



# Assessment Report

Date: 13<sup>th</sup> Sept to 15<sup>th</sup> Sept

# 2018


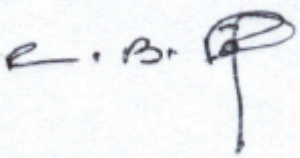

*[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard and every criterion's have been in every effort*

MSPO 2530:2013 Part 3

Company name	HUNTLY ESTATE 1) SYARIKAT V.K. KALYANASUNDRAM SDN BHD 2) V.K.K ESTATES SDN BHD
Address	HUNTLY ESTATE 34900 PANTAI REMIS, PERAK DARUL RIDZUAN
Report no	MS18MM025
Status of audit	Main Assessment If surveillance NA

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The assessment is based on sampling on the records, practice, documents and personnel, therefore the final results of the assessment is of representative towards the system implementation of the organization. This report may generated to record as much of the system implementation information but may still limited due to the sampling .This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		
Name	Mohamad Zulkefli Bin Md Isa	Company stamp 
Date	13-15/09/2018	
Email	admin@cciglobe.com	
Fax no	038073 2688	

## Section A General Information

General	
Audit objectives	<input checked="" type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Issue of certificate	Yes

Scope of Certification	
Scope of certification in English	The Provision of Planting and Harvesting of Fresh Fruit Bunch (FFB) By Organised Plantation
Requirement not being applicable	P7 - Development of New Planting
Justification	The company doesn't have any new planting activities.
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Mr. R.Bhoo Pathy
Alternate contacts	Thanabalan
Management Representative contact no.	+6019 5772608 / +6016 5601205
E-mail address	pasbhuntly1502@gmail.com
Fax Number	+605 850 1929
Fixed Line Number	+605 850 1929
NO OF SPOC/ GROUP MEMBERS	2

## Section B Previous Audit Result

The result of the last audit system have been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any nonconformities identified. This review has concluded that:

<input type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

**Section C Conclusion**

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

- CONGRATULATION and has
- CONGRATULATION however some processes need to address non-compliance(s) but others has
- SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

- demonstrated
- not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are NIL unresolved issue.

Therefore the audit team recommends that based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

- Granted (initial certification or recertification)
- Granted upon the acceptance of the noncompliance(s)
- Continued (surveillance)
- Continued (surveillance) upon the acceptance of the noncompliance(s)
- Withheld
- suspend until satisfactory corrective action(s) is completed
- Others (please specify)

Note :

*The assessment and recommendation for the initial or continue was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party.*

**Section D (For Recertification only)**

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with	<input type="checkbox"/> Yes <input type="checkbox"/> No

	the requirements of the audit standard	
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## Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohamad Zulkefli Md Isa	Mr. R.Bhoo Pathy	Estate Manager
Team member		
Badrul Hisham Bin Hj Baharin		
Trainee auditor		
Mohamad Hafis		
Observer		
NA		

## Section F Audit Process Matrix

**Next Audit Matrix (legend "☒" plan to cover & covered, "☐" for uncover)**

Planned month & year	09/2018	09/2019	09/2020	09/2021	09/2022
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
<b>4.1 Management Commitment &amp; Responsibility</b>					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Internal audit	☒	☒	☒	☒	☒
4.1.3 Management Review	☒	☒	☒	☒	☒
4.1.4 Continual Improvement	☒	☒	☒	☒	☒
<b>4.2 Transparency</b>					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☒	☒	☒	☒	☒
4.2.2 Transparent method of communication and consultation	☒	☒	☒	☒	☒
4.2.3 Traceability	☒	☒	☒	☒	☒
<b>4.3 Compliance to legal requirements</b>					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary rights	☒	☒	☒	☒	☒
<b>4.4 Social responsibility, health, safety and employment condition</b>					

4.4.1 Social impact assessment (SIA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>					
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources					
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4.6 Best Practices</b>					
4.6.1 Site management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor					
<b>4.7 Development of new planting</b>					
4.7.1 High biodiversity value	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Peat land	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.4 Soil and topographic information	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.6 Customary land	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment : 6\_md. Recertification:

*Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate*

## Section G Audit Summary

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
ZU	13/09/2018	8.30
Opening Meeting <ol style="list-style-type: none"> <li>introduction of the participants, including an outline of their roles;</li> <li>confirmation of the scope of certification;</li> <li>confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management;</li> <li>confirmation of formal communication channels between the audit team and the client;</li> <li>confirmation that the resources and facilities needed by the audit team are available;</li> <li>confirmation of matters relating to confidentiality;</li> <li>confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>confirmation of the availability, roles and identities of any guides and observers;</li> <li>the method of reporting, including any grading of audit findings;</li> <li>information about the conditions under which the audit may be premature terminated;</li> </ol>		

- k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails;
- l) confirmation of the status of findings of the previous review or audit, if applicable;
- m) methods and procedures to be used to conduct the audit based on sampling;
- n) confirmation of the language to be used during the audit;
- o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;
- p) opportunity for the client to ask questions.

**Closing Meeting**

- a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty
- b) the method and timeframe of reporting, including any grading of audit findings;
- c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;
- d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;
- e) the certification body's post audit activities;
- f) information about the complaint handling and appeal processes.
- g) Any diverging opinion that are not resolved.
- h) opportunity for the client to ask questions.

**Executive Summary**

The audit was based on the MSPO2503:2013 Part 3 Standard, procedure and applicable requirements. There is no issue during the 1st Stage Audit conducted on 28/06/2018 and found all the required document, procedure and form are available.

The audit are planned follow the audit plan which consist of documentation review and site visit which total days of audit is 3 days. Total mandays for audit at Huntly Estate is 5 mandays. meanwhile the stakeholders consultation was held with 1 mandays. For Huntly Estate Group consist of 2 estate as per below :

- i. Syarikat V.K. Kalyanasundram Sdn Bhd
- ii. Syarikat VKK Estates Sdn Bhd

The audit team are as below:

- 1) Mr Mohamad Zulkefli- Lead Auditor who are have almost 8 years in the sustainable certification and other management system certification such as RSPO, ISCC, ISO 14001, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by SIRIM.
- 2) Mr Badrul Hisham bin Hj Baharin as Co. Auditor who are have almost 15 years in the plantation operation and audited for Good Practice in Plantation Management and Palm Oil Mill and New Planting Plantation.

The Stakeholder consultation was conducted by Mr. Badrul Hisham.

**Audit Summary**

**Principle 1: Management Commitment & Responsibility**

Sighted management establish 4 policy such as Malaysian Sustainable Palm Oil Policy, Occupational Safety and Health Policy, Environmental Policy, Social Responsible Policy etc. Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting. Continual Improvement Programme was established and sighted the continual improvement for weeding operation by moving toward for mechanization implementation (Power Spray) to speed up the routine activities . The management have establish Internal Audit procedure and the result of finding issues had been discussed during MRM. Internal audit was conducted on 20/6/2018. The 1st MRM on 25/6/2018 ,the agenda is cover all the MSPO Principle starting from principle 1 until 7.

**Principle 2: Transparency**

Generally, the company had communicate the information with stakeholders and public through meeting with stakeholders. The estates management annually organize get together with local communities as part of promoting MSPO requirements as per SOP-10 Social Impact Assessment. For every issue raised the Estate management has prepared management plan on social impact assessment. The company has established procedure for internal & External communication doc no : SOP-07 and establish complaint form in order the relevant interested parties to raise the issues(RC-05 Grievances Form). This SOP has been communicated to all stakeholders during stakeholder meeting dated on 10/4/2018. Records of complaints and grievances were rcoreded through RC-05 Grivances Log. Sighted the communication were divided into two category external and internal. For internal normally the interaction between employee and employer through writing letter, notice or verbal.

**Traceability**

The estate management establish the procedure for traceability inside the Standard Operating Procedure- SOP-08 dated on 15/1/2018. A clear procedure and proper guideline to trace the FFB production from harvesting until deliver to the mill. Sighted that procedure for collection and delivery fruits to Mill. Sighted the FFB production tracebility started

from the field collection of FFB checking by the accessor on quality and quantity of the FFB ( Chekrol harvester record, FFB CHit, , Harvesting interval record, daily harvesting record, Quality inspection record), Deliver FFB to the mill (weighbridge ticket) and receive FFB at the mill, receive (Weighbridge Ticket, Quality Check assement report).

### **Principle 3: Compliance to legal requirements**

#### **Legal Compliance**

The company of estate management showed the compliances with the legal with an evidence of valid MPOB License and other required license for the plantation operation.

The estate management has established list of legal requirement register. Noted that 100% compliance on the evaluation. All the requirements evaluated at least once a year as per "Compliance to Regulatory Requirement" dated on 15/1/2018. Noted that the estates is located within the permitted area as per grant. Boundary markers with sister estates was done via road, trenches and rivers. Boundary with external party coordinates can be found in land maps. Land titles and lease documents were available during assessment.

#### **Land Use Right**

Huntly Estate have two land under two companies;

1. VKK Estates Sdn Bhd

- No hakmilik: 136005
- Mukim: Pengkalan Baharu, Perak
- No lot: 10427
- Keluasan: 175.30 Hektar
- Status: Pertanian (Tanaman Dusun)
- No file: PTG.PK. 5/2-967 JLD 2(A)
- Free Hold.

