notes 4. Cleanliness of SW store
	Vehicles (Tractors & Motorcycles) – proper label as per guideline in the Third Schedule	By Staff in-charge.
Disposed containers, bags or equipment	Unused empty pesticide container, chemical bottle, chemical container – empty pesticide container: triple rinse using clean water and puncture at least three holes.	Staff in-charge to update inventory on unused empty pesticide container, chemical bottle, chemical container every month and fill up Fifth Schedule as per requirement by DOE
	Unused empty pesticide container, chemical bottle, chemical container – to reuse the container, triple rinse as per requirement stated in SOP and rinsed water shall only be used for spray only	
	Unused empty pesticide container (EPC), chemical	

contaminated with chemicals, pesticides, mineral oil or Schedule Waste (SW409)	bottle, chemical container – EPC is not allowed to be reused as a dustbin, flower pots and workers are not allowed to bring back these to their quarters	Proper management & handling should contain; 1. List of schedule waste (SW) generated. 2. Inventory of schedule waste generated (monthly) 3. Consignment notes 4. Cleanliness of SW store
	Unused empty pesticide container (EPC), chemical bottle, chemical container – store in the designated area with appropriate fencing, good ventilation and locked	
Domestic Waste (Organic Waste)	Labour quarter – wrap in a paper before being discarded into Bin	Assign workers to collect rubbish from quarters to be disposed into rubbish pit
	Labour quarter – Disposal by quarters should be only into dustbin provided by the estate management	Provided appropriate mapping for landfill
	Labour quarter – Rubbish collection to be done three times a week	To record the opening date and closing date for every pit dug for domestic waste disposal
	Labour quarter – ensure that no schedule waste Labour quarter was discarded together with domestic waste - segregation	Landfill should be at least 500 meters away from the water source & residential area.

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

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

Summary Sungei Bagan Rubber Company (Malaya) Berhad has established Standard Operating Procedure (SOP for Chemical Handling), SOP 4.4.4.2, issue/rev: 1/0 dated 15th May 2019.

Packaging, labeling and storage of chemicals are the important aspects of handling chemicals which due to their toxic characteristics can pose risks to human health and environment if not managed properly.

The role of the Manager to identify, implementation and monitoring of safe use and storage of agrochemicals/chemicals. Estate has listed down the methods of chemicals handling includes;

1. All containers are to be labeled and color-coded and identified.
2. Chemicals are to be stored in a building non-related to miscellaneous items.
3. A dedicated concreted store for chemicals and pesticides should be available.

4. Shelves for liquid and powdered chemicals are to be installed.
5. All chemicals are to be recorded in a Chemical Register available from DOSH which is to be signed monthly by the Manager.
6. Powdered chemicals should be stored on the top shelves with liquid chemicals on lower shelves and the floor in a cement bounded area.
7. Class 1 chemicals should be kept in a separate cubicle within the store, appropriately labeled and a hazard warning board placed at the entrance, with a metal grille door.
8. Opened containers (liquid) are to be placed on plastic trays to trap spills.
9. Spills on the floor area to be covered in sawdust or sand and swept, collected by dustpans and placed in plastic bags and kept in Scheduled Waste Store (SWS) for disposal. Contaminated materials are collected and kept in the Schedule waste Store for disposal to DOE licensed SW purchaser
10. Laminated copies of recent MSDS for chemicals (obtainable from suppliers) are to be displayed at each chemical place.
11. Spill mitigating tools such as sand, sawdust, dustpan, broom, dustbin and plastics bags should be available, and the area is to be labeled as "Spill mitigating tools".
12. Chemicals should be mixed outside the store, on a platform from which filled containers could be easily loaded to tractors/ lorries.
13. Empty containers are to be triple-rinsed and stored in a dedicated area.
14. Containers for reuse should be appropriately labeled and 3 holes are to be punctured at the base of those for disposal and dispose of through an accredited vendor.
15. The chemical mixing area is to be labeled and instruction for triple rinse is to be displayed at the site of the washbasins.
16. Close to the mixing area, eyewash and a shower is available and for personal hygiene, a toilet and bathroom are recommended.
17. All wash water is to be directed to a soakage-pit sited a distance away from the chemical mixing area.
18. No water should escape into field drains or streams.
19. Lockers are to be provided for safekeeping of street clothes, spraying attire and PPE.
20. Washing of soiled clothing is done at the store as no soiled attire is allowed into homes.
21. Adequate and appropriate signboards are required to warn persons handling the chemical.
22. All sprayers are to undergo a medical examination once a month and medical surveillance once a year by an Occupational Health Doctor (OHD).
23. Chemical Health Risk Assessment Report is to be available. All recommendations are to be followed.

