

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

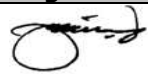


CERTIFICATION AUDIT REPORT

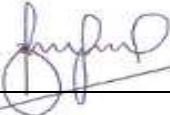
Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

Ketengah Jaya Sdn Bhd & Subsidiary

-Group Certification-

ANNUAL SURVEILLANCE AUDIT 01
09th August 2020 – 10th August 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	02/11/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	15/11/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	26/11/2020	Final Report Approved	Md. Jefri bin Shara'ai	Certifier	

Acknowledgment by Ketengah Jaya Sdn Bhd & Subsidiary					
Rev	Date	Description	Management Representative	Role	Signature
B	26/11/2020	Acceptance of the contents	Tn. Hj. Mohd Aznan bin Abd. Murad	Chief Executive Officer	

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 Ketengah Jaya Sdn Bhd & Subsidiary. During this Annual Surveillance Audit (ASA 1), the audit team were briefed by Chief Executive Officer, of the supply base disposition. The estate consists Ladang Ketengah Jaya and Ladang Ternak Tani Sdn Bhd.

This assessment was conducted onsite on 09th August 2020 – 10th 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	Ketengah Jaya Sdn Bhd & Subsidiary
Business Address	Beg Berkunci No.9, 24009 Kemaman, Terengganu.
Contact Person	Tn. Hj. Mohd Aznan bin Abd. Murad
Office Telephone	+6013 939 6816
E-Mail	lkjsb2015@gmail.com

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

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Ladang Ketengah Jaya	Beg Berkunci No.9, 24009 Kemaman, Terengganu.	E 103.317460	N 4.406878
2.	Ladang Ternak Tani Sdn Bhd	Beg Berkunci No.9, 24009 Kemaman, Terengganu.	E 103.317460	N 4.406878

MPOB License Information

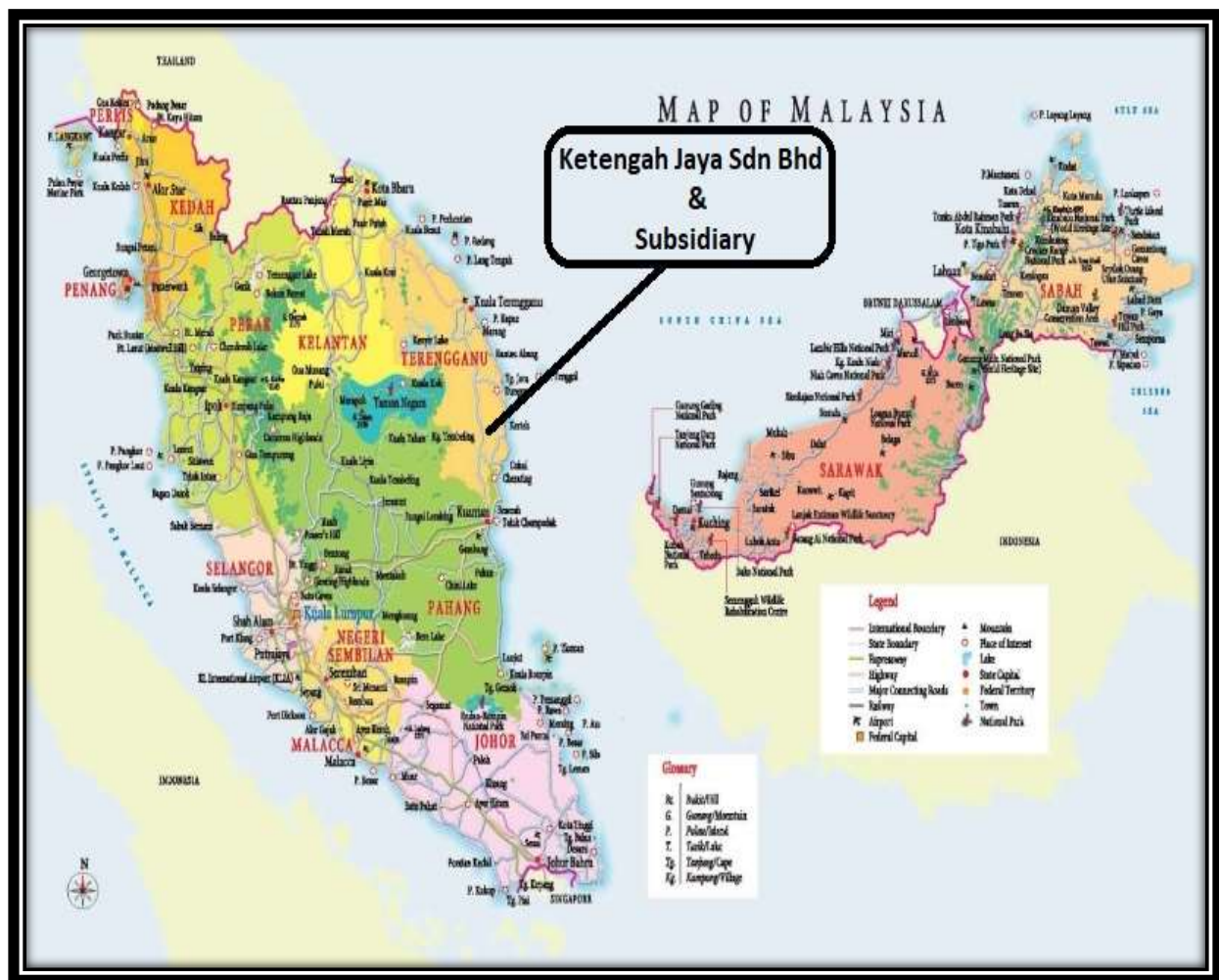
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Ladang Ketengah Jaya	501639102000	31/08/2021	"Menjual & Mengalih FFB"
2.	Ladang Ternak Tani Sdn Bhd	503987102000	30/08/2021	"Menjual & Mengalih FFB"

Others Sustainability Certification

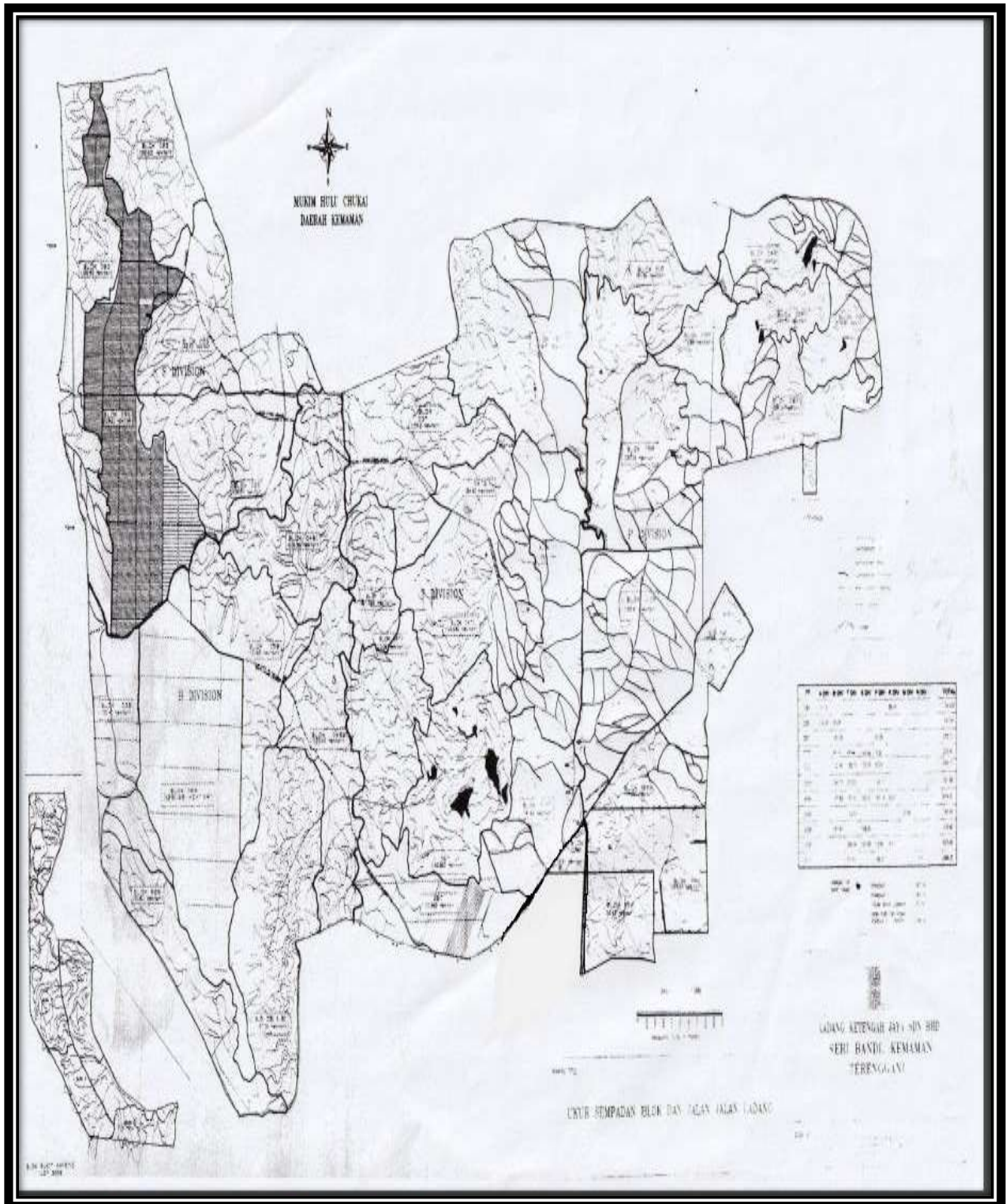
No	Name Of The Site	Others Sustainability Certifications
1.	Ladang Ketengah Jaya	NIL
2.	Ladang Ternak Tani Sdn Bhd	NIL

1.4 Map Showing Geographical Location

1) Ketengah Jaya Sdn Bhd & Subsidiary – Peninsular Malaysia



2) Ladang Ketengah Jaya & Ladang Ternak Tani Sdn Bhd



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
Ladang Ketengah Jaya	4,117.049	4,046.62	3,812.02
Ladang Ternak Tani Sdn Bhd	152.15	152.15	152.15
Total	4,269.199	4,214.77	3,964.17

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Ladang Ketengah Jaya	-	-	70.429
Ladang Ternak Tani Sdn Bhd	-	-	-
Total	-	-	70.429

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Aug 2019-Jul 2020]	Projected Production for next 12 Months [Aug 2020-Jul 2021]
Ladang Ketengah Jaya	75,601.00	72,109.15	76,588.00
Ladang Ternak Tani Sdn Bhd	2,246.00	2,580.57	3,009.00
Total	77,847.00	74,689.72	79,597.00

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-KJS001-MSPO-01-2019

Initial certificate issued date

28th June 2019

Certificate expiry date	27 th June 2024
Stage 1 assessment date	10 th April 2019
Stage 2 / Main Assessment	29 th May 2019 – 30 th May 2019
Annual Surveillance 1 [ASA 1]	09 th August 2020 – 10 th August 2020
Annual Surveillance 2 [ASA 2]	April 2021
Annual Surveillance 3 [ASA 3]	April 2022
Annual Surveillance 4 [ASA 4]	April 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

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

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

During this assessment, he assessed on the aspect of Legal Requirements, Safety and Health, Social, Stakeholder's Consultation, Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

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

During this assessment, he assessed on the aspect of Management commitment & responsibilities, Transparency and Environment, Natural Resources, Biodiversity and Ecosystem Services. 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 applied. Therefore, total numbers of supply based assessed in the audit are 2 estates.

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

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

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

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

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

Refer to Circular for Malaysian Sustainable Palm Oil (MSPO) Certification Scheme in lieu of Covid 19 Outbreak issued by MPOCC, MPOCC will be allowing the postponement of field audit activities up to 3 months to support government directives to mitigate the spread of the disease. This facility has expired the annual audit period on 27th June 2020.

1.9 Audit Plan Information

Audit Date	09 th August 2020 – 10 th August 2020
Name of site(s) visited	1. Ladang Ketengah Jaya 2. Ladang Ternak Tani Sdn Bhd
Total number of man-days spent	4 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	0	No action requires
Area of Concern	2	No action requires
Noteworthy /Positive Comments	6	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

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

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

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Sprayers Gang)	<ul style="list-style-type: none"> They have good understanding about MSPO. They have good understanding about 	No action requires	Positive findings



		<p>complaint and grievance mechanism.</p> <ul style="list-style-type: none"> • PPE given by company – free. • They were treated equally with no discrimination based on gender. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1, 200.00 per month and understand all the deductions being made. 		
2.	Stakeholders B (Harvesting Gang)	<ul style="list-style-type: none"> • Good understanding about MSPO. • They are very happy with the management and hopes to extend their contract. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1, 200.00 per month and no issue on wages received as well as the deductions made. 	No action requires	Positive findings
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. 	No action requires	Positive findings

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

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Ketengah Jaya Sdn Bhd & Subsidiary. Chief Executive Officer is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During Annual Surveillance Audit (ASA 1), based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders), there were 2 area of concerns have been raised to the facility that being audited.

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

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

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

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

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

Summary Ketengah Jaya Sdn Bhd & Subsidiary has established Sustainability Policy dated 1/1/2018 approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

The said Policy is available in both Bahasa Malaysia and English. The policy was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

The details of the stakeholders meeting are as follows:

- 1) Internal Stakeholder Meeting
Date: 29th January 2020
Venue: Balai Acara Ladang Ketengah Jaya
Time: 12.00 noon
Attendance: 367 persons.
- 2) External Stakeholder Meeting
Date: 26th September 2019 (Group 1) and 12th December 2019 (Group 2)
Venue: Balai Acara Ladang Ketengah Jaya
Attendance: Group 1 – 19 persons Group 2 – 27 persons.

Sighted attendance list, photographs and briefing materials used in the said briefing.

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

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

Summary The Policy states that Ketengah Jaya Sdn Bhd & Subsidiary is committed in carrying out its plantation operations sustainably. In line with these goals, Ladang Ketengah Jaya and Ladang Ternak Tani is committed towards implementing the following sustainable practices including continuously improve their operations in line with social, environment and economical requirements. This is clearly stated in Para 3 of the said policy.

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 Sighted Internal Audit Plan for 2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

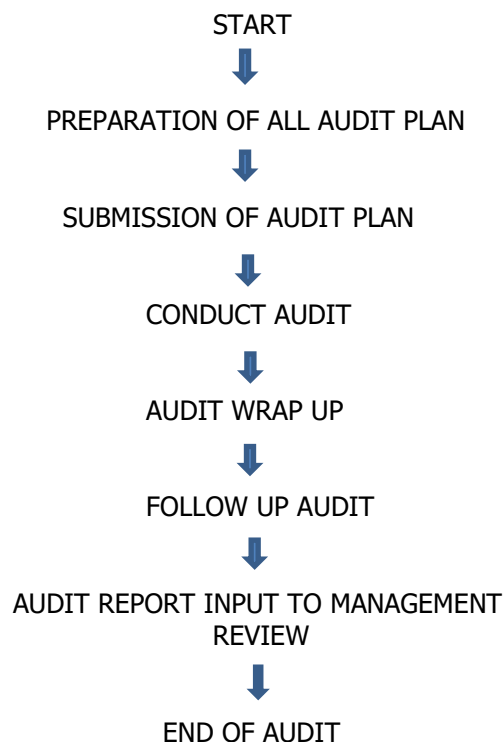
Internal audit was conducted on 5th July 2020 and 6th July 2020 by Tn Hj Abdul Aziz Abu Bakar and En Mohammad Faruq bin Norazman who are consultants from Bio-Angle Green Sdn Bhd appointed by the company.

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 Ketengah Jaya Sdn Bhd & Subsidiary has established by Internal Audit Procedure Doc No: MSPO-KJSB-01 dated 15th June 2020 prepared by En Abdul Rahman Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan Abdul Murad, Chief Executive Officer.

Sighted Internal Audit Procedure Flow Chart. Given below is the Flow Chart.



During the audit, six (6) Non-Conformities were identified and all were closed.

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

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

Summary Sighted Internal Audit Report dated 18th July 2020 prepared by Tn Hj Abdul Aziz Abu Bakar and En Mohammad Faruq bin Norazman from Bio-Angle Green Sdn Bhd. who are the consultants engaged by Ladang Ketengah Jaya Sdn Bhd. The report is available for Management to review and being responded in timely manner.

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

Criterion 3 Management review

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

Summary Sighted Management Review Meeting Minutes prepared by En Abdul Rahman, Asst Manager and approved by Tn Hj Mohd Aznan Abdul Murad dated 12th July 2020.

The details of the meeting are as follows:

- Date: 12th July 2020
- Venue: Bilik Mesyuarat Ladang Ketengah Jaya Sdn Bhd
- Attendance: 12 persons
- Chairman: Tn Hj Mohd Aznan bin Abdul Murad

Agenda

- 1) Pendahuluan
- 2) Internal Audit Findings
 - Panambahbailkan Polisi
 - Mesyuarat External Stakeholder
 - Continuous Improvement
 - Penilaian Impak Sosial
 - Senarai Dokumen Rahsia/Sulit dan Umum
 - Pegawai Bertanggungjawab
 - Ketelusan
 - Keperluan Undang Undang
 - Sempadan Kawasan
 - Jawatankuasa Keselamatan & Kesihatan Pekerjaan
 - P5 Alam Sekitar
- 3) Lain – Lain
 - Keperluan fail tambahan untuk dokumen
 - Taklimat dan Latihan yang tertunda akibat PKP
 - Permohonan Pensampelan Kualiti Air i
 - Taklimat MSPO untuk pekerja baru
 - External Audit (Surveillance)
- 4) Penutup

Frequency of meeting once a year.

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 Ketengah Jaya Sdn Bhd & Subsidiary has established its Continual Improvement Plan prepared by En Abdul Rahman, Asst Manager and approved by Tn Hj Mohd Aznan Abdul Murad, Chief Executive Officer dated 15/7/2020.

The Continual Improvement Plan is categorized into 3 areas namely Social, Environment and Safety.

Given below are some sampled Continuous Improvement Plan planned by Ladang Ketengah Jaya and Ladang Ternak Tani.

NO	IMPROVEMENT	TARGET	STATUS
1	Pembinaan garaj tambahan motosikal pekerja. (Social)	Mac 2020	Siap bina February 2020
2	Program meningkatkan populasi kumbang pendebungaan kelapa sawit (Environment)	November 2019 E.g. Kawasan sedang diracun	Ongoing
3	Membaikipulih longkang perumahan Pekerja (Social)	February 2020	Siap dibaiki February 2020

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
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Summary As per interview with En Abdul Rahman bin Mohammad, Asst Manager Ladang Ketengah Jaya Sdn Bhd has implemented the XXL Bio Green Energy manuring to improve the quality of the Soil and enhance quantity of FFB. This manuring system was implemented in January 2020 and was completed in March 2020. This manuring is carried out on selected areas as this is on a trial basis.

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 Ladang Ketengah Jaya has conducted training for the employees involved in the implementation of this project. The details of the said training are as follows.

- Title: Taklimat serta Latihan Mengenai XXL Bio Green Energy
- Date: 1st January 2020
- Time: 7.30 am
- Venue: Field 04T2

Sighted attendance list, photographs and briefing materials used in the training.

The company has plans to implement this manuring system during replanting in 2024 as per their replanting programme.

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established Stakeholders Consultation and Communication Procedure Document Ref No: MSPO-KJSB-03 dated 1st November 2017 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan Abdul Murad, Chief Executive Office.

The procedure was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

The details of the stakeholders meeting are as follows:

Internal Stakeholder Meeting

- Date: 29th January 2020
- Venue: Balai Acara Ladang Ketengah Jaya
- Time: 12.00 noon
- Attendance: 367 persons.

External Stakeholder Meeting

- Date: 26th September 2019 (Group 1) and 12th December 2019 (Group 2)
- Venue: Balai Acara Ladang Ketengah Jaya
- Attendance: Group 1 – 19 persons Group 2 – 27 persons.

Sighted attendance list, photographs and briefing materials used in the briefing.

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established list of documents which are Publicly Available (non-confidential) and not Publicly available (confidential) dated 31/7/2020 prepared by Cik Nur Izrin bt Zol Baharin, Clerk and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Given below are some Sampled confidential and non- confidential documents.

CONFIDENTIAL DOCUMENTS

NO	DOCUMENT	STATUS
1	Management Control System (procedures)	Confidential
2	Immigration Department Documents	Confidential
3	Staff Personal Data	Confidential
4	Land Titles	Confidential
5	Monthly Account & Progress Report	Confidential
6	Staff Wages Listing	Confidential

The company has listed a total of 29 documents as Confidential documents.

NON-CONFIDENTIAL DOCUMENTS

NO	DOCUMENT	STATUS
1	Company Policies	Non-Confidential
2	Standard Operating Procedures	Non-Confidential
3	Continual Improvements Plans	Non-Confidential
4	MAPA/EMESU Circular	Non-Confidential
5	Workers Salary List	Non-Confidential
6	Annual Training Plan	Non-Confidential

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

Criterion 2 Transparent method of communication and consultation

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

Summary Ladang Ketengah Jaya and Ladang Ternak Tani has established Stakeholders Consultation and Communication Procedure Document Ref No. MSPO-KJSB-03 dated 1st November 2017 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan Abdul Murad, Chief Executive Officer.

The procedure was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

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- Venue: Balai Acara Ladang Ketengah Jaya
- Attendance: Group 1 – 19 persons Group 2 – 27 persons.

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

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

Summary The management has appointed En Rozi bin Husin, Supervisor as the person in-charge of transparency vide letter dated 13th July 2020 approved by Tn Hj Mohd Aznan Abdul Murad, Chief Executive Officer.

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established the internal and external stakeholders list dated 29/1/2020 prepared by Cik Nur Izrin bt Zol Baharin, Clerk and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Given below are some sampled internal and external stakeholders list.

1) Internal stakeholders

- Total internal Stakeholders 390 persons

NAME	DESIGNATION
En Sawal (Indonesian)	Harvester
En Mustawan (Indonesian)	Harvester
En Badri (Indonesian)	Harvester
En Sanuri (Indonesian)	Tractor Driver
Pn Mariam bt Hamim (Malaysian)	Gen Worker
Pn Aishah bt Abd Rahman (Malaysian)	General Worker
Pn Jamaliah bt Maarof (Malaysian)	General Worker
Pn Faidah bt Abdullah (Malaysian)	General Worker

2) External Stakeholders

- Total External Stakeholders 45 persons

NAME	DEPARTMENT
En Aziz Daud	Pengerusi MPKK Seri Bendi
En Mohd Zulkifli Muda	Pengerusi MPPK Sg Ibok
En Azhar bin Ali (Pen. Kanan)	Sek Men Keb Seri Bendi, Kemaman
Pegawai Kesihatan	Pusat Kesihatan Seri Bendi
Balai Bomba Dan Penyelamat	
En Wan Rani bin Wan Embong	WR Pesona Enterprise (Contractor)
Mr Lai Teck Khoo	LTK Construction & Plantation Works Sdn Bhd (Contractor)
En Mohd Fazrol Radzi (Asst Manager)	TH Plantations

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established Identification and Traceability procedure document Ref No: C: MSPO-KJSB-04 dated 1st November 2017 prepared by En Abdul Rahman bin Mohamad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Sighted the FFB Traceability Procedure Process Flow Document Ref No: MSPO-KJSB-04 date 1st November 2017 to facilitate the traceability process.

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

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

Summary The respective field supervisor will conduct regular inspection (daily) at the field on implementation and compliance of the traceability procedure.

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

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

Summary The management has appointed En Rozi bin Husin, Penyelia Ladang as the person in-charge of Traceability vide letter dated 13th July 2020 approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

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

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

Summary All records of FFB transported on daily basis to the mill was maintained and verified.

Records of sales, delivery, or transportation of FFB are recorded as follows.

1. Transport Book
 - Harvested FFB from each block by the respective Harvester
 - Weight of FFB harvested by individual Harvester
 - Block Number
2. FFB Crop Book
 - Total FFB (weight) sent to Palm Oil Mill
 - Cost per Metric Ton
 - OER
 - Total amount in Sales
3. Weigh Bridge Slip from Palm Oil Mill
 - Shows FFB transported to POM which is the actual weight.
 - Lorry Number and Driver's name
4. "Penyata Pengiraan Belian BTS"
 - Weight of FFB received
 - Price per Metric Ton
 - Total value of FFB received from plantation
5. FFB Crop Income Statement
 - Shows the FFB harvested, FFB price
 - Shows Sales records by Month.
 - Accumulated sales

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

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

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

Summary Ketengah Jaya Sdn Bhd & Subsidiary has established and updated list of applicable laws and regulations that are applicable for the estate as per Ketengah Jaya Sdn Bhd – Summary Compliance.

The legal register is prepared by Miss Nur Izrin bt Zol Baharin (MSPO Clerk), approved by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Sighted the Summary of Compliance updated on 31st July 2020. It includes the following:

1. Occupational Safety and Health Act 1994
2. Factories and Machinery Act, 1967
3. Uniform Building By Law, 1986
4. Pesticides Act 1974 (Act 149)
5. Petroleum (Safety Measures) Act, 1984
6. Electricity Supply Act, 1990
7. Fire Service Act, 1984
8. Environmental Quality Act 1974
9. Local Government Act, 1976
10. Workers' Minimum Standards of Housing and Amenities Act 1990
11. Akta Kerja 1955
12. Employee Provident Fund Act 1991
13. Employees Social Security Act 1969
14. Akta Kesatuan Sekerja, 1959
15. Minimum Retirement Age Act, 2012
16. National Wage Consultative Council Act 2011, Minimum Wages Order (Amendment) 2020
17. Weights and Measures Regulations 1981.
18. Wildlife Conservation Act 2010
19. MPOB, 1998

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

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

Summary The list covers the detail requirements that related to MSPO compliance. These documents include information on title of laws, subject, reference number, etc, requirement, status of compliance and enforcing agency.

Sighted permits/licenses being monitored and updated by Cik Nor Izrin Binti Zol Baharin (General Clerk) on 23rd April 2019 and approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer).

No	Items	Reference	Date
1	MPOB License	501639102000	31/08/2020
2	Diesel License	KPDNKK/KMM/25-11/09 SK D	29/06/2021
3	Compressor	PMT-TG/19 18779	12/02/2021
4	Weighbridge Permit	B 1435720	23/09/2020

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

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

Summary Based on interview with Cik Nor Izrin Binti Zol Baharin (General Clerk), any new amendments or any regulations once received through the following manner:

- Online/Website
- Mass Media
- Communication with law/enforcement officers

Refer to "Sampel – Mekanisma Semakan Perundangan".

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 Sighted letter of appointment for the responsible person, Cik Nor Izrin Binti Zol Baharin (General Clerk), signed by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif) on 13th July 2020.

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

Criterion 2 Land use rights

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

Summary For Ladang Ketengah Jaya, estate land title is available and well maintained. The estate the following land title;

- 1) Lot No PT806P – 445.154ha
- 2) Lot No PT731 – 1,175.414ha
- 3) Lot No PT287 – 144.547 ha
- 4) Lot No PT755P – 98.743 ha
- 5) Lot No PT2079 – 1,140.00 ha
- 6) Lot No PT383P – 830.028 ha
- 7) Lot No PT604P – 48.563 ha
- 8) Lot No PT2491 – 234.60 ha
- 9) Lot No 4084 – 101.30 ha

Total as per title = 4,218.349 ha

Syarat-syarat Nyata: "Tanaman Kelapa Sawit" except for Lot No 4084 (tanaman limau madu sahaja). Sighted evidence of annual payment of quit rent for 2020 paid to the "Pentadbir Tanah Dungun" amounted to RM142,826.00.

Sighted letter from Ketua Pegawai Eksekutif Ketengah Jaya Sdn Bhd addressed to Bahagian Tanah dan Penempatan, Lembaga Kemajuan Terengganu Tengah (KETENGAH) on matter related to "Penyerahan Dokumen Bagi Membatalkan Syarat-syarat Nyata Khas pada Geran" dated 03.06.2018

For Ladang Ternak Tani Sdn Bhd, estate land title is available and well maintained. The estate the following land title;

- 1) Lot No 2575 – 89.25 ha
- 2) Lot No 2574 – 8.512 ha

Total as per title = 97.762 ha

Sighted evidence of annual payment of quit rent for 2020 paid to the Pentadbir Tanah Dungun amounted to RM 979.00.

- Syarat-syarat Nyata: Agriculture; Kopi
- Hak Milik Sementara – 23/03/2052

Sighted letter from Ketua Pegawai Eksekutif Ketengah Jaya Sdn Bhd addressed to Bahagian Tanah dan Penempatan, Lembaga Kemajuan Terengganu Tengah (KETENGAH) on matter related to "Penyerahan Dokumen Bagi Membatalkan Syarat-syarat Nyata Khas pada Geran" dated 03.06.2018. The status still in progress.

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

As evidence in Ladang Ketengah Jaya, sighted 9 copies of land titles kept by the estate.

Total Land Titled Ha	: 4,218.349 ha
Less :	
Unplanted area (ex-limau madu)	: 101.30 ha
Lombong Batu kapur	: 35.23 ha
Housing, road & others	: 35.199 ha
Total planted area	: 4,046.62 ha
Total as per Hectarage Reconciliation Summary	: 4,218.349 ha

Observed total area of land titles similar with the estate's area statement.

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 location map of the estate provided by Jabatan Perancangan Bandar, Majlis Perbandaran Kemaman.

During field visit, auditors also check a few physical boundary stone and verify it with company's GPS coordinate and GGC own GPS coordinate. The coordinate checked by GGC unit are matched to the data that prepared by staff of the estate. Sighted also the Boundary Markers Monitoring Checklist done by estate management.

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

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

Summary No disputes have been recorded in the estate area. The land title has been legally acquired by the estate. During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported.

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

Criterion 3 Customary rights

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

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

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

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

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

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

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

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

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

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

Criterion 1 Social impact assessment (SIA)

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

Summary Sighted, the latest Social Impact Assessment was conducted on 28th December 2019. Sighted 5 questionnaires in the assessment conducted. Seen in the review report, the mitigation plan, targeted date for completion and Person in-charge.

SIA conducted on "Penilaian Impak Social – External Stakeholders" conducted on 12/12/2019. 13 External Stakeholders assessed and responded.

The purpose of this study is to measure and to understand both positive and negative social impact of the "Penilaian Impak Social – External Stakeholders" by estate.

SIA report prepared by Mr. Abdul Rahman bin Mohammad (Estate Assistant Manager) and approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer).

Management had developed management plan to promote positive impacts and mitigate negative impacts resulting from the changes. The questionnaire sighted was in Bahasa Malaysia which is easier for workers to understand.

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 Ketengah Jaya Sdn Bhd & Subsidiary has established the MSPO Procedure Title: Stakeholder Communication & Consultation; Ref No: MSPO-KJSB-03; Rev 0; Date: 10th January 2018. Prepared by En Abdul Rahman Mohammad (Estate Assistant Manager) and approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer).

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

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

Summary Sighted MSPO Procedure Title: Stakeholder Communication & Consultation; Ref No: MSPO-KJSB-03; Rev 0; Date: 10th January 2018. Prepared by En Abdul Rahman Mohammad (Estate Assistant Manager) and approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer).

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

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

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

Summary Ketengah Jaya Sdn Bhd & Subsidiary has established the MSPO Procedure Title: Stakeholder Communication & Consultation; Ref No: MSPO-KJSB-03; Rev 0; Date: 10th January 2018. Prepared by En Abdul Rahman Mohammad (Estate Assistant Manager) and approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer).

- Appendix 3 (Borang A)
- Appendix 4 (Borang B)

Sighted the Appendix 3 & 4 maintained by estate management.

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 Stakeholder Meeting was held on 12th December 2019. Attended by 27 participants. The meeting was chaired by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Sighted the "Taklimat MSPO" to estate workers on 29th January 2020. Attended by 390 participants. The meeting was chaired by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

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 and responded and records maintained. No evidence of external complaints from stakeholders using complaints forms. No major negative impacts given during Stakeholders Meeting.

As this is 2nd year implementation of MSPO, no negative complaints made by internal and external stakeholders since the system introduce in year 2018.

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.

The estates have maintained all corporate social responsibility (CSR) for the development of local communities. In general the CSR performed by the company consist of the following:

- a) Contribution for the local communities programme
- b) Contribution for the school programme
- c) Contribution for the stakeholders

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

Criterion 4 Employees safety and health

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

Summary Sighted the Occupational Safety & Health Policy. Established on 15th July 2020 (latest amendment) which was approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer). The policy is written in Bahasa and English language.

Sighted the "Taklimat MSPO" to estate workers on 29th January 2020. Attended by 390 participants. The meeting was chaired by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Sighted OSH Plan; Ref No: MSPO-KJSB-04; Rev 0; Date: 01st November 2017.

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

Sighted the Occupational Safety & Health Policy. Established on 15th July 2020 (latest amendment) which was approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer). The policy is written in Bahasa and English language.

Sighted the "Taklimat MSPO" to estate workers on 29th January 2020. Attended by 390 participants. The meeting was chaired by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

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 & PIC appointed are Staff or Executive).

HIRARC sighted for the followings work operation (42) :-

- Harvesting
- Manuring
- Spraying
- Fertiliser Store

Last update 01st January 2020.

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

- Stor Bahan Kimia
- Kerja Pengendalian Bahan Kimia
- Kerja-kerja Meracun
- Tumpahan Bahan-bahan Kimia

Estate has provided appropriate PPE for all workers in their operations. Person in-charge of in issuing PPE is En. Mohd Jafri Mat Jusoh. Sighted the "Personal Protection Equipment" file updated by him.

Sighted Standard Operating Procedure Title "Keselamatan Penggunaan Racun: Date 01st Nov 2017; Edition: KJSB 01

Sighted, CHRA being conducted on 1st November 2017 by Dr. Yasriza bin Yahaya (JKKP HIE 127/171 -2 (8)-2017/057) from Occumed Consultancy & Services Sdn Bhd.

Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer) is appointed person for OSH.

OSH Committee Chart 2020 sighted. Letter of appointment for committee members dated 1/1/2019.

- 20/01/2020 – Attended by 29/40 participants
- 20/07/2020 – Attended by 41/50 participants

Sighted the Emergency Procedure for the Estate under Emergency Response Plan. Ref No: MNL /OSH/2017/1-1.21 in English language dated 1st November 2017.

Sighted the First Aid Training done by En. Mohd Jafri Mat Jusoh (Staffs) on 03rd April 2019. Attended by 10 participants.

One area of concern has been raised to the estate. In accordance to Part IV Maintenance Of All Records Of Accident, Dangerous, Occurrence, Occupational Poisoning And Occupational Disease;

Records;

- (3) The employer or self-employed person, as the case may be, shall send to the Director General before 31 January of each year, such extracts from the registry for a period of 12 months ending on 31 December of each year.

During the audit, it was found that JKPP 8 was submitted on 23rd February 2020, which was not submitted on a timely manner.

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

Criterion 5 Employment conditions	
Indicator 1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.

Summary Ketengah Jaya Sdn Bhd & Subsidiary has established the Social Policy on 1st January 2018 which was approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer). The policy is written in Bahasa and English language.

This policy covers:-

- "Mematuhi perundangan dan peraturan – peraturan yang ditetapkan termasuk untuk undang –undang buruh, undang –undang hakmilik tanah serta perumahan pekerja".
- "Memastikan polisi persaraan minima dipatuhi".
- "Menyediakan latihan dan pembangunan yang berkaitan dengan peranan dan tanggungjawab pekerja dan kakitangan tersebut".
- "Melarang pengambilan tenaga kerja tidak sah secara paksaan dan pekerja di bawah umur".
- "Membayar gaji kepada pekerja dan kakitangan berdasarkan perintah gaji minima".
- "Menghormati dan melindungi hak asasi manusia dan pekerja (termasuk pekerja sementara, kontrak dan atau pekerja asing".
- "Tidak mengamalkan sikap diskriminasi dan prejudis terhadap jantina, bangsa, agama, kewarganegaraan dan pandangan politik".

- "Menyediakan persekitaran kerja yang harmoni kepada pekerja ,pelanggan dan orang yang berkepentingan".
- "Memastikan Suasana kerja bebas daripada gangguan seksual samada secara langsung atau tidak langsung kepada semua pekerja, masyarakat dan pihak berkepentingan keseluruhannya".

The estate is displayed at notice boards outside the office.

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

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

Summary 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. All workers enjoy the same scale of pay.

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

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

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

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2020 (Act 732) Malaysian minimum salary is RM 1,200.00 as stated in the guidelines.

Interview with both estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment.

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

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order 2020 for Kemaman, Terengganu Area is RM1,200 as stated in the guidelines.

As evidence,

- Sighted the Contract Agreement between estate with Apitech Sdn Bhd ("Kerja-kkerja Mengangkut, Memunggah, Memindah dan Menghantar Buah Tandan Segar (BTS)") sealed on 07th July 2019.
- Sighted the Contract Agreement between estate with Ce Neh Maju Enterprise ("Kerja-kkerja Menyelenggara dan Membaik Pulih Kerosakkan Yang Berlaku Di Dalam Ladang Ketengah Jaya") sealed on 01st January 2019.

As evidence, sighted of evidence of MSPO clause for contractor in agreement:

- Sighted the Contract Agreement between estate with Apitech Sdn Bhd ("Kerja-kkerja Mengangkut, Memunggah, Memindah dan Menghantar Buah Tandan Segar (BTS)") sealed on 07th July 2019; Sighted the contract agreement/payment slip for their workers:

❖ Mr. SBS - 5167

May 2020
= RM 2,210.79

April 2020
= RM 1,593.58

March 2020
= RM 1,115.05

❖ Mr. SBO – 6201

May 2020
= RM 2,639.42

April 2020
= RM 2,574.49

March 2020
= RM 2,577.24

One area of concern has been raised to the estate. During the audit, it was found that the contractor had made EPF and SOCSO deduction for his workers. However, the deductions made do not follow the:

- EPF Act 1991
- Employee Social Security Act 1969 and Employee Social Security General Rules 1971

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

Indicator 5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises).

The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

Summary Sighted Listing of Employee Personal 2019/2020 stated the name, offered position/designation, sex address, division, employee type, employee status, religion, marital status, citizenship, wages implied, working hours, OT, allowances, rest day, working on holiday 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 Sighted, Employment Contract between both estates and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.

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

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

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

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

Seen the working hours being displayed at the notice board. The office will be working from 8.00 am to 5.00pm and break time at 1.00 pm to 3.00 pm. The workers are from 6.30 am to 2.30pm.

Daily attendance recorded during muster call. Estate has used pocket check-roll as a working time recording system.

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

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

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

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

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

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

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

Documented 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 medical and accident insurance.

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

All workers are provided with housing facilities at workers linesite. Medical Assistant is responsible to carry out the monitoring at workers quarters.

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

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

Summary All workers are provided with housing facilities at workers linesite.

Water and electricity are provided free. Sanitary and waste disposal is arranged by estate. Welfare Amenities: Surau

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 Ketengah Jaya Sdn Bhd & Subsidiary has established the Sexual Harassment, Violence & The Right of Reproductive Freedom Policy on 1st January 2018 which was approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer). The policy is written in Bahasa and English language.

The policy to prevent all forms of sexual harassment and violence at the workplace has stated under the following number:

- h) "Menyediakan persekitaran kerja yang harmoni kepada pekerja, pelanggan dan orang yang berkepentingan."
- i) "Memastikan Suasana kerja bebas daripada gangguan seksual samada secara langsung atau tidak langsung kepada semua pekerja, masyarakat dan pihak berkepentingan keseluruhannya"

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 Ketengah Jaya Sdn Bhd & Subsidiary has established the Social Policy on 1st January 2018 which was approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer). The policy is written in Bahasa and English language.

- "Respect and protection of basic human rights of all employees (including temporary, contract and/or foreign workers).

Interviewed with the workers confirmed that they are allowed to join any union without any restriction.

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 Ketengah Jaya Sdn Bhd & Subsidiary has established the Social Policy on 1st January 2018 which was approved by Tn Hj. Mohd Aznan bin Abdul Murad (Chief Executive Officer). The policy is written in Bahasa and English language.

- "Prohibition of the employment of illegal workers, by force or under age.

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

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

Criterion 6 Training and competency

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

Summary Both estates have a comprehensive annual training plan. The training plan for 2019/2020 was sighted. As evidence the Training Programme includes:

No.	TOPIC
1.	Taklimat Polisi
2.	Polisi Kesihatan & Keselamatan
3.	First aid
4.	Harvesting
5.	Manuring
6.	Spraying
7.	Workshop
8.	Tractor Maintenance
9.	Rubbish Pit Management
10.	Schedule waste Management
11.	Triple Rinse of Empty Chemical container
12.	Zero Burning

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

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

Summary Sighted yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management 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 All workers involved in the operations have been adequately trained in safe working practice.

The estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.

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

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

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

Criterion 1 Environmental management plan

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

Summary Ladang Ketengah Jaya and Ladang Ternak Tani has established an Environment Policy dated 1st January 2018 approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

The said Policy is available in both Bahasa Malaysia and English. The policy was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

The details of the stakeholders meeting are as follows:

- 1) Internal Stakeholder Meeting
Date: 29th January 2020
Venue: Balai Acara Ladang Ketengah Jaya
Time: 12.00 noon
Attendance: 367 persons.
- 2) External Stakeholder Meeting
Date: 26th September 2019 (Group 1) and 12th December 2019 (Group 2)
Venue: Balai Acara Ladang Ketengah Jaya
Attendance: Group 1 – 19 persons Group 2 – 27 persons.

Sighted attendance list, photographs and briefing materials used in the briefing.

The management has also established Environment Management Plan prepared by En Abdul Rahman bin Mohamad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer dated 20th January 2020. The said Environmental Plan covers the following areas

1. Community
2. Workshop
3. Storage
4. Office
5. Immature Oil Palm Maintenance
6. Mature Oil Palm Maintenance

The said Environmental Plan is being implemented and is in progress.

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

Sighted Environmental Policy named "Polisi Alam Sekitar" dated 15th July 2020 approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.
Sighted Environmental Management Plan dated 20/1/2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Ladang Ketengah Jaya and Ladang Ternak Tani has conducted the Environmental Aspect and Impact analysis dated 20/1/2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

The management has identified all estate operations which may lead to negative impacts to the environment. For the impacts identified, management plan has been established to mitigate those impacts.

Given below are some sampled Environmental Impact and Aspects identified by the management:

ACTIVITY	ASPECTS	IMPACTS	MITIGATION PLAN
Septic Tank	Discharge of septic tank water into water ways.	Water Pollution	<u>Existing Control</u> -Maintenance by Inadah Water Konsotium <u>Mgt. Control</u> -Monthly inspection -To do maintenance programme
Vehicle maintenance and Repair	Disposal of sand/saw dust mixed with spilled oil during servicing	Land Pollution	<u>Existing Control</u> Disposal by Pentas Flora (Kelantan) Sdn Bhd. (Licence No 004878) Approved by Jabatan Alam Sekitar.
Menyusun Racun dalam stor	Racun tumpah di dalam stor simpanan	Pencemaran air dan tanah	Pastikan racun disusun dengan betul dan diletakkan dalam taking tadahan.

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 Ladang Ketengah Jaya and Ladang Ternak Tani has conducted Environmental Aspect and Impact Assessment dated 27th July 2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

The management has identified all estate operations which may lead to positive and negative impacts to the environment. The management has established plan to mitigate those negative impacts and to promote the positive impacts.

Given below are some environment plan to mitigate the negative impact and also to promote the positive ones:

AKTIVITI	ASPEK/IMPAK	PELAN TINDAKAN
Kebocoran pada bekas racun semasa memunggah masuk ke dalam stor. (Negative)	Pencemaran Air	Pemeriksaan oleh pegawai perlu dilakukan semasa menerima racun dari pembekal <u>Monitoring Program</u> Sedang dijalankan/Berterusan
Semburan tersasar ke dalam aliran air sungai (Negative)	Pencemaran air dan hidupan akuatik	Latihan kepada pekerja mengenai buffer zone dan lokasi yang tidak boleh diracun. <u>Monitoring Program</u> Sedang dijalankan/Berterusan
Aplikasi Tandan Kosong (Positive)	Membaiki struktur tanah dan mengurangkan penggunaan baja kimia	Beg baja dikutip dan dikumpulkan di dalam stor simpanan untuk diguna semula bagi mengumpulkan biji bagi mengumpul biji gugur. <u>Monitoring Program</u> Sedang dijalankan/Berterusan
Menyusun Pelepah (Positive)	Mengurangan larian air permukaan/ Mengurangkan hakisan tanah	Latihan bagi memastikan penuai Menyusun pelepah di tempat yang betul <u>Monitoring Program</u> Sedang dijalankan/Berterusan

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 management has established a Continuous Improvement Plan (CIP) dated 15th July 2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer. The CIP is divided into three (3) areas namely Social, Safety & Health and Environment.

Given below are some Continuous Improvement plan:

IMPROVEMENT PLAN	TIMELINE & PIC	STATUS
Pembinaan Garaj kereta pejabat (Social)	Mac 2020 En Abdul Rahmah (Penolong Pengurus)	Siap di bina Mac 2020
Penanaman tumbuhan bermanfaat (Environment)	Disember 2020 Semua Penolong Pengurus	Sedang dilaksanakan/ Berterusan
Membaikpulih dan menukar pendawaian perumahan kakitangan	Disember 2020 En Ibrahim Mohd Amin (Penolong Pengurus)	Sedang dijalankan secara berperingkat

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 Ladang Ketengah Jaya and Ladang Ternak Tani have established Training programme for the year 2020 dated 18/12/2019 prepared by Cik Nur Izrin bt Zol Baharin, Clerk, checked by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abd Murad, Chief Executive Officer.

Given below are some sampled Environment Training conducted by Ladang Sumbangan Estate.

NO	TRAINING CONDUCTED	DATE
1	Latihan Pengendalian Racun dengan betul	16/1/2020
2	Taklimat MSPO 2020	29/1/2020
3	Pengendalian Kenderaan dengan betul	11/3/2020

Sighted attendance list and training materials used in the said training.

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

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

Summary Sighted Latest environment meeting conducted on 2nd January 2020.

The details of the meeting are as follows:

- Date: 6/1/2020 (Monday)
- Time: 3.30 pm
- Venue: Bilik Mesyuarat Ketengah Jaya Sdn Bhd
- Attendance: 23 persons

Chairman

- Tn Hj Mohd Aznan bin Abd Murad, Chief Executive Officer.

Agenda

1. Pembentangan Polisi Alam Sekitar
2. Peelupusan Sisa Terjadual
3. Kebersihan Kawasan perumahan pekerja
4. Kawasan Rezab Sungai
5. Penanaman Kekacang Penutup Bumi dan Tumbuhan Bermanfaat
6. Pengurangan bahan Kimia
7. Penutup

Sighted meeting minutes and attendance list of the said meeting.

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 non-renewable energy (Diesel, Electricity and Petrol) has been documented for the year 2017, 2018, 2019 and 2020 by the estate.

Given below are the per MT usage (baseline value) of Diesel and Electricity

YEAR	DIESEL/MT	ELECTRICI/KWH/MT
2017	1.25	-
2018	1.69	1.63
2019	1.77	1.98
2020 (As at July)	1.77	1.80

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 Sighted estimated usage of Diesel and Electricity as per document "Estimated usage of Diesel and Electricity" prepared by En Abdul Rahman Mohammad and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

NO	YEAR	DIESEL	ELECTRICITY
1	2020	82,444 liters	137,318 Kwt

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

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

Summary As per interview with En Abdul Rahman bin Mohammad, Asst Manager, there is no identification of potential usage of renewable energy for new technique / technology by management.

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 Ketengah Jaya Sdn Bhd & Subsidiary has established the MSPO; Title: Waste Management Procedure, Ref No. MSPO-KJSB-05; Rev 0; dated 01.11.2017, released on 10.01.2018 prepared by Mr. Abdul Rahman Bin Mohammad (Assistant Manager), approved by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Ladang Ketengah Jaya and Ladang Ternak Tani have identified waste products and sources of pollution vide document dated 5th January 2020. The document was prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Given below are the details

NO	TYPE OF WASTE	SOURCE/LOCATION
1	Kotak Air Minuman	Pejabat, Rumah Staff, Rumah
2	Tong Racun	Kawasan Stor
3	Beg Baja	Kawasan Stor
4	Tayar	Kawasan Stor
5	Dram Minyak Hitam	Kawasan Stor
6	Sisa Makanan	Rumah Staff, Rumah Pekerja

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established Waste Management Plan and Action Plan for year 2020 dated 18th December 2019 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

The plan has identified types of Waste products and sources of pollution.

Given below are the identified waste and action plan (sampled) to reduce pollution and implementation plan.

SOURCE	TYPE OF WASTE	ACTON TAKEN TO REDUCE
Workshop	Used lubricants, Used Hydraulic Oil	i. Dispose of item to licensed contractor ii. To store item under lock and key iii. To put up "Used Lubricant" signage
Workers Quarters, Office, Workshop & Store	Domestic Waste	i. Establish Landfill/ Collection SOP ii. Establish Collection Schedule and Person In-charge iii. Landfill area away from water course and residential area. iv. Create awareness on Hygine

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established establish Standard Operating Procedure named "Prosedur Kerja Selamat Bahan Kimia Ladang – Penyimpanan dan Pelupusan " for handling chemicals dated 3rd May 2017 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

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 All Empty pesticide containers are punctured and disposed in an environmentally and socially responsible way by selling it to Pentas Flora (Kelantan) Sdn Bhd a licenced contractor by "Jabatan Alam Sekitar as per Seksyen 18(1) Akta Kualiti Alam Sekitar 1974". Licence No 004878 dated 15th October 2020. The said license is valid from 1/5/2020 until 30/4/2021.

Last disposal date was on 26/7/2020, consignment Note Number: 20200726150ZFDPU.

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 Ladang Ketengah Jaya and Ladang Ternak Tani has established establish Standard Operating Procedure to dispose domestic waste dated 3rd May 2017 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Sited land fill for domestic wastes during site visit.

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 Ladang Ketengah Jaya and Ladang Ternak Tani has carried out assessment of all polluting activities in its premises. Sighted Environmental Aspect Impact Assessment dated 27th July 2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad.

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

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

Summary Sighted Environmental Aspect Impact Assessment dated 27th July 2020 prepared by En Abdul Rahman bin Mohammad, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer with action plan to reduce identified significant pollutants and emissions.

POLLUTANTS	SOURCE	ACTION PLAN TO REDUCE
Used Lubricants	Repair Shed	i. Establish and maintain SOP on SW Handling ii. Dispose items through licensed contractor
Domestic Waste e.g. Rubbish, Garden waste	Line site	i. To replace broken dustbins and provide new ones ii. Monitor rubbish collection schedule

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 used for water supply, the level of the ground water table should be measured at least annually.

Summary Ketengah Jaya Sdn Bhd & Subsidiary has established the MSPO; Title: Water Management Plan Procedure, MSPO-KJSB-08; Rev 0 dated 01.11.2017 revised on 10.01.2018 prepared by Mr. Abdul Rahman Bin Mohammad (Assistant Manager), approved by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Ladang Ketengah Jaya and Ladang Ternak Tani has established a Water Management Plan 2020 dated 12th January 2020 prepared by En Abdul Rahman, Asst Manager and approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

Given below are some sampled Water Management Plan".

SOURCE OF WATER	MANAGEMENT ACTION	FREQUENCY
River -Sungai Patang -Sungai Pelanduk	1. Analyse incoming water quality as well as outgoing water quality to	Annually

	<p>determine if estate operations have positive, zero or negative effect</p> <p>Person Responsible En Abdul Rahman bin Mohammad</p>	
	<p>2. Regular inspection to ensure no bunds and dams are constructed across the river</p> <p>Person Responsible Cpt. Arifin bin Abdullah En Ibrahim bin Mohd Amin En Mohd Zamri bin Abdullah</p>	At appropriate interval
	<p>3. Restoration of natural vegetation in riparian zone where it has been removed</p> <p>Person Responsible Cpt. Arifin bin Abdullah En Ibrahim bin Mohd Amin En Mohd Zamri bin Abdullah</p>	Regular Inspection
Rain Water	<p>Collect rain water by drums/container at specific locations e.g. workshop & premixing area</p> <p>Person Responsible En Mohd Jafri bin Mat Jusoh</p>	At appropriate interval

There are three (3) rivers flowing through the estate namely

- Sungai Patang
- Sungai Pelandok
- Sungai Mengkeluk

Monitoring of water of the said rivers in the estate has been done by the management for the previous years without fail. However, the management was unable to conduct water sampling of these river due to the implementation of Movement Order Control (MOC) by the Government to curb the Covid 19 pandemic. Ladang Ketengah Jaya has

been proactive in this aspect by obtaining quotation to conduct water sampling from ERALab (KT) Sdn Bhd. Sighted the said quotation, QUO No: ERAKT/QUO/20/08/(143) dated 9th August 2020. Ladang Ketengah Jaya and Ladang Ternak Tani will conduct the water sampling in August 2020.

The management has established Riparian Zone to protect the water courses i.e. the rivers.

As no natural vegetation in the riparian areas has been removed, no plan for restoration is necessary.

No bore well is being use for water supply as the water for domestic use in workers' housing is supplied by Syarikat Air Terengganu. As such, there is no necessity to measure the level of ground water.

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

Indicator 2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

Summary As per interviewed with Mr. Mohd Amriellah Bin Zakaria (Field Conductor), no bunds or dams being constructed across the river of Sg Patang, Sg. Mengkeluk and Sg Pelandok. Site visit reckoned the statement by Mr. Mohd Amriellah Bin Zakaria.

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 The management has implemented water harvesting practices by collecting rain water in drums at specific locations for instance at workshop and premixing area in the estate.

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 Ketengah Jaya Sdn Bhd & Subsidiary has established the MSPO; Title: Rare, Threatened, Endangered & High Biodiversity Management-MSPO-KJSB-07; Rev 0 dated 11.11.2017 revised on 10.01.2018 prepared by Mr. Abdul Rahman Bin Mohammad

(Assistant Manager), approved by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Sighted "Program Pemantauan Kawasan HCV 2020/Kehadiran Haiwan Terancam/Haiwan Liar" conducted from January 2020 until August 2020 by Ladang Ketengah Jaya and Ladang Ternak Tani. The collated "Program Pemantauan Kawasan HCV 2020" includes the planted areas as well as the surrounding landscape area was prepared by En. Abdul Rahman, Asst Manager.

The programme has identified the following.

Tarikh	Jenis Haiwan Yang Dikenalpasti & Pegawai Yang Kenalpasti	Bukti Kehadiran	Jumlah	Lokasi
27/2/2020	Beruang Matahari Pegawai Yang Kenalpasti En Mohd Jafri Bin Mat Jusoh	Visual	1 ekor	DIV Bukit Tinggi
5/4/2020	Ayam Hutan Pegawai Yang Kenalpasti En Mohd Jafri Bin Mat Jusoh	Visual	5 ekor	DIV Bukit Tinggi
18/1/2020	Ayam Hutan Pegawai Yang Kenalpasti En Mohd Faizal Bin Abd Wahab	Visual, Bunyi & Tapak Kaki	3 ekor	DIV Sungai Patang
14/6/2020	Beruang Ayam Hutan Pegawai Yang Kenalpasti En Mohd Faizal Bin Abd Wahab	Tapak Kaki Visual, Bunyi & Tapak Kaki	1 ekor 2 ekor	DIV Sungai Patang
4/5/2020	Ayam Hutan Pegawai Yang Kenalpasti	Visual	1 ekor	DIV Sungai Pelandok

	En Mohd Amriellah Zakaria			
27/6/2020	Memerang Pegawai Yang Kenalpasti En Mohd Amriellah Zakaria	Visual	1 ekor	DIV Sungai Pelandok
17/6/2020	Tapir Pegawai Yang Kenalpasti En Mohd Zamri Bin Abdullah	Visual	1 ekor	DIV Bukit Kambing

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 "Program Pemantauan Kawasan HCV 2020/Kehadiran Haiwan Terancam/Haiwan Liar" conducted from January 2020 until August 2020 by Ladang Ketengah Jaya and Ladang Ternak Tani which includes the planted areas as well as the surrounding landscape area has identified some threatened and endangered species.

Given below are the mitigation plan to discourage any illegal or inappropriate hunting and measures to resolve human-wildlife conflicts.

Tarikh	Jenis Haiwan Yang Dikenalpasti & Pegawai Yang Kenalpasti	Jumlah	Mitigation Plan
27/2/2020	Beruang Matahari Pegawai Yang Kenalpasti En Mohd Jafri Bin Mat Jusoh	1 Ekor	Put up "Kawasan Larangan Memburu" sign boards at the estate to warn
5/4/2020	Ayam Hutan Pegawai Yang Kenalpasti	5 Ekor	

	En Mohd Jafri Bin Mat Jusoh		visitors and workers.
18/1/2020	Ayam Hutan PEGAWAI YANG KENALPASTI En Mohd Faizal bin Abd Wahab	3 ekor	
14/6/2020	Beruang Ayam Hutan Pegawai Yang Kenalpasti En Mohd Faizal Bin Abd Wahab	1 ekor 2 ekor	Education & awareness for workers
4/5/2020	Ayam Hutan Pegawai Yang Kenalpasti En Mohd Amriellah Zakaria	1 ekor	
27/6/2020	Memerang Pegawai Yang Kenalpasti En Mohd Amriellah Zakaria	1 ekor	Monitor record and wildlife sightings
17/6/2020	Tapir Pegawai Yang Kenalpasti En Mohd Zamri Bin Abdullah	1 ekor	

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 Monitoring and recording of wildlife sightings will be ongoing and management will implement the following monitoring and action plan to protect the wild animals present in the plantation

1. Displaying signages to warn visitors and workers on prohibiting illegal hunting, and caging of protected birds and animals in the plantation
2. Education & awareness for workers

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 Ladang Ketengah Jaya and Ladang Ternak Tani strictly prohibits Open Burning neither for domestic waste disposal nor for oil palm replanting. This is clearly stated in Para 2 of their Environmental Policy. The policy was approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

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

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

Summary No special approval need to be sought from the relevant authorities for controlled burning as there is no areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.

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

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

Summary As per interview with Estate Assistant Manager, no special approval needed to do open burning. All replanting activities are using the felling method. The practice is observed during field assessment.

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

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

Summary Ladang Ketengah Jaya and Ladang Ternak Tani has established new planting and replanting procedures dated Nov 2017 approved by Tn Hj Mohd Aznan bin Abdul Murad, Chief Executive Officer.

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

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

2.6 Principle 6 : Best practices

Criterion 1 Site management

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

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

Both estates have 5 types of Manuals-

- 1) Standard Operating Procedure – Field Operation (A1-A22)
- 2) Standard Operating Procedure - General (B1-B8)
- 3) Safety Operating Procedure
- 4) MSPO Procedure
- 5) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi

The document was well maintained and implemented.

- 1) Standard Operating Procedure – Field Operation (A1-A22) includes:
 - i. A1 – Boundary Marking
 - ii. A2 – Muster Call
 - iii. A3 – Oil Palm Nursery
 - iv. A4 – Replanting Oil Palm to Oil Palm
 - v. A5 – Drainage
 - vi. A6 – Soil Conservation
 - vii. A7 – Water Management
 - viii. A8 – Supplying
 - ix. A9 – Manuring
 - x. A10 – Palm Census
- 2) Standard Operating Procedure - General (B1-B8) includes:
 - i. B1 – Workshop
 - ii. B2 – Childcare
 - iii. B3 – Generator
 - iv. B4 – Flood Response
 - v. B5 – Foreign Workers
 - vi. B6 – Land Disputes
 - vii. B7 – Domestic Waste
 - viii. B8 – Schedule Waste
- 3) Group Safety Operating Procedure includes:
 - i. Prosedur Keselamatan & Kesihatan Pekerjaan

- ii. Peraturan & Pematuhan
 - iii. Prosedur Tambahan
- 4) MSPO Procedure includes:
- i. MSPO-KJSB-01 Internal Audit
 - ii. MSPO-KJSB-02 Management Review
 - iii. MSPO-KJSB-03 Stakeholder Communication & Consultation
 - iv. MSPO-KJSB-04 FFB Traceability
 - v. MSPO-KJSB-05 Waste Management
 - vi. MSPO-KJSB-06 Environmental Management
 - vii. MSPO-KJSB-07 Rare, Threatened, Endangered & High Biodiversity Management
 - viii. MSPO-KJSB-08 Water Management Plan
 - ix. MSPO-KJSB-09 Training
- 5) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi includes:
- i. Saringan Kesihatan
 - Pemeriksaan dan Pemantauan Kesihatan Sebelum Operasi
 - Tindakan Pencegahan Semasa Operasi
 - Pemeriksaan Kesihatan ke atas Pelawat/Pembekal
 - ii. Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
 - iii. Aplikasi Sejahtera
 - iv. Protokol Pencegahan Penyakit & Sekatan
 - v. Saringan Kesihatan
 - vi. Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
 - vii. Aplikasi Sejahtera

Regular inspection and supervision are conducted by Mandore, Supervisor, Executives as well as HQ Department.

Estate Department is responsible to monitor overall estate performance on a monthly basis. The assessment will be reported in:

- 1) Plantation Advisor – Twice a year
- 2) Agronomist Report – Once a year

As evidence sighted the Plantation Advisor's Report by Tn. Hj. Abdul Aziz bin Hj. Abu Bakar from Sime Darby Plantation Seeds & Agricultural Services Sdn Bhd for Plantation Advisory (85) on 14th October 2019 – 16th October 2019.

Also, sighted Agronomist Report by Tn. Hj. Zulnizam Kasmungi from Sime Darby Plantation Seeds & Agricultural Services Sdn Bhd for 2020 Fertilizer Recommendations on 23rd December 2019.

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 Stated on Standard Operating Procedure; A4 Replanting Oil Palm to Oil Palm: Rev May 2017: Stated in point 5.2.5 Contour terrace construction

- Slopes of more than 25 degrees is not suitable for oil palm planting and should be left undeveloped.

However, where such slopes exist within a proposed oil palm plantation, seek advice from the Planting Advisor on the planting option.

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

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

Summary The estate has a visual reference system to identify each field or block. Each field has the signboard with Year Planting & Div.

As evidence in Ladang Ketengah Jaya: 09T; 2009; 118.20 Ha

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

Criterion 2 Economic and financial viability plan

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

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

It also incorporated item such as general charges, estate maintenance, fixed assets and etc. Sighted documented Business and Management Plan prepared by Kapt (B) Arifin bin Abdullah (Estate Sr. Assistant Manager) and approved by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

As evidence:

Ladang Ketengah Jaya

FY	2020	2021	2022
FFB	78,416	80,013	83,765
Estimate OER %	20.00	20.00	20.00

FFB Price	535.50	535.50	555.00
KER	4.50	4.50	4.50
Net Price RM	15,270,881.00	15,755,583.82	18,020,940.00

Ladang Ternak Tani

FY	2020	2021	2022
FFB	2,967	2,891	2,891
Estimate OER %	20.00	20.00	20.00
FFB Price	544.50	544.50	544.50
KER	4.50	4.50	4.50
Net Price RM	671,312.50	695,344.50	695,344.50

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 There is no replanting programme available for year 2019 -2023. The replanting programme will started on 2024-2035. Eldest palm is PM1999.

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

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

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

It also incorporated item such as general charges, estate maintenance, fixed assets and etc. Sighted documented Business and Management Plan prepared by Kapt (B) Arifin bin Abdullah (Estate Sr. Assistant Manager) and approved by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

As evidence:

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KER	4.50	4.50	4.50
Net Price RM	671,312.50	695,344.50	695,344.50

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

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

Summary The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure are shown therein. Manager will have meeting quarterly with Board of Director.

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 Contract Agreement for FFB sold to the KISPA by contract agreement sighted. The company will make an announcement for tender for other services like FFB transportation, hiring backhoe, wiring housing and etc.- Document sighted.

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

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

Summary

All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Ladang Ketengah Jaya. As evidence, sampled:

- Sighted the Contract Agreement between estate with Apitech Sdn Bhd ("Kerja-kerja Mengangkut, Memunggah, Memindah dan Menghantar Buah Tandan Segar (BTS)") sealed on 07th July 2019.
- Sighted the Contract Agreement between estate with Ce Neh Maju Enterprise ("Kerja-kerja Menyelenggara dan Membaik Pulih Kerosakkan Yang Berlaku Di Dalam Ladang Ketengah Jaya") sealed on 01st January 2019.

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

As evidence sighted the invoice send by:

- Apitech Sdn Bhd ("Kerja-kerja Mengangkut, Memunggah, Memindah dan Menghantar Buah Tandan Segar (BTS)") to estate on 01st July 2020. Estate paid to the contractor on 06th July 2020.; Invoice No: ASB/INV/19195; Cheque no: 423454; RM 55,240.06.

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

Ladang Ketengah Jaya/ Ladang Ternak Tani

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

Sighted external stakeholders meeting on 12th December 2019. Attended by 27 participants. Chaired by Tn Hj Mohd Aznan Bin Abdul Murad (Ketua Pegawai Eksekutif).

Sighted addendum dated 1st August 2019 which was accepted by Mr Mohd Hafizuddin bin Zakaria (Apitech Sdn Bhd) and acknowledged by Tn Hj Mohd Aznan (Ketua Pegawai Eksekutif, Ketengah Jaya Sdn Bhd).

As evidence, sighted of evidence of MSPO clause for contractor in agreement:

- Sighted the Contract Agreement between estate with Apitech Sdn Bhd ("Kerja-kerja Mengangkut, Memunggah, Memindah dan Menghantar Buah Tandan Segar (BTS)") sealed on 07th July 2019; Sighted the contract agreement/payment slip for their workers:

❖ Mr. SBS - 5167

May 2020
= RM 2,210.79



April 2020
= RM 1,593.58

March 2020
= RM 1,115.05

❖ Mr. SBO – 6201

May 2020
= RM 2,639.42

April 2020
= RM 2,574.49

March 2020
= RM 2,577.24

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

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

Summary

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

- Sighted Apitech Sdn Bhd – “Kerja-kerja Mengangkut, Memunggah, Memindah dan Menghantar Buah Tandan Segar (BTS)”; Ref: KJSB/LKJ/2019-1.

Stated the term and conditions for payment method. Payment will be paid 30 days after the estate received the invoice from 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

Both estates were audited by Global Gateway Certifications Sdn Bhd MSPO audited on 09th August 2020 – 10th August 2020. Sighted audit plan dated 08th August (3rd Revised) which have been accepted address to Tn Haji Mohd Aznan bin Abdul Murad, Chief Executive Officer. All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

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

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

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

2.7 Principle 7 : Development of new planting

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.

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

Criterion 2 Peat land

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

Summary At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.
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 Ketengah Jaya Sdn Bhd & Subsidiary.
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 Ketengah Jaya Sdn Bhd & Subsidiary.
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 Ketengah Jaya Sdn Bhd & Subsidiary.

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

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

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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 Ketengah Jaya Sdn Bhd & Subsidiary.

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

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
08 th August 2020	TBA	➤ Travelling to Kemaman, Terengganu.	MS	MAS
09 th August 2020	08:00 – 09:00	➤ Centralize Opening Meeting at Ladang Ketengah Jaya: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	MS	MAS
	09:00 – 13:00	Ladang Ketengah Jaya <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. ➤ 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. 	MS	MAS
	13:00 – 14:00	➤ Lunch/Rest	MS	MAS
	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. 	MS	MAS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	MAS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
10 th August 2020	08:00 – 13:00	Ladang Ternak Tani Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, 	MS	MAS



		FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.		
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MS	MAS
	13:00 – 14:00	➤ Lunch/Rest	MS	MAS
	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document review • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	MAS
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion	MS	MAS
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Centralize Closing Meeting at Ladang Ternak Tani Sdn Bhd: ➤ 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 	MS	MAS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit



Major Nonconformities:	Non-were raised during this audit.
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Minor Nonconformities:	Non-were raised during this audit.
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Area of Concern:	The following AOC's were raised for this audit.
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Company Name	Ketengah Jaya Sdn Bhd & Subsidiary			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: Oil Palm Plantations and Organised Smallholders			
Client Number	GGC-R1-MSPO-2019			
NC No. / Ref.	R1/MSPO/AOC/01	Date Detected	10 th August 2020	
Site(s) concern	Ladang Ketengah Jaya	Target Completion	-	
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Not in compliance with "Occupational Safety and Health Act 1994; Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004".			
NC Objective Evidence:				
In accordance to Part IV Maintenance Of All Records Of Accident, Dangerous, Occurrence, Occupational Poisoning And Occupational Disease; Records; <ul style="list-style-type: none"> (3) The employer or self-employed person, as the case may be, shall send to the Director General before 31 January of each year, such extracts from the registry for a period of 12 months ending on 31 December of each year. During the audit, it was found that JKPP 8 was submitted on 23 rd February 2020, which was not submitted on a timely manner.				



Lead Auditor Signature: 	Client Signature: 
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Company Name	Ketengah Jaya Sdn Bhd & Subsidiary			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	MSPO Part 3: Oil Palm Plantations and Organised Smallholders			
Client Number	GGC-R1-MSPO-2019			
NC No. / Ref.	R1/MSPO/AOC/02	Date Detected	10 th August 2020	
Site(s) concern	Ladang Ketengah Jaya	Target Completion	-	
Normative Reference and Requirement	4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Under paid for Employee Provident Fund (EPF) and SOCSO			
NC Objective Evidence: <p>Sighted the contract agreement signed by contractor and Ladang Ketengah Jaya. Pay and conditions are documented in the appointment letter of the contractor workers. The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order 2020 for Kemaman, Terengganu Area is RM1,200 as stated in the guidelines.</p> <p>During the audit, it was found that the contractor had made EPF and SOCSO deduction for his workers. However, the deductions made do not follow the:</p> <ul style="list-style-type: none"> • EPF Act 1991 • Employee Social Security Act 1969 and Employee Social Security General Rules 1971 				
Lead Auditor Signature: 	Client Signature: 			

Non-Conformities Identified During Previous Audit

Major Nonconformities: 2 NC's were raised for this audit.

Minor Nonconformities: The following NC's were raised for this audit.

Company Name	Ketengah Jaya Sdn Bhd & Subsidiary		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-R1-MSPO-2019		
NC No. / Ref.	R1/MSPO/MINOR/01	Date Detected	30 th May 2019
Site(s) concern	Ladang Ketengah Jaya/ Ladang Ternak Tani	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.2.4 Minor Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Stakeholders still not aware of complaints or suggestion procedure		
NC Objective Evidence:			
During stakeholders meeting (combine with Kilang Sawit Panji Alam Sdn Bhd) on 30 th May 2019 conducted by Global Gateway Certifications Sdn Bhd, it was observed the stakeholders were not aware that any complaints or suggestions should be forwarded to the estate's management.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
1) The stakeholders were not aware that any complaint or suggestions should be forwarded to the estate's management possibility because of information are not delivered well through estate management explanation about the standard of complaint procedure. 2) The representatives of the stakeholders that present at the meeting are different person and input from the meeting are not delivered within their organization			
Corrective action planned (to be filled by client):			

Conduct a new stakeholder meeting in small group for increase efficiency of understanding about the standard of complaint procedure.

- 1) Stakeholder Meeting (Group 1)
Date: 26th September 2019
Venue: Balai Acara Ladang Ketengah Jaya
Attendance: 19 persons.
- 2) Stakeholder Meeting (Group 2)
Date: 12th December 2019
Venue: Balai Acara Ladang Ketengah Jaya
Attendance: 27 persons

Preventive Action (to be filled by client):

Improve the method of explanation through visual (slideshow, photo, pamphlet)

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

All the evidence submitted were found adequate and therefore this minor non-compliance is closed.

NC Closed: ☒ Yes ☐ No




Site verification: ☒ Yes ☐ No

Date Verified: 10th August 2020

Lead Auditor Signature:



Company Name	Ketengah Jaya Sdn Bhd & Subsidiary		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-R1-MSPO-2019		
NC No. / Ref.	R1/MSPO/MINOR/02	Date Detected	30 th May 2019
Site(s) concern	Ladang Ternak Tani	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.5.5.1 Minor 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: d) Protection of water courses and wetlands,		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		

Description of Non-Conformity	No evidence is available during the audit		
NC Objective Evidence:			
During field visit, there is no evidence sighted for "Riparian Zone" in estate area as per stated in the "Polisi Perlindungan Tanah Curam dan Rezab Sungai".			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
The management of estate lack of information in understanding about the concept of Riparian Buffer Zone and specification for the area which the buffer zone should be set up.			
Corrective action planned (to be filled by client):			
The estate has established Riparian Zone in the area involved closed to natural water resources.			
Preventive Action (to be filled by client):			
1) Training and briefing to staff and workers about SOP requirement for riparian zone as annual training programme. 2) The inspection to avoid prohibited action at Riparian Zone will be conducted on weekly basis			
Review of corrective/preventive action (to be filled by Lead Auditor)			
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Date Verified: 10 th August 2020		Lead Auditor Signature:	
			

Area of Concern:	Non-were raised during this audit.
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Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Ladang Ketengah Jaya & Ladang Ternak Tani Sdn Bhd management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Neighboring Estates
- 2) Contractors