

**MALAYSIAN SUSTAINABLE PALM OIL
ANNUAL SURVEILLANCE ASSESSMENT 2
Public Summary Report**

Palmgroup Holdings Sdn Bhd
Client company Address: 25.1-25.2, Level 25, Wisma Sanyan No. 1, Jalan Sanyan 96000 Sibul, Sarawak, Malaysia
Certification Unit: Victoria Square Development Sdn Bhd Location of Certification Unit: Lot 540, Engkilo Land District, Sibul Division & Block 42 Lot 1, Kabang Land District, 96000 Sibul, Sarawak, Malaysia

Report prepared by:
Muhammad Fadzli bin Masran (Lead Auditor)

Report Number: 3264899

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Victoria Square Development Sdn. Bhd. (Co. No. 447871-W)		
Mill/Estate	MPOB License No.	Expiry Date	
	549549002000	30/04/2021	
Address	Lot 540, Engkilo Land District, Sibul Division & Block 42, Lot 1, Kabang Land District, 96000 Sibul, Sarawak, Malaysia		
Certification Unit	Victoria Square Development Sdn. Bhd. (Co. No. 447871-W)		
Contact Person Name	Mr. Raymond Nyian		
Website	http://www.mafrica.com.my	E-mail	raymondny@mafrica.com.my
Telephone	+6084 353 155 +6012 881 0052	Facsimile	+6084 332153

1.2 Certification Information			
Certificate Number	MSPO 681157		
Issue Date	12/10/2018	Expiry date	11/10/2023
Scope of Certification	Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
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	17/08/2020 (remote) & 01-02/10/2020 (on-site)		
Continuous Assessment Visit Date (CAV) 3	TBA		
Continuous Assessment Visit Date (CAV) 4	TBA		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
N/A			

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

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Victoria Square Development Estate	Lot 540, Engkilo Land District, Sibuland Division & Block 42, Lot 1, Kabang Land District, 96000 Sibuland, Sarawak, Malaysia	111.753358	2.389378
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1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Victoria Square Development Sdn. Bhd.	3,632.68	7.07	354.25	3,994.00	90.95
TOTAL	3,632.68	7.07	354.25	3,994.00	

1.5 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Victoria Square Development Sdn. Bhd.	12.50	619.69	3000.49	-	-	3,620.18	12.50
Total (ha)	12.50	619.69	3000.49	-	-	3,620.18	12.50

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Oct 2019 - July 2020)	Actual (Aug 2019 - Jul 2020)	Forecast (Oct 2020 - Sep 2021)
Victoria Square Development Sdn. Bhd.	69,397.54	49,127.47	67,035.16
Total	69,397.54	49,127.47	67,035.16

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Oct 2019 - Jul 2020)	Actual (Aug 2019 - Jul 2020)	Forecast (Oct 2020 - Sep 2021)
N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A

1.8 Certified Tonnage

	Estimated	Actual	Forecast
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	(Oct 2019 - Jul 2020)	(Aug 2019 - Jul 2020)	(Oct 2020 - Sep 2021)
Mill Capacity: N/A	FFB	FFB	FFB
	N/A	N/A	N/A
SCC Model: N/A	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)
	N/A	N/A	N/A
	PK (KER: %)	PK (KER: %)	PK (KER: %)
	N/A	N/A	N/A

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
N/A	N/A	N/A	N/A	N/A	N/A

1.10 Actual Sold Volume (PK)					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
N/A	N/A	N/A	N/A	N/A	N/A

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

Due to the COVID-19 pandemic, this assessment involved a partial remote audit. The remote audit was conducted on 17/08/2020. This on-site assessment was conducted from 01/10/2020 – 02/10/2020. The audit programme is included as section 2.3. The approach to the audit was to treat the Victoria Square Development Sdn Bhd Estates a MSPO 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 were 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 MSPO Certification Requirement.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO 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 initial 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.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Victoria Square Development Sdn Bhd Estate	x	x	x	x	x

Tentative Date of Next Visit: August 18, 2021 - August 19, 2021

Total No. of Mandays: 4 mandays

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Muhammad Fadzli Masran	Team Leader	He holds Bachelor Degree in Forestry Science, graduated from 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 ISO 9001 and ISO 14001 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. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental occupational safety & health social, contracts and workers & stakeholders consultation. He is fluent in Bahasa Malaysia and English languages.