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 The establishment of Standard Operating Procedure No. 4.4.4.2, issue/rev: 1/0 for Chemical Handling dated 15th May 2019 is to guide for assessors to conduct an assessment of the health risks arising from the use, handling, storage or transportation of chemicals hazardous to health at the workplace as required by USECHH Regulations, 2000.

Empty pesticide containers are to be treated as follow;

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

After mixing the chemicals, estates are to ensure the following;

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

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

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

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

Estate	Collection frequency (times per week)	Location of landfill	Collection Date
Sungei Bagan	3 times	Block 5, OP99	15 th , 17 th & 19 th August 2020
Kuala Pergau	3 times	Block 2, OP16	17 th , 19 th , 21 st & 23 rd August 2020

Note: Sighted landfill checklist with last inspected on 5th August 2020

For Sungei Bagan/ Kuala Pergau Estates, the measurement to control pollution contributed from domestic waste are;

1. Work Activity: Dumping of Domestic waste
2. Aspect: Increase leaching
3. Impact: Groundwater pollution, increase landfill
4. Existing control: Landfill, composting Bin
5. Risk assessment (Likelihood): 3
6. Risk assessment (Severity): 3
7. Risk assessment (Risk Rating): 9 (Medium)
8. Risk Control (Recommendation): Regular briefing on workers, follow waste management plan, close supervision
9. Risk Control (Legislation): EQA, 1974

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

Criterion 4 Reduction of pollution and emission including greenhouse gas

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

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

As sample evidence, the assessment on greenhouse gas emissions has been identified based on the following activity;

1. Work Activity: Fuel used (transport)
2. Aspect: Fuel used in renewable energy
3. Impact: Impact on GHG
4. Existing control: Control of usage, training
5. Risk assessment (Likelihood): 3
6. Risk assessment (Severity): 3
7. Risk assessment (Risk Rating): 9 (Medium)
8. Risk Control (Recommendation): Good maintenance of vehicles, training on the driver, use efficient transport
9. Risk Control (Legislation): EQA, 1974

The record kept by the estate for the contributor items to Greenhouse Gas emission for 2020 based on the following parameters;

Description	Sungei Bagan	Kuala Pergau
Electricity consumption (kWH)	60,500	26,352
Diesel/petrol consumption (Litre)	15,700	10,700
River water use (m ³)	0	0
Catchment water use (m ³)	0	0
Tubewell water use (m ³)	Not recorded	0
Government Supply (m ³)	0	0
FFB produced (mt)	13,770	8,143.18
EFB Mulching (mt)	0	0
Decanter Cake appl. (mt)	0	0
Belt press cake appl. (mt)	0	0
Fertilizer application (mt)	1,194.25	811.40
Agrochemicals application (lit/kg)	3,018	2,490
Estate size (ha)	1,148.6181	941.47
OP Planted (ha)	1,058.13	936.04
Mature OP area (ha)	810.46	936.04
Immature OP area (ha)	247.67	0
Distance – estate to Mill (km)	100 - 200	5 - 6

In Compliance

☒ **Yes**

☐ **No**

☐ **Not Applicable**

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

Summary The action plan to reduce pollutant from the work activity of fishing/ electric shock which will cause river pollution and disturb the ecosystem of the river has been incorporated in EAIA such as;

1. Work Activity: Fishing/ electric shock
2. Aspect: Fishing activity in the river
3. Impact: Pollution to river and disturb the ecosystem of the river
4. Existing control: Procedure riparian/ buffer zone to follow, auxiliary police (AP) patrol, good agricultural practice
5. Risk assessment (Likelihood): 4
6. Risk assessment (Severity): 2
7. Risk assessment (Risk Rating): 8 (Medium)
8. Risk Control (Recommendation): Put up a signboard to show "NO FISHING" activity in the river, monitoring of no intrusion on the riparian buffer zone, close supervision
9. Risk Control (Legislation): EQA, 1974

The action plan to reduce emission from the work activity of Manuring – emission of greenhouse gases from N-fertilizer which will cause global warming has been incorporated in EAIA such as;

1. Work Activity: Manuring
2. Aspect: Used of fertilizer which contains Nitrogen (N)
3. Impact: Impact on GHG
4. Existing control: Follow AAR recommendation of dosage to avoid wastage, good agricultural practices
5. Risk assessment (Likelihood): 4
6. Risk assessment (Severity): 3
7. Risk assessment (Risk Rating): 12 (Medium)
8. Risk Control (Recommendation): Regular briefing/ training on workers, close supervision
9. Risk Control (Legislation): EQA, 1974

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

Criterion 5 Natural water resources

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

- a) Assessment of water usage and sources of supply.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural

waterways within the estate.

e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.

