

**MALAYSIAN SUSTAINABLE PALM OIL  
ANNUAL SURVEILLANCE ASSESSMENT 1 (ASA1)  
Public Summary Report**

<b>Palmgroup Holdings Sdn. Bhd. (Co. No. 462042-M)</b>
Head Office: 25.1-25.2, Level 25, Wisma Sanyan, No. 1, Jalan Sanyan, 96000 Sibul, Sarawak, Malaysia
<b>Victoria Square Development Sdn Bhd</b>
Lot 540, Engkilo Land District, Sibul Division & Block 42, Lot 1, Kabang Land District, 96000 Sibul, Sarawak, Malaysia

**Report prepared by:**  
**Mohamed Hidhir Zainal Abidin** (Lead Auditor)

**Report Number: 9673970**

**Assessment Conducted by:**

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**Section 1: Executive Summary**

<b>1.1 Organizational Information and Contact Person</b>			
MPOB License	549549002000		
Company Name	Victoria Square Development Sdn. Bhd. (Co. No. 447871-W)		
Address	Lot 540, Engkilo Land District, Sibul Division & Block 42, Lot 1, Kabang Land District, 96000 Sibul, Sarawak, Malaysia		
Group name if applicable:	Palmgroup Holdings Sdn. Bhd. (Co. No. 462042-M)		
Subsidiary of (if applicable)	-		
Contact Person Name	Mr Chong Kok Siong (EM), Mr Raymond Nyian (RN)		
Website	<a href="https://www.mafrica.com.my">https://www.mafrica.com.my</a>	E-mail	<a href="mailto:raymondny@mafrica.com.my">raymondny@mafrica.com.my</a> <a href="mailto:cks@mafrica.com.my">cks@mafrica.com.my</a>
Telephone	+60 84- 353 155 +6012 881 0052	Facsimile	+60 84 332 153

<b>1.2 Certification Information</b>			
Certificate Number	MSPO 681157		
Issue Date	12/10/2018	Expiry date	11/10/2023
Scope of Certification	Production of Sustainable Oil Palm Fruits		
Stage 1 Date	16/11/2017		
Stage 2 / Initial Assessment Visit Date (IAV)	22/03/2018		
Continuous Assessment Visit Date (CAV) 1	26/08/2019		
Continuous Assessment Visit Date (CAV) 2	TBA		
Continuous Assessment Visit Date (CAV) 3	TBA		
Continuous Assessment Visit Date (CAV) 4	TBA		
<b>Other Certifications</b>			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
Nil			

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1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Victoria Square Development Estate	Lot 540, Engkilo Land District, Sibul Division & Block 42, Lot 1, Kabang Land District, 96000 Sibul, Sarawak, Malaysia	111° 45' 12.09" E	2° 23' 21.76" N

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Victoria Square Development	12.50	3,620.18	0	0	0
<b>TOTAL</b>	12.50	3,620.18	0	0	0

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Estimated (Previous Year)	Actual (Oct 2018 – July 2019)	Forecast (Oct 2019 – July 2020)
Victoria Square Development	74,999.27	42,282.18	69,397.54
<b>TOTAL</b>	74,999.27	42,282.18	69,397.54

1.6 Certified CPO / PK Tonnage			
Mill	Estimated (Previous Year)	Actual (This Year)	Forecast (Next Year)
N/A	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)
	PK (KER: %)	PK (KER: %)	PK (KER: %)

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted

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Victoria Square Development	3,632.68	-	361.32	3,994.00	90.95
TOTAL	3,632.68	-	361.32	3,994.00	90.95

**1.8 Details of Certification Assessment Scope and Certification Recommendation:**

BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance 1 (ASA1) Assessment of Victoria Square Development Sdn Bhd, located in Sibul, Sarawak comprising Victoria Square Development Sdn Bhd Estate and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholder.

The onsite assessment was conducted on 26 August 2019.

Based on the assessment result, Victoria Square Development Sdn Bhd complies with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholder and recommended for certification.

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
Suite 29.01 Level 29,  
The Gardens North Tower,  
Lingkaran Syed Putra, Mid Valley City,  
59200 Kuala Lumpur  
Tel +60392129638 Fax +60392129639  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 26<sup>th</sup> August 2019. The audit programme is included as Appendix A. The approach to the audit was to treat Victoria Square Development Sdn Bhd Estate as one single estate Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula  $S = r\sqrt{n}$  where n is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula  $(r\sqrt{n})$ ; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the this assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

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This report was internally reviewed by Approved BSI Internal Reviewer.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

<b>1. Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 4)</b>	<b>Year 5 (ASA 5)</b>
Victoria Square Development Sdn BhdEstate	√	√	√	√	√

**Tentative Date of Next Visit: June 24, 2020**

**Total No. of Mandays: 2**

**BSI Assessment Team:**

**Mohamed Hidhir Zainal Abidin - Lead Auditor**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

**Muhammad Fadzli Masran - Team Member**

Fadzli graduated in Bachelor of Forestry Science at University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO9001 and ISO14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. He covered Mill & Estate Best Practices, Legal, OSH, Workers Consultation & etc.

### Section 3: Assessment Findings

#### 3.1 Details of audit results

This assessment has been assessed using the following MSP0 normative requirements. The assessment details are provided in Appendix A.

- MSP0 MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During this annual surveillance assessment, (3) Minor nonconformities and 2 Opportunity for Improvement (OFI) were raised. Victoria Square Development Sdn Bhd Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the Corrective Actions for the Minor Non-conformity (ies) will be verified for its effectiveness and closed accordingly next year.

<b>Finding Reference</b>	<b>1816032-201903-I1</b>	<b>Certificate Reference</b>	<b>MSP0 681157</b>
<b>Certificate Standard</b>	<b>MS 2530:2013 Part-3</b>	<b>Clause</b>	<b>4.4.5.11</b>
<b>Category</b>	Opportunity for Improvement		
<b>Area/Process:</b>	Victoria Square Development Sdn Bhd		
<b>Details</b>	One of the septic tank at phase 2, harmony labour line was covered with rubbish. Regular inspection is recommended to ensure the area is clear and avoiding blockage/smelly drain etc		

<b>Finding Reference</b>	<b>1816032-201903-I2</b>	<b>Certificate Reference</b>	<b>MSP0 681157</b>
<b>Certificate Standard</b>	<b>MS 2530:2013 Part-3</b>	<b>Clause</b>	<b>4.4.5.13</b>
<b>Category</b>	Opportunity for Improvement		
<b>Area/Process:</b>	Victoria Square Development Sdn Bhd		
<b>Details</b>	JCC committee member's appointment is current imbalance where total employee representative are 6 and 10 from employer representative.		

Minor Nonconformities:		
Ref	Area/Process	Clause
1816032-201903-N1	Victoria Square Development Sdn Bhd	4.1.3.4
Requirements:	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements	



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Statement of Nonconformity:	Legal compliance was not effectively monitored
Objective Evidence:	One TKI worker, passport no. B6100735 join date, 17/1/19 was found without valid visa/work permit.
Root cause analysis:	The monitoring activity was not in regular schedule.
Corrections:	To follow up with HR Executive at Head Office concerning the progress of the TKI permit. Permit for Passport no. B6100735 has been received in Sep 2019.
Correction Action Plan:	1. Assign a person from Estate to monitor permit/visa progress from time to time. 2. HR Executive at Head Office will be assigned to assist in monitoring permit/visa progress with agency and government department.
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment

Minor Nonconformities:		
Ref	Area/Process	Clause
1816032-201903-N2	Victoria Square Development Sdn Bhd	4.4.5.4
Requirements:	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.	
Statement of Nonconformity:	Mechanism to ensure salary for the employees of contractors are paid based on legal was not effective	
Objective Evidence:	Sighted the sampled pay slip and employment contract of contractor worker for Lau Huat Kock available and yet to comply with the minimum wages standard as per below: 1. AS350218 (Pay slip for March 2019: RM 1033.11) 2. B6100735 (Pay slip for March 2019: RM 899.34) 3. AT852876 (Pay slip for March 2019: RM 741.78)	
Root cause analysis:	Lacking monitoring for the contractor's workers by the contractor.	
Corrections:	1. Contractor workers' to fill in daily attendance using checkroll book. 2. Contractor to submit every documentation, like on sick leave, annual leave application as evidence for the working mandays.	
Correction Action Plan:	The estate management (PIC) will monitor closely the contractor workers.	
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment	

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Minor Nonconformities:		
Ref	Area/Process	Clause
1816032-201903-N3	Victoria Square Development Sdn Bhd	4.5.3.2
Requirements:	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: 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	
Statement of Nonconformity:	The waste management plan is not effectively implemented.	
Objective Evidence:	The latest disposal of schedule waste was done in November 2018. Current recorded storage inventory was from January 2019. The records shows the storage was more than 180 days without any approval letter from DOE.	
Root Cause Analysis:	No further initiative is made to check with Department Of Environmental (DOE) for solutions.	
Corrections:	To apply for the extension and to get approval letter from DOE with immediate effect.	
Correction Action Plan:	i) To liaise directly with DOE for any issue regarding schedule waste that need intervention and solutions by DOE. ii) To regularly updating the environmental committee during committee meetings on schedule waste progress at site and to updating on regulatory requirement.	
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment	

Noteworthy Positive Comments	
1	External stakeholders for the mill and estates shown positive feedbacks towards the company.
2	Victoria Square Development Sdn Bhd management unit has maintained good relationship with the local community and other stakeholders.

**3.3 Status of Nonconformities Previously Identified and OFI**

<b>Finding Reference</b>	<b>1608413-201802-M1</b>	<b>Certificate Reference</b>	<b>MSP0 681157</b>
<b>Certificate Standard</b>	<b>MS 2530:2013 Part-3</b>	<b>Clause</b>	<b>4.5.3.3</b>
<b>Category</b>	Major		
<b>Area/Process:</b>	As per public summary		
<b>Details:</b>	The documentations of movement and disposal of scheduled wastes were not adequate.		
<b>Objective evidence:</b>	The estate has disposed its scheduled wastes such as spent lubricants (SW305), contaminated filters (SW410) and used batteries (SW102) to a facility (Kien San Metal Sdn Bhd) and transported by Jun Enterprise. However, the recordings of inventory in accordance to the Fifth Schedule and the utilization of consignment note in accordance to the Sixth Schedule of the EQ (SW) Reg. 2005 were not done. The vehicles used to transport the scheduled wastes were also found to be not in the registered list of the DOE's website.		
<b>Cause</b>			
No responsible person assigned to monitor the process at respective units/ departments.			
<b>Correction / containment</b>			
To updating the inventory records in accordance to 5th schedule and to completely fill-in the 6th schedule as per requirements.			
<b>Corrective action</b>			
<p>1. To assign responsible person with appointment letter at every respective section to ensure the documentation process is completed.</p> <p>2. Provide training to the responsible person</p> <p>ASA1 verification:</p> <p>i) Appointment letter for Scheduled Waste Responsible Person for 3 person as per letter dated 16/5/2018 signed by estate manager.</p> <p>ii) Sighted the inventory records reported in E-SWISS for the month of January – July 2019. Sighted latest disposal records report as follows:</p> <p>a. 5/11/2018, SW 102, 20181105168JL64E</p> <p>b. 5/11/2018, SW 305, 2018110516DLU58A</p> <p>c. 8/11/2018, SW 410, 201811089JM0IU</p> <p>iii.) Latest Scheduled waste management training was conducted on 1/8/2019.</p> <p>No recurrence of issues noted. The previous major NC is remain closed.</p>			
<b>Closed?:</b>			
Yes			

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<b>Finding Reference</b>	<b>1608413-201802-M2</b>	<b>Certificate Reference</b>	<b>MSPO 681157</b>
<b>Certificate Standard</b>	<b>MS 2530:2013 Part-3</b>	<b>Clause</b>	<b>4.4.5.11</b>
<b>Category</b>	Major		
<b>Area/Process:</b>	As per public summary		
<b>Details:</b>	<p>Requirements 6. (1) (a) was found not fully complied for housing in Victoria Square Estate as per Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) Clause 6: Supply of water and electricity and maintenance of houses:</p> <p>6. (1) Where workers and their dependents are provided with housing at their place of employment it shall be the duty of the employer of such place of employment -</p> <p>(a) to provide free and adequate piped water drawn from a public main, or where the Director General so permits in writing, to provide free and adequate supply of potable piped water drawn from any other source which shall be filtered and treated in a manner approved by the Director General;</p>		
<b>Objective evidence:</b>	Sampled labour lines Phase 1 Camp Aman.		
<b>Cause</b>			
No verification and approval made on the standard requirement applicable to Sarawak			
<b>Correction / containment</b>			
To get proper consent and approval in writings from respective authorities such as Jabatan Tenaga Kerja Sarawak			
<b>Corrective action</b>			
<p>1. To check and to consult from time to time in the future with relevant authorities for additional measures.</p> <p>2. To ensure that the existing measures such as analysis on water drinking is continuously monitor</p> <p>ASA1 verification:  Based on letter from Labour Department, ref. no.: JTKSWK/DA/(S)18 JLD 3 (27) dated 15/5/18, Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) is not applicable for Sarawak. Drinking water analysis is consistently maintained and combined under quarterly Environmental Monitoring Report reported to NREB, Sarawak. The previous major NC is remain closed.</p>			
<b>Closed?:</b>			
Yes			

**3.4 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues:</b>  <u>FFB buyer (Igan Palm Oil Mill)</u>            Victoria Square Development is one of the FFB suppliers to Kin Seng Mill. No issue with FFB quality so far and both parties has agreed with the grading standard and penalties according to MPOB standard.</p> <p><b>Management Responses:</b>            Estate will continue to send good and quality FFB to mill</p> <p><b>Audit Team Findings:</b>            No further issue.</p>
2	<p><b>Issues:</b>  <u>Workers' Representatives</u>            Overtime and basic salary were on time and paid accordingly. No discrimination occur between locals and foreign worker as well as among male and female.</p> <p><b>Management Responses:</b>            Estate will continue the good practices.</p> <p><b>Audit Team Findings:</b>            No further issue.</p>
3	<p><b>Issues:</b>  <u>Contractors</u>            Contractors are having a valid contract with Victoria Square Development Sdn Bhd Estate and payments were made accordingly. Their workers are staying outside the estate since the workers are locals. No other issue raised.</p> <p><b>Management Responses:</b>            Estate will continue the good practices.</p> <p><b>Audit Team Findings:</b>            No further issue.</p>

**3.5 Summary of the Nonconformities and Status**

<b>CAR Ref.</b>	<b>CLASS</b>	<b>ISSUED</b>	<b>STATUS</b>
1608413-201802-M1 - 4.5.3.3	Major	22/3/18	Closed on 21/5/18
1608413-201802-M2 - 4.4.5.11	Major	22/3/18	Closed on 21/5/18
1816032-201903-N1 - 4.1.3.4	Minor	26/8/19	CAP is accepted. To be further verified in the next assessment
1816032-201903-N2 - 4.4.5.4	Minor	26/8/19	CAP is accepted. To be further verified in the next assessment
1816032-201903-N3 - 4.5.3.2	Minor	26/8/19	CAP is accepted. To be further verified in the next assessment

**3.6 Summary of the findings by Principles and Criteria**

**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders – Victoria Square Development Sdn Bhd Estate**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Victoria Square Development Sdn Bhd has established a policy on sustainable palm oil production. Signed by MD, Mr Tiong Chiong Hee dated 5/5/2017 [Reference: MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016, version 1 dated 20/4/2016	Yes
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the estate operation.	Yes
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Based on the company’s internal audit procedure Clause 7.2.1, internal audit shall be conducted semi-annually. The internal audit was carried by Sustainability team on 27-29/5/19 for Victoria Square estate by 3 internal auditors. Audit covered both documentation and field operations. Rating was given based on audit finding. Audit report was available with the summary of findings for each respective work units.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	<p>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> <p><b>- Major compliance -</b></p>	<p>Victoria Square Development Estate has implemented its Internal Audit Procedure under the MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016, version 1 dated 20/4/16 which was prepared by Assistant Manager OHS and Environment, Mr Raymond Nyian. Internal audit procedure is under Appendix 1 of the procedure.</p> <p>The procedure has incorporated the internal auditor competency requirement. By default, internal audit is planned once a year. Total of 19 NC raised in the latest audit. Refer to corrective action plan dated 30/5/19 was established. Some of the NCs are still in the process of closure and yet to be closed in due time.</p>	Yes
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>Internal audit report dated 29/05/2019 was made available for management review.</p>	Yes
<b>Criterion 4.1.3 – Management Review</b>			
4.1.3.1	<p>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> <p><b>- Major compliance -</b></p>	<p>MSPO Management Review was carried out on 20/06/2019. Minute Meeting of Management Review MSPO was available. All pertinent elements for MSPO implementation has been reviewed and presented to top management.</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p><b>- Major compliance -</b></p>	<p>Continual improvement plan for 2019 is referred to. Improvement plan for pertinent key values on BMP i.e peat management, economic, social and environmental has been identified for improvement. Action plan for continual improvement was established based on EIA conducted, entitled “The Proposed Victoria Square’s Engkilo Oil Palm Plantation on Lot 540, Engkilo Land District, Sibul Division, Sarawak” by Ecosol Consultancy Sdn Bhd, report dated August 2007 and approved by NREB on 19/9/2007 – undertaking agreement has been signed on 13/12/2007 by Dr. Tie Yiu Liong (MD) [EIA report approval ref. no. (13)NREB/6-1/2E/41].</p>	Yes
<b>4.1.4.2</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>This is obtained through participation on various trainings or seminars such as ISP, Sarawak Oil Palm Plantation Owners Association (SOPPOA) and training by suppliers (agrochemicals, tools, machinery)</p>	Yes
<b>4.1.4.3</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>The estate has appointed the assistant manager as in charge person to implement and monitor any new technologies being implemented and training of other personnel’s. Action is documented under document named Continuous Improvement Plan dated 2019. Most of the action plan is still on going and time frame for completion is being monitored by the person in charge.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>Information requested by relevant stakeholders was communicated in appropriate languages and forms as per sighted Procedure of Application for Company’s Information &amp; Application for Company Information Flow Chart that requires stakeholder need to fill in Information Request Form. The procedure was established by Agronomy &amp; Sustainability Department Palmgroup Holdings for Sustainability Team. The Procedure of Application for Company’s Information &amp; Application for Company Information Flow Chart requires stakeholder/requester to fill in Information Request Form. The “Records Book of Stakeholders or Interested Party Who Has Viewed/Obtained Documents” has been spelt out in the procedure/flow chart. The traceability or control of “Application for Company Information Flow Chart” form (which might include running number doc. &amp; form ref. # &amp; date in case of any revision/changes) was made available</p>	<p>Yes</p>
<b>4.2.1.2</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>Records of request for information maintained under file Action Request. Most of the requests are internal i.e. housing repair request by the workers raised during JCC Meeting.</p> <p>In general all the documents are available upon request.</p>	<p>Yes</p>
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>Procedures established for the whole operating units under Palmgroup Holdings Sdn. Bhd. verified as following:</p> <ul style="list-style-type: none"> <li>i) Communication and Consultation Procedures; Ref. no. PGHSB/SOPP/001/2015 (2019-02) Ver. 2; Date issued: 15/4/19;</li> <li>ii) Complaint and Grievance Procedures; Ref. no PGHSB/SOPP/002/2015; Ver. 1; Date issued: 21/12/2015</li> <li>iii) Task: TQM Management Plan on Grievance and Complaint Procedure-C6.3</li> <li>iv) Flowchart of Complaint in Victoria Square Development Sdn. Bhd.</li> </ul> <p>Complaint and Grievance Policy; Signed by Managing Director; Date: 5/5/2017</p>	Yes
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p><b>- Minor compliance -</b></p>	<p>A management official was nominated as per following: - Appointment – Estate Social &amp; Legal Coordinator; Letter; Ref. # VSDBS/TQM/Social &amp; Legal/001; Date: 5/1/2015; <i>Kong Kai Siong (AM)</i></p>	Yes
4.2.2.3	<p>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> <p><b>- Major compliance -</b></p>	<p>The lists and records were properly maintained in file Title: Registers of Stakeholders; Ref. # ST 02; end of reporting July 2019.</p> <ul style="list-style-type: none"> <li>- List of Contractors</li> <li>- List of Suppliers</li> <li>- List of Government Bodies</li> <li>- List of Community Groups &amp; NGOs</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- List of Local Community</li> <li>- List Internal Stakeholders – Store, mess, workshop, security house, estate genset room</li> </ul> <p>Latest stakeholder meeting was carried out on 19/9/18 and 27/6/19 with the external stakeholders/contractors (harvesting and maintenance). Internal stakeholder meeting was last carried out on 25<sup>th</sup> July 2019. Issues related to employment relation, working arrangement, training and development, EHS and welfare were discussed.</p>	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p><b>- Major compliance -</b></p>	<p>SOP on the traceability of the FFB has been established under Guidelines on Traceability Procedures, PGHSB/SOPP/001/2017, rev:01 dated November 2016.</p>	Yes
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>Regular inspections were checked through daily in-field harvesting standard and FFB quality form inspection. Refer to report dated 9/8/19 at phase 2C block C3.</p> <p>Rating given for 4 criteria mainly on field condition, safe handling, quality harvesting and production recording. 0 – not comply, 1 – more improvement, 2 – satisfactory, 3 – perfect. Overall satisfactory rating given by the inspector.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The assistant managers were appointed as the person in-charge in ensuring the implementation of the traceability system [ref.: Clause 4.2 of the MSPO procedure].	Yes
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Based in verification of FFB delivery documents such as FFB dispatch chit, mill weighbridge ticket, FFB daily records book and monthly summary of FFB dispatch, the traceability was found to be in order. The information about date of delivery, origin field of FFB, weight and number of bunches was well recorded. Sample checked: i) VSD no. 350602, vehicle: QSV4487, field no.1/B6, no. of bunches: 571, weight (nett):5.86 mt certificate information: MSPO681157 valid until 11/10/23	Yes
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	The estate continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. Mill had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were: i. MPOB License no. 549549002000. Validity from 1/5/2019 till 30/45/2020 ii. Diesel Permit no.KPDN/SBU/SK-KHAS-D/600-7.2/154. Validity from 11/7/2019 till 10/7/2020	Yes

Criterion / Indicator		Assessment Findings	Compliance
		iii. Air Compressor Permit no. PMT-SW/18 28942. Validity from 15/3/2019 till 16/3/2020.	
<b>4.3.1.2</b>	The management shall list all laws applicable to their operations in a legal requirements register.  - <b>Major compliance</b> -	The estate has identified all applicable laws and other requirements and documented in Legal Register. Refer doc. no. OT05. The list was updated if there any updated to the Legal Register. Latest updated was done in August 2019 with addition on Noise Regulations 2019 and Employee Circular no 3 2018 on SOCSO Act 1969.	Yes
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.  - <b>Major compliance</b> -	The Sustainability Unit (in HQ) is responsible to update the legal requirements register. The most common method used were obtaining information from websites of government agencies and news.  The Legal Register was updated if there any updated version or new applicable law or other requirements. Latest updated was done in August 2019 with addition on Noise Regulations 2019 and Employee Circular no 3 2018 on SOCSO Act 1969.	Yes
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.  - <b>Minor compliance</b> -	The Sustainability Unit (in HQ) is responsible to update the legal requirements register and will communicated to all operating units through email and internal memo. The most common method used were obtaining information from websites of government agencies and news.  Legal compliance was not effectively monitored where there is one TKI worker, passport no. B6100735 join date, 17/1/19 was found without valid visa/work permit. Thus, a minor NC was raised.	Minor Non compliance
<b>Criterion 4.3.2 – Lands use rights</b>			

Criterion / Indicator		Assessment Findings	Compliance									
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>The management ensured their oil palm cultivation do not diminish the land use rights based on verification as following:</p> <ul style="list-style-type: none"> <li>- Estate Facilities Plan – Main office, store, quarters, field block Phase 1 &amp; Phase 2</li> <li>- Location of neighbor – KTS OPP &amp; Loba Kabang OPP (Sawai Block)</li> </ul> <p>A1 map title: Boundary Pegs; Map ref. # VS-VSD-2017-06-20-01; Date: 20/6/2017; Sample boundary: WHSB/PCB2 peg # Station T 12; Coordinate: 2229614.836° E; 5264213.899° N</p>	Yes									
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p><b>- Major compliance -</b></p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual use of the land was verified as per the following:</p> <table border="1" data-bbox="1086 944 1908 1380"> <thead> <tr> <th>Land title</th> <th>Legal ownership/lease</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>TRN: 03-LCLS-006-042-00002, Kabang Land District, lot 2, section/block 42 Total area: 1954 ha</td> <td>Leasehold for 60 years until 8<sup>th</sup> November 2067</td> <td>Agriculture</td> </tr> <tr> <td>TRN: 03-LCLS-002-006-00063, Engkilo Land District, lot 63,</td> <td>Leasehold for 60 years until 16<sup>th</sup> April 2067</td> <td>Agriculture</td> </tr> </tbody> </table>	Land title	Legal ownership/lease	Land use type	TRN: 03-LCLS-006-042-00002, Kabang Land District, lot 2, section/block 42 Total area: 1954 ha	Leasehold for 60 years until 8 <sup>th</sup> November 2067	Agriculture	TRN: 03-LCLS-002-006-00063, Engkilo Land District, lot 63,	Leasehold for 60 years until 16 <sup>th</sup> April 2067	Agriculture	Yes
Land title	Legal ownership/lease	Land use type										
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TRN: 03-LCLS-002-006-00063, Engkilo Land District, lot 63,	Leasehold for 60 years until 16 <sup>th</sup> April 2067	Agriculture										

Criterion / Indicator		Assessment Findings			Compliance
		section/block 6 Total area: 2040 ha			
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The legal perimeter boundary markers were clearly demarcated and visibly maintained on the ground as per sample sighted in the field block boundary to stakeholder area visited. The brief procedure for establishment and maintenance of boundary was documented.			Yes
<b>4.3.2.4</b>	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). <b>- Minor compliance -</b>	No any disputes on land ownership where in case of any, the process will be conducted based on Flow Chart 1: FPIC Process Guide – Title: Identification of Customary Land Rights and Compensation Procedure; Ver. # 1; Ref. # PGHSB/SOPP/005/20151 dated 21/12/15			Yes
<b>Criterion 4.3.3 – Customary rights</b>					
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	There’s no land encumbered by customary rights in Victoria Square Estate, hence this indicator is not applicable			Not applicable
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	There’s no land encumbered by customary rights in Victoria Square Estate, hence this indicator is not applicable			Not applicable



Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	There's no land encumbered by customary rights in Victoria Square Estate, hence this indicator is not applicable	Not applicable
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Plans and impact assessments relating to environmental and social impacts based on records of following: Internal: Social Impact Assessment (SIA) Mitigation Plan; Version: 1 (OCT2016)/SU; Dated: 10/10/2016; By: Raymond Nyian;  SR0: Social Management System – Stakeholder Register - Template ST02 Register of Stakeholder; Communication and consultation mechanisms and social risk identified as per below: - SR0: Social Management system - SR1: Local community; - SR2: Traceability & fair trade - SR3: OSH - SR4: Work Conditions - SR5: Living conditions (Poor risk rating given by Wild Asia) - SR6: Women & Children	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Mitigation plan: housing inventory, complaint &amp; grievance record, emergency response plan fire evacuation, water shortage, facility inspection record</p> <p>External: Wild Asia (Malaysia); Project Ref.: P438 Palmgroup; Final Report Social Impact Assessment; Palmgroup Holdings Sdn. Bhd. 13 21 June 2019. Summary of Findings:</p> <ul style="list-style-type: none"> <li>- Hiring of workers in relation to legal and national legislation compliance</li> <li>- Work conditions covering human rights issues and national legislation compliance</li> <li>- Housing or workers in relation to legal and national legislation compliance</li> <li>- Health and safety with regards to workers and women groups - Workforce suppliers in relation to legal and national legislation compliance</li> <li>- External stakeholder engagement - Social Continual Improvement Plan 2019 dated 10/1/2019 included parameter to monitor for impacts identified such as facility, complaint &amp; grievance, communication &amp; consultation, sexual harassment, customary land rights &amp; compensation procedure, child labour</li> </ul>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented.	A system for dealing with complaints and grievances established as Complaint and Grievance Procedures; Ref. # PGHSB/SOPP/002/2015; Ver. 1; Date issued: 21/12/2015	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
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.  - <b>Major compliance</b> -	Based on sampled "Borang Aduan" and above procedure, the system able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.  - <b>Minor compliance</b> -	Any complaints will reported through official complaint form (formal/informal/sensitive) and will be discussed during meeting. Latest meeting dated 18/7/19, has discussed the issue related to stray dogs in the estate compound. As reported under ST19, monitoring of action request, total of 3 complaints reported in 2019. Status of complaints are closed and resolution of the issues will be informed officially through letter to the said complainants.	Yes
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.  - <b>Minor compliance</b> -	During the site visit, it was confirmed that employees and surrounding communities are aware on the complaints and suggestion can be made anytime to the management. Most of the complaint raised through verbal and recorded in the complaint form.	Yes
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.  - <b>Major compliance</b> -	The complaint records are available and recorded since 2016.	Yes
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			

Criterion / Indicator		Assessment Findings	Compliance
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>	<p>The management has allocated some fund for local contribution and donation. Besides, the estate also made contribution to longhouse for festival celebration and school teacher's day celebration etc.</p>	Yes
<b>Criterion 4.4.4: Employees safety and health</b>			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Victoria Square estate has established Safety and Health Policy signed by the Managing Director dated 1/1/2019. In the policy stated the commitment of the company to ensure the estate area is safe and healthy to all its workers and to everyone who is involve in its estate activities. The policy was available in Bahasa Malaysia and English.</p> <p>The policy was communicated to all the employee through briefing, training and displayed on signboard at designated place at the estate.</p> <p>The estate has established OSH Plan FY 2019-2020. Sighted the implementation of the management plan as follows:</p> <p>i. Workplace Inspection was conducted on quarterly basis. Sighted the inspection records dated 8/7/2019, 27/5/2019 and 14/3/2019.</p> <p>ii. Fire extinguisher recertification was conducted on annually basis. Sighted the Estate Internal Memo dated 1/3/2019 from the S&amp;H Coordinator to the Assistants Manager request for the Fire extinguisher recertification.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p>	<p>Victoria Square estate has established Safety and Health Policy signed by the Managing Director dated 1/1/2019. The policy was communicated to all the employee through briefing, training and displayed on signboard at designated place at the estate.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate 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).</li> <li>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.</li> <li>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.</li> </ul>	<p>The estate has conducted risk assessment on all main and support operations in the estate and documented in the HIRARC register. The HIRARC was reviewed on annually basis. Latest review was conducted on 10/7/2019 with by the safety officer with addition of Road Maintenance activity.</p> <p>The management has established Safety Operation procedure for chemical handling – Chemical and Fertilizer store, Chemical mixing and Chemical spraying. Noted during site visit, the chemical was stored in the designated store under lock and key. The balance chemical from the premixing of chemicals was stored back in the chemical store.</p> <p>Victoria Square Development Sdn. Bhd. has appointed the Estate Manager as Safety and Health committee Chairman as per appointment letter signed by the Operational General Manager dated 5/1/2019. The estate management has appointed the safety and health committee consist of secretary, management representative and employee representative. The committee conducted meeting on quarterly basis to discuss on safety and health issue such as workplace inspection reports, training reports, accidents and etc. Sighted the minutes dated 22/3/2019, 17/5/2019 and 13/8/2019.</p> <p>The estate has established accident and emergency procedures and documented in Plantation Fire Preparedness Plan and Responds Plan. Latest training on Fire control and emergency for all occupant at staff quarters and executive training dated 26/3/2019 and Fire drill and Fire Extinguisher usage conducted on 18/2/2019. Noted during site visit and interview with the workers show satisfactory understanding on ERP at housing area.</p>	

Criterion / Indicator	Assessment Findings	Compliance	
<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 meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <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.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>The mandore for each working group has been appointed as first aider. Latest First aid Box training was conducted on 9/1/2019.</p> <p>Accident records were maintain and updated by the Safety and Health Coordinator and reported to the HQ on monthly basis. The accident records was discuss during safety and health committee meeting conducted on quarterly basis.</p>		
<p><b>Criterion 4.4.5: Employment conditions</b></p>			
<p><b>4.4.5.1</b></p>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>The policies on good social practices regarding human rights in respect of industrial harmony for Palmgroup Holdings Sdn Bhd were established as as following:</p> <ul style="list-style-type: none"> <li>- Employment Policy; Ref. # PGHSB/SOPP/011/2016; Ver. 01; Date issued: 22/2/2016</li> <li>- Child Labour Policy; Ref. # PGHSB/SOPP/005/2016; Ver. 02; Date issued: 5/5/2017</li> <li>- Equal Opportunity Policy; Ref. # PGHSB/SOPP/007/2016; Ver.02; Date issued: 5/5/2017</li> </ul>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Special Labour and Forced Labour Policy; Ref. # PGHSB/SOPP/008/2017; Ver. 02; Date issued: 5/5/2017</li> <li>- Freedom of Association &amp; Collective Bargaining Policy; Ref. # PGHSB/SOPP/009/2017; Ver. 02; Date issued: 5/5/2017</li> <li>- Human Rights Policy; Ref. # PGHSB/SOPP/010/2017; Rev. 02 Date issued: 5/5/2017 - Sexual Harassment Policy; Ref. # PGHSB/SOPP/012/2017; Rev. 02; Date issued: 5/5/2017</li> <li>- Women Rights Policy; Ref. # PGHSB/SOPP/013/2017; Rev. 02; Date issued: 5/5/2017</li> <li>- Zero Burning Policy; Ref. # PGHSB/SOPP/014/2015; Rev. 01; Date issued: 21/7/2015</li> <li>- Complaints and Grievance Procedures; SOPP/002 - Communication and Consultation Procedures; SOPP/00</li> </ul>	
<b>4.4.5.2</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>There are no discriminatory practices in Victoria Square Development Sdn Bhd Estate. The workers were equally treated for male and female and locals and foreign workers. All workers receive free accommodation, electricity, medical and insurance.</p>	Yes
<b>4.4.5.3</b>	<p>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>	<p>All the employees received the salary in accordance with minimum wage order 2016 and 2018 for salary in September 2018 and March 2019 . Sampled below workers:</p> <p>i)Local</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	<ul style="list-style-type: none"> <li>- MY00003192, date join 1/7/11</li> <li>- MY00005929, date join 19/4/18</li> <li>- MY00002092, date join 1/4/09</li> <li>- MY00004487, date join 10/2/14</li> </ul> <p>ii) Foreign workers</p> <ul style="list-style-type: none"> <li>- B9121292, date join 3/2/18</li> <li>- AS958449, date join 31/10/16</li> <li>- C0804623, date join 18/8/18</li> <li>- B6851569, date join 18/1/18</li> <li>- C0221528, date join 20/8/18</li> <li>- B6848502, date join 2/3/18</li> </ul> <p>All the workers sampled meeting the minimum wages order for 2016 and 2018.</p>	
<b>4.4.5.4</b>	<p>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> <p>- <b>Minor compliance</b> -</p>	<p>Sighted the sampled pay slip and employment contract of contractor worker for Lau Huat Kock available and yet to comply with the minimum wages standard as per below:</p> <ol style="list-style-type: none"> <li>1. AS350218 (Pay slip for March 2019: RM 1033.11 &amp; Sept 2018: RM 2240.55)</li> <li>2. B6100735 (Pay slip for March 2019: RM 899.34 date join: 17/1/19)</li> <li>3. AT852876 (Pay slip for March 2019: RM 741.78 &amp; Sept 2018: RM 2001.48)</li> </ol>	Minor Non Compliance



Criterion / Indicator		Assessment Findings	Compliance
		Thus, a minor NC was issued.	
<b>4.4.5.5</b>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>The master list of workers are available containing the worker's name, D.O.B, age, gender, job description, etc.</p> <p>Workers Masterlist (local) as at 20/8/19 is referred to. Total of 6 local workers were employed.</p> <p>Foreign workers master list (TKI @ Tenaga Kerja Indonesia) as at 23/8/19 is referred to. Total of 75 TKI were employed by the company.</p> <p>Refer Permit to employ non-resident workers, ref. no. JTK-MG-SU-01261-89(A)(7) dated 29/10/18. Total quota for hiring is 100 workers and valid until 28/10/20.</p>	Yes
<b>4.4.5.6</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>All employees were provided with fair contracts that have been signed by both employee and employer. Copy of contract available ass per sample employment contract file and pay slips verified as per sampled employment contract file:</p> <p>i)Local</p> <ul style="list-style-type: none"> <li>- MY00003192, date join 1/7/11</li> <li>- MY00005929, date join 19/4/18</li> <li>- MY00002092, date join 1/4/09</li> <li>- MY00004487, date join 10/2/14</li> </ul> <p>ii)Foreign workers</p> <ul style="list-style-type: none"> <li>- B9121292, date join 3/2/18</li> <li>- AS958449, date join 31/10/16</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- C0804623, date join 18/8/18</li> <li>- B6851569, date join 18/1/18</li> <li>- C0221528, date join 20/8/18</li> <li>- B6848502, date join 2/3/18</li> </ul>	
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>Based on the sampled pay slips of workers as above, there is no trace of breach of payment as stipulated in their contract. Interview with workers shows no issue on wages received. During site visit, interview with both local and foreign workers revealed no discrimination on overtime hours as well on wages received for overtime work done. This was also cross checked in their respective pay slips against punch card monthly/daily and daily payroll records sample for September 2018 (peak crop) and March 2019 (low cropping month) and no discrepancies found.</p>	Yes
<b>4.4.5.8</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>Based on the agreement, Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to the Sarawak Labour Ordinance. As at current status, there was none has crossed 80 hours of overtime. Verified the pay slips, the payment and calculation of overtime well distributed.</p> <p>The overtime rate after 8 hours daily rated is: (upkeep/maintenance)</p> <ul style="list-style-type: none"> <li>- Mon - Sat – daily rated / 8 hours x 1.5</li> <li>- Sunday - daily rated / 8 hours x 2.0</li> <li>- Public holiday – daily rated / 8 hours x 3.0</li> </ul> <p>The overtime rate after 8 hours piece rated is: (harvesters)</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Mon - Sat – flat rate</li> <li>- Sunday – flat rate x 2.0</li> <li>- Public holiday – flat rate x 3.0</li> </ul>	
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made. Deductions were based on following permits:</p> <p>Permit potongan daripada gaji pekerja di bawah seksyen 114 ordinan buruh (Sarawak bab 76) no. siri: JTKSWK/PG/015/18/(SBU); dated: 21/2/2018 for</p> <ul style="list-style-type: none"> <li>i) Motorcycle loan installment deduction (RM 100-150)</li> <li>ii) Sundry shop deduction</li> <li>iii) Store deduction</li> <li>iv) Refund/food preparation coupon</li> </ul>	Yes
<b>4.4.5.10</b>	<p>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.</p> <p><b>- Minor compliance</b></p>	<p>The social benefits for:</p> <p>Local - incentives for good work performance by giving hampers for general workers during annual dinner and for staff is based on KPI eligible for incentive, bonus payment, professional development for only executive and above, medical care and health provisions are for entire work force including periodical medical surveillance for sprayers.</p> <p>Foreigner – new employees arriving from overseas are given the basic necessities and food and a return air tickets each for a contracted period.</p>	Yes

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<b>4.4.5.11</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Workers were provided with housing in clean and conducive condition. Progressively old wooden house will be replaced with concrete house as part of continual improvement plan. As minimum, linesite inspection has been conducted by site safety officer in 3 monthly basis. Latest record of inspection was done in 3/7/19. As for Sarawak, Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) is not applicable. Refer to letter from Labour Department, ref. no.: JTKSWK/DA/(S)18 JLD 3 (27) dated 15/5/18.</p> <p>OFI – one of the septic tank at phase 2, harmony labour line was covered with rubbish etc. To ensure the area is clear and avoiding blockage/smelly drain etc.</p>	Yes
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>The management established the Sexual Harassment Policy – 012/2016 to prevent all forms of sexual harassment and violence at workplace.</p>	Yes
<b>4.4.5.13</b>	<p>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</p>	<p>The management established the Freedom of Association &amp; Collective Bargaining Policy - 009 to facilitate the collective bargaining in accordance with applicable laws and regulations.</p> <p>Sighted the latest JCC meeting for Worker-Management Committee Organization Chart 2019. No changes on committee members the appointment as to date. Latest JCC meeting dated 25/7/19 was made available for review.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>repercussions.</p> <p><b>- Major compliance -</b></p>	<p>OFI – JCC committee member’s appointment is current imbalance where total employee representative are 6 and 10 from employer representative.</p>	
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>In-line with the established Child Labour Policy – 005/2016; it was verified during site visit to field and line site, there was no evidence of workers below 18 years old been employed. Workers were also aware of the minimum age policy is being strictly enforced by the management at which the age limit is above 18 years old..</p>	Yes
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The estate has established training program base on training need analysis conducted and documented in SSOP, Emergency Response, and Safety &amp; Health Awareness Training Schedule FY 2019. Sighted the sampled training records s follows:</p> <ul style="list-style-type: none"> <li>i. Basic First Aid to PB and Security training dated 9/1/2019</li> <li>ii. SSOP Chemical and Spray (Herbicide and P&amp;D) training dated 15/1/2019</li> <li>iii. PPE for Chemical Sprayer training dated 15/1/2019</li> <li>iv. SSOP PB16 Knapsack pump spray trining dated 15/1/2019</li> <li>v. Fire drill and Fire Extinguisher usage training dated 18/2/2019</li> </ul>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		vi. SSOP for fertilizer and PPE training dated 19/2/2019 vii. SSOP FFB harvesting and cut or prune with parang or knife for harvester training dated 20/2/2019 viii. Fire control and emergency for all occupant at staff quarters and executive training dated 26/3/2019	
<b>4.4.6.2</b>	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. <b>- Major compliance -</b>	The estate has conducted training need analysis base on type of job designation and training requirement. The training requirement divided into Best Management Practice, Environment, Social and Legal and Safety and Health.	Yes
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	The estate continuously provided the training to the workers as per plan. The training plan was reviewed on annually basis base on the training need analysis conducted.	Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	Victoria Square Development Sdn. Bhd has established Environmental Policy signed by the Managing Director dated on 21/11/2016. In the policy stated the company commitment to conduct all operation and	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	activities in an environmentally responsible manner and to continually improve environmental performance within plantation.  The policy was communicated to all the employee through briefing, training and displayed on signboard at designated place at the estate.	
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - <b>Major compliance</b> -	The estate has conducted the environmental aspects and impacts analysis of all main and support operations and documented in Register of Environmental Aspects and Impacts Significance Identification. Base on the significant impacts identified in the register, the estate has established Environmental Continual Improvement Plan.	Yes
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. - <b>Major compliance</b> -	Base on the significant impacts identified in the register, the estate has established Environmental Continual Improvement Plan. The plan was monitored on monthly basis and documented in Environmental Policy and Management Checklist Plan.	Yes
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - <b>Minor compliance</b> -	Program to promote positive impacts was documented in the environmental continual improvement plan such as: i. No domestic waste burning ii. 'Gotong-Royong' at linesite iii. Prohibition of illegal hunting iv. 3R Management	Yes

Criterion / Indicator		Assessment Findings	Compliance															
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.  - Major compliance -	The estate has established training program for all the employee and documented in annual training program. The training plan , Policies, Environmental Aspects and Impacts, Environmental control procedure and etc.	Yes															
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.  - Major compliance -	The estate has established the Environmental and BMP Committee FY 2019. The committee held meeting on quarterly basis	Yes															
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																		
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.  - Major compliance -	<p>The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records of diesel consumption per FFB production FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Actual</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>5.36</td> <td>6.55</td> </tr> <tr> <td>Feb</td> <td>5.51</td> <td>5.51</td> </tr> <tr> <td>Mar</td> <td>6.72</td> <td>8.81</td> </tr> <tr> <td>Apr</td> <td>4.31</td> <td>7.32</td> </tr> </tbody> </table>	Month	Actual	Baseline	Jan	5.36	6.55	Feb	5.51	5.51	Mar	6.72	8.81	Apr	4.31	7.32	Yes
Month	Actual	Baseline																
Jan	5.36	6.55																
Feb	5.51	5.51																
Mar	6.72	8.81																
Apr	4.31	7.32																



Criterion / Indicator		Assessment Findings			Compliance
		May	3.85	6.40	
		Jun	3.61	5.28	
		Jul	3.42	4.68	
		The plan to optimize the usage of non-renewable fuel was included in the environmental management plan established.			
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable 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.  - <b>Major compliance</b> -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.			Yes
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible.  - <b>Minor compliance</b> -	No renewable energy used in the estate			Yes
<b>Criterion 4.5.3: Waste management and disposal</b>					
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented.  - <b>Major compliance</b> -	The estate has identified the waste products and its source and documented in the Environmental Continual Improvements Plan. Waste identified as follows:  i. Domestic Waste			Yes

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Criterion / Indicator		Assessment Findings	Compliance
		ii. Scheduled Waste – SW 102, Sw 305, SW 306, SW 307, Empty pesticide container.	
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</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	<p>Waste management plan has been established base on waste identified and documented in Environmental Continual Improvements Plan under section Domestic Waste Management and Schedule Waste Management.</p> <p>The latest disposal of schedule waste was done in November 2018. Current recorded storage inventory was from January 2019. The records shows the storage was more than 180 days without any approval letter from DOE. Thus NC were raised.</p>	Minor Non compliance
4.5.3.3	<p>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> <p><b>- Major compliance -</b></p>	<p>Victoria Square Development Sdn. Bhd. has established SOP for handling Scheduled Waste and documented in Scheduled Wastes Handling and Storage Guidance. Refer doc. no. PGHSB/SOPP/014/2016, ver 1, dated 21/11/2016.</p>	Yes
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p>	<p>Empty pesticide containers was punctured and disposed through licensed contractors as stated in Scheduled Wastes Handling and Storage Guidance, PGHSB/SOPP/014/2016, ver 1, dated 21/11/2016.</p> <p>At the point of visit, the empty chemical containers triple rinsed, punctured and stored in designated storage area under locked and key.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.  - <b>Minor compliance</b> -	Domestic waste was collected and disposed at the Majlis Perbandaran Sibulandfill. Sighted the sampled collection and disposal records including weighbridge from Majlis Perbadaran Sibudated 7/8/2019, 8/8/2019, 9/8/2019, 10/8/2019, 28/6/2019, 27/6/2019 and 14/6/2019.	Yes
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.  - <b>Major compliance</b> -	The estate has conducted assessment to identify all polluting activities and documented in the GHG Monitoring Plan to Reduce GHG Emission. Source of activities contribute to GHG emission identified as follows:  i. Machinery/Vehicle  ii. Generators  iii. Fertilizers  iii. Chemicals	Yes
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  - <b>Major compliance</b> -	The estate has established GHG Monitoring Plan to Reduce GHG Emission based on the assessment conducted. Sighted the implementation of the management plan as follows:  i. Change the usage of fertilizer from UREA (46%) to SOA (21%).  ii. Monthly diesel consumption for each generators and vehicles were available for review.	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> <li>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.).</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Victoria Square Development has established guidelines on Water Use Monitoring. Refer doc. no. PGHSB/SOPP/004/2015, dated 21/12/2015. The guidelines established to monitor water use in a plantation in order to ensure water availability for communities.</p> <p>There is no buffer zone allocated in Victoria Square due to no main river crossing the estate.</p> <p>Environmental monitoring was conducted on quarterly basis. Sighted the Environmental Monitoring Reports submitted to NREB for the first and second quarter. Refer report no. NREB/6-1/2D/43.</p> <p>The estate has established water management plan FY 2019. The management plan focusing on maintain the water level at the peat area. Sighted the implementation og=f the management plan as follows:</p> <ul style="list-style-type: none"> <li>i. The estate has install 29 water level indicator in the estate.</li> <li>ii. Water level monitoring was conducted on daily basis. Sighted the water level reading records for the month of January - July 2019.</li> </ul>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. <b>- Minor compliance -</b>	No natural river going through the estate.	Yes
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). <b>- Minor compliance -</b>	Rain water – and all houses are supplied with at least 2 units of 400 gallons (1,800 lt) water tank. Rain water Management Programme (Water Supply) has been established with an objective to ensure efficient consumption of water.	Yes
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
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. 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. <b>- Major compliance -</b>	The Victoria Square Development Sdn. Bhd has conducted High Conservation Value Assessment by Wild Asia as per final reports 21/12/2018. In the reports, HCV 1, HCV 3 and HCV 4 was identified in the estate.  HCV 1 RTE Species identified and IUCN, RTE and Cites 9 status was listed in table 67: Victoria Square HCV 1 Species.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>HCV 1 RTE Species identified and IUCN, RTE and Cites 9 status was listed in table 67: Victoria Square HCV 1 Species.</p> <p>The estate has established management plan for RTE species and documented in Environmental Management Plan under Flora and Fauna or RTE section and HCV Management Plan. Sighted the implementation of the management plan as follows:</p> <p>i. Prohibition on illegal hunting: the estate has erected signboard on prohibition of illegal hunting the estate entrance, HCV area and linesite.</p>	Yes
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>Based on the first HCV assessment report, there was no RTE species identified based on stakeholders' consultations and sighting.</p>	Yes
<b>Criterion 4.5.7: Zero burning practices</b>			
4.5.7.1	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The Victoria Square Development Sdn. Bhd has established Zero Burning Policy signed by the Managing Director dated 21/7/2015. The policy was communicated to all the employee through training, briefing and signage at several notice board in the estate.</p>	Yes
4.5.7.2	<p>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.</p>	<p>No controlled burning application is allowed as per Zero Burning Policy</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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.  - Major compliance -	No controlled burning application is allowed as per Zero Burning Policy	Yes
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.  - Minor compliance -	No controlled burning application is allowed as per Zero Burning Policy  All felled palm will be shredded or chip and piled between planting rows.	Yes
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - Major compliance -	Addressed in "Policy and BMP". Established based on operation such as: i) Oil Palm Harvesting [001, 27/7/13] · Oil Palm Frond Pruning [001, 20/9/13 ii) Control of Tirathaba Bunch Moth [PGHSB/BMPP/002/2014, 2/5/14] iii) Water Management in Peat Soil [PGHSB/BMPP/004/2014, 1/7/14] iv) Weeding [PGHSB/BMPP/005/2014, 1/7/14] v) Termite Management in Peat Soil [PGHSB/BMPP/001/2014, 1/7/14] vi) IPM in Oil Palm Agroecological System [PGHSB/BMPP/007/2014, 14/7/14] vii) Fertilizer Management [PGHSB/BMPP/006/2014, 14/7/14] viii) Oil Palm Nursery Management [PGHSB/BMPP/003/2014, 1/7/14]	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>ix) Rat Management in Oil Palm Plantation [PGHSB/BMPP/08/2015, 11/8/2015]</p> <p>To check on the consistent implementation of the SOP, internal agronomy team will visit estate minimum twice per year to monitor the P&amp;D programme and overall field condition. Latest visit by agronomy team dated 16/8/19 is referred to.</p>	
<b>4.6.1.2</b>	<p>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> <p><b>- Major compliance -</b></p>	<p>There is no slope or steep area within the estate.</p>	Not applicable
<b>4.6.1.3</b>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>Visual identification has been established for each field and divided into division and blocks. Each block is named by road and visual identification (field marker) erected for reference. Cross checked with the records on site ID and field ID in the system found to be consistent. Check-roll and bunch checker record showed consistence reference to the specific division and block.</p>	Yes
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p>	<p>Business plan was demonstrated through availability of annual budget with 2 years projection. Among the main items included in the annual</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	budget were harvesting and evacuation, field upkeep and employees welfare.	
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. - <b>Major compliance</b> -	No replanting activity is planned within 5 years since this estate has planting the oil palm in year 2008 first planting.	Yes
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) e) Financial indicators : cost benefit, discounted cash flow, return on investment - <b>Major compliance</b> -	The annual budget of the estate contains the information about crop projection, production cost and estimation of material price. The managers will have regular meeting with the top management to discuss about their estate's performance and expenses in order to ensure efficiency of cash flow.	Yes
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. - <b>Major compliance</b> -	Management has the working sheet for all the field operation for realization. Sampled the sanitation schedule for 2019 in monthly basis by manager for implementation of profit and loss monitoring.	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Pricing mechanisms for the products and other services were effectively documented and implemented as per following example: i) Contract work agreement for harvesting, ref. no.: VSDSB/NC19010052 between Victoria Square Development Sdn Bhd and contractor, Lau Huat Kock  ii) Contract work agreement for harvesting, ref. no.: VSDSB/NC19010049 between Victoria Square Development Sdn Bhd and contractor, Wong Sheng Yong  Pricing mechanism is based on rate per RM/ton at specific work target/field.	Yes
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Refer to harvesting contract for 2 contractors;  i) Contract work agreement for harvesting, ref. no.: VSDSB/NC19010052 between Victoria Square Development Sdn Bhd and contractor, Lau Huat Kock  ii) Contract work agreement for harvesting, ref. no.: VSDSB/NC19010049 between Victoria Square Development Sdn Bhd and contractor, Wong Sheng Yong  Contract is valid from 1/1/19 – 31/12/19  Payment for the above contractors were sampled:	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>i) Lau Huat Kock, July 2019 payment (VSDBS/PE19070146) dated 31/7/19. Actual payment received on 9/8/19. Refer to payment ref. no. CMS 19220020498.</p> <p>ii) Wong Sheng Yong, July 2019 payment (VSDBS/PE19070153) dated 31/7/19. Actual payment received on 9/8/19. Refer to payment ref. no. CMS 19220020524.</p>	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p><b>- Major compliance -</b></p>	<p>MSPO training for contractor has been conducted on 2/5/19 which attended by 2 contractors (Lau Huat Kuok and Wong Sheng Yong). During the stakeholder meeting also, verified that contractors were aware on MSPO requirement.</p>	Yes
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>Refer to harvesting contract for 2 contractors;</p> <p>i) Contract work agreement for harvesting, ref. no.: VSDBS/NC19010052 between Victoria Square Development Sdn Bhd and contractor, Lau Huat Kock</p> <p>ii) Contract work agreement for harvesting, ref. no.: VSDBS/NC19010049 between Victoria Square Development Sdn Bhd and contractor, Wong Sheng Yong</p> <p>Signature of the manager for estate and contractor evident in the agreement in January 2019.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	The company has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Yes
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. <b>- Major compliance -</b>	The contractor works has been recorded and approved in work verification @ certificate for payment before payment made by HQ in Sibu.	Yes
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
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. <b>- Major compliance -</b>	Not applicable as there is no development of new planting at the estate	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 as there is no development of new planting at the estate	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
<b>Criterion 4.7.2: Peat Land</b>			
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.  - Major compliance -	Not applicable as there is no development of new planting at the estate	Not applicable
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.  - Major compliance -	Not applicable as there is no development of new planting at the estate	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.  - Major compliance -	Not applicable as there is no development of new planting at the estate	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.  - Major compliance -	Not applicable as there is no development of new planting at the estate	Not applicable



Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.3.4</b>	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.  - <b>Minor compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable
<b>Criterion 4.7.4:</b> Soil and topographic information			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and	Not applicable as there is no development of new planting at the estate	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <b>- Major compliance -</b>		
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. <b>- Major compliance -</b>	Not applicable as there is no development of new planting at the estate	Not applicable
<b>Criterion 4.7.6: Customary land</b>			
<b>4.7.6.1</b>	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. <b>- Major compliance -</b>	Not applicable as there is no development of new planting at the estate	Not applicable
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. <b>- Minor compliance -</b>	Not applicable as there is no development of new planting at the estate	Not applicable
<b>4.7.6.3</b>	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 as there is no development of new planting at the estate	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
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.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	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.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.  - <b>Major compliance</b> -	Not applicable as there is no development of new planting at the estate	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.  - <b>Minor compliance</b> -	Not applicable as there is no development of new planting at the estate	Not applicable



**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment <i>Victoria Square Development Sdn Bhd</i> Certification Unit complies with the <i>MS 2530-3:2013</i> . It is recommended that the certification of <i>Victoria Square Development Sdn Bhd</i> Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Raymond Nyian	<b>Name:</b> Mohamed Hidhir Zainal Abidin
<b>Company name:</b> Palmgroup Holdings Sdn Bhd	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b> Manager, Sustainability	<b>Title:</b> Lead Auditor
<b>Signature:</b> 	<b>Signature:</b> 
<b>Date:</b> 15/11/2019	<b>Date:</b> 15 <sup>th</sup> November 2019

**Appendix A: Assessment Plan**

<b>PRELIMINARY AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Hidhir</b>	<b>Fadzli</b>
Sunday 25/8/19	PM	Audit team travel to SibU via AK5974 ETA: 2050 Check in at RH hotel, SibU	√	√
Monday 26/8/19  <b>Victoria Square Development Estate</b>	0700 am	Audit team travelling to Victoria Square Development Estate	√	√
	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan</li> </ul>		
	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	10.00 – 12.30	Stakeholder consultation (local communities, government agencies, supplier/contractor etc)	√	-
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.00	Continue with pre-lunch activity  Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement. P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.00-1630	Interim closing	√	√
	16.30	End of day 1 – travel back to SibU	√	√

**Appendix B: List of Stakeholders Contacted**

**Internal Stakeholders**

<ul style="list-style-type: none"> <li>- Victoria Square Development management team</li> <li>- Medical Assistant</li> <li>- JCC committee</li> <li>- Female worker</li> <li>- Gender committee chairman</li> <li>- Foreign worker's representatives</li> <li>- Field workers</li> </ul>		
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**External Stakeholders**

<p><b>Government Departments</b></p>	<p><b>NGOs and others</b> Contractors Neighbour Estate &amp; Smallholder Recipient mill</p>	<p><b>Local Communities</b> CLC (Indonesian school)</p>
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**Appendix C: Smallholder Member Details**

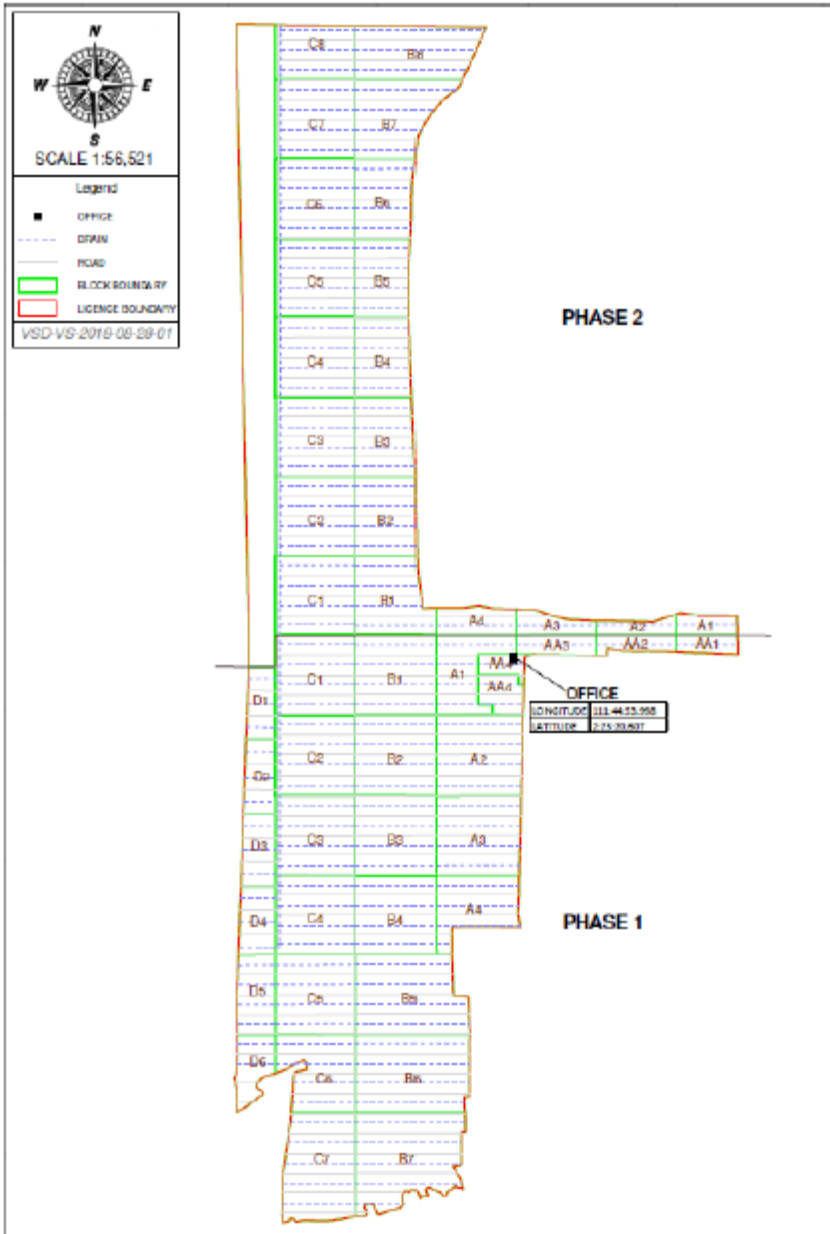
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
<b>TOTAL</b>				

**Appendix D**

**i) Location of Victoria Square Development Certification Unit**



**Victoria Square Development Estate Field Map**



**Appendix E: List of Abbreviations Used**

AN	Ammoniacal Nitrogen
ANPN	National Park Agency Gabon
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DGEPN	Environmental Protection Agency Gabon
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSP0	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids