



# Assessment Report

Date: 08<sup>th</sup> Jan to 09<sup>th</sup> Jan

# 2019




*[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	KUB AGRO HOLDINGS SDN BHD - KUB MALUA PLANTATIONS SDN BHD
Address	Malua Estate P.O Box 60113, Sg. Kinabatangan, 91101 Lahad Datu, Sabah.
Report no	MS19MM0032
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: <u>JAMALI MD. JAMIL</u> I/C No: <u>730402065399</u> Designation: <u>ESTATE MANAGER</u>
Name	Mohamad Hafis Bin Mustafa	Company stamp 
Date	08-09/01/2019	
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	En. Jamali Md Jamin
Alternate contacts	Pn. Norfazila Idris
Management Representative contact no.	+6014 5801925
E-mail address	mufazzalatma3@gmail.com
Fax Number	-
Fixed Line Number	+6016 2003319
NO OF SPOC/ GROUP MEMBERS	1

## 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 the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

## Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohamad Hafis Bin Mustafa (MH)	Jamali Md. Jamin	Manager Malua Estate
Team member	Arnold Yosores	Assistant Manager Malua Estate
Zulkifli Bin Kamarol Zaman (ZK)	Rosli Cakke	Assistant Manager Malua Estate
Trainee auditor	Norfazila Idris	OSH and Sustainability KUB Agro Holdings Sdn. Bhd.
NIL	Muhd Hafizuddin Bin Norazhar	Assistant Procurement and Administration KUB Agro Holdings Sdn. Bhd.
Observer		
NIL	Ramlah Merry Abu	Chief Clerk Malua Estate
	Laila Hijjera Binti Mustamin	General Clerk Malua Estate
	Mazlan B. Mohd	Field Supervisor Malua Estate
	Eqy Mohd Aqmal Bin Azian	Field Supervisor Malua Estate
	Filemon Francis	Field Supervisor Malua Estate

## Section F Audit Process Matrix

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

Planned month & year	01/2019	01/2020	01/2021	01/2022	01/2023
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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<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 : 4\_md. Recertification: 2024

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
MH/ZK	08-09/01/2019	9.30
<p>Opening Meeting</p> <ul style="list-style-type: none"> <li>a) introduction of the participants, including an outline of their roles;</li> <li>b) confirmation of the scope of certification;</li> <li>c) 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>d) confirmation of formal communication channels between the audit team and the client;</li> <li>e) confirmation that the resources and facilities needed by the audit team are available;</li> <li>f) confirmation of matters relating to confidentiality;</li> <li>g) confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>h) confirmation of the availability, roles and identities of any guides and observers;</li> <li>i) the method of reporting, including any grading of audit findings;</li> <li>j) information about the conditions under which the audit may be premature terminated;</li> <li>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;</li> <li>l) confirmation of the status of findings of the previous review or audit, if applicable;</li> <li>m) methods and procedures to be used to conduct the audit based on sampling;</li> <li>n) confirmation of the language to be used during the audit;</li> <li>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</li> <li>p) opportunity for the client to ask questions.</li> </ul> <p>Closing Meeting</p> <ul style="list-style-type: none"> <li>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</li> <li>b) the method and timeframe of reporting, including any grading of audit findings;</li> <li>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</li> <li>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</li> <li>e) the certification body's post audit activities;</li> <li>f) information about the complaint handling and appeal processes.</li> <li>g) Any diverging opinion that are not resolved.</li> <li>h) opportunity for the client to ask questions.</li> </ul>		
<b>Executive Summary</b>		
<p>The audit was based on the MSP02503:2013 Part 3 Standard, procedure and applicable requirements. There is no issue during the 1st Stage Audit conducted on 08 and 09/11/2018 and found all the required document, procedure and form are available.</p> <p>The audit are planned follow the audit plan which consist of documentation review and site visit which total days of audit is 2 days. Total mandays for audit at KUB Malua Plantations Sdn Bhd was 3 mandays. meanwhile the stakeholders consultation was held with 1 mandays. For KUB Malua Plantations Sdn Bhd is consist of only one estate and the estate is Malua Estate.</p> <p>The audit was lead by Mr Mohamad Hafis Bin Mustafa who are have almost 5 years in the sustainable certification and other management system certification such as RSPO, MSPO, ISCC, ISO 9001, etc. and The Co auditor :</p> <p>1. Zulkifli Bin Kamarol Zaman as Auditor who are have almost 10 years experience in plantations management and also attended Lead Auditor Course ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 conducted by SIRIM.</p> <p>The Stakeholder consultation was conducted by Mr. Zulkifli Bin Kamarol Zaman.</p> <p>From the audit, there are few finding been raised in the audit with total 4 CAR, 14 OBS, 7 OFI. The issues raised were been discussed with Malua Estate team during closing meeting on 09/01/2019.</p>		

### Stakeholder Consultation

During audit on 08/01/2019, Care Certification International has interviewed random stakeholder for the response toward estate. Stakeholder interviewed as below:

1. Ramlah Merry Abu (Female Representative)
2. Wilbe Dalir (Contractor Transporting FFB)
3. Sonny Bin Aminullah (Worker Representative)
4. Mohd Amir Bin Lahami (Imam Malua Estate)
5. Andi Agus Amir (Worker Representative)

Issues discussed such:

#### 1. Complaint

- There is no complaint has been raised during stakeholder consultation. All Stakeholder understand the grievances procedure practices by the management.

#### 2. Positive Practice by Estate

- Security patrol at labour quarters from 7.00 pm to 5.00 am.
- Give monthly allowance RM200 to Imam Malua Estate
- Rubbish collection was carried out once a week.
- Complaint procedure and sustainability policy has been explained during muster call.
- Management provides housing facilities to contractor workers.
- Timely payment was made for workers and contractors
- All stakeholder has compliment the estate management which has gave a good rapport with stakeholder.

In conclusion, the stakeholder meeting were undergone successfully with no complaint and as stakeholder they aware on the requirement of MSPO and detail on MSPO such estate complaint procedure, requirement with act for contractor, agreed to be audited by MSPO auditor & etc.

### Estates Information

#### LIST OF GROUP MEMBERS

#### 1. ESTATE INFORMATION

NAME OF ESTATE	LOCATION	COORDINATE
Malua Estate	P.O Box 60113, Sungai Kinabatangan, 91101 Lahad Datu, Sabah.	5° 16' 09.1" N 117° 35' 28.2" E

#### 2. AREA STATEMENT AND FFB FORECAST

ESTATE	TOTAL AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR (as per year 18)	YIELD/HA
Malua Estate	1534.00	1503.05	23669.30	17.34
<b>TOTAL</b>	<b>1534.00</b>	<b>1503.05</b>	<b>23669.30</b>	<b>17.34</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 KUB Malua Plantation Sdn Bhd had established 5 policy which cover all sustainability element. The policy has been signed by Director, Datuk Abdul Rahim Mohd Zin. The policy established as per below :</p> <ul style="list-style-type: none"> <li>i. Polisi Minyak Sawit Mapan has been established on 14th March 2018 which consists management commitment and responsibility towards sustainable production of palm oil, transparency, compliance with law and regulation and also code of practice, sustainability standards of environmental and biodiversity, human rights, workplace, community development and social impact.</li> <li>ii. Polisi Berkaitan Alam Sekitar has been established on 14th March 2018 which cover all aspect for environmental management</li> <li>iii. Polisi Keselamatan dan Kesihatan Pekerjaan has been established on 06th June 2016 which cover all aspect for safety and health</li> <li>iv. Polisi Amalan Sosial Yang Baik has been established on 10th September 2018 which consists Freedom of association, prohibited of all forms of forced labour, prohibited child labour and prohibited discrimination.</li> <li>v. Polisi Gangguan Seksual has been established on 10th September 2018 which consists committed to provide a safe, flexible and respectable work environment for its employee and clients and free from all forms of sexual harassment.</li> </ul> <p>Verified the policy had been displayed in office notice board, muster ground area and linesite. Verified the policy had been brief to all workers during muster call in 28th September 2018 and 01st October 2018 and brief by Assistant Manager, Mr Arnold Yosores.</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 in ensure sustainability.		
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.	
Sighted the internal audit plan were established by Lead Internal Auditor, Pn. Norfazila Bt Idris dated on 18/8/2018 . Sighted inside the internal audit plan covers for all Malua Estates. Verified the estate had received the audit plan, sighted stamped "received" of audit plan dated on 15/08/2018. The notification of audit plan were email to respective estate date on 03/08/2018.		
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>KUB Malua Plantations Sdn Bhd has established Internal Audit Procedure effective on 30/04/2018 and signed by Head Plantation and Operations, Dr. Zaini Mohamed Tambah.</p> <p>Sighted the internal audit plan, checklist and audit report. The internal audit as according to audit plan was conducted on 20.09.2018. Sighted in the summary of findings show the estate had 6 NC and 7 OFI. Verified the NC had been closed and the evidence of CAR to closed the issued dated on 30.10.2018 and 18.12.2018.</p>		
4.1.2.3	Report shall be made available to the management for their review.	
<p>Sighted that inside management review minutes dated on 02/11/2018 had been discussed on finding issues of Internal Audit. The issues discuss on corrective action plan for continous improvement in the MSPO implementation practice. The Internal Audit report was kept in the file.</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 MSPO Management Review Minute Meeting (MRM) dated on 17/04/2018, 30/05/2018, 07/09/2018 and 02/11/2018. The Management Review Minute Meeting discussed the element of MSPO requirement from principle 1 to principle 7. Issues on safety, environment, worker welfare and status of progress implementation of MSPO are the main agenda in the management review. The MRM was conducted 4th times per year to ensure the continual improvement was in progress.</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 for MSPO implemetation. Below are the document been recorded and filed :</p> <ol style="list-style-type: none"> <li>1. Training - . Include training plan in budget with total cost RM16016.00</li> <li>2. Environmental Improvement Plan - Assigned personel to attend training for competence person for handling Schedule Wastes (SW) - En Arnold Yosores (Assistant Manager) trained by Consultant Institut Teknologi Petroleum Petronas (INSTEP) on 10-14/12/2018.</li> <li>3. New Technology/Facility - Supplier provided appropriate training to estate once purchased machinery from supplier.</li> <li>4. HIRARC Continual Improvement - Training PPE and spraying has been conducted during muster call dated 09/12/2018. Training conducted by En Arnold Yosores (Assistant Manager).</li> <li>5. Continual improvement Plan also was discussed in the Management Review Meeting (MRM) conducted in 02/11/2018.</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 drone technology for Business Continuity Management (BCM) during site visit. Training was given by Head Quarters Person In Charge, En. Hafizuddin Bin Norazhar.</p> <p>Verified estate has purchased machinery and technology such as:-</p> <ul style="list-style-type: none"> <li>i. Tractor Kinta 4WD and 5mt Tipping Trailer for FFB evacuation.</li> <li>ii. Pitless Steel Deck Weighbridge with ITH Office Cabin for weighing FFB.</li> </ul>	
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.
<p>Sighted for FFB evacuation such as in harvesting operation using tractor Kinta 4WD and 5mt Tipping Trailer shown that the operator or driver were given appropriate training to ensure safety handling and proper operation work as per Standard Operating Procedure (SOP). Sighted application of drone to identify area flooded during site visit. Verified the training record for the activities as per below ;</p> <ul style="list-style-type: none"> <li>i. Weightbridge Training dated on 27/10/2018 conducted by supplier KPF Agro.</li> <li>ii. Training Tractor dated on 23/01/2018 conducted by supplier Allplanters.</li> </ul>	
<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>Communicate the information with stakeholders and public by issued Memo to all supplier, contractor, customer, local community and employees dated 12/09/2018 from Head of Plantation and Operation, Dr Zaini Mohamed Tambah. Verified 5 stakeholders communication as per below :</p> <ul style="list-style-type: none"> <li>i. Discussion with Forest Department on 19/09/2018</li> <li>ii. MSPO briefing with stakeholder DAB OH Sdn. Bhd. on 08/10/2018</li> <li>iii. MSPO briefing with stakeholder Maju Contractor Trading on 08/10/2018.</li> <li>iv. MSPO briefing with stakeholder Altizan Contractor on 30/10/2018</li> <li>v. MSPO briefing with stakeholder Liew Contractor on 30/10/2018</li> </ul> <p>Sighted that the management had established website for the public to see background of company , activities CSR, job opportunity, online complaint etc refer to www.kub.com. In this website also have KUB Group Management Guidelines including Communication Procedure Guidelines under Part C section 2.</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>Sighted the communication were divided into two category external and internal. For internal normally the interaction between employee and employer through fill the Complaint Form, and "Buku Rekod Aduan", notice or verbal.</p> <p>For external communication one of channel way through website "www.kub.com" and company facebook account (Kelab KUB). All the information regarding company activities can be review by external parties such as stackholder and society through website. etc : annual report, ,sustainability report, bulletin, CSR programmes.</p>	

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>The management has established Formal Complaint and Grievance Procedures issued on 01/10/2010 and signed by Group Managing Director, Datuk Mohd Nazar Samad.</p> <p>Communicate the information with stakeholders and public by issued Memo to all supplier, contractor, customer, local community and employees dated 12/09/2018 from Head of Plantation and Operation, Dr Zaini Mohamed Tambah.</p> <p>Records of complaints and grievances were implemented by Complaints Form for Stakeholder/supplier As at now no issue been raised by relevant stakeholder.</p>			
4.2.2.2	A management official shall nominated officials at the operating unit responsible for issues related to indicator 1 (4.2.2.1)		
<p>Noted that official management representative nominated responsible for issue related to stakeholder;</p> <p>Malua Estate En Arnold Yosores - Appointment letter dated on 25/06/2018</p>			
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.		
<p>Malua Estate</p> <p>Verified records of complaints were kept in file Complaint Form and "Buku Rekod Aduan. Sighted the complaint as at now was no issue raised by relevant stakeholder. The estate management had established list of relevant stakeholder with total of 36 stakeholders.</p> <p>List of stakeholder consists of:</p> <ul style="list-style-type: none"> <li>i. Contractor - 4 stakeholders</li> <li>ii. Vendor/Supplier - 18 stakeholders</li> <li>iii. Government Departments - 10 stakeholders</li> <li>iv. Surrounding Amenities - 3 stakeholders</li> <li>v. Others - 1 stakeholder</li> </ul>			
Criterion 3		Traceability	
Indicator	Requirement	Findings	
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).		
<p>Standard Operating Procedures (SOP) for traceability has been established by the management dated 02/04/2018. 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 (MSPO).</p>			
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system		

Sighted the FFB production traceability started from the field collection of FFB checking by the bunch checker on quality and quantity of the FFB ( checkrol harvester record, FFB bunch chit, , Harvesting interval record and daily harvesting record, Quality), Deliver FFB to the mill (weighbridge ticket) and receive FFB at the mill, receive (Weighbridge Ticket). The above had been updated inside the system Internal Estate Computer System (IECS).

**OBS:**

Verified in the harvesting interval book and daily bunch count chit, the person in charge been nominate in handling traceability supposed to sign and check the harvesting interval book and bunch count chit however found there is no evidence of checking by Person In Charge (PIC).

<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system
----------------	--

The management has appointed En Rosli Cakke as per letter dated 01/10/2018 as person in charge for traceability. Function perform as per Person In Charge (PIC) Traceability stated in appointment letter.

<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained.
----------------	--

FFB delivery to Pintasan Palm Oil Mill was recorded in Daily Crop Production Book and transfer to Internal Estate Computer System (IECS).

Sample of record of traceability as per below :

- i. bunch chit - sample evidence of bunch chit dated on 06/12/2018 and 08/12/2018 (detail in bunch chit include driver and harvester name (transporting FFB from platform to ramp)
- ii. FFB despatch chit -sample evidence of no series : 00328 dated on 06/12/2018 and no series : 00336 dated on 08/12/2018 (transporting FFB from Ramp to Mill)
- iii. weighbridge ticket from Mill - sample evidence - weighbridge chit no ; 1082938 dated on 06/12/22018 and weighbridge chit no ; 1083035 dated on 08/12/2018.

Verified the above record were properly maintain and been updated in the system name Internal Estate Computer System (IECS).

**OFI:**

There is no number series in bunch count chit. Recommended to put number at bunch count chit for easy traceability.

**P3: Compliance to legal requirements**

Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
<b>4.3.1.1.</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations	

- i) Diesel - Application by Malua Estate with supporting letter from KPDNKK to Jabatan Bomba dan Penyelamat Malaysia to inspect premises whether quantity of diesel tank are suitable for BOMBA requirement as per letter dated 16/03/2018.
- ii) MPOB - Menjual dan Mengalih FFB with no license 616749002000 and valid until 31/08/2019 for KUB Malua Plantation Sdn. Bhd.
- iii) Lesen Perniagaan - This license was on renewal and verified that management has submit to renew the license on 03/01/2019.

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- Occupational Safety and Health - Occupational Safety and Health Act, 1994 - Factory and Machinery Act 1967</p> <p>2- Environmental - Environmental Quality Act 1974 - Local Government Act 1976 - Water Act 1920 - Water Services Industry Act 2006</p> <p>3- Employment - Employment Act 1955 - Industrial Relation Act 1967 - Minimum Wages Order 2012 - Child and Young Person (Employment)(Amendment) Act 2010</p> <p>4- General and Other Requirement - Employee's Social Security Act 1969 - Road Transport Act 1987 - Workers Minimum Standard Of Housing And Amenities Act 1990</p> <p>5- Pesticide - Pesticide Act 1974</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>Stated the listed legal register with total 33 legal listed. Noted the evaluation of compliance conducted in 05/11/2018 by Filemon Francis. Procedure for review legal register was established dated 17/04/2018.</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>Verified the appointment letter to Mr Filemon Francis as responsible person for Legal Requirement Officer such to monitor compliance to regulatory requirement for Malua Estate. Date of appointment 01/10/2018.</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>Malua Estate Land title available: Title No : Country Lease 095316395 Lot: Country Lease 095316395</p>		

<p>Hectarage: 1534.00 Ha Lease valid till 31/12/2887</p> <p>Verified management was in process to transfer land title from Kwantas Plantations Sdn Bhd. to KUB Malua Plantations Sdn Bhd. as per letter dated 09/11/2018 (ref. no. KUBMP/Letter/2018-11) mentioned that the management was informed Pengarah Jabatan Tanah dan Ukur Sabah for transfer land title to KUB Malua Plantations Sdn Bhd.</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 perimeter using fencing verified during site visit. Cross check was done with survey map.</p> <p>Verified daily inspection of fencing has been carried out in "Fencing Record Book"</p> <p>OBS: Sighted remarks on Fencing Record Book mention the fencing was not in order but there is no action taken recorded in this record book.</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 Malua Estate. As at todote 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

Social Impact Assessment (SIA) report dated 26/07/2018. The report has identified the positive and negative impact of the company toward stakeholder.

Appendix 6.0 Recommendation

1. Activity: Road Repairs and construction

Negative Impact: i. Loss of crops/trees due to highway construction, ii. Dust, soil erosion and noise disturbance

Control measure: Daily supervision from management

Remarks: Continuously

2. Activity: New land development

Negative impact: Effect on biodiversity and increase of pollution due to land development

Control measure: Low crop FFB production and yearly planted/palm age

Remarks: Not in plan

Noted 12 recommendation determined in the SIA report.

OBS:

To determine a relevant "Control Measure" and its target date for each Negative Impact raised in SIA Report, not only to mention "NOT IN PLAN" in the recommendation attachment form

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>The management has established Formal Complaint and Grievance Procedures issued on 01/10/2010 and signed by Group Managing Director, Datuk Mohd Nazar Samad.</p> <p>Communicate the information with stakeholders and public by issued Memo to all supplier, contractor, customer, local community and employees dated 12/09/2018 from Head of Plantation and Operation, Dr Zaini Mohamed Tambah.</p> <p>Records of complaints and grievances were implemented by Complaints Form for Stakeholder/supplier As at now no issue been raised by relevant stakeholder.</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.	
<p>Verified records of complaints were kept in file Complaint Form and "Buku Rekod Aduan. Sighted the complaint as at now was no issue raised by relevant stakeholder.</p>		
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 the form of 'Borang Aduan' available in the office.</p>		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	
<p>Briefing of MSPO to stakeholder conducted on 08/10/2018, 30/10/2018, 31/10/2018.</p> <p>Company has sent memo of MSPO to stakeholder on 08/11/2018 through email.</p>		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	



Verified complaint book and file for form complaint was available. Observe the detail was not obsolete and kept in the office.		
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.	
<p>Refer to form Summary CSR, Contribution Social Response available:</p> <ol style="list-style-type: none"> <li>19 August 2018 - Work Party</li> <li>14 May 2018 - Kursus Pengurusan Jenazah</li> </ol> <p>OFl:</p> <p>To stated the contribution value in the form of Summary CSR.</p>		
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	
<p>Verified Occupational Safety and Health Policy dated 06/06/2016 signed by Datuk Abdul Rahim Mohd Zin (Group Managing Director). Noted during site visit, the policy been displayed at worker housing area, office, muster roll call area. As interview with estate employees, found that the awareness on policy and MSPO are sufficient.</p>		
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		
<p>Briefing on MSPO and policy conducted on 25/07/2018, 28/07/2018, 01/10/2018 to employees during morning roll call.</p>		
b) The risks of all operations shall be assessed and documented		
<p>Verified the HIRARC Log and listed the HIRARC for all activities in estate such as harvesting, pruning, manuring, office work &amp; etc. Refer to procedure Pengenalpastian Hazad, Penilaian Risiko dan Kawalan. Noted the procedure LOW: maintain the control, MED &amp; HIGH: Recommendation control.</p> <p>i) Workshop HIRARC dated 01/07/2018 and sighted all job steps were assessed with LOW and MEDIUM Risk.</p> <p>ii) Spraying HIRARC dated 01/07/2018 and sighted all job steps were assessed with LOW and MEDIUM risk</p> <p>CAR01:</p> <ol style="list-style-type: none"> <li>1. During site visit and verified with Chemical Health Risk Assessment and per USECHH Reg 15 (1) (f), sighted the secondary containment at chemical store for pesticide and petrol was not available, where the store was built from wood included its shelf and floor.</li> <li>2. Spill kit not available in fertilizer and chemical store for emergency cases.</li> </ol>		

<p>OFI:</p> <p>To erect the precaution sign/ hazard pole at field bridge pathway to avoid skidded of any vehicle into the drain.</p>
<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i) all employees involved shall be adequately trained on safe working practices; and</li> <li>ii) all precautions attached to products shall be properly observed and applied.</li> </ul>
<p>SDS available at storage during site visit and documented in office. Verified the warning sign available at fertilizer and chemical storage area.</p> <p>OBS:</p> <ul style="list-style-type: none"> <li>i) Not yet conducted the training for pesticied applicator or employees exposed to the pesticied. Sighted in the Annual training programme year 2019, the training on chemical management planned on January 2019, and Spraying operation planned on February 2019.</li> <li>ii) To erect the precaution sign/warning sign at transit chemical store at housing area div B and at genset house</li> </ul>
<p>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).</p>
<p>Verified record of PPE 2018, the PPE issuance to employee recorded such:</p> <p>25/07/2018 - Fendi Bahar, Florizel Clepex, Liwan Asbar &amp; etc - Helmet</p> <p>25/07/2018 - Ani, Rina, Rosma &amp; etc - Mask, Goggle, apron, glove.</p>
<p>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.</p>
<p>Procedure available related handling of chemicals such:</p> <p>Stor racun, Tempat bancuhan racun, stor baja, perangkap minyak, stor minyak pelincir, petrol &amp; diesel, penabur racun tikus and menabut baja dated 21/11/2017</p>
<p>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.</p>
<p>Appointment letter to En Rosli Cakke as Pegawai Perlaksanaan Keselamatan dan Kesihatan Pekerja dated 01/10/2018. The responsible mentioned in letter such responsible in safety and health of employees.</p>
<p>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.</p>

Two way communication with regard discussed on safety & health conducted on 17/12/2018, 25/09/2018, 07/07/2018 & etc.	
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	
<p>Procedure Siasatan dan Pemakluman Kemalangan #OSH(Agro)-05 available. The training of the procedure to employees on 06/09/2018 was recorded.</p> <p>Refer to procedure, each accident or dangerous occurrence shall be reported to Group Management Director, Head Operation Officer, Head Plantation and head SHE in 24 hour. However, refer to auditee, the procedure were not yet finalize.</p> <p>Verified the accident reporting made for accident for accident on 27/12/2018 to Alrahkapi Rahmatullah with medical leave 16 days.</p> <p>CAR02: Verified the accident reporting made for accident for accident on 27/12/2018 to Alrahkapi Rahmatullah with medical leave 16 days. However, JKPP 6 form reporting to Department of Occupational Safety and Health (DOSH) was not yet submitted within 7 days.</p>	
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	
First aid training conducted on 22/04/2018 by Persatuan Tadika Sabah, attended by Chong Mui Lin. sighted the first aid box available at office, div B and store.	
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	
<p>Verified only one accident case happened in year 2018, on 27/12/2018 to Alrahkapi Rahmatullah. Medical leave was issues to victims for 16 days, the accident happened where the victim tried attach the tractor's weightage but its has fall onto victim's leg. The investigation been conducted using the accident report form.</p> <p>OBS: Other accident as refer to checkroll book and medical leave chit for Ical Bahar on 12/11/2018 (1 days Medical Leave) for accident injury by loading at leg, Supriadi Sarip on 29/10/2018 (1 day medical leave) for accident injury by bunches at hand were not yet reviewed periodically at quarterly interval.</p>	
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
Good Social Practises Policy dated 21/09/2018 signed by Group Managing Director displayed in front of office notice board.	
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.
<p>Policy above clearly mention on freedom of association and recognition of human right to collective bargaining, prohibition of all form of forced labour, prohibition of child labour &amp; prohibition of discriminatory in respect of employment laws in regards to the rights and welfare of employment and occupation.</p> <p>Verified during interview with internal stakeholder, no discrimination by management to the employees are practising.</p>	

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.
<p>Verified document for sample of employee for month November 2018 for Alrahqahfi Rahmatullah (Passport AU176902) - indonesian worker - Harvestering (Tractor Driver)</p> <p>1 - Kontrak Perkhidmatan dated 11/10/2018, mention the wages rm920, or equal to rate of rm920 for preece rate task. The contract valid for 2 years. Benefit such medical, housing &amp; etc.</p> <p>2 - Refer to checkroll for month November 2018, with total tonnage 594.43MT (rate: Driver - rm3/mt, loading FFB - rm4.05/mt, loose fruit loading rm9/mt). The payment as per collective agreement. with total income RM2669.30</p> <p>Verified document for sample of employee for month November 2018 for Salim Bin Colli (Passport AT249495) - indonesian worker - General worker</p> <p>1 - Kontrak Perkhidmatan dated 01/09/2018, mention the wages rm920, or equal to rate of rm920 for preece rate task. The contract valid for 2 years. Benefit such medical, housng &amp; etc as per Ordinanc Buruh (Sabah Bab 67)</p> <p>2 - Refer to checkroll for month November 2018, total working days 30 days with 4 rest days and 1 Public holiday, Overtime and few benefit. The payment as per collective agreement. with total income RM1635.70.</p>	
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
<p>The management has sent the memo to contractor on compliance to MSPO requirement on 08/11/2018.</p> <p>OFI: To do spot check or inspection toward contractors on their compliance of MSPO required such legislation, safety, employment condition &amp; etc.</p>	
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, and date of birth, date of entry, a job description, wage and the period of employment.
<p>The detail of employee recorded in the master file of employees for all 172 employees. Sample as below:</p> <p>1. Name: Alrahkapi Rahmatullah Gender: Male Date of birth: 25/05/1998 Date of entry: 04/01/2018 Job description: Harvester Wage: Min Wages</p> <p>2. Name: Salim Bin Colli Gender: Male Date of birth: 22/07/1967 Date of entry: 04/01/2018 Job description: General Worker</p>	

Wage: Min Wages	
OBS: To establish records of the subcontracted workers who worked in the premises.	
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
<p>Verified document for sample of employee for month November 2018 for Alrahqahfi Rahmatullah (Passport AU176902) - indonesian worker - Harvestering (Tractor Driver) Kontrak Perkhidmatan dated 11/10/2018, mention the wages rm920, or equal to rate of rm920 for preece rate task. The contract valid for 2 years. Benefit such medical, housing &amp; etc</p> <p>Verified document for sample of employee for month November 2018 for Salim Bin Colli (Passport AT249495) - indonesian worker - General worker Kontrak Perkhidmatan dated 01/09/2018, mention the wages rm920, or equal to rate of rm920 for preece rate task. The contract valid for 2 years. Benefit such medical, housng &amp; etc as per Ordinanc Buruh (Sabah Bab 67)</p> <p>Both agreement were signed by management and employees with witness from both parties.</p>	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.
All employees using checkroll system that transfer into system IECS software to calculate the working hour and overtime.	
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
<p>Working hour: Field Checkroll 6 days (Monday - Saturday) 6.00 - 2.00 pm (working hour) 11.00 - 12.00 pm (rest)</p> <p>Office hour: 5 1/2 days (Monday - Friday, Half day Saturday) 7.00 - 5.00pm (working hour) 12.00 - 2.00pm (Rest)</p>	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements
<p>Refer Checkroll Report For November 2018 for Salim Bin Colli worked as general worker. The OT available as below: OT Normal Pay - 17 hour (Rate 1.5) OT Rest Pay - 6 hour (Rate 2.0) OT Holiday Pay - 4 hour (Rate 3.0)</p>	
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

Benefit offered such, medical treatment, full day attendance allowance, free housing, electricity & water supply & etc.		
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.	
Weekly inspection conducted by staff at both Div A and Div B on 04/01/2019, 28/12/2018, 21/12/2018, 14/12/2018 & etc. The item inspected such perimeter drainage, rubbish, toilet & etc.		
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	
Refer to Management Policy & Procedure by Group Human Capital Development for Workplace Harrasment. The procedure include the harrasment such Workplace, personal, sexual, poisonous work environment, abuse authority.		
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.	
Policy Good Social Practise has clearly mention on freedom of association and recognition of human right to collective bargaining, prohibition of all form of forced labour, prohibition of child labour & prohibition of discriminatory in respect of employment laws in regards to the rights and welfare of employment and occupation.		
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.	
Policy Good Social Practise has clearly mention on freedom of association and recognition of human right to collective bargaining, prohibition of all form of forced labour, prohibition of child labour & prohibition of discriminatory in respect of employment laws in regards to the rights and welfare of employment and occupation.		
Criterion 6	Training and competency	
Indicator	Requirement	Findings
4.4.6.1	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.	
Verified training record are in the in Training file. Training conducted such MSPO Awareness dated 29/03/2018, HIRARC training on 27/07/2018, work permit training on 25/07/2018 & etc.		
4.4.6.2	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.	

<p>Refer to Training Needs Analysis (TNA) form, the company has identify the training needs based on position and training required. Sample:</p> <ol style="list-style-type: none"> <li>1. Manager, Objective - Maximise plantation profitability and sustainability, Competency required- Planning, coordination, asset management &amp; etc, How will this training achieved - Tailormade training.</li> <li>2. FFB Clerk, Objective - to monitor FFB maximise the production quality of FFB, Competency required - Result orientation, How will this training achieved - Workshop.</li> </ol>	
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.
<p>Refer to form workers training year 2019, there 10 training palnned in year 2019 such Manuring, harvesting, pruning spraying &amp; etc.</p>	
<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.
<p>Refer to Environmental Policy dated 14/03/2018 signed by Group Managing Director. The policy mention on the requirment to comply with all relevant guideline and regulation relating to environment.</p>	
4.5.1.2	The environmental management plan shall cover the following: <ol style="list-style-type: none"> <li>a) An environmental policy and objectives.</li> <li>b) The aspects and impacts analysis of all operations</li> </ol>
<p>Noted "Pelan Penambahbaikan Alam Sekitar" dated 19/04/2018. In the plan has identified item such Action, PIC, Timeline and status, with total 9 action determined by estate. Sample as below:</p> <ol style="list-style-type: none"> <li>1. Action - Organize awareness session one environmental awareness/scheduled waste management to estate staff PIC - Assistant Manager Timeline - Start Jan 2019, End June 2019 Status - NIL</li> <li>2. Action - To consider engaging a competent person for scheduled waste PIC - Assistant Manager Timeline - Start Jan 2019, End June 2019 Status - i. Training scheduled on 10-14/12/2018 has been approved by Group Managing Director, ii. Arnold (Assistant Manager) was appointed to attend the training.</li> </ol>	
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.
<p>Refer to 4.5.1.2</p>	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan

Refer to Plan Penambahbaikan Alam Sekitar, the programme to promote the positive impact been included such organize awareness session on environmental awareness.	
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.
Refer to training record, programme conducted by company to employees on environmental such i) Larangan meracun & membaja/pembakaran terbuka on 19/09/2018, Protected animal on 17/12/2018.	
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed
Environmental meeting conducted on 25/09/2018, attended by manager, assistant manager, supervisor, clerk (employees representative). Item discussed such training programme, plan penambahbaikan alam sekitar, Aspect Impact assessment, procedure, landfill & etc.	
OBS: To invite operation's employees (On-site employees) such mandore, head leader, sprayer, harvester & etc. to attend the meeting to discuss on the environmental issues in order to received their opinion and concern about environmental quality.	
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.
Monitored the Diesel usage per baseline value (L/MT) for year 2018.	
The quantity diesel/MT: Dec - 5.11 L/MT Nov - 4.13 L/MT Oct - 4.14 L/MT Sept - 7.55 L/MT & etc.	
Verified that sighted the monthly monitoring graph of diesel for year 2018 by management.	
OBS: To baseline value and trends within an appropriate timeframe for petrol usage were not yet established.	
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.
Estimation based on annual budget, as per budget 2018, the total estimation for year 2018 is rm 116,561.00 with rate rm2.40/liter for both petrol and diesel.	



4.5.2.3	The use of renewable energy should be applied where possible	
No renewable energy been used by company.		
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>Noted Waste Management Plan has identified waste such empty pesticide container, used batteries, tyre &amp; tubes, Domestic (Rubbish), Recycled waste (Re-use empty chemical container)</p> <p>OBS: Waste such scrap iron not included in the waste management plan for the mitigation action, where during site visit seen the scrap iron beside workshop not been manage properly.</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>a) Source of waste identified in Schedueld waste, domestic waste, recycled waste.</p> <p>b) Company has currently use the empty chemical container to reused the container.</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>Refer to procedure Stor Sisa Barangan Berjadual. The item on proper and safe handling, storage and disposal for empty chemical and spent oil (hydraulic/lubricant)</p> <p>OBS: 1. Procedure not stated the process for re-use empty chemical container for chemical activities in estate. However, during site visit seen the empty chemical container reused were sprayed with toxic/skeletol sign and kept in the store. 2. Used empty oil drum (Petronas) seen at worker quarter div A use for rain harvesting.</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.	
Refer to procedure Stor Sisa Barangan Berjadual, the requirement to punctured and triple rinse were mention. Verified during site visit, no empty chemical were punctured since all the container were still for chemical activity uses.		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	

Domestic waste disposed into landfill at block 21, verified during site visit, the signage of landfill available, and the schedule for collecting the domestic waste was once a week.

OFl:

To build the landfill at high area and build bund/drainage to avoid water drained and collected into the landfill.

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	

Assessment in Environmental Aspect and Impact for greenhouse gas emission, scheduled waste available:

1. Dumping site

Activity - Waste accumulation

Aspect - Flowing of leachate, liquid that drains or leaches from a landfill

Potential impact - Water (May contaminate groundwater), land (soil contamination if not treated), Air (May cause air pollution by odour)

Existing control - Maintenance of dumpsite area

Mitigation - Put signage as awareness

Due date - March 19

2 Workshop

Activity - Workshop

Aspect - used oil/lubricant

Potential impact - Water (water run off may sweep remaining oil to nearby river), land (may cause soil contaminated if leak to the ground)

Existing control - NIL

Mitigation - Appoint competent person for scheduled waste

Due date - Feb 19

CAR03:

1. Refer to Environmental Aspect and Impact of company, the assessment for work unit of "Genset" were not yet developed.

2. During site visit, sighted the spillage of oil to the ground around genset house (Div A and Div B) and workshop (Div A).

4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	
---------	---	--

Refer to Environmental Aspect Impact Assessment - Management Action Plan. Verified 9 work unit established such Weeding/upkeep, Pesticide store, Scheduled waste store & etc. Sample:

1. Work unit: Weeding/upkeep

Activity/aspect: Mixing of pesticide

Potential impact: May cause soil contaminate if leak to environment

Recommended action: Ensure the workers mixed the pesticide at mixing area only

Action plan: Mixing area to be made available, signboard "Tempat Bancuah Racun" to be erected & etc.

PIC: Assistant Manager & staf

Completed date: 30/11/2018

2. Work unit: Workshop

<p>Activity/aspect: Repair and servicing of mobile equipment          Potential Impact: Water run may sweep remaining oil originated from cleaning activities          Recommended action: Organize awareness session on env.          Action plan: Invite "All Planter" supplier to conduct training on repair and maintainance &amp; etc.          PIC: Assistant Manager &amp; staf          Completed date: Jan 2019</p>		
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.		
<p>Currently estate has use natural water source for waste supply such rain water and river water. Sighted the estate has included the budget for water treatment plan with total cost RM40,000.00 into CAPEX 2019 which been approved by HQ, and targetted to completed at first quarter in year 2019.</p>		
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities		
<p>Verified Lab result for water sampling to Dynaky Laboratories Sdn Bhd on 22/12/2018 to natural river. The result as below:</p> <p>Point 1 (WSP 1)          pH - 7.7          Dissolved oxygen - 7.84          BOD - 0.8          Chemical Oxygen Demand - 46          Ammonical Nitrogen - 0.03          Suspended soild - 5          Water Quality Index - 89.24</p> <p>Point 2 (WSP 2)          pH - 7.4          Dissolved oxygen - 7.61          BOD - 0.6          Chemical Oxygen Demand - 43          Ammonical Nitrogen - 0.12          Suspended soild - ND (&lt;2)          Water Quality Index - 88.27</p>		
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.).		
Estate has established the process of collecting water from river/stream to housing area. Other, estate has collecting the rain into the tank for building available in the estate.		
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.		
Sighted during site visit, the signage of "RIPARIAN" at riparian buffer area at area of entrance of the estate.		
OBS:		

No peg for each 20 meter apart along the riparian zone as per Policy Statement of Planting on Buffer Zone/River Reserve Area dated 27/03/2017.	
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	
Not applicable, verified during site visit, the vegetation been maintain along river (Sungai Kinabatangan & Sungai Malua)	
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	
Verified during site visit and interview with management, the estate do not have bore well	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.
Verified during site visit and interview with management, the estate do not construct any barrier across main river.	
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).
Sighted during site visit, water harvesting practised by build silt pit, frond stacking, water catchment in the field.	
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.	
Verified High Bioriversity Value Report conducted for dated 26/07/2018.	
Noted in the report, total of fauna identified for high biodiversity value were 5 form mammals, 5 from birds, 5 from reptiles, 4 from fish.	
CARO4: Verified High Biodiversity Value Report dated 26/07/2018. Noted in the report, total of fauna identified for high biodiversity value were 5 form mammals, 5 from birds, 5 from reptiles, 4 from fish. However, mammals such as elephants and wild boar were not identified in reports where interviewed with internal stakeholders and confirmed by the management team that elephants and wild boar seen in the fields for few time.	
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.	
State in the references of the conservation status in Enakmen Pemuliharaan Hidupan Liar 1997.	
OFI: To identified the conservation status for each fauna identified in the report for better references.	

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		
Mitigation measure and recommendation in the reprot available such i. Clearing site in stage, ii. Complete ban of hunting by workers, iii. Fencing on barriers & etc.		
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts		
Sighted the signage of "DILARANG MEMBURU" at estate entrance.		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	
Mitigation measure and recommendation in the reprot available such i. Clearing site in stage, ii. Complete ban of hunting by workers, iii. Encing on barriers & etc.		
OBS: To extract the mitigation and recommendation item from the report into management plan to monitor the implementation of the mitigation action status.		
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.	
Refer to Environmental Policy dated 14/03/2018 signed by Group Managing Director. The policy mention on the requirment to comply with all relevant guideline and regulation relating to environment.		
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.	
Not applicable as there was no open burning practises in the estate		
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.	
Not applicable as there was no open burning practises in the estate		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	
Not applicable as there was no open burning practises in the estate		
<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.	

<p>Sighted Standard Operating Procedure (SOP) documents on estate operation including harvesting, spraying, manuring, driver tractor, rat baiting application etc. as per "Agriculture Reference Manual". Management has updated Agriculture Reference Manual on 27/03/2017</p> <p>Spraying operation refer to Memorandum Panduan Kerja Selamat Kerja -kerja meracun rumpai from Head Plantations Operations KUB Agro Holdings Sdn Bhd, Dr Zaini Mohamed Tambah dated 21/11/2017.</p> <p>Harvesting operation refer to Memorandum Panduan Kerja Selamat Menuai Buah Sawit from Head Plantations Operations KUB Agro Holdings Sdn Bhd, Dr Zaini Mohamed Tambah dated 21/11/2017.</p> <p>Manuring operation refer to Memorandum Panduan Kerja Selamat Menabur Baja from Head Plantations Operations KUB Agro Holdings Sdn Bhd, Dr Zaini Mohamed Tambah dated 21/11/2017.</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>Verified area in the Malua Estate is undulating to hilly area during site visit.</p> <p>Sighted the field drain, collection drain and main drain was properly constructed to make sure the water flows are moving in good condition. All record of the above work sighted in contractor record book.</p> <p>OBS:</p> <p>There is no yearly road and drain maintenance programme and soil erosion prevention plan in hilly area.</p>	
4.6.1.3	A visual identification or reference system shall be established for each field.
<p>Verified the field block visual identification is displayed on the concrete block of its details such block number &amp; hectarage.</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>Estate had an annual budget for the financial year 2018. The budget includes the projection FFB production, general charges, upkeep mature area, FFB harvesting/transport and capital expenditure. Sighted the 2 years' business plan for the Estate.</p>	
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
<p>There is no replanting programme within 5 years as the older palm planted in 2003 with palm age 15 years. Management reviewed an annual replanting programme once the field are older than 20 years with an average annual yield less than 18mt/ha and/or have attained an average palm height of more than 15.1 metres as stated in Agriculture Reference Manual Section 3: Planting and Replanting. Company practices is review replanting programme 3 years before replanting.</p> <p>OBS:</p> <p>Refer to Agriculture Reference Manual Section 3, the managemenet should have annual replanting</p>	

programme as older palm planted in 2003 should be replant in 2023. Management should established annual replanting programme in field no 06 (planted 2003) as yield/ha was at 14.07mt/ha as recorded in Estate Monthly Report.	
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment.
Estate had an annual budget for the financial year 2018. The budget includes the projection FFB production, general charges, upkeep mature area, FFB harvesting/transport and capital expenditure. The estate performance is recorded in the "Monthly Income Statement".	
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.
Verified the estate management were monitor the progress of performance by established the Monthly Estate Report. Verified actual against budget in 2018 as per below : i. FFB production FFB production deficits by 27.25% or 8863.70mt at 23669.30mt against budget at 32533mt ii. Yield per hectare Yield/ha deficits by 27.23% at 17.34 mt/ha against budget at 23.83 mt/ha.	
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.
Sighted all contract activities such as FFB Transport, Hiring JCB, Hiring excavator. etc. Management use Work Order as method for payment to contractor. All the record of Work Order are properly documented including quotation.  Sighted the sample agreement for FFB Transport and the detail is as per below : Work Order : WOF No. LKM 12/18 (02) dated on 01/12/2018 Contractor name : Maju Contractor Trading Contract period: 01/12/2018-31/12/2018. Sighted sign by both party, estate management and the contractor. Verified the price mechanism were clearly states inside the contract and the details is as per below : - Hiring backhoe (JCB) at Division A & B at rate RM55/hour.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner
Sighted the payment for hiring backhoe (JCB) - contractor name : Maju Contractor Trading Contract work order dated on 31/12/2018 were verified and paid accordingly as 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

Verified briefing MSPO with Contractor as per below :	
i. MSPO briefing with contractor DAB OH Sdn. Bhd. on 08/10/2018	
ii. MSPO briefing with contractor Maju Contractor Trading on 08/10/2018.	
iii. MSPO briefing with contractor Altizan Contractor on 30/10/2018	
iv. MSPO briefing with contractor Liew Contractor on 30/10/2018	
OFI:	
There is no MSPO clause in contract agreement. Recommended to include special clause for MSPO compliance in contract agreement in future.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.
Verified the agreement between contractor as per sample below:	
a) Maju Contractor trading dated 01/12/2018, Ref# Work Order no : WOF No. LKM 12/18 (02)	
b) Liew Vui Teck dated 01/11/2018, Ref# Work Order no : WOF No. LKM 11/18 (07)	
c) Altizan Contractor dated 01/12/2018, Ref# Work Order no :WOF No. LKM 12/18 (05)	
All agreement signed by both party, estate management and contractor.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required
During site visit at the field, there is no obligation from the contractor for the auditor to verified the work. Found all the criteria which is applicable to their work for MSPO requirement are followed.	
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
All works performed at the estate are checked and verified by the estate personnel. Verified the claim form made by contractor were verified by the estate assistant manager and approved by estate manager. Sighted document invoice for hiring backhoe (JCB) was signed and prepared by Maju Contractor Trading, signed and checked by estate assistant manager and approved by estate manager.	
<b>P7: Development of new plantings</b>	
Criterion 1	High biodiversity 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

#### CAR01

##### 4.4.4.2 b)

1. During site visit and verified with Chemical Health Risk Assessment and per USECHH Reg 15 (1) (f), sighted the secondary containment at chemical store for pesticide and petrol was not available, where the store was built from wood included its shelf and floor.
2. Spill kit not available in fertilizer and chemical store for emergency cases.

#### CAR02

##### 4.4.4.2.h)

Verified the accident reporting made for accident for accident on 27/12/2018 to Alrahkapi Rahmatullah with medical leave 16 days. However, JKPP 6 form reporting to Department of Occupational Safety and Health (DOSH) was not yet submitted within 7 days.

#### CAR03

##### 4.5.4.1

1. Refer to Environmental Aspect and Impact of company, the assessment for work unit of "Genset" were not yet developed.
2. During site visit, sighted the spillage of oil to the ground around genset house (Div A and Div B) and workshop (Div A).

#### CAR04

##### 4.5.6.1 a)

Verified High Biodiversity Value Report dated 26/07/2018.

Noted in the report, total of fauna identified for high biodiversity value were 5 form mammals, 5 from birds, 5 from reptiles, 4 from fish. However, mammals such as elephants and wild boar were not identified in reports where interviewed with internal stakeholders and confirmed by the management team that elephants and wild boar seen in the fields for few time.

#### OBS01

##### 4.2.3.2

Verified in the harvesting interval book and daily bunch count chit, the person in charge been nominate in handling traceability supposed to sign and check the harvesting interval book and bunch count chit however found there is no evidence of checking by Person In Charge (PIC).

#### OBS02

##### 4.3.2.3

Sighted remarks on Fencing Record Book mention the fencing was not in order but there is no action taken recorded in this record book.

#### OBS03

##### 4.4.1.1

To determine a relevant "Control Measure" and its target date for each Negative Impact raised in SIA Report, not only to mention "NOT IN PLAN" in the recommendation attachment form.

#### OBS04

##### 4.4.4.2 c)

- i) Not yet conducted the training for pesticied applicator or employees exposed to the pesticied. Sighted in

the Annual training programme year 2019, the training on chemical management planned on January 2019, and Spraying operation planned on February 2019.

ii) To erect the precaution sign/warning sign at transit chemical store at housing area div B and at genset house

OBS05

4.4.4.2 j)

Other accident as refer to checkroll book and medical leave chit for Ical Bahar on 12/11/2018 (1 days Medical Leave) for accident injury by loading at leg, Supriadi Sarip on 29/10/2018 (1 day medical leave) for accident injury by bunches at hand were not yet reviewed periodically at quarterly interval.

OBS06

4.4.5.5

To establish records of the subcontracted workers who worked in the premises.

OBS07

4.5.1.6

To invite operation's employees (On-site employees) such mandore, head leader, sprayer, harvester & etc. to attend the meeting to discuss on the environmental issues in order to received their opinion and concern about envrionmental quality.

OBS08

4.5.2.1

To baseline value and trends within an appropriate timeframe for petrol usage were not yet established.

OBS09

4.5.3.1

Waste such scrap iron not included in the waste management plan for the mitigation action, where during site visit seen the scrap iron beside workshop not been manage properly.

OBS10

4.5.3.3

1. Procedure not stated the process for re-use empty chemical container for chemical activities in estate. However, during site visit seen the empty chemical container reused were sprayed with toxic/skeletal sign and kept in the store.

2. Used empty oil drum (Petronas) seen at worker quarter div A use for rain harvesting.

OBS11

4.5.5.1 d)

No peg for each 20 meter apart along the riparian zone as per Policy Statement of Planting on Buffer Zone/River Reserve Area dated 27/03/2017.

OBS12

4.5.6.3

To extract the mitigation and recommendation item from the report into management plan to monitor the

implementation of the mitigation action status.

OBS13

4.6.1.2

There is no yearly road and drain maintenance programme and soil erosion prevention plan in hilly area.

OBS14

4.6.2.2

Refer to Agriculture Reference Manual Section 3, the management should have annual replanting programme as older palm planted in 2003 should be replant in 2023. Management should established annual replanting programme in field no 06 (planted 2003) as yield/ha was at 14.07mt/ha as recorded in Estate Monthly Report.

OFI01

4.2.3.4

There is no number series in bunch count chit. Recommended to put number at bunch count chit for easy traceability.

OFI02

4.4.3.1

To stated the contribution value in the form of Summary CSR.

OFI03

4.4.4.2 b)

To erect the precaution sign/ hazard pole at field bridge pathway to avoid skidded of any vehicle into the drain.

OFI04

4.4.5.4

To do spot check or inspection toward contractors on their compliance of MSPO required such legislation, safety, employment condition & etc.

OFI05

4.5.3.5

To build the landfill at high area and build bund/drainage to avoid water drained and collected into the landfill.

OFI06

4.5.6.1 b)

To identified the conservation status for each fauna identified in the report for better references.

OFI07

4.6.4.1

There is no MSPO clause in contract agreement. Recommended to include special clause for MSPO compliance in contract agreement in future.

During the assessment 4 nonconformities were identified.

APPENDIX 1

**MAP OF ESTATE FOR MALUA ESTATE**