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

Summary The Water Management Plan has been prepared and approved by the following personnel;

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	8 th July 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	1 st July 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

In Sungei Bagan Estate, a bore well has been identified as a water source for domestic consumption.

Note: Where the bore well is being used for water supply, the level of the groundwater table should be measured at least annually. The current level of the groundwater has been measured on 18th August 2020 and recorded in a "Buku Rekod Tube Well" i.e. 60ft depth.

For Sungei Bagan/Kuala Pergau Estates, the Water Management Plan established by the estates as tabulated below;

Details of Plan	Target date/ Status/Remark
Fixing rain gutters at labor lines to trap rainwater for washing and cleaning	September 2020
Prompt repairs/ replacement of broken pipes, taps, etc. to prevent water wastage	Routinely done
Send water samples to the Health Department for testing quality and safety	October 2020
Have regular meetings with workers to educate and inculcate water-saving habit	September 2020
Ensure more traps are placed on drain outlets to filter wastewater	Routinely done
Ensure more sumps/ soaked pits are constructed to filter and discharge only clean and save water to the river.	September 2020

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 Sg. Kelantan is flowing outside Sungei Bagan estate perimeter boundary.

Sg Pergau is passing through the Kuala Pergau Estate. The buffer zone has been established and demarcated. No bunds, weirs or dams being constructed across the river of Sg Pergau.

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

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

Summary There were roadside drains constructed along the main roads to divert and conserve water at designated points.

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

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

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

Summary The High Conservation Value (HCV) assessment has been carried out by In-House HCV Assessor on the existing plantation with a total land bank of approximately 2,090.0881ha, consists of 2 plantation estates which include;

Estate	Hectare	Person In Charge	Date of Report
Sungei Bagan	1,148.6181	Mr Poobalan A/L Subarmaniam (Assistant Manager)	3 rd April 2020 & 18 th April 2020
Kuala Pergau	941.47	Mr Poobalan A/L Subarmaniam (Assistant Manager)	3 rd April 2020 & 18 th April 2020

The management has identified Flora status along the estate's boundary with Sg Kelantan and Sg Pergau which has been updated from time to time includes;

Sungei Bagan/ Kuala Pergau Estates	Malaysia Category
Periuk Kera	Protected
Rafflesia	Protected
Tetrastigma	Protected
Orchid Selipar	Protected
Pokok Botu	Protected
Pokok Gembang	Protected
Rotan	Protected
Paku Laut	Protected
Pokok Merbau	Protected
Pokok Pulau	Protected
Pinang Gurita	Protected

Buluh Orchid	Protected
Pokok Gaharu	Protected
Paku Tanduk Rusa	Protected
Pokok Bakar	Protected
Api-api	Protected
Perapit	Protected
Beruas atau Tumu	Protected
Palma	Protected
Gelam	Protected
Nipah	Protected
Mengkuang	Protected

The management has also identified Fauna status along the estate's boundary with Sg Kelantan and Sg Pergau which has been updated from time to time includes;

Sungei Bagan/ Kuala Pergau Estates	Malaysia Category
Cencurut Kinabalu	Protected
Kelawar	Protected
Kubung	Protected
Kokong	Protected
Kera Hantu	Protected
Monyet Merah	Protected
Monyet Kelabu	Protected
Kera	Protected
Beruk	Protected
Kelawat	Protected
Tenggiling	Protected
Tupai	Protected
Candah	Protected
Mengkira	Protected
Pulasan	Protected
Tengkulu	Protected
Memerang	Protected
Musang	Protected
Gajah	Protected
Tembadai	Protected
Buaya	Protected
Biawak	Protected
Ular Sawa	Protected
Ular Selar	Protected
Kura-kura Bukit	Protected
Jukun-jukun Besar	Protected
Burung Dendang	Protected
Burung Bangau	Protected
Burung Puchung	Protected
Burung Botak	Protected
Burung Helang	Protected
Burung Pikau	Protected