2.2 Accompanying Persons

No.	Name	Role
	N/A	

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Remote Audit

Date	Time	Subjects	(MFM)	ICT Planned
Tuesday 4/8/2020	10.00 - 11.00	Communication on document preparation	√	Microsoft Teams, Email, WhatsApp Video call, Teleconference
Monday 17/8/2020	09.00 - 09.30	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	Microsoft Teams, Email, WhatsApp Video call, Teleconference
	09.30 - 12.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	Microsoft Teams, Email, WhatsApp Video call, Teleconference
	12.30 - 12.45	Preparation of audit report	√	Microsoft Teams, Email, WhatsApp Video call, Teleconference
	12.45 - 13.00	Closing Meeting	√	Microsoft Teams, Email, WhatsApp Video call, Teleconference

On-site Audit

Date	Time	Subjects	MFM
Thursday 01/10/2020	14.30 – 15.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan	√
Victoria Square Development Sdn Bhd Estate	15.00 – 17.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting (if any)	√

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Date	Time	Subjects	MFM
Friday 02/10/2020	08.30 - 10.30	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.	√
	10.30 - 12.30	Stakeholder interviews	
	12.30 - 13.30	Lunch	√
	13.30 - 16.00	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting (if any)	√
	16.00 - 16.30	Preparation of audit report	√
16.30 - 17.00	Closing Meeting	√	

Section 3: Assessment Findings

3.1 Details of audit results

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

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & no (0) Minor nonconformities raised. The Victoria Square Development Sdn Bhd Estates 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 action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Non-conformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities				
Ref: 1963445-202009-M1	Area/Process: Victoria Square Development Sdn Bhd Estates		Clause: 4.4.5.3	
	Issue Date: 02/10/2020		Due Date: 02/01/2021	
Requirements:	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.			
Statement of Nonconformity:	Pay and conditions for harvesting and piece rated work done on rest day does not meet Sarawak Labour Ordinance under section 105 (5)			
Objective Evidence:	Noted that harvesters s follows has been working on their rest day in the month of March, April and May 2020. However, they are not paid double rate as per Sarawak Labor Ordinance under section 105 (5) that stated: "An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece". Sampled the checkroll and detail payslip for harvesters as follows:			
	Employee No.	Working on Rest day	Job Type	Paid Rate (Normal Rate/ton)
	PE821090-H2-15	29/3/2020 5/4/2020 26/4/2020 3/5/2020 10/5/2020	Harvesting	RM 40.00

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		17/5/2020 24/5/2020 14/6/2020 21/6/2020												
	PE1877186-H2-47	29/3/2020 5/4/2020 12/4/2020	Spraying	RM 21.00										
		19/4/2020 26/4/2020 3/5/2020 17/5/2020 31/5/2020	Harvesting	RM 40.00										
	PE-1877190-H2-48	5/4/2020	Spraying	RM 21.00										
		29/3/2020 12/4/2020 19/4/2020 3/5/2020 17/5/2020 31/5/2020	Harvesting	RM 40.00										
	PE9372694-SUB-03-01	17/5/2020	Spraying	RM 21.00										
		3/5/2020 31/5/2020 14/6/2020	Harvesting	RM 40.00										
	<p>The rate of pay for done on rest day should be as follows:</p> <p>Spraying: RM 21.00/ha x 2 = RM 42.00/ha</p> <p>Harvesting RM 40.00/ton x 2 = RM 80.00/ton</p>													
Corrections:	<p><u>Planned action to remove nonconformity, with deadline:-</u></p> <p>To pay double rate for rest day work on harvesting and other piece rated activities.</p> <p><u>Planned verification of effectiveness of this action, with deadline:-</u></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>#</th> <th>Action Taken</th> <th>Responsible Person</th> <th>Completion Date</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Record of payment based on audit findings</td> <td>HRD, HQ</td> <td>9/11/2020</td> <td>In progress</td> </tr> </tbody> </table>				#	Action Taken	Responsible Person	Completion Date	Status	1	Record of payment based on audit findings	HRD, HQ	9/11/2020	In progress
#	Action Taken	Responsible Person	Completion Date	Status										
1	Record of payment based on audit findings	HRD, HQ	9/11/2020	In progress										
Root cause analysis:	<p>Site operation yet fully enforce the requirement because there is no person in charge to do the monitoring activity.</p>													
Corrective Actions:	<p><u>Planned action to remove nonconformity, with deadline:-</u></p> <p>Admin Officer will assist Estate Manager to do the monitoring activity to ensure the requirements is fully enforced.</p> <p><u>Planned verification of effectiveness of this action, with deadline:-</u></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>#</th> <th>Action Taken</th> <th>Responsible Person</th> <th>Completion Date</th> <th>Status</th> </tr> </thead> <tbody> </tbody> </table>				#	Action Taken	Responsible Person	Completion Date	Status					
#	Action Taken	Responsible Person	Completion Date	Status										

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	1	Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation.	HRD, HQ	9/11/2020	In progress
	2	Briefing on the reminder by Operations General Manager & Senior Plantation Manager to all their management staff based at estate site.	EM	9/11/2020	In progress
Assessment Conclusion:	<p>Major NC Close out:</p> <p>Evidence sighted as follows:</p> <p>The estate has made payment for the underpaid salary for the sampled workers as payment advice dated 10/11/2011. Reviewed the payment advice as follows:</p> <ol style="list-style-type: none"> 1. JRSB/PE20100194 2. VDSB/PE20100101 3. VDSB/PE20100111 4. VDSB/PE20100099 5. VDSB/PE20100194 <p>The estate has conducted the staffs meeting on 18/11/2020. In the meeting, the Operation General Manager has reminded the staff to not offer workers to work on Restday and Public holidays.</p> <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 07/12/2020.</p>				

Opportunity For Improvement

Ref:	Area/Process:	Clause:
Objective Evidence:	N/A	

Noteworthy Positive Comments

1	Good commitment by the management
2	Good relationship with adjacent stakeholders

3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:

Ref: 1816032-201903-N1	Area/Process: Victoria Square Development Sdn Bhd	Clause: 4.1.3.4
	Issue Date: 26/08/2019	Due Date: 02/10/2020
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.
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.
Root cause analysis:	The monitoring activity was not in regular schedule.
Corrective Actions:	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 effective implementation of the corrective action plan will be assessed during on-site assessment
Verification Statement	No recurrence issue on the non-conformity. The minor NC is effectively closed.

Minor Nonconformities		
Ref: 1816032-201903-N2	Area/Process: Victoria Square Development Sdn Bhd	Clause: 4.4.5.4
	Issue Date: 26/08/2019	Due Date: 02/10/2020
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)	
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.	
Root cause analysis:	Lacking monitoring for the contractor's workers by the contractor.	
Corrective Actions:	The estate management (PIC) will monitor closely the contractor workers.	
Assessment Conclusion:	The effective implementation of the corrective action plan will be assessed during on-site assessment	
Verification Statement	No recurrence issue on the non-conformity. The minor NC is effectively closed.	

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Minor Nonconformities		
Ref: 1816032-201903-N3	Area/Process: Victoria Square Development Sdn Bhd	Clause: 4.5.3.2
	Issue Date: 26/08/2019	Due Date: 02/10/2020
Requirements:	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: Identifying and monitoring sources of waste and pollution 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.	
Corrections:	To apply for the extension and to get approval letter from DOE with immediate effect.	
Root cause analysis:	No further initiative is made to check with Department Of Environmental (DOE) for solutions.	
Corrective Actions:	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 effective implementation of the corrective action plan will be assessed during on-site assessment	
Verification Statement	No recurrence issue on the non-conformity. The minor NC is effectively closed.	



3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1608413-201802-M1	Major	22/03/2018	Closed on 21/05/2018
1608413-201802-M2	Major	22/03/2018	Closed on 21/05/2018
1816032-201903-N1	Minor	26/08/2019	Closed on 02/10/2020
1816032-201903-N2	Minor	26/08/2019	Closed on 02/10/2020
1816032-201903-N3	Minor	26/08/2019	Closed on 02/10/2020
1963445-202009-M1	Major	02/10/2020	Closed on 07/12/2020

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Contractor SYL Ventures The contractor is doing path maintenance. The payment was made as per contract. The estate management continuously communicate with the contractors regarding payment and any issues including legal compliance.</p> <p>Management Responses: The estate will continue communicate with the contractors to ensure compliance against legal and other requirement.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: Workers representative The estate continuously communicate with the workers regarding any issues related to work. The estate management is open for discussion with the workers regarding any complaints or grievances from the workers.</p> <p>Management Responses: The estate will continue communicate the good practices.</p> <p>Audit Team Findings: No further issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Victoria Square Development Sdn Bhd Estates Certification Unit complies with the MS 2530-3:2013. It is recommended that the certification of Victoria Square Development Sdn Bhd Estates Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Raymond Nyian	Name: Muhammad Fadzli b. Masran
Company name: Palmgroup Holdings Sdn Bhd	Company name: BSI Services Malaysia Sdn. Bhd
Title: Manager, Sustainability	Title: Client Manager
Signature: 	Signature: 
Date: 31/05/2021	Date: 31/05/2021
Date: 31/05/2021	Date: 31/05/2021

Appendix A: Summary of the findings by Principles and Criteria

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Palmgroup Holdings Sdn. Bhd. has established a policy on sustainable palm oil production. Signed by MD, Mr Tiong Chiong Hee dated 5/5/2017. Refer MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016 (2019-05), version 5 dated 25/03/2019.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the estate operation.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Palmgroup Holdings Sdn. Bhd. has established Internal Audit Procedure under the MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016 (2019-05), version 5 dated 25/03/2019. The Internal Audit covered both documentation and field operations. Rating was given based on audit finding. The Sustainable Unit, has established TQM Sustainability Audit Visit Plan for Year 20xx and communicated with the operating units TQM Sustainability Audit Visit Plan for Year 2020. Prior to the Internal Audit, the Lead Auditor will submit the audit Plan. Sighted the MSPO Internal Audit Plan (Remote Audit) for Year 2020 dated 18/5/2020.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	Latest internal audit conducted on 27 – 29/05/2020 by the Sustainable Unit. The audit has been conducted remotely due to Movement Control Order in Sarawak. 8 non-conformity were identified during the audit.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The estate has submitted the Corrective Action Plan and the evidence of the NC as per report dated 21/07/2020	
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Internal Audit Result and Summary Report dated 29/05/2020 and Evidence Acceptance for Internal Audit dated 21/07/2020 was made available for management review.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Latest MSPO Management Review was carried out on 10/06/2020. Minute Meeting of Management Review MSPO was available. All pertinent elements for MSPO implementation has been reviewed and presented to top management.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	The estate has established continuous improvement plan based on the significant impact activity identified based Social Impact Assessment and Environmental impact Assessment. The action plan was documented in Environmental Continual Improvements Plan 2020 and Social Continual Improvement Plan 2020 dated 02/01/2020. Among the plans established as follows: Water quality management Chemical management Labour line management Flora and fauna for RTE	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Air quality management Local community Woman and children	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Palmgroup Holdings has established SOP on Procedures on Handling New Information & Techniques or New Industry Standard & Technology. Refer document no. PGHSB/SOPP/005/2018 rev 1 dated June 2018. In the SOP stated that information on the new technologies can be obtained through approach from suppliers, attending seminar, exchange information with other estates and internet. FY 2020, the estate were used Avenza Maps application to enhance the field supervision works.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Palmgroup Holdings has established SOP on Procedures on Handling New Information & Techniques or New Industry Standard & Technology. Refer document no. PGHSB/SOPP/005/2018 rev 1 dated June 2018. If there is any new techniques or new industry standard or technology suitable to be implemented by the company, action plan is normally incorporated in the company's training plan where type of training is identified, date of training, identified participants and training provider.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	<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>- Major compliance -</p>	<p>Palmgroup Holdings Sdn. Bhd. has established SOP for Application for Company Information procedures. Refer document no. PGHSB/SOPP/002/2018 rev. 1 dated Jan 2018.</p> <p>Information requested by relevant stakeholders was communicated in appropriate languages and forms as per sighted Procedure of Application for Company's Information & Application for Company Information Flow Chart that requires stakeholder need to fill in Information Request Form.</p> <p>Sighted the implementation of the SOP as recorded in "Records Book of Stakeholders or Interested Party Who Has Viewed/Obtained Documents".</p>	Complied
4.2.1.2	<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>- Major compliance -</p>	<p>The estate has also listed documents for publicly available as per memorandum dated 09/03/2020. Document listed as publicly available in the estate such as:</p> <ul style="list-style-type: none"> Land title and user rights Safety and health plans; Plans and impact assessments relating to environment and social impacts; HCV documentations Pollution prevention and reduction plans; Details of complaints and grievances; Negotiation procedures; Continual improvement plans. Public summary of certification assessment reports 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Human rights policy	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Palmgroup Holdings has established SOP for consultation and communication for all operation units under the group company and documented in SOP as follows:</p> <p>Complaint and Grievance Policy signed by Managing Director on 5/5/2017</p> <p>Communication and Consultation Procedures. Refer document no. PGHSB/SOPP/001/2015 (2019-02), ver. 2, date issued: 15/4/19</p> <p>Complaint and Grievance Procedures. Refer document no. PGHSB/SOPP/002/2015, ver. 1, date issued: 21/12/2015</p> <p>Task: TQM Management Plan on Grievance and Complaint Procedure-C6.3</p> <p>Flowchart of Complaint in Victoria Square Development Sdn. Bhd.</p>	Complied
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>- Minor compliance -</p>	<p>The estate has appointed Field Supervisor and Admin Executive as person responsible for issues related to consultation and communication with the relevant stakeholders as per appointment letter for Estate Social and Legal Coordinator dated 31/3/2020. Refer letter no. VSDBS/TQM/Social & Legal/00L.</p>	Complied
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>- Major compliance -</p>	<p>The estate has listed all the relevant stakeholders in Register of Stakeholders, refer document no. ST02. The register was reviewed on annually basis. The stakeholders were categorized into:</p> <p>Supplier</p> <p>Government Body</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Community Group & NGO Local Community Internal Stakeholder External stakeholders Records of consultation and communication was recorded in Monitoring of Action Request, refer document no. ST19.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	SOP on the traceability of the FFB has been established under Guidelines on Traceability Procedures, PGHSB/SOPP/001/2017, rev: 02 dated 20/07/2019.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The estate has established Traceability Inspection Checklist. The rating were given as follows: 0 – Not Comply 1 – OK-Satisfactory 2 Yes-Excellent The information in the checklist includes Field no., Assessment Team, date of inspection, no of workers at the field and person responsible. Among the items monitored in the checklist such as Field Condition Safe handling Quality Harvesting	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Loose fruit Collection Production Recording Reviewed the inspection records dated 14/07/2020.	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The estate has appointed the Assistant Manager as Person Responsible to maintain the traceability system in the estate as per appointment letter no. VSDBS/TQM/Traceability/LOA/001 dated 10/03/2020 signed by the Estate Manager. In the appointment letter stated the jobs description as Traceability Coordinator.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	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.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	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. The estate had obtained and renewed license and permits as required by the law.	Complied
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	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. Reviewed the Legal Register References dated 08/07/2020.	Complied

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Criterion / Indicator		Assessment Findings	Compliance						
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	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.	Complied						
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	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.	Complied						
Criterion 4.3.2 – Lands use rights									
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The was no evidence to show that oil palm cultivation activities in both estates visited had diminished the land use rights of others. Verified documents to show legal ownership of its land.	Complied						
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Documents showing legal ownership or lease, history of land tenure and the actual use of the land was verified as per the following: Sighted the sampled land title as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Land Title no.</th> <th>Lot no.</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>TRN: 03-LCLS-002-006-00063</td> <td>Lot 63, Section/Block 06</td> <td>2040 ha</td> </tr> </tbody> </table>	Land Title no.	Lot no.	Hectare	TRN: 03-LCLS-002-006-00063	Lot 63, Section/Block 06	2040 ha	Complied
Land Title no.	Lot no.	Hectare							
TRN: 03-LCLS-002-006-00063	Lot 63, Section/Block 06	2040 ha							
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	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.	Complied						

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.2.4 Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>No disputes have been recorded in all sample estates area. There is no evidence of conflict present in this estate. There is no violence on instigated violence in maintaining peace because company has clear procedures for land conflict.</p> <p>There is no land dispute for the estates.</p>	<p>Complied</p>
<p>Criterion 4.3.3 – Customary rights</p>		
<p>4.3.3.1 Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>There is no customary land within or surrounding in the estate. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.</p>	<p>Complied</p>
<p>4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>There is no customary land within or surrounding in the estate. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.</p>	<p>Complied</p>
<p>4.3.3.3 Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- Major compliance -</p>	<p>There is no customary land within or surrounding in the estate. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.</p>	<p>Complied</p>
<p>4.4 Principle 4: Social responsibility, health, safety and employment condition</p>		
<p>Criterion 4.4.1: Social Impact Assessment (SIA)</p>		
<p>4.4.1.1 Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>An impact assessment on social and environment for the estate has been conducted by the Manager, Sustainability. A Social Continual Improvement plan has been established base on the results of the impact assessment. Among the risk identified in the assessment as follows:</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	SR0: Social Management System Stakeholder Register Communication and consultation mechanism Public transparency Complaint and Grievance Policies and SOPs SR1: Local community Free, prior, inform and consent (FPIC) SR2: Traceability & fair trade FFB origins, supply and pricing SR3: OSH Health and safety at workplace and line site SR4: Work conditions Decent living wage (DLW) Freedom of association and right to bargain collectively Equal opportunity (non-discrimination) Forced labor SR5: Living conditions Accommodations, facilities, etc. SR6: Women and children	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Women rights: sexual harassment</p> <p>Children: child labor</p> <p>In the management plan established includes the action required, indicator to monitor, monitoring point, timeline and person responsible.</p> <p>The estate has established Social Monitoring Scheduled Plan FY 2020. Reviewed the monitoring plan as at July 2020.</p> <p>Among monitoring point implemented in the management plan such as ST19 form: Monitoring of action request, complaint and grievances form, feedback and response to complaint, CSR records and training records.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The estate adapt the established SOP to deal with complaints and grievances and documented in Complaint and Grievance Procedure. Refer document no. PHGSB/SOPP/002/2015 ver. 1 dated 21/12/2015.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The estate adapt the established SOP to deal with complaints and grievances. The system able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>Based on the SOP established, all complaint or grievances must be recorded in the 'Borang Aduan'. In the form stated the complainant information, complaint type, complaint details, action to be taken, and complaint status and complainant verification.</p> <p>Reviewed the complaint made through "Borang Aduan" dated 02/05/2020 and 09/05/2020. The complaint on the social issue which currently handle by the top management.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Based on the SOP established, all complaint or grievances must be recorded in the 'Borang Aduan' which available and accessible to the stakeholders. Noted during interview with the stakeholders, they were aware of the "Borang Aduan". Reviewed the complaint made through "Borang Aduan" dated 02/05/2020 and 09/05/2020. The complaint on the social issue which currently handle by the top management.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Based on the SOP established, all complaint or grievances must be recorded in the 'Borang Aduan' which available and accessible to the stakeholders. Noted during interview with the employee and stakeholders, they were aware of the "Borang Aduan". Most of the complaint raised through verbal and recorded in the complaint form.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	All complaint or grievances must be recorded in the "Borang Aduan". The estate maintain complaint and grievances since 2019. Among monitoring point implemented in the management plan such as ST19 form: Monitoring of action request, complaint and grievances form, feedback and response to complaint, CSR records and training records. Reviewed the ST19 form dated 20/05/2020.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	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. Among the CSR conducted in FY 2020 as follows: Company Social Welfare for all employees in conjunction with Hari Raya & Gawai Festival dated 21/05/2020	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Company Provides PPE to Parents & Students due to COVID-19 during RMCO dated 15/07/2020	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The company 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 safety and health plan. Reviewed the sampled implementation as follows:</p> <p>Fire extinguisher certificate renewal was conducted on annually basis. reviewed the memo on Fire Extinguisher Recertification dated 24/06/2020 and 01/03/2020</p> <p>Workplace inspection was conducted on quarterly basis prior to Safety and Health Committee meeting. Reviewed the inspection reports dated 12/03/2020</p>	Complied
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>A safety and health policy, which is communicated and implemented.</p> <p>The risks of all operations shall be assessed and documented.</p> <p>An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p>	<p>Palmgroup Holdings Sdn. Bhd. has established Safety and Health Policy signed by the Managing Director dated 01/01/2019. 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 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 or when necessary.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>all employees involved shall be adequately trained on safe working practices</p> <p>all precautions attached to products shall be properly observed and applied</p> <p>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).</p> <p>The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>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>Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>The estate conducted HIRARC Inspection on quarterly basis. Reviewed the inspection reports dated 06/04/2020 for chemical spraying and harvesting at field phase 2 and workshop and 08/04/2020 for store.</p> <p>All workers involve with pesticides handling was provided with continuous training as planned in the training program.</p> <p>Reviewed the training records as follows:</p> <p>Chemical mixing and triple rinsing training dated 11/01/2020</p> <p>SSOP for chemical spraying dated 11/01/2020</p> <p>SSOP for knapsack spraying dated 11/01/2020</p> <p>The management have provided appropriate PPE to all workers base on type of work requirement. Sighted the PPE issue recorded in 'Rekod Pengeluaran Alatan Perlindungan Diri'. Reviewed the PPE issuance records as follows:</p> <p>P&D census and treatment work dated 16/05/2020</p> <p>Workshop dated 09/05/2020</p> <p>Harvester dated 04/04/2020</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>Palmgroup Holdings Sdn. Bhd. has appointed the Estate Manager as Safety and Health committee Chairman as per appointment letter signed by the Operational General Manager dated 12/03/2020. The estate management has appointed safety and health consist of</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>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>Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>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 reports, medical surveillance and etc. Sighted the minutes dated 16/03/2020 and 08/05/2020.</p> <p>The estate has established accident and emergency procedures and documented in Plantation Fire Preparedness Plan and Responds Plan. Noted during interview with workers, they can explained the emergency response procedure during fire incident at line site.</p> <p>The first aid box was provided at few station at workplace with responsible first aider. The estate conducted first aid kit monitoring on monthly basis. The estate continuously provided training to the first aider in the estate. Reviewed the latest training records conducted on 04/07/2020.</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>Reviewed the JKPP 8 submitted through MyKKP on 07/01/2020 with 2 accident recorded.</p>	
<p>Criterion 4.4.5: Employment conditions</p>		
<p>4.4.5.1 The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The policies on good social practices regarding human rights in respect of industrial harmony for Palmgroup Holdings Sdn. Bhd. were established as following:</p> <p>Employment Policy. Refer document no. PGHSB/SOPP/011/2016, Ver. 01, dated 22/02/2016</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Child Labour Policy. Refer document no. PGHSB/SOPP/005/2016, Ver. 02, dated 05/05/2017</p> <p>Equal Opportunity Policy. Refer document no. PGHSB/SOPP/007/2016, Ver.02, dated 05/05/2017</p> <p>Special Labour and Forced Labour Policy. Refer document no. PGHSB/SOPP/008/2017, Ver. 02, dated 05/05/2017</p> <p>Freedom of Association & Collective Bargaining Policy. Refer document no. PGHSB/SOPP/009/2017, Ver. 02, dated 05/05/2017</p> <p>Human Rights Policy. Refer document no. PGHSB/SOPP/010/2017, Rev. 02 , dated 05/05/2017</p> <p>Sexual Harassment Policy. Refer document no. PGHSB/SOPP/012/2017, Rev. 02, dated 05/05/2017</p> <p>Women Rights Policy. Refer document no. PGHSB/SOPP/013/2017; Rev. 02, , dated 05/05/2017</p> <p>Zero Burning Policy. Refer document no. PGHSB/SOPP/014/2015; Rev. 01, , dated 21/07/2015</p> <p>Complaints and Grievance Procedures. Refer document no. SOPP/002</p> <p>Communication and Consultation Procedures. Refer document no. SOPP/00</p>	
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	<p>The estate adapt the company Equal Opportunity Policy. Refer document no. PGHSB/SOPP/007/2016, Ver.02, dated 05/05/2017.</p> <p>There are no discriminatory practices in the estate. The workers were equally treated for male and female and locals and foreign workers. All workers receive free accommodation, electricity, medical and insurance as stated in the employment contract. Reviewed</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance								
	- Major compliance -	<p>employment contract for employee with passport no/identification card no as follows:</p> <p>B2699128</p> <p>B5315290</p> <p>AU349688</p> <p>B445310</p> <p>B9122161</p> <p>A9010148</p> <p>B9122159</p>									
4.4.5.3	<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>- Major compliance -</p>	<p>Pay and conditions for daily rated and piece rated workers does not meet Sarawak Labour Ordinance.</p> <p>Noted that harvesters s follows has been working on their rest day in the month of March, April and May 2020. However, they are not paid double rate as per Sarawak Labor Ordinance under section 105 (5) that stated:</p> <p>"An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece".</p> <p>Sampled the checkroll and detail payslip for harvesters as follows:</p> <table border="1"> <thead> <tr> <th>Employee No.</th> <th>Working on Rest day</th> <th>Job Type</th> <th>Paid Rate (Normal Rate/ton)</th> </tr> </thead> <tbody> <tr> <td>PE821090-H2-15</td> <td>29/3/2020 5/4/2020 26/4/2020</td> <td>Harvesting</td> <td>RM 40.00</td> </tr> </tbody> </table>	Employee No.	Working on Rest day	Job Type	Paid Rate (Normal Rate/ton)	PE821090-H2-15	29/3/2020 5/4/2020 26/4/2020	Harvesting	RM 40.00	Major NC
Employee No.	Working on Rest day	Job Type	Paid Rate (Normal Rate/ton)								
PE821090-H2-15	29/3/2020 5/4/2020 26/4/2020	Harvesting	RM 40.00								

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Criterion / Indicator		Assessment Findings				Compliance
			3/5/2020 10/5/2020 17/5/2020 24/5/2020 14/6/2020 21/6/2020			
		PE1877186-H2-47	29/3/2020 5/4/2020 12/4/2020	Spraying	RM 21.00	
			19/4/2020 26/4/2020 3/5/2020 17/5/2020 31/5/2020	Harvesting	RM 40.00	
		PE-1877190-H2-48	5/4/2020	Spraying	RM 21.00	
			29/3/2020 12/4/2020 19/4/2020 3/5/2020 17/5/2020 31/5/2020	Harvesting	RM 40.00	
		PE9372694-SUB-03-01	17/5/2020	Spraying	RM 21.00	
			3/5/2020 31/5/2020 14/6/2020	Harvesting	RM 40.00	
		The rate of pay for done on rest day should be as follows: Spraying: RM 21.00/ha x 2 = RM 42.00/ha				

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Criterion / Indicator		Assessment Findings	Compliance
		Harvesting RM 40.00/ton x 2 = RM 80.00/ton	
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	No external contractors employees involved in direct estate core operations such as spraying, manuring, rat baiting and spraying. The estate only engage the contractor for FFB transportation.	Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	The estate has established employee master list documented in the List of Daily Workers. Refer document no.ST 03. Reviewed the List of Daily Workers. In the employee master list stated the information as follows: Name Date of Birth ID no. Nationality Commenced date Service end date Workstation Type of work Category of work	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of	All workers were provided with fair contracts. The contracts has been brief to the employee before signed by both employer and employee	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>and a witness. Copy of contract were available for review in the state office. Reviewed sample employment contracts as follows:</p> <p>B2699128 signed on 01/01/2018</p> <p>B5315290 signed on 29/01/2018</p> <p>AU349688 signed on 20/10/2017</p> <p>B445310 signed on 07/02/2018</p> <p>B9122161 signed on 13/02/2018</p> <p>A9010148 signed on 05/03/2015</p> <p>B9122159 signed on 13/02/2018</p>	
<p>4.4.5.7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>- Check roll and Pay slip for month of March, April May 2020 (3 harvesters, 3 sprayers, 2 general workers, 2 securities)</p> <p>The estate implement the checkroll system to records the working hours for all workers. Verified the working hours and overtime data in checkroll, and payslips found all the data were consistent. Reviewed the data of check roll and pay slip for month of March, April and May 2020 for employee as follows:</p> <p>B2699128</p> <p>B5315290</p> <p>AU349688</p> <p>B445310</p> <p>B9122161</p> <p>A9010148</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		B9122159	
4.4.5.8	<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>- Major compliance -</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.</p> <p>The overtime rate after 8 hours daily rated is: (general workers/upkeep/maintenance)</p> <ul style="list-style-type: none"> - Mon - Sat – daily rated / 8 hours x 1.5 - Sunday - daily rated / 8 hours x 2.0 - Public holiday – daily rated / 8 hours x 3.0 <p>The overtime rate after 8 hours piece rated is: (harvesters)</p> <ul style="list-style-type: none"> - Mon - Sat – flat rate - Sunday – flat rate x 2.0 - Public holiday – flat rate x 3.0 	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</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.</p>	Complied
4.4.5.10	<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>- Minor compliance -</p>	<p>The management provided free medical facilities to all the workers and dependents. The company also subsidized water and electricity to all the employee.</p> <p>New employees arriving from overseas are given the basic necessities and food and a return air tickets each for a contracted period.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>As minimum, line site inspection has been conducted by site safety officer in 3 monthly basis. Inspection has yet to be conducted as the annual inspection plan. 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>Sighted during site visit at the linesite, the workers housing were found clean and conducive conditions. The old wooden house were in progress to be replace with new concrete house.</p>	<p>Complied</p>
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>The company has established policy on sexual harassment and violence at workplace as follows:</p> <p>Sexual Harassment Policy. Refer document no. PGHSB/SOPP/012/2017, Rev. 02, dated 05/05/2017</p> <p>Women Rights Policy. Refer document no. PGHSB/SOPP/013/2017; Rev. 02, , dated 05/05/2017</p> <p>The policy were communicated to all workers during morning muster briefing and displayed at several designated places in the estate.</p>	<p>Complied</p>
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p>	<p>The company has established policy for the right of all employees to form or join trade union as follows:</p> <p>Freedom of Association & Collective Bargaining Policy. Refer document no. PGHSB/SOPP/009/2017, Ver. 02, dated 05/05/2017</p> <p>The policy were communicated to all workers during morning muster briefing and displayed at several designated places in the estate.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The estate has established Joint Consultative Committee. Reviewed the minutes of JCC and Estate Management Meeting dated 16/01/2020 and 27/06/2020.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions. - Major compliance -	The company has established labour policy and child labour policy as follows: Employment Policy. Refer document no. PGHSB/SOPP/011/2016, Ver. 01, dated 22/02/2016 Child Labour Policy. Refer document no. PGHSB/SOPP/005/2016, Ver. 02, dated 05/05/2017 Based on the employee masterlist and interview with the workers, no evidence of person below 18 years old were employed by the estate.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance -	Palmgroup Holdings has established Guidelines on training Procedure. Refer document no. PGHSP/SOPP/004/2018 9 (2019-02) rev. no. 2 dated May 2019. The estate has established training program base on training need analysis conducted and documented in Executive, Staff and Workers Annual Training Program Schedule FY 2020. Sighted the sampled training records follows: Chemical mixing and triple rinsing training dated 11/01/2020 SSOP for chemical spraying (herbicide and pesticide) dated 11/01/2020 SSOP for manuring dated 11/01/2020	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>PPE training for chemical handling and fertilizer applicator/repacking training dated 11/01/2020</p> <p>SSOP FFB harvesting/cut and prune with parang and PPE training dated 14/02/2020</p> <p>Safety and Health Policy briefing dated 14/02/2020</p> <p>SSOP for prevent bite and sting training dated 22/02/2020</p> <p>Patrolling boundary and labour line 15/04/2020</p> <p>Emergency shower and eye wash briefing 25/06/2020</p> <p>First aid training dated 04/07/2020</p>	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>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. 50 training was identified and programmed throughout the year.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	The company 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 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.	Complied
4.5.1.2	The environmental management plan shall cover the following: An environmental policy and objectives; The aspects and impacts analysis of all operations. - Major compliance -	The estate has conducted the environmental aspects and impacts analysis of all main and support operations and documented in Identification and Significance Determination of Environmental aspects and Setting Objectives and Targets. The assessment was conducted on annually basis. Base on the significant impacts identified in the register, the estate has established Environmental Continual Improvement Plan.	Complied
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. - Major compliance -	Base on the significant impacts identified in the register, the estate has established Environmental Continual Improvement Plan. Sighted the implementation of the management plan as follows: Environmental and BMP meeting was conducted on quarterly basis. reviewed the minutes meeting dated 09/03/2020 and 04/07/2020 Waste water from chemical pre-mixing activity was collected in collection sump and reuse into the pre-mixing. The estate continuously create awareness for the on company environmental policy. Reviewed the training records dated 15/02/2020 The estate continuously promoting 3R program. Reviewed the training records dated 09 – 10/06/2020	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Program to promote positive impacts was documented in the environmental continual improvement plan such as: Prohibition of burning on peat Use more Integrated pest management No spraying along river banks.	Complied
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.	Complied
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. The committee held meeting on quarterly basis.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
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 -	The estate has established management plan to assess the usage of non-renewable energy and documented in GHG Monitoring Plan to Reduce GHG Emissions. Among the action plan established as follows: Monthly diesel and fuel consumption records Provide tray to reduce oil spillage and leakage Service machinery/vehicles on time The estate monitor the fuel consumption on monthly basis. reviewed the data FY 2019 and todate FY 2020 as follows:	Complied

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Criterion / Indicator		Assessment Findings					Compliance
		Month	2019		2020		
			Consumption	Baseline	Consumption	Baseline	
		Jan	5.30	6.55	6.19	6.55	
		Feb	5.49	5.90	7.63	5.90	
		Mar	6.61	8.81	8.56	8.81	
		Apr	4.29	7.32	6.85	7.32	
		May	3.86	6.40	5.15	6.40	
		Jun	3.61	5.28	4.58	5.28	
		Jul	3.42	4.68	4.27	4.68	
		Aug	3.36	3.99	NA	3.99	
		Sep	3.21	4.37	NA	4.37	
		Oct	3.89	4.62	NA	4.62	
		Nov	5.48	4.59	NA	4.59	
		Dec	4.71	6.51	NA	6.51	
4.5.2.2	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. - Major compliance -	The estimate of diesel usage was documented in the annual budget. The estimated usage was used as baseline to monitor the usage of diesel in the estate operation per MT FFB production.					Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate					Complied
Criterion 4.5.3: Waste management and disposal							

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Criterion / Indicator		Assessment Findings				Compliance																																		
<p>4.5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The estate has identified the waste products and its source and documented in the Waste Inventory (Waste Management and Disposal). Waste identified as follows:</p> <p>i. Domestic Waste</p> <p>ii. Scheduled Waste – SW 102, SW 305, SW 306, SW 307, SW 409 (Empty pesticide container).</p> <p>Recycle Waste</p> <table border="1"> <thead> <tr> <th>#</th> <th>Facility</th> <th>Nature of Waste</th> <th>Environment Hazard Category</th> <th>Designated Scheduled Waste (ID No)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Office & Grace