Note: No application from the company to change the land status (Kategori Kegunaan Tanah) - NCR

2. VK Kalyanasundram Sdn Bhd

- No hakmilik: 136004
- Mukim: Pengkalan Baharu, Perak
- No lot: 10426
- Keluasan: 509.20 Hektar
- Status: Pertanian (Tanaman Dusun)
- No file: PTG.PK. 5/2-967 JLD 2(A)
- Free Hold.

Note: Sighted the application letter of 'Permohonan Kebenaran Lembaga Tanah Ladang Untuk Tukar Kategori Dan Syarat Nyata Tanah Daripada Tanaman Dusun Kepada Tanaman Kelapa Sawit'. Date 06/09/2018.

For all estate sample, an official map from Land Survey for recognized customary rights is made available for reference. Boundary stone available and visible during site observation. The management establish map close up boundary location.

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

#### **1) Social**

Noted that the estate management conducted the Stakeholder Meeting dated on 10/4/2018 with involvement from the stakeholders such as workers representative (Ladies), workers representative (male),contractor, supplier etc. The company had establish the Management Plan On Social Impact Assessment from the feedback collected during the Stakeholder Consultation. The company had establish the "Internal and External Communication" (SOP-07) for dealing with complaints and grievances. All stakeholder are freely to request the Complaint Form from the Estate Management and submit by insert to the Complaint Box infront of the estate office. The communities surrounding was aware with the complaint procedure and explanation was done during the stakeholder consultation and most of the Estates workers are from the local and foreigner (Tenaga kerja Indonesia).Verified as at todate no complaint receive either inetrnal or external. Sighted during the audit the form of complaint were located at the auxiliary police post and the office estate management. Sighted the Social ImPact Assessment report dated on 18/6/2018 The assessment were conducted by appointed consultant. Record of CSR activities were verified and been recorded in the "Record of CSR Activities".

Verified the Record Of CSR Activities for year 2018 and listed CSR as below:

- a) Sport Donation to SJK( T) Huntly dated 09/04/2018, cash Voucher# 40.
- b) Money Donation to Pusat Harian Kanak-Kanak dated 16/05/2018- Resit# 0285 dated 16/05/2018.
- c) Pertubuhan Kanak-Kanak Cacat Setia money donation dated 22/05/2018- Rest# 5002.

#### **2) Health & Safety**

OSH Policy was established and approved by the CEO on 15/01/2018.Sighted PPPNP establish the Safety Management Plan and planned for Safety Training & briefing, OSH Committee meeting, Scheduled Waste, Chemical Handling etc. HIRARC for estate operation such as Harvesting, loading FFB, spraying, manuring etc was established in oder to assess the risk of the estates operation. Sighted the estate management established the Safety Training



Programme and listed training for Fire Drill Training, Harverstier and Prunning, spraying techniques etc. Verified the HIRARC and required PPE such as hand glove, ear plug, safety shoe, safety helmet etc. Noted the CHRA report was available at the estate . Sighted various emergency procedure / Pelan Tindakan Kecemasan was established and implemented for:

- a. Pyhsical Injury
- b. Poisonous of chemical
- c. Flood
- d. Fire

Noted there is an Emergency Response Committee 2018 that responsible for the various type of emergency as above. Estate appoint M. Thana Balan as a Safety & Health Committee Secretary for safety committee and will responsible for estate workers safety & health. Sighted the appointment letter dated 15/01/2018

### **3) Employee condition**

Sighted management establish the "Social Responsible Policy" dated on 15/1/2018 and communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting. Refer to the policy mentioned no discriminitaion and provide equal opportunity regardless of race, colour, sex, nationality etc. The company seek to maintain a workplace free from discrimination. Verified the employee payslip and found the calculation of the OT and basic salary was comply with the minimum standards with sufficient employee contract agreement. Site visit at the workers quarter and found all the basic amenities and facilities was provided suufficiently such as electricity and fresh water.

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

Sighted management establish Environmetal Poliy dated 15/01/2018 and approved by the CEO. Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting.Sighted the estate management establish Environmental Management Plan and planned improvement for sheduled waste handling, coservation of Biodiversity Population and dometsic Waste Management.Sighted the establishment of the Environmental Aspect And Impact Identification and identified the aspect & impact of estate operation to the environment.Sighted the comprehensive assesment report of water usage as per Water Management Plan , unrenewable energy eg Usage of electricity been recorded monthly for monitoring purpose, Diesel Usgage for vehicle use eg:- Tractor. Verified the Environmental Objectives as per Continual Improvement Plan- Environmental Year 2018 dated 01/02/2018 planned as below:

- a) Install meter to monitor groundwater usage
- b) Recycle used pesticides containers
- c) Recycle aluminum cans, plastics, glass
- d) Improvement to vehicles parking bay.

The management also had implemet zero burnin practices as per mention inth MSPO policy and jsutify no open burning activities sighted during audit.

### **Principle 6: Best practices**

The company had establish SOPs documents on estates operation including harvesting, spraying, manuring etc. as per Doc. No: Appendix 1 of SOP-01 dated 15/01/2018. Sighted and verified the 5 Years Cost Projection in the estate budget book 2018 and the contains were: -

- 1- Yield Per Ha
- 2- FFB Sales Proceeds
- 3- Cost of Production
- 4- Indirect Cost
- 5- Depreciation
- 6- Mature Area Upkeep
- 7- Collection/Harvesting/Tapping
- 8- Intenal Transport
- 9- External Transport
- 10- Surplus of FFB proceeds (over cost)
- 11- Cost Per Ha
- 12- Cost Per Ton.

Noted and verified no replanting program were projected for thenext 5 years . Sighted the guideline had been brief for MSPO requirement to the respective constructors and supplier during stakeholder meeting dated on 10/4/2018.

### **Principle 7**

This clause is not applicable due to there is no new planting activities by the management.

As a conclusion the estate management had fulfill almost the MSPO requirement including documentation and practice however few finding had been highlighted and need to be close. Total observation been raise is while NC finding were issued for this period of assessment.

### **Stakeholder Consultation**

Stakeholder notification was done on 02/09/2018 by email to all stakeholder such as government agencies, supplier, local community leader etc.

Stakeholders Consultation – Huntly Estate conducted on 13/09/2018 with sampling of the stakeholder as below:

1. Kupusamy A/L Tirumalai (Harvesting Contractor)

20 years in agriculture business and with Huntly Estate. Understanding of MSPO is good. Currently he said MSPO is good especially in term of payment and safety to workers. He has 6 legal Indonesian workers. All their salaries were more than RM1,500 per month. He always happy with estate management now and hope their cooperation will sustain forever. Estate provide him a housing for his Indonesian workers. The estate welfare was very good. Estate also provide them safety equipment such as parang cover, sickle cover, safety helmet and glove for free. No issue of accident so far. Good communication between contractor and estate. He said the estate management was very professional and easy to working with them.

2. En. Kamil Bin Moidin (Ketua Kampung 40 Rantai)

New ketua kampung since August 2018 Kampung 40 rantai di Changkat Keruing. Tiada masalah yang timbul diantara estate dan penduduk kampung. Border with the estate. No issue of theft at kampung boundary. En. Kamil tidak dipanggil ke briefing MSPO sebelum ini (OBS). So he does not know how to make a complaint to estate. However, until this time review there is no issues and complaint.

3. Mr. Chua (Chemical supplier, Pantai Remis)

Business since 40 years ago. Supply all type of chemical to this estate. No issues rise from Mr. Chua. He knows more about safety and health since became the chemical supplier. Payment so far so good, no pending payment. All was transparent between estate and supplier.

4. Ilawarasan A/L krishnasmy (FFB transport contractor)

Since last year become the transporter for FFB. He understanding about MSPO especially on safety. From ramp to mill, he sending FFB to Sg. Kerang Mill. Payment so far no pending and running smoothly. Any issue can make the complaint to the office. The estate allowed him to refuel diesel for his lorry use estate pump station. So every month the estate will deducted from the total payment.

5. Rajati A/L Ramaamy 54 years old. (wakil pekerja wanita)

Worked since 1994. Stay at worker quarters. Have 3 children an all of them working outside. Estate provided subsidy for electricity and water supply. Working as sprayer and weeding. Estate provided safety tools for her such as mask (respirator), apron etc. She also understands regarding safety procedure for chemical used and SOP of spraying. Estate provided medical check-up to their sprayer every year. She gets minimum wages rm1,000.00 per month. She knows how to make a complaint to estate. Currently she felt much better living in the estate since the minimum wages was implemented. No issue of sexual harassment or criminal. Very good CSR from the estate, the estate gave the workers money and some gift during deepavali and Hari Raya festival.

6. Muniandy A/L Marimuthu 59 years old. (Wakil pekerja lelaki)

Worked since 8 years ago. Stay at worker quarters. Have 3 children an all of them still study at college. Estate provided subsidy for electricity and water supply. Working as tractor driver. Estate provide safety training for their driver to make sure everting running smoothly and efficient. Estate provided safety helmet, mask and boots etc. She gets minimum wages rm1,000.00 per month plus driver allowance RM10.40 per day. She knows how to make a complaint to estate. Currently she felt much better living in the estate since the minimum wages was implemented. No issue of sexual harassment or criminal. Very good CSR from the estate, the estate gave the workers money and some gift during deepavali and Hari Raya festival.

7. Kanapaethy A/L Munusamy (Guru Besar, SJK (T) Huntly Estate)

Service at this school since 3 years ago. At this school only have 37 students only. Cooperation with estate management was very good. CSR from estate to school is good such as donation for sport carnival and grass cut at school field. No case of sexual harassment at this time of review.

**Estates Information**

**LIST OF GROUP MEMBERS**

**1. ESTATE INFORMATION**

NAME OF ESTATE	LOCATION	COORDINATE
SYARIKAT V.K. KALIYANASUNDRAM SDN BHD	34900, Changkat Keruing	4.431661, 100.697879
VKK ESTATES SDN BHD	34900, Changkat Keruing	4.431661, 100.697879

## 2. AREA STATEMENT AND FFB FORECAST

ESTATE	TOTAL AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR (as per year 17)	YIELD TON/ YEAR
Syarikat VK Kalyanasundram Sdn. Bhd.	509.2	498.0	12900	25.9
VKK Estates Sdn. Bhd.	175.3	175.3	4000	22.8
<b>TOTAL</b>	<b>684.5</b>	<b>673.3</b>	<b>16900</b>	<b>48.7</b>

### P1: Management Commitment & Responsibility

Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy	
Indicator	Requirement	Findings
4.1.1.1	A policy for the implementation of MSPO shall be established	
	<p>Sighted that Policy for MSPO, Doc No: SOP-02 Sustainability Policies; -  Appendix 1 - Malaysian Sustainable Palm Oil (MSPO) Policy  Appendix 2 - Occupational Safety and Health Policy  Appendix 3 - Environmnet Policy  Appendix 4 - Social Responsibility Policy</p> <p>All the policies was signed by General Manager, Mr. Barani Kumar A/L Balasubramaniam, dated 15 Jan 2018.</p> <p>Verified the policy had been display in office wall, row call area, line site etc. Verified the policy had been breif to all employee during row call.</p>	
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	
	Sighted the policy established had shown emphasize towards commitment for continual improvement for principle 1 until principle 7.	
Criterion 2	Internal Audit	
Indicator	Requirement	Findings
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	
	<p>Sighted the Internal Audit letter of notification from OSH Safety Consultancy (M) Sdn Bhd dated 6<sup>th</sup> June 2018 - To conduct an Internal Audit on 20<sup>th</sup> June 2018.</p> <p>Sighted and verified the Internal Audit report, dated 20<sup>th</sup> June 2018. Audited by Karen Lee. Doc. No: IAR No: 01/18.</p>	
4.1.2.2	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	

<p>Governing Procedure: Internal Audit Procedure dated on 15/01/2018. Sighted the internal audit report dated on 20/06/2018. The internal audit has been conducted on 20/06/2018 lead by Karen Lee supported by Mr. Ganesroo and the team member of the estate.</p> <p>Sighted and verified the Internal Audit report with 2 NCRs: - CAR No: CAR 01/18 - 20/06/2018 CAR NO: CAR 02/18 - 20/06/2018</p> <p>One OFI - OFI No: OFI 01/18 - 20/06/2018</p> <p>Evidence of corrective action from the finding issues in the internal audit report were verified. sighted the official letter to SJK (T) Ladang Huntly - "Membakar Sampah Terbuka".</p> <p>Verified all the findings have been listed and have been discussed. Sighted the correction action have been done. CAR No: CAR 01/18 - Date closed 16/07/2018 CAR NO: CAR 02/18 - Date closed 16/07/2018</p>	
4.1.2.3	Report shall be made available to the management for their review.
<p>Sighted the inside management review minutes dated on 25/06/2018 had been discussed on finding issues of Internal Audit . The issuess discuss on corrective action plan for continous improvement in the MSPO implementation practice.</p>	
Criterion 3	Management Review
Indicator	Requirement Findings
4.1.3.1	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.
<p>Sighted the MRM dated on 25/06/2018 and the agenda discussed were the element of MSPO requirement from principle 1 until principle 7.</p>	
Criterion 4	Continual improvement
Indicator	Requirement Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.
<p>Sighted and Verified the management had listed the document for continual improvement plan for MSPO implemetation. Below are the document been recorded and filed :</p> <ol style="list-style-type: none"> <li>1. Safety &amp; Health 2018</li> <li>2. Social - 2018</li> <li>3. Environment 2018</li> </ol>	
4.1.4.2	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.
<p>Verified the management had establish and implement mechanization in pest and disease spray, harvesting etc. Below are the techniques and technology had been implement :</p> <ol style="list-style-type: none"> <li>a) Power Sprayer for herbicides/woodies spraying.</li> </ol> <p>Sighted in the budget year 2018 the maintenance of the Tractor Mounted with Power Sprayer. (Ford 5000 - AAP 8791)</p>	

4.1.4.3	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.	
The estate don't have plan to buy or bring in new machinery or transport for operation for this year 2018.		
<b>P2: Transparency</b>		
Criterion 1	Transparency of information and documents relevant to MSPO requirements	
Indicator	Requirement	Findings
4.2.1.1	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.	
<p>Generally, communicate the information with stakeholders and public through meeting with stakeholders. The management annually organize get together with local communities as part of promoting MSPO requirements as per Internal &amp; External Communication Procedure. The recent meeting was held on 10/04/2018. For every issue raised the estate management has prepared management plan on social impact assessment.</p> <p>Sighted information of communication with stakeholder are through meeting , and also through e-mail, meeting, training and briefings, memos displayed on notice board, suggestion box and phone call. Latest stakeholder meeting were held on 10/04/2018 at Sekolah Tamil Huntly. Sighted the agenda during the meeting were disuccussed issues on social, introduction of MSPO, and environmental aspect impact.</p> <p>Management unit has established record and respond log form to handle and record the entire request from the stakeholder. SOP for stakeholder engagement (Procedure communication and consultation internal and external) has been establish date on 15/01/2018</p> <p>The Management has established procedure for publicly available document. Stated management provide adequate information to other stakeholders on environmental, social and legal issue.</p>		
4.2.1.2	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.	
<p>Governing procedure ; 'Internal &amp; External communication'. Sighted the communicatin, for internal normally the interaction between employee and employer through writing letter, notice or verbal. For external communication one of channel way through e-mail, meeitngs, training and briefing , memos displayed on notice boards, suggestion box and phone call.</p> <p>Sighted Reference Document List, updated on 15/01/2018. Example publicly documents listed:</p> <ol style="list-style-type: none"> <li>1 List of Stakeholders</li> <li>2. Minutes of Stakeholders meeting</li> <li>3. Management minute of meeting (MRM)</li> <li>3. Minute of safety and health committee</li> <li>4. Comment from external stakeholder</li> <li>5. Complaint Investigation report.</li> <li>6. Record of information provided to stakeholders</li> <li>11.Complaint and grievance</li> <li>12.Procedure for communication</li> <li>13 Continues Improvement plan.</li> <li>14.HCV Report.</li> </ol>		
Criterion 2	Transparent method of communication and consultation	
Indicator	Requirement	Findings
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders	
<p>Governing Procedure: "Internal and External Communication". This procedure has been communicated to all stakeholders during stakeholder meeting dated 10/04/2018. Records of complaints and grievances were implemented by Grievance Form for stakeholder/supplier and Internal.</p>		

No complaint sighted at this time of review.

Standard operation procedure for Consultation and Communication dated 15/06/2018. In the procedure sighted that how the company communicate for Internal and External. Mr.M.Thana Balan, chief clerk has been appointed, as person who are responsible in communication & consultation. Operation Supervisor has been trained by the Sustainability department on the implementation and procedure of communication and consultation. List of stakeholder has been maintained as per document list of stakeholder date on 15/06/2018. In the list of stakeholder company has divided into a few categories as follow.

Government / Statutory Bodies

- MPOB
- DOSH
- DOE
- SOCSO
- JTK
- Department of Immigration Malaysia

Local Communities

- Villages
- Estates
- Cattle Owners

Management Community

- Ketua kampung
- Surau Committee
- Temple

<b>4.2.2.2</b>	A management official shall nominated officials at the operating unit responsible for issues related to indicator 1 (4.2.2.1)
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Noted that official management representative nominated responsible for issue related to stakeholder. Sighted the appointment letter for M. Thana Balan dated 15/01/2018.

<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.
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Sighted stakeholder meeting dated on 10/04/2018. Verified the list of stakeholder which total of 26 supplier, 5 contractor, 3 neighbouring estates, 2 neighbouring villages, 3 schools and 13 government agencies/department. Verified record of communication and consultation were kept in file traceability. There is no complaint from stakeholders at this time of review.

<b>Criterion 3</b>	<b>Traceability</b>	
<b>Indicator</b>	<b>Requirement</b>	<b>Findings</b>

<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	
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Procedure for traceability has been established by the management, sighted the Doc. No: SOP-08 - 'Standard Operating Procedure for MSPO' dated 15/01/2018. A clear procedure and proper guideline to trace the FFB production from harvesting until deliver to the mill comply with certification under Malaysia sustainable palm oil. Base from the estate practice and procedure verified and sighted below;

1. Harvesting Interval - Date: 12/09/2018 - Block harvested were 2/2006, 3/2007, 1/1991, 7A/1995, 8/1997, 4/2001, 16/2010, A/1987, E/2003 and F/2010.
2. FFB crop book sighted.
3. Estate weightbride ticket - Date 12/09/2018 - Lorry No. ADT9245 - 7.220mt - Ticket No: P0002193 - Time:11.39am  
Lorry No. ADT9245 - 5.90mt - Ticket No: P0002199 - Time: 05.41pm
4. All the crop was dump at estate ramp.
5. FFB lorry trailer will loaded the FFB from ramp and weight it. Despatch Chitt:-
  - a) Estate weightbride ticket No: S0000677 - 19.930mt - Lorry No: PY7025 - SEAL NO: 000940
  - b) Estate weightbride tiket no: S0000673 - 29.730mt - Lorry No:AGU5500 - SEAL NO: 000938
  - c) Estate weightbride ticket No: S0000676 - 25.96mt - Lorry No: AGU550 - SEAL NO: 000939
6. At mill weightbride - Sg. Kerang Mill.

<p>a) Ticket No: 0730919 - 19.91mt - Lorry No: PY7025.  b) Ticket No: 0730814 - 29.64 - Lorry No: AGU5500  c) Ticket No: 0730887 - 25.92mt - Lorry No: AGU5500.</p> <p>7. Sighted the Crop Book 2018.</p>	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system
<p>Sighted the FFB production traceability started from FFB Platform. The checker will verify and count bunches and quality check - verified and sighted the chit of bunch count and no of platform (small a piece of paper) (OFI). Only good crop was loaded into the bin tractor.</p> <p>See the traceability inspection as at clause 4.2.3.1</p>	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system
<p>The management has appoint Mr.B Loganathan as personnel in charge for traceability . Function perform as per PIC Traceability stated in appointment letter dated 15/01/2018.</p>	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.
<p>FFB delivery to Sg. Kerang Oil Mill was recorded via Mill Statement File.</p> <p>The management has established inspection checklist for traceability system includes Oil palm harvesting activities, harvester, mandore/checker and driver/loader.</p> <p>Sample of record of traceability as per 4.2.3.1  Verified the above record were properly maintain and been updated.</p>	
<b>P3: Compliance to legal requirements</b>	
Criterion 1	Regulatory requirements
Indicator	Requirement Findings
4.3.1.1.	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations
<p>The Management has established list of legal requirement register. Noted that 100% compliance on the evaluation. All the requirements evaluated at least once a year as per procedure -Compliance to Regulatory Requirements, dated 15/01/2018.</p> <p>License and permits.  Huntly Estate has established CRR record which was updated on yearly basis. Record in the office showed CRR was done appropriately.  Sampel list of licenses related to the estate are:-</p> <ol style="list-style-type: none"> <li>1- MPOB License - No: 501279402000 (Syarikat VK Kalyanasundram Sdn Bhd) - Due date: 31/03/2019.</li> <li>2- Diesel Licence - Ruj. No: MJG/SK/D/297. No. Siri: A030792 - Due date: 01/02/2019.</li> <li>3- Land Title - No Hakmilik: 136005</li> </ol> <p>Sighted the application letter of:  Permohonan Kebenaran Lembaga Tanah Ladang Untuk Tukar Kategori Dan Syarat Nyata Tanah Daripada Tanaman Dusun Kepada Tanaman Kelapa Sawit Untuk Syarikat V.K Kalyanasundram Sdn Bhd. (Huntly Estate) Dated: 06/09/2018.</p> <p>This letter was sent En Mohd Azahar, Unit Indusri, Pejabat Pengarah Tanah &amp; Galian Negeri Perak, Ipoh, Perak.</p> <ol style="list-style-type: none"> <li>4- Verification of weighing and measuring instruments-weigh bridge - Serial no: A162200411. No Pelekat keselamatan: 1.9k 054022 - Due date: 21/12/2018.</li> <li>5- Skid Tank Licence - Acc. No:L-0011630-03. Due date:31/12/2018.</li> </ol>	

4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	
<p>Sample of List of legal requirement register available during assessment. Seen the List of Laws and registered for: -</p> <p>1- Safety &amp; Health - Occupational Safety &amp; Health ACT, 1994</p> <p>2- Land &amp; Wildlife protection - Protection of Wild Life Act 1974 (Act 76)</p> <p>3- Employee - Employment Act 1955 - Employee Provident Fund Act 1991 (ACT 452) - Employment Insurance System Act 2017 (ACT 800) - Minimum Wages Order 2016</p> <p>4- Environment - environmental Quality Act 1974</p> <p>5- Pesticide - Pesticide Act 1974 (ACT149)</p>		
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	
<p>Sample of List of legal requirement register available during assessment. Seen the List of Laws and registered for: -</p> <p>1- Safety &amp; Health - Occupational Safety &amp; Health ACT, 1994</p> <p>2- Land &amp; Wildlife protection - Protection of Wild Life Act 1974 (Act 76)</p> <p>3- Employee - Employment Act 1955 - Employee Provident Fund Act 1991 (ACT 452) - Employment Insurance System Act 2017 (ACT 800) - Minimum Wages Order 2016</p> <p>4- Environment - environmental Quality Act 1974</p> <p>5- Pesticide - Pesticide Act 1974 (ACT149)</p>		
4.3.1.3	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	
<p>Mr. Thana Balan has been appointed as personnel in charge for legal requirement register (PIC - LRR) from 15/01/2018. Function as follow;</p> <p>1.Ensuring LRR up to date and amend any new regulation coming into force 2.Documenting and issuing of document and report 3.Monitoring compliance and track update and changes in regulatory requirements.</p> <p>.</p>		
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users	
<p>Huntly Estate have two land under two companies;</p> <p>1. VKK Estates Sdn Bhd - No hakmilik: 136005 - Mukim: Pengkalan Baharu, Perak - No lot: 10427 - Keluasan: 175.30 Hektar</p>		



<p>- Status: Pertanian (Tanaman Dusun)  - No file: PTG.PK. 5/2-967 JLD 2(A)  - Free Hold.</p> <p>CAR 1  No application from the company to change the land status (Kategori Kegunaan Tanah)</p> <p>2. VK Kalyanasundram Sdn Bhd  - No hakmilik: 136004  - Mukim: Pengkalan Baharu, Perak  - No lot: 10426  - Keluasan: 509.20 Hektar  - Status: Pertanian (Tanaman Dusun)  - No file: PTG.PK. 5/2-967 JLD 2(A)  - Free Hold.</p> <p>Note: Sighted the application letter of 'Permohonan Kebenaran Lembaga Tanah Ladang Untuk Tukar Kategori Dan Syarat Nyata Tanah Daripada Tanaman Dusun Kepada Tanaman Kelapa Sawit'. Date 06/09/2018.</p>		
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	
Sighted and verified the Land Grant as per 4.3.2.1		
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	
<p>Boundary markers with sister estates was done via road, trenches and boundary drain.  Boundary with external party coordinates can be found in land maps.  Sighted the boundry markers: -</p> <p>Huntly Estate: Field 4,8,17,2 and 5  V.K.K Estate: Field E, F and G</p> <p>An official map from Land Survey for recognized customary rights is made available for reference.  Boundary stone available and visible during site observation. The management establish map close up boundary location.</p>		
4.3.2.4	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).	
There is no land dispute issue as the whole estate block is owned by Huntly Estate. As of to-date there was no complaint on land matter.		
Criterion 3	Customary rights	
Indicator	Requirement	Findings
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	
Not Applicable		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	
Not Applicable		

4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	
Not Applicable		
<b>P4: Social responsibility, health, safety and employment condition</b>		
Criterion 1	Social impact Assessment (SIA)	
Indicator	Requirement	Findings
4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones	
<p>Procedure reference to SOP-10 Social Impact Assessment dated 15/01/2018.  Assessment done by question are and conducted to all employee.  Stakeholder meeting conducted on 10/04/2018 and attended by local stakeholder such as police, BOMBA, supplier, community leader etc.  Social Impact Assessment report dated 18/06/2018 and sighted the social aspect such as basic facilities, safety &amp; health, cultural, education and CSR.</p>		
Criterion 2	Complaints and grievances	
Indicator	Requirement	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented	
<p>Governing procedure as per SOP-07 Internal &amp; External Communication dated 15/01/2018.  Verified the Stakeholder Meeting minute and sighted the agenda on the briefing the complaint procedure to the stakeholder. All complaint will submitted by fill up the RC-05 Grievance Form and will recorded into the RC-05 Grievance Log</p>		
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	
As to date, no complaint were recorded.		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	
<p>Verified Grievance Log and sighted and as to date no external complaint received by Huntly Estate.  Verified the procedure where the process of complaint is by phone call or fill up the complaint form. All the complaint will be taken action within the 14 days and the stakeholder will acknowledge once the complaint was settle by estate management. All complaint will submitted by fill up the RC-05 Grievance Form and will recorded into the RC-05 Grievance Log.</p>		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	
The employee and surrounding community are aware with the complaint procedure with briefing was done during the stakeholder meeting on 10/04/2018.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	
<p>Governing procedure as per SOP-07 Internal &amp; External Communication dated 15/01/2018 and mentioned at the Clause 4.3.7 to keep all complaint record for last 24 months.</p>		
Criterion 3	Commitment to contribute to local sustainable development	
Indicator	Requirement	Findings

4.4.3.1	Growers should contribute to local development in consultation with the local communities.
Verified the Record Of CSR Activities for year 2018 and listed CSR as below: a) Sport Donation to SJK( T) Huntly dated 09/04/2018, cash Voucher# 40. b) Money Donation to Pusat Harian Kanak-Kanak dated 16/05/2018- Resit# 0285 dated 16/05/2018. c) Pertubuhan Kanak-Kanak Cacat Setia money donation dated 22/05/2018- Rest# 5002.	
Criterion 4	Employees safety and health
Indicator	Requirement Findings
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented
Sighted the OSH Policy dated 15/01/2018 and communicated to the employee by display at the working station such as chemical store, fertilizer store, office compound etc.	
4.4.4.2	The occupational safety and health plan shall cover the following:
a) A safety and health policy, which is communicated and implemented	
Sighted the OSH Policy dated 15/01/2018 and communicated to the employee by display at the working station such as chemical store, fertilizer store, office compound etc	
b) The risks of all operations shall be assessed and documented	
Verified the HIRARC Log and listed the HIRARC for all activities in estate such as manuring, trunk injection, grass cutting, harvesting etc.	
i) Harvesting Verified the harvesting activities vs HIRARC for Harvesting dated 15-19/01/2018 and sighted all job steps were assessed with LOW and MEDIUM Risk.	
ii) Slashing FFB stalk HIRARC dated 15-19/01/2018 and sighted all job steps were assessed with LOW and MEDIUM risk.	
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.	
Verified the Continual Improvement Plan- Safety & Health Year 2018 and sighted the Log No. CH01/18 Train workers and and contractors on safety work procedure. CH09/18 Designated the PPE storage CH15/18 Install proper seats on trailer  SOP: Field Chemical Premixing, Chemical Storage, Fertilizer Storage dated 17/01/2018 attended Thanabalan, Mogan and Loganathan.	
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).	
d) Verified the PPE Issuance Records as below: i) Muniyandy- issuance of safety helmet, cotton gloves, rubber gloves etc 14/06/2018 ii) R. Rajathi- issuance of respirator mask, rubber gloves, rubber shoe etc dated 29/08/2018	

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.	
Verified the SOP on chemical handling as below: i) SOP-23- Appndx 2- Field Chemical Premixing ii) SOP-23- Appndx 3- Using Power Sprayer For Ground iii) SOP-23- Appndx 4- Spraying using power sprayer for fround iii) SOP-23- Appndx 5- Knapsack Sparying  1) CHRA Report conducted by Konsultansi OSH dated 05/11/2018 2) Chemical Register dated 15/03/2018 and listed chemical such as cypermetherin, monochrotopos, garlon, krush etc. 3) Medical Surveillance report were verified as below: a) Suboharinam dated 16/08/2018 b) Palaniamah dated 09/08/2018 Valid examiner Dr Kanagasundram- (OHD HQ/12/DOC/00/297.	
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.	
Estate appoint M. Thana Balan as a Safety & Health Committee Secretary for safety committee and will responsible for estate workers safety & health. Sighted the appointment letter dated 15/01/2018	
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.	
Verified the OSH Committee conducted on 29/08/2018, 18/11/2017 etc chaired by Estate Manager and attended by workers and employee representatives.	
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	
Huntly Estate establish the SOP-11 Emergency Response Plan (ERP) & First Aid Requirements. Sighted the briefing was conducted to all employee dates 13/06/2018.	
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	
Sighted staff attended the First Aid Training dated 20/04/2018 conducted by OSH Safety COnsultancy attended by Nallammal, Thana Balan and Devasilan.	
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	
All accident will recorded in the Accident Investigation Form and noted as to date no accident been recorded since the implementation of the MSPO.  Sighted the accident notification by JKPP 8 form were submitted to DOSH on 16/08/2018	
Criterion 5	Employment conditions
Indicator	Requirement Findings
4.4.5.1	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

<p>Sighted management establish the Social Responsibility Policy dated 15/01/2018 and approved the General Manager. Verified the content of the policy and sighted estates will commit to:</p> <ul style="list-style-type: none"> <li>a) complying with related law and regulation</li> <li>b) equal opportunity</li> <li>c) children employment</li> <li>d) prevention of sexual harassment</li> <li>e) Freedom of association</li> <li>f) disseminate information, instruction, provide training etc.</li> </ul> <p>Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting.</p>	
4.4.5.2	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.
Refer to Social Responsibility Policy dated 15/01/2018 mentioned no discrimination and provide equal opportunity regardless of race, colour, sex, nationality etc. The company seek to maintain a workplace free from discrimination.	
4.4.5.3	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.
3) Verified the Field (Weeding) Checkroll For the Month of August 2018.	
<ul style="list-style-type: none"> <li>a) P. Valiammah- Rate/ day: RM38.46 X 26 = RM1038.42</li> <li>b) Aziz bin Mat- Rate/ day=RM 38.46 X 24 = RM923.04 (2 days unpaid leave)</li> <li>c) K. Barasamy- Rate/ day: RM38.46 X 20 = 1015</li> </ul>	
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
4) Verified the payment to the contractors workers (S. Rao) and sighted the payment term is based on the rated as per agreement. Payment detail as below:	
<ul style="list-style-type: none"> <li>a) Antonius- Tonnage: 94.750, Rate: RM27= RM 2033.</li> <li>b) Sun- Tonnage: 39.56, Rate: RM28 = RM 1107.68</li> </ul>	
4.4.5.5	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.
5) Verified the labour detail records as below:	
<ul style="list-style-type: none"> <li>a) Detail Of Local Workers- aBelow 60 years</li> <li>b) Details Of Local Workers- above 60 years</li> </ul> <p>and the records contained of names, gender, date of birth, date of entry, a job description etc.</p>	
4.4.5.6	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
6) Verified employees of contract agreement as below:	
<ul style="list-style-type: none"> <li>a) Aziz bin Mat Saat dated 31/07/2018 with basic pay RM38.46/ day</li> <li>b) Subramaniam a/l Vadvel dated 01/07/2018 with basic pay RM38.46/ day</li> </ul>	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.
The time for working hours and breaks was display at the office compound Start working: 6.45am Break : 11.00am -11.30am Finish : 2.45pm	

4.4.5.8	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
	Verified the workers time recording as per Checkroll Book and sighted the working hour is 8 hours with 30 minutes break.
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements
	Verified employees of contract agreement as below: a) Aziz bin Mat Saat dated 31/07/2018 with basic pay RM38.46/ day b) Subramaniam a/l Vadvel dated 01/07/2018 with basic pay RM38.46/ day
4.4.5.10	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
	Other social benefits offered to employee by Huntly Estate as below: a) Housing benefit b) Free water supply at rate of RM2.88/ month
4.4.5.11	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.
	Site visit at the workers quarter and found all the basic amenities and facilities was provided sufficiently such as electricity and fresh water.
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace
	Huntly Estate establish the Social Responsibility Policy dated 15/01/2018 and include the commitment to the Prevention of Sexual Harassment and Violence.
4.4.5.13	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.
	Huntly Estate establish the Social Responsibility Policy dated 15/01/2018 and include the commitment for Freedom of Association.  Noted 8 workers currently join Malaysian Agriculture Producers Association (MAPA).
4.4.5.14	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.
	Verified the workers list name and sighted no under age workers been hired by Huntly Estate
Criterion 6	Training and competency

Indicator	Requirement	Findings
4.5.6.1	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.	
Governing procedure is SOP-09 Training And Competency. Establish the Training Matrix dated 15//01/2018 and listed required training for all staff by position. verified the Yearly Sustainability Plan- Trainings and listed training for MSPO Awareness Training, Induction Training, HIRARC, Fire Drill, First Aid Training etc.		
4.5.6.2	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.	
Verified the training records as below: a) Environmental Aspect & Impact dated 15/01/2018 attended by M. Thanabalan b) SOP: Pruning, Stacking and Harvesting dated 17/01/2018 attended by contractors harvester. c) SOP: Manuring dated 08/02/2018 attended by Thanabalan and Loganathan.  All training conducted and evaluate the training effectiveness by Estate Manager.		
4.4.6.3	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.	
As per 4.4.6.1		
<b>P5 Environment, natural resources, biodiversity and ecosystem services</b>		
Criterion 1	Environmental management plan	
Indicator	Requirement	Findings
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	
Establish Environmental Policy dated 15/01/2018 sign by General Manager.		
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations	
Huntly Estate establish the SOP-18 Environmental Aspects And Impacts Assessment dated 15/01/2018. Verified the Environmental Aspect & Impact Log sighted conducted to all activities such as manuring, trunk injection, office, quarters etc.  Verified EIA for below activity: a) Diesel storage Activity: Storing activity Aspect: Fire, spillage, leakage Assessment: 1 (LOW)  Activity: Transferring diesel Aspect: use of fuel, Assessment: 18 (MEDIUM)  Verified the Environmental Objectives as per Continual Improvement Plan- Environmental Year 2018 dated 01/02/2018 planned as below:		

a) Install meter to monitor groundwater usage b) Recycle used pesticides containers c) Recycle aluminum cans, plastics, glass d) Improvement to vehicles parking bay	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.
As per 4.5.1.2 the positive impacts promoted by introduce the recycling practice (3R)	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan
As per 4.5.1.2 the positive impacts promoted by introduce the recycling practice (3R)	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.
Verified the training records and sighted attended the MSPPO Awareness Training with content of training included the environmental matters dated 13/06/2018 and attended by all workers and contractors	
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed
Environmental issue was communicate during OSH Committee Meeting, verified the minute meeting dated 29/08/2018, 01/03/2018 and sighted the agenda meeting for environment.	
Criterion 2	Efficiency of energy use and use of renewable energy
Indicator	Requirement Findings
4.5.2.1	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.
Governing procedure is SOP-19 Energy Use Noted estate management just in stage of monitoring the consumption of diesel and electricity. Verified the Monitoring Of Diesel Consumption Year 2018 and sighted the monitoring for Jan - Aug for Diesel/ FFB Production: a) Jan- 2.19 b) Feb- 2.40 c) Mar- 3.10 d) Apr- 1.67	
4.5.2.2	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.



<p>Governing procedure is SOP-19 Energy Use  Noted estate management just in stage of monitoring the consumption of diesel and electricity. Verified the Monitoring Of Diesel Consumption Year 2018 and sighted the monitoring for Jan - Aug for Diesel/ FFB Production:  a) Jan- 2.19  b) Feb- 2.40  c) Mar- 3.10  d) Apr- 1.67</p> <p>Electricity consumption for Year 2018- Kw/ FFB Production:  a) Jan- 3.01  b) Feb- 3.91  c) Mar- 3.89</p>	
4.5.2.3	The use of renewable energy should be applied where possible
No any renewable energy been applied during the assessment period.	
Criterion 3	Waste management and disposal
Indicator	Requirement Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.
<p>Governing procedure is SOP-20 Waste Management and Disposal.  Waste products been identified and listed as per Waste Management Plan dated 01/02/2018</p>	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution.  b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.</p>
<p>Verified the Waste Management Plan dated 01/02/2018 and planned the waste management as below:</p> <p>a) Domestic Waste- Disposal to rubbish pit  b) Recycle Waste- pesticide container after triple rinsing will dispose to G-Planter.  c) Recycle Waste- aluminum cans, plastics and paper- provide recycle bin</p>	
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.
<p>Sighted management establish the SOP-26- Schedules Waste Management procedure</p> <p>CAR 1  Sighted the cotton rack contaminated with oil dump into the soild waste bin. No evidence on the inventory of the SW409.</p>	
4.5.3.4	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.
<p>Noted Huntly Estate disposed their used pesticide container to G-Planter Sdn Bhd. Verified the letter of approval from DOE (Ref# JP KRP 2017/12/471 JLD VI dated 16/01/2018).  Sighted the empty container disposed to G-Planters and verified the UPPCR Collection Form dated 11/08/2018- quantity 74 units</p>	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.

Site visit to rubbish pit and sighted well maintain at Block A/01.		
CAR1: Sighted the rubbish pit was establish just beside the drain		
Criterion 4	Reduction of pollution and emission	
Indicator	Requirement	Findings
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent	
Sighted the polluting activities was assess as per Environmental Aspect & Impact for activity risk for pollution such as driving vehicle, riding motorcycle, spraying pesticides using power spraying etc		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	
Verified the Environmental Objectives as per Continual Improvement Plan- Environmental Year 2018 dated 01/02/2018 planned as below: a) Install meter to monitor groundwater usage b) Recycle used pesticides containers c) Recycle aluminum cans, plastics, glass d) Improvement to vehicles parking bay.		
Criterion 5	Natural water resources	
Indicator	Requirement	Findings
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	
a) Assessment of water usage and sources of supply.		
Verified the Water Management Plan dated 01/02/2018 and planned as below: a) Premix area- chemical spillage during premixing b) Tractor washing area- use rainwater and ground water c) Washrooms- toilet water & cleaning water		
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities		
b) CAR 2: No evidence of out going monitoring was establish by Huntly estate management.		
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.).		
c) Verified the Appendix 1 of SOP-21 Location of Water Tank Map and isghted they practice the rain water collection for domestic use for chemical mixing and tractor washing		
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.		
Site visit sighted no river or natural water courses inside the estate lands. Sighted estate management maintain the buffer zone along the main drain surrounding the estate border and main road.		
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.		

Not applicable																												
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.																												
Bore was using by estate for the chemical mixing purpose and noted the consumption of the ground water been monitored by install the water meter.																												
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.																											
Site visit sighted no river or natural water courses inside the estate lands.																												
4.5.5.3	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).																											
Verified the Appendix 1 of SOP-21 Location of Water Tank Map and isghted they practice the rain water collection for domestic use for chemical mixing and tractor washing																												
Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area																											
Indicator	Requirement Findings																											
4.5.6.1	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.																												
Huntly Estate identified the biodiversity value habitat as per provided by PERHILITAN Negeri Perak:																												
<table border="1"> <thead> <tr> <th>Common Name</th> <th>Scientific name</th> <th>Status (according to HUCN Red List)</th> </tr> </thead> <tbody> <tr> <td>Barn Owl</td> <td><i>Tyto alba</i></td> <td>Least concern</td> </tr> <tr> <td>Monitor Lizard</td> <td><i>Alcedo atthis</i></td> <td>Least concern</td> </tr> <tr> <td>Plaintain Squirrel</td> <td><i>Cllosciurus notatus</i></td> <td>Least concern</td> </tr> <tr> <td>Tree Sparrow</td> <td><i>Passer montanus</i></td> <td>Least concern</td> </tr> <tr> <td>Common Myna</td> <td><i>Acridotheres tristis</i></td> <td>Least concern</td> </tr> <tr> <td>Wild boar</td> <td><i>Sus scrofa</i></td> <td>Least concern</td> </tr> <tr> <td>Kera</td> <td><i>Macac fascicularis</i></td> <td>Least concern</td> </tr> <tr> <td>Ayam Hutan</td> <td><i>Gallus gallus</i></td> <td>Least concern</td> </tr> </tbody> </table>		Common Name	Scientific name	Status (according to HUCN Red List)	Barn Owl	<i>Tyto alba</i>	Least concern	Monitor Lizard	<i>Alcedo atthis</i>	Least concern	Plaintain Squirrel	<i>Cllosciurus notatus</i>	Least concern	Tree Sparrow	<i>Passer montanus</i>	Least concern	Common Myna	<i>Acridotheres tristis</i>	Least concern	Wild boar	<i>Sus scrofa</i>	Least concern	Kera	<i>Macac fascicularis</i>	Least concern	Ayam Hutan	<i>Gallus gallus</i>	Least concern
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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.																												
Refer to 4.5.6.1 all the identified species is under the "Least Concern" status.																												
4.5.6.2	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																												
During site visit sighted Huntly Estate erect the "No Hunting" signange at the estate border																												

b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts		
During site visit sighted Huntly Estate erect the "No Hunting" signange at the estate border		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	
Not required since no endegred specis was found at the Huntly Estate surrounding area.		
Indicator 7	Zero burning practices	
Indicator	Requirement	Findings
4.5.7.1	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.	
Huntly Estate cimmit to the ZERO Burning activity as per management policy establish Environmental Policy dated 15/01/2018 sign by General Manager. Site visit sighted Huntly Estate establish the rubbish pit to ensure no waste disposal by fire.		
4.5.7.2	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.	
No any replanting activity during the audit period.		
4.5.7.3	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.	
No any replanting activity during the audit period		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	
No any replanting acitivity during the audit period.		
<b>P6: Best Practices</b>		
Criterion 1	Site management	
Indicator	Requirement	Findings
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	
Sighted SOPs documents on estates operation including harvesting, spraying, manuring etc. as per Doc. No: Appendix 1 of SOP-01 dated 15/01/2018.  Spraying operation: - Appendix 2 of SOP-23 - Appendix 3 of SOP-24  Block A/87 (VKK Estate) - Spraying cirlice and path - Glyphosate + Ally (Power Sprayer) Tracktor driver cum mandore is Muniandy had 8 years' experience in spraying and driving operation. The herbicide chemical was mix at the chemical store. During the site visit, all the sprayers applied proper PPE and very good in condition. The sprayer are followed the SOP and Good Agriculture Practice in weeding operation which is spraying only at circle and path.  Block 4/01 (Huntly Estate) - Spraying circle and path - Glyphosate + Ally (Power Sprayer)		

<p>Tractor driver cum mandore is Muniandy had 8 years experience in spraying and driving operation. The chemical was mixed at the chemical store. During the site visit, all the sprayers applied proper PPE and very good in condition. The sprayer are followed the SOP and GAP in weeding operation which is spraying only at circle and path.</p> <p>Harvesting operation:  - Appendix 14 of SOP-23  - Appendix 15 of SOP-23</p> <p>Huntly Estate: Field 2/3/4/1/6  Operation supervise by contractor.  The cutter are followed the SOP and Good Agriculture Practice in harvesting operation which is to maintain the 0% unripe bunches. Sighted the arrangement of the frond stacking as per procedure. The harvesting activities sighted follow the traceability system as per procedure.</p> <p>VKK Estate: Field F,E and A  Operation supervise by contractor.  The cutter are followed the SOP and Good Agriculture Practice in harvesting operation which is to maintain the 0% unripe bunches. Sighted the arrangement of the frond stacking as per procedure. The harvesting activities sighted follow the traceability system as per procedure.</p>	
4.6.1.2	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.
<p>Site visit sighted management maintain the soil erosion by done the selective spraying at the drain area. No any evidence of chemical application by blanket spraying an effect the soil or surface contamination.</p> <p>No hilly area or slopping land.</p> <p>Planting of cover crop is made to retain the soil structure and conservation. Sighted the covers crops planted along the main drain and trenching. The land 100% flat. Sighted the field drain, collection drain and main drain was properly constructed to make sure the water flows are moving in good condition.</p>	
4.6.1.3	A visual identification or reference system shall be established for each field.
<p>Huntly Estate / VKK Estate  Observed during site visit block marking had been identified with proper signage.</p> <p>All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stenciled at the palm trees and also displayed in signage at the boundary/corners of every field. This is observed during the field visit.</p>	
Criterion 2	Economic and financial viability plan
Indicator	Requirement Findings
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.
<p>Huntly Estate / VKK Estate</p> <p>Sighted and verified the Estate Budget Book 2018.  Sighted the 5 years Cost Projection.</p> <ul style="list-style-type: none"> <li>- Yield per ha</li> <li>- FFB Sale</li> <li>- Cost of Production</li> <li>- Suplus of FFB proceeds</li> <li>- Cost per ha</li> <li>- Cost per ton</li> </ul>	
4.6.2.2	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

Huntly Estate / VKK Estate	
<p>Noted management yet to plan any replanting due to all the crop is still productive even the drop was planted on 1987. Advice management to establish the replanting program for 5 years plan. (OBS)</p>	
4.6.2.3	<p>The business or management plan may contain:</p> <ol style="list-style-type: none"> <li>Attention to quality of planting materials and FFB.</li> <li>Crop projection: site yield potential, age profile, FFB yield trends.</li> <li>Cost of production: cost per tonne of FFB.</li> <li>Price forecast.</li> <li>Financial indicators: cost benefit, discounted cash flow, return on investment.</li> </ol>
Huntly Estate / VKK Estate	
<p>Sighted and verified the 5 Years Cost Projection The contains were: -</p> <ol style="list-style-type: none"> <li>Yield Per Ha</li> <li>FFB Sales Proceeds</li> <li>Cost of Production</li> <li>Indirect Cost</li> <li>Depreciation</li> <li>Mature Area Upkeep</li> <li>Collection/Harvesting/Tapping</li> <li>Intenal Transport</li> <li>External Transport</li> <li>Surplus of FFB proceeds (over cost)</li> <li>Cost Per Ha</li> <li>Cost Per Ton</li> </ol>	
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.
Huntly Estate	
<p>Verified the crop actual vs budget for the month of July 2018; Actual Todate: 12,801.11mt, Year Todate: 12,900mt.</p> <p>Operation Cost: As at Actual Todate RM302,4216 vs Year Budget RM323,9260.</p>	
VKK Estate	
<p>Verified the crop actual vs budget for the month of July 2018; Actual Todate: 2,404.67mt, Year Budget Todate: 4,000mt.</p> <p>Operation Cost: As at Actual Todate RM629,775 vs Year Budget RM997,365</p>	
Criterion 3	Transparent and fair price dealing
Indicator	Requirement Findings
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.
Huntly Estate / VKK Estate	
<p>Sighted all contract activities such as transporter , harvesting etc. All the record of contract agreement were properly documented .</p> <p>Pricing mechanism for FFB (BTS) is based on month end declared by the oil palm mill (Sg. Kerang Palm Oil Mill). The details describe such as block number, ripeness standard and tonnage on determining the purchase rate per ton.</p> <p>Sighted the FFB Purchase Agreemeent - Huntly estate, dated 11/04/2018. The term and condition stated in the agreement such as price basis, estraction rate, processing price, cpo transport etc.</p>	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner

Huntly Estate / VKK Estate		
Sighted all the payment through contractor complete with supporting document and verified by person incharge approved by manager. The price and specification of job were detail in LOA and contract agreement.		
All contracts have state for pricing, starting date, end of date and payment time frame. Sample below: FFB Transport Agreement, dated 18/05/2018. Between Sykt V.K Kalyanasundram Sdn Bhd, Huntly Estate and N G Ilwarasan Enterprise. Terms and conditions stated in the agreement.		
Criterion 4	Contractor	
Indicator 1	Requirement	Findings
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information	
The contractors are understand the MSPO requirement. However the estate not mention it inside the letter of agreement. (OBS).		
Sighted all the contractor involved had been brief on MSPO requirement during stakeholder meeting 10/4/2018.		
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	
Verified the agreement between contractor as below:  Syarikat V.K Kalyanasundram Sdn Bhd - Huntly Estate - FFB Harvesting - 212.30 Ha. Duration: 01/09/2018 until 31/08/2019. Terms and conditions stated in the agreement is adequate and detailed.		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	
Estate management allowed to asseses their harvesting contractor Mr S. Rao and provided all information requested by the MSPO auditor.		
4.6.4.4	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	
Harvesting operation, the estate has monitor the contractors job by do MRS checking. However the checking chit is not proper.		
There is no record of observance from the estate management to observe and checking the contractors job or task.		
Verified the report for replanting job by contractor as per "Rekod Kerja Harian Tanam Semula Ladang Lambor" to monitor the workers, machinery and hectarage performance by contractor for contractor Mujur Abadi Sdn Bhd.		
<b>P7: Development of new plantings</b>		
Criterion 1	High biodversity value	
Indicator	Requirement	Findings
4.7.1.1	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.	

Not Applicable		
4.7.1.2	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	
Not Applicable		
Criterion 2	Peat Soil	
Indicator	Requirement	Findings
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	
Not Applicable		
Criterion 3	Social and Environmental Impact Assessment (SEIA)	
Indicator	Requirement	Findings
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	
Not Applicable		
4.7.3.2	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.	
Not Applicable		
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	
Not Applicable		
4.7.3.4	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.	
Not Applicable		
Criterion 4	Soil and topographic information	
Indicator	Requirements	Findings
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation	
Not Applicable		
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure	
Not Applicable		
Criterion 5	Planting on steep terrain, marginal and fragile soils	
Indicator	Requirements	Findings



4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	
Not Applicable		
4.7.5.2	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.	
Not Applicable		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion	
Not Applicable		
Criterion 6		
Indicator	Requirements	Findings
4.7.6.1	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	
Not Applicable		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	
Not Applicable		
4.7.6.3	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	
Not Applicable		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	
Not Applicable		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	
Not Applicable		
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	
Not Applicable		
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.	
Not Applicable		
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	
Not Applicable		

## Observation for Improvement

Details
1) Indicator 4.4.1.1 Police concern on the motorcycle theft and estate to ensure the motorcycle having a valid document and no any evidence on the monitoring the valid document for motorcycle.
2) Indicator 4.4.4.2 (f) Noted Mr Thana Balan appointed as person responsible for workers safety & health and from interviewed sighted Mr Thana Balan are lack of knowledge on the safety and health matters such as accident reporting, legal etc.
3) Indicator 4.5.3.2 To include the gardening waste in to Waste Management Plan
4) Indicator 4.5.7.1 (d) Advise estate to maintain their main drain as a riparian areas by not allowed any chemical application along the main drain.
5) Indicator 4.2.3.2 Sighted the FFB production traceability started from FFB Platform. The checker will verify and count bunches and quality check - verified and sighted the chit of bunch count and no of platform (small a piece of paper)
6) Indicator 4.6.4.1 The contractors are understand the MSPO requirement. However the estate not mention it inside the letter of agreement.
7) 4.6.2.2 Advice management to establish the replanting program for 5 years plan. (OBS)

During the assessment\_3\_nonconformities were identified.

APPENDIX 1

**MAP OF ESTATE FOR SYARIKAT V.K. KALYANASUNDRAM SDN BHD**

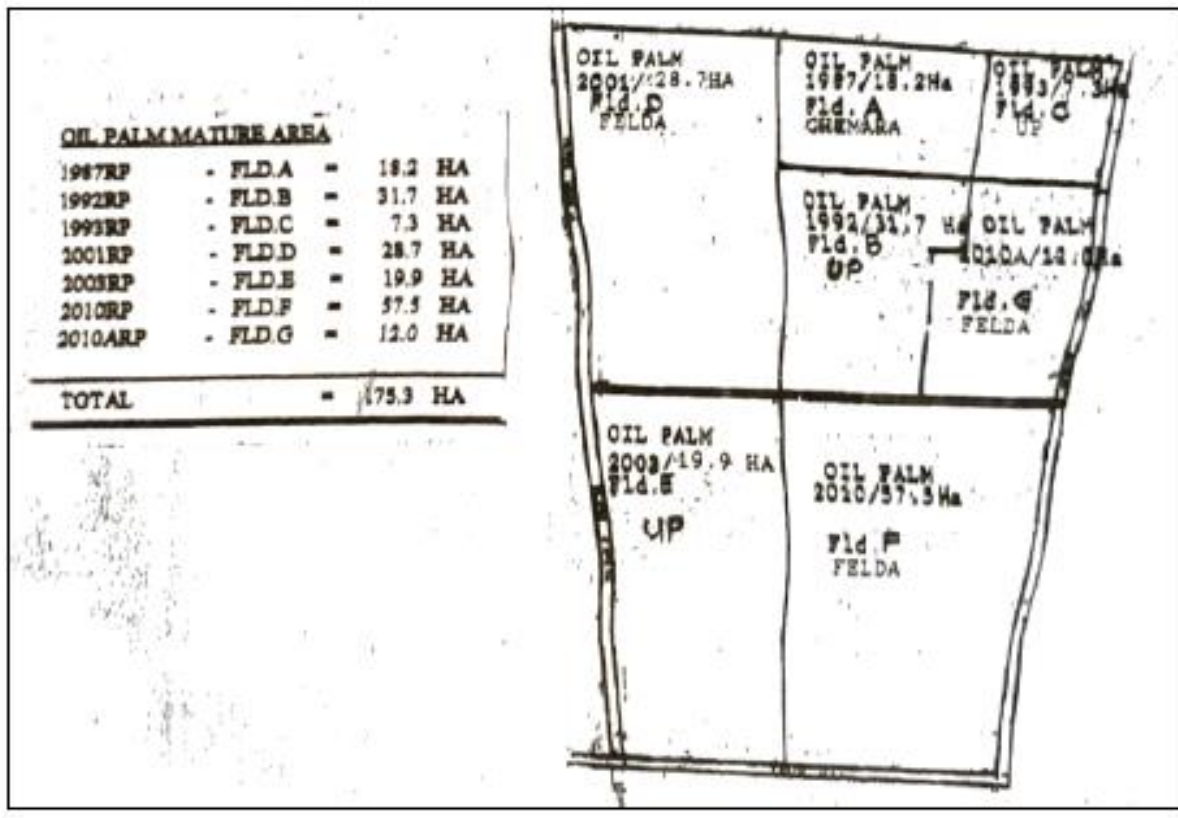
Syarikat VK Kalyanasundram Sdn. Bhd. - LOT NO. 10426

	OIL PALM 2010/ 13.8Ha Fld.17 FELDA	OIL PALM 1997/684 Ha Fld.8 CHEMARA	OIL PALM 2001/66.8 Ha Fld.4 FELDA	OIL PALM 2007/ 68.8 Ha Fld.3 FELDA	OIL PALM 2001/35.8 Ha Fld.6 (pt) FELDA																												
	OIL PALM 2010/ 12.1 Ha Fld.16 FELDA	OIL PALM 1995/61.5 Ha Fld.7A FELDA	OIL PALM 1991 / 54.3 Ha Fld.1 CHEMARA  OIL PALM 1995/8.8 Ha Fld.7B FELDA	OIL PALM 2006/65.2 Ha Fld.2 FELDA	OIL PALM 2003/42.5Ha Fld.5(pt) UP.																												
<table border="1"> <thead> <tr> <th colspan="2">OIL PALM MATURE AREA - BLOK 1</th> </tr> </thead> <tbody> <tr> <td>1991RP - FLD.1</td> <td>= 54.3 HA</td> </tr> <tr> <td>1995RP - FLD.7A</td> <td>= 61.5 HA</td> </tr> <tr> <td>1995RP - FLD.7B</td> <td>= 8.8 HA</td> </tr> <tr> <td>1997RP - FLD.8</td> <td>= 68.4 HA</td> </tr> <tr> <td>2001RP - FLD.4</td> <td>= 66.8 HA</td> </tr> <tr> <td>2001RP - FLD.6</td> <td>= 36.8 HA</td> </tr> <tr> <td>2003RP - FLD.5</td> <td>= 41.5 HA</td> </tr> <tr> <td>2006RP - FLD.2</td> <td>= 65.2 HA</td> </tr> <tr> <td>2007RP - FLD.3</td> <td>= 68.8 HA</td> </tr> <tr> <td>2010BRP - FLD.17</td> <td>= 13.8 HA</td> </tr> <tr> <td>2010CRP - FLD.16</td> <td>= 12.1 HA</td> </tr> <tr> <td>ROADS &amp; BUILDINGS</td> <td>= 498.0 HA</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>= 5092 HA</b></td> </tr> </tbody> </table>						OIL PALM MATURE AREA - BLOK 1		1991RP - FLD.1	= 54.3 HA	1995RP - FLD.7A	= 61.5 HA	1995RP - FLD.7B	= 8.8 HA	1997RP - FLD.8	= 68.4 HA	2001RP - FLD.4	= 66.8 HA	2001RP - FLD.6	= 36.8 HA	2003RP - FLD.5	= 41.5 HA	2006RP - FLD.2	= 65.2 HA	2007RP - FLD.3	= 68.8 HA	2010BRP - FLD.17	= 13.8 HA	2010CRP - FLD.16	= 12.1 HA	ROADS & BUILDINGS	= 498.0 HA	<b>TOTAL</b>	<b>= 5092 HA</b>
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**APPENDIX 2**

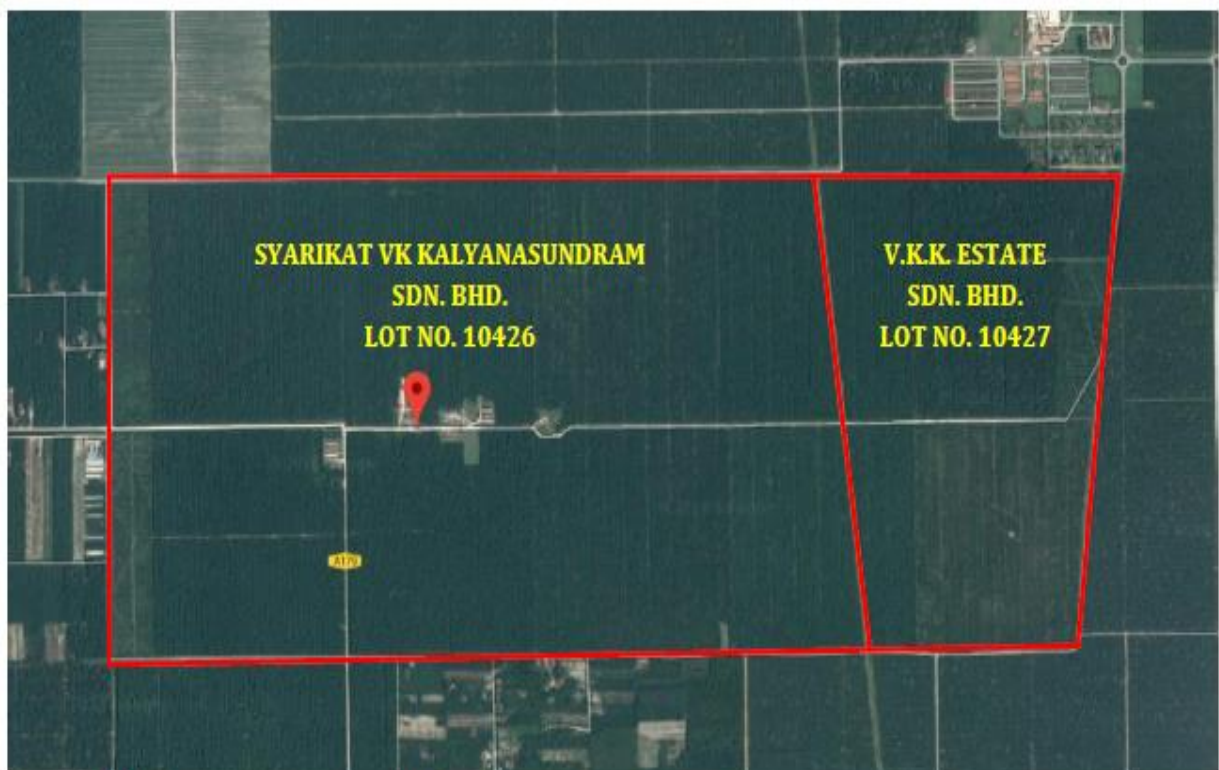
**MAP OF ESTATES FOR VKK ESTATES SDN BHD**


VKK Estate Sdn. Bhd. - LOT NO. 10427



**APPENDIX 3**

**GOOGLE MAP FOR HUNTLY ESTATE**



Legend:  <https://goo.gl/maps/7cYjoUGfoRp> - SJK (T) Ladang Huntly