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

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

Summary The Biodiversity Management Plan for the estates has been prepared and approved by the following personnel;

Estate	Revision Date	Person In Charge	Manager
Sungei Bagan	8 th July 2020	Mr Poobalan A/L Subarmaniam (Assistant Manager)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)
Kuala Pergau	1 st July 2020	Mr Rosli Bin Awang (Staff)	Mr Mugana Kerisnan A/L Karpiah (Estate Manager)

For Sungei Bagan/Kuala Pergau Estates, the Biodiversity Management Plan include;

Subject	Action Plan	Implementation Date
Enhance efforts to prevent hunting and fishing and cutting of trees and shrubs	More signboards prohibiting hunting, fishing and cutting of trees	Routine
Have more meetings with stakeholder, neighboring villages to educate them on preserving biodiversity	Routinely done and more meetings towards the end of year	October 2020
Prevent spraying of plants along river banks to encourage the growth of plant species	Management action to prevent spraying	October 2020
Have more programs with DOE and Wildlife Department and Stakeholder to increase awareness of biodiversity	Meeting with DOE and Perhilitan	November 2020

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

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

Summary The twice-monthly management area monitoring checklist carried out at the following location;

Parameter	Sungei Bagan	Kuala Pergau
Location	Riparian Zone	Riparian Zone
Monitoring date (latest)	28 th July 2020	6 th August 2020
Chemical spraying	Absent	Absent
Manuring	Absent	Absent
Harvesting	Absent	Absent
Encroachment	Absent	Absent
Signboard	Present	Present
Water pollution	Absent	Absent

The management areas observed during the monthly inspection are;

No	Management Area	Sungei Bagan	Kuala Pergau
1	Flora and Fauna	1	1
2	Riparian Zone of Sg Kelantan	1	
3	Riparian Zone of Sg Pergau		1

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

Criterion 7 Zero burning practices

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

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

Sungei Bagan Rubber Company (Malaya) Berhad (for Sungei Bagan & Kuala Pergau Estates) committed to implementing the following practices in the environment:

1. Felling is to commence 5 months before the actual planting and this is done by an excavator
2. Shredding: 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.
3. Single Window Stacking: The shredded pieces are to be stacked in single rows and layers to reduce the thickness of the stack.

Sighted signage of open burning has been erected by the estate at the strategic locations.

The estate's commitment to Open Burning has been established in its EAIA which include the following;

1. Work Activity: Open burning
2. Aspect: Black smoke from the exhaust
3. Impact: Air pollution
4. Existing control: Rubbish collection accordingly, daily supervision by management and reprimand defaulters
5. Risk assessment (Likelihood): 4
6. Risk assessment (Severity): 4
7. Risk assessment (Risk Rating): 16 (High)
8. Risk Control (Recommendation): Put up a signboard to show "NO BURNING", regular briefing on workers, regular rubbish collection inspection
9. Risk Control (Legislation): EQA, 1974

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

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

Summary Estate replanting program based on estate operation policies and agronomic practices.

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

The estate replanting program is based on the document of Management Briefing on Estate Operation Policies and Agronomic Practices prepared by Mr Mugana Kerisnan A/L Karpiah (Estate Manager).

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

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

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

Summary Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to the employees and stakeholders. No controlled burning being sought by the estate.

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

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

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

Summary The following practices have 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 layers 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 Sungei Bagan Estate / Kuala Pergau established Standard Operating Procedure for estates as listed below:

- SOP No. 1 – Chemical store handling
- SOP No. 2 – Chemical sprayer
- SOP No. 3 – Fertilizer application
- SOP No. 4 – FFB Harvesting
- SOP No. 5 – FFB Loading
- SOP No. 6 – Tractor & lorry driver
- SOP No. 7 – FFB Transporting to factory
- SOP No. 8 – Working at FFB ramp
- SOP No. 9 – Nursery
- SOP No. 10 – Travelling to work by motorcycle
- SOP No. 11 – Grader & Backhoe
- SOP No. 12 – Air Compressor
- SOP No. 13 – Contractor & visitor
- SOP No. 14 – Hand drill
- SOP No. 15 – Table drill machine
- SOP No. 16 – MIG / Rod Welding Machine
- SOP No. 17 – Bench Grinder
- SOP No. 18 – Hand Grinder
- SOP No. 19 – Air Compressor
- SOP No. 20 – LPG Gas Storage
- SOP No. 21 – Electrical Safety

Sungei Bagan Estate / Kuala Pergau Estate established Standard Operating Procedure for estates. Person in charge (Mr. Poobalan a/l Subramaniam) will monitor the workflow and ensure all operations as per guided in the SSOP. For Kuala Pergau Estate, the Person In Charge (PIC) is Mr. Rosli bin Awang.



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 SOP / Procedure for oil palm replanting has been established as per the document "Management Briefing on Estate Operation Policies and Agronomic Practices". During replanting operations, the management will establish legume cover planting (LCP) and maintain ground covers to avoid soil erosion and water surface runoffs.

Sungei Bagan Estate is located in a flat to the undulating area. Sighted from a field visit, oil palms are in a straight planting method.

Kuala Pergau Estate, most of the area is in a hilly area. Terrace planting is sighted as the current estate practice for planting in a hilly area. No abandoned area more than 25° existed in the estate.

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

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

Summary Maps are made available showing the separation of estates. Estate block markings are sighted during the estate site visit conducted in both estates.

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 / 2021 is made available. Sighted final estimate of expenditure for the year 2020 / 2021 as per document "Estimate of Expenditure for the Year Ending 30th June 2020". The business plan includes General charges, upkeep of buildings, cultivation of mature and immature oil palm and capital expenditure.

Items	Sungei Bagan Estate	Kuala Pergau Estate (Home & Sdney)
FFB (MT)	13782.00	9,300.00
OER %	19.75	15.00
KER %	5.25	4.00
CPO Price RM/MT	2,500/MT	2,500/MT
PK Price RM/MT	1,870.00/MT	1,870.00/MT
Estate income/FFB	519.70	390.00

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

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

Summary

Sighted Final Estimates For the Financial Year Ending 30th June 2021.

No	Year of Planting	Area	Year
1	1995 1997 1999	167 acs 130 acs 27 acs	2020 / 2021
2	1996 1999	35 acs 249 acs	2021 / 2020

For Kuala Pergau Estate, The whole estate just newly planted oil palm from the previous crop which is rubber. No replanting program for another 20 to 25 years.

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 Both estates have an annual budget for the financial year from 2020 till 2021. The estate budget includes the projected HA Mature / FFY Yield / FFB Crop / Revenue as follows :

Item / Estate	2020/2021
Hectare Mature	
- Sungai Bagan Estate	810.46
- Kuala Pergau Estate (Home & Sdney)	936.04
FFB Yield (MT)	
- Sungai Bagan Estate	17.00
- Kuala Pergau Estate (Home & Sdney)	9.93
FFB Crop (MT)	
- Sungai Bagan Estate	13,782.00
- Kuala Pergau Estate (Home & Sdney)	9,300.00
Revenue (RM)	
- Sungai Bagan Estate	7,162,505.40
- Kuala Pergau Estate (Home & Sdney)	3,627,000.00

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

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

Summary Estate performance is recorded on monthly basis and Sungei Bagan Estate budget for final year 2019 is made available. Sighted estate progress report for both estates for the month of August 2020. Estate performance such as ;

1. Weather & Rainfall statistics
2. Labour
3. Manuring progress
4. Weeding program
5. Harvesting FFB
6. Crop Despatch
7. General progress

This monthly report is to be forwarded not later than the 14th of each month to Head Quarters.

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

Contracts agreement between contractors and estate management sighted during the audit. Example for Sungei Bagan Estate:

For Sungei Bagan Estate, a contract agreement between the estate and Zuhan bin Ismail (Agreement No: 1/2020/2021) dated 1st July 2020 was sighted during the audit. Agreed rate as follow:

Contractor: Zuhan B. Ismail Work: FFB Harvesting Agreed on payment:

- a. Field 1996: RM60.00 / MT
- b. Field 1999: RM60.00 / MT
- c. Field 2006: RM55.00 / MT
- d. Field 2007: RM54.00 / MT
- e. Field 2009: RM53.00 / MT
- f. Field 2010: RM53.00 / MT
- g. Field 2011: RM50.00 / MT
- h. Field 2013: RM50.00 / MT
- i. Field 2014: RM62.00 / MT
- j. Field 2015: RM67.00 / MT
- k. Field 2017: RM75.00 / MT

Sighted payment made to the contractor, pay to Mr. Zuhan bin Ismail, Voucher No : CH006/02/2020, Date: 5th August 2020, Amounted RM 64,090.67

For Kuala Pergau Estate, contract agreement between the estate and Golder Star Growth Sdn Bhd (Agreement No: 2/2020/2021) dated 1st July 2020 sighted during the audit. Agreed rate as follow:

Contractor: Golden Star Plantation Sdn. Bhd.

Work: FFB Harvesting Agreed on payment:

- a. Field 2016: RM 135.00 / MT
- b. Internal transport : RM 20.00 / MT
- c. Collection loading : RM 15.00 / MT

Sighted payment made to the contractor, pay to Mr. Goldern Star Growth Sdn. Bhd. Voucher No : CH003/02/2020, Date 3rd August 2020 Amounted RM 198,33.00

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

Seen record of contract agreement between contractors and Sg. Bagan Estate and Kuala Pergau Estate is available as below:

- Tai Ichi Enterprise Sdn Bhd – External Transport Contract
- Satong Angkut Sdn. Bhd. – External Transport Contract
- Mr. Zuhan B. Ismail – Harvesting Contract
- Golden Star Plantation Sdn. Bhd. – Harvesting & FFB Transport
-

All payments made to the contractors evident during the audit.

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 both estates under Sungei Bagan Rubber Company (Malay) Berhad – Sungei Bagan Estate / Kuala Pergau Estate are MSPO certified. Therefore, the contractors have been informed by the estate management via contract agreement of the MSPO standard requirement including OSH requirement.

The sustainability policies were communicated through the annual stakeholder discussion. The details of the external stakeholder meeting for Sungei Bagan Estate as follows :

Date : 24th April 2020

Venue : Sungei Bagan Estate Office

Time: 2.30 pm

Attendance: 27 persons (5 person from internal representative and 22 from external parties).

For Kuala Pergau Estate to stakeholder meeting as conducted as follows :

Date : 29th July 2020

Venue : Pejabat Kuala Pergau Estate

Time: 10.30 pm

Attendance: 11 persons (2 person from internal representative and 9 from external parties).

Agenda discussed during the meeting for both estates as follows :

1. Opening by the Chairman
2. Explanation about MSPO
3. Question and Answer

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

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

Contract agreement of contractors are made available as below:

Estate : Sungei Bagan Estate

Contractor Name : Zuhan bin Ismail

Contract Scope : Harvesting contract

Contract Period : 1st July 2020 till 30th June 2021

Estate : Kuala Pergau Estate
Contractor Name: Golden Star Plantation Sdn. Bhd.
Contract Scope : Harvesting contract / External Transport Contract
Contract Period : 1st July 2020 till 30th June 2021

Sighted the contract agreement of both contracted which signed a Contract agreement of both contractors are signed and approved between Sungei Bagan Estate / Kuala Pergau Estate and contractors.

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 is audited by Global Gateway Certifications Sdn Bhd auditor dated 25th and 26th August 2020 – Annual Surveillance Audit 1 (ASA1). Sighted audit plan which has been received and accepted by the estate management.

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 The completion of work will be monitored by the estate management. Upon completion of the work, the estate management will verify the quality of work. Payment will only be made upon approval by the Management and satisfactory work by the contractor.

Sighted record of FFB harvested per month. The verified figures by Estate Manager will be used for payment to FFB harvesting contractor, Mr. Zuhan B. Ismail / Golden Star Plantation Sdn. Bhd.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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

Criterion 2	Peat land
Indicator 1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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.
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Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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

Indicator 3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.
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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.
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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.
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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 4	The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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 both estates under Sungei Bagan Rubber Company (Malaya) Berhad.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in the future.
- 2) The management is highly committed to complying the MSPO system by adopting continuous improvement programs.
- 3) Signage throughout the office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 4) A good relationship is maintained with surrounding smallholders and villages.
- 5) Good record keeping has been established in the office to easy retrieve the document required during the audit process.

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
24 th August 2020	TBA	➤ Auditors Travelling from Subang Sky Park	MRB	ABS BS
25 th August 2020	08:00 – 09:00	➤ Centralize Opening Meeting at Sg. Bagan Estate: <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).	MRB	ABS BS
	09:00 – 13:00	Sg. Bagan Estate <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. 	MRB	ABS BS
	08:30 – 17:00	➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MRB	ABS BS
	13:00 – 14:00	➤ Lunch/Rest	MRB	ABS BS
	14:00 – 16:00	➤ 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. 	MRB	ABS BS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MRB	ABS BS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
26 th August 2020	08:00 – 13:00	Kuala Pergau Estate ➤ 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. 	MRB	ABS BS
	10:30 – 12:30	➤ Estate inspection: <ul style="list-style-type: none"> Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, bufferzone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MRB	ABS BS
	13:00 – 14:00	➤ Lunch/Rest	MRB	ABS BS
	14:00 – 16:00	➤ 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. 	MRB	ABS BS
	16:00 – 16:30	➤ Verify any outstanding issues and auditor discussion.	MRB	ABS BS
	16:30 – 17:00	Closing Meeting at Kuala Pergau Estate : <ul style="list-style-type: none"> Chaired by the audit Lead Auditor Welcome and introduction by the Lead Auditor Presentation of findings by the audit team Questions & answers and Final summary by Lead Auditor ➤ End of assessment	MRB	ABS BS
27 th August 2020	TBA	➤ Auditors Travel Back to KL (Subang Skypark)	MRB	ABS BS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit			
Major Nonconformities:	No Major NC's was raised for this audit.		
Minor Nonconformities:	One (1) minor NC's was raised for this audit.		
Company Name	Sungei Bagan Rubber Company (Malaya) Berhad		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
Audited Standard	Part 3: Oil Palm Plantations and Organised Smallholders		
Client Number	GGC-P3-MSPO-2019		
NC No. / Ref.	P3/MSPO/MINOR/01	Date Detected	26 th August 2020
Site(s) concern	Sungei Bagan Estate	Target Completion	Next Surveillance
Normative Reference and Requirement	4.5.3.1. Major downgrade to Minor All waste products and sources of pollution shall be identified and documented.		
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 Standard Operating Procedure for Scheduled Waste Handling, Doc No.: SBE/SWH/4.5.3.3, issue date: 15 th May 2019.		

NC Objective Evidence:

The inventory of scheduled wastes recorded during audit;

SW Code	Description	Quantity Accumulated	Date of its first generated	Remarks
305	Used lubricating oil	47lit	12.06.2019	441 days
410	Used Oil Filter	32pcs	12.06.2019	441 days
409	Used lubricant container (4L)	13pcs	29.01.2019	575 days
409	Used lubricant container (20L)	32pcs	29.01.2019	575 days
409	Used lubricant container (200L)	32pcs	29.01.2019	575 days

The SOP stated that;

1. The quantity of scheduled wastes accumulated on the site shall not exceed 20mt or/and kept for more than 180 days, whichever comes first.
2. All the drums and bags for keeping the scheduled wastes shall be labelled with Toxic Substances symbol as specified in the 3rd Schedule of EQA (Schedule Wastes) 2005 and marked with the respective codes for each scheduled wastes codes as specified in 1st Schedule.
3. The date when the scheduled wastes are first generated, name, address and telephone number of the operating unit shall be clearly labelled on the steel drums and bags that area used to store the scheduled wastes.
4. Inventory of all scheduled wastes must be reported to Department of Environment monthly through Electronic Schedule Waste Information System (eSWIS).

Lead Auditor Signature:



Client Signature:


Root cause Analysis (to be filled by client):

Quantity of schedule was is low, and it was difficult to get scheduled waste collector for disposal. It was also difficult to get a DOE registered scheduled waste collector to dispose of above items.

Corrective action planned (to be filled by client):

We have identified a scheduled waste collector and will dispose of the above items.

Preventive Action (to be filled by client):

1. Monitor to ensure storage of schedule waste generated does not exceed 180 days or 20 mt each.
2. Sought DOE approval for longer storage of schedule waste if storage exceeds 180 days or 20 mt each.

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

To be reviewed and check the compliance during next Annual Surveillance Audit 2.

NC Closed: ☐ Yes ☒ No

Site verification: ☒ Yes ☐ No

Date Verified:

Lead Auditor Signature:

Area of Concern:

No Major NC's was raised for this audit.

Non-Conformities Identified During Previous Audit [Main Assessment Audit]

Major Nonconformities:	No NC's was raised for this audit.
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Minor Nonconformities:	No NC's was raised for this audit.
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Area of Concern:	No Area of Concern was raised for this audit.
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Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Sungei Bagan Rubber Company (Malaya) Berhad Management Staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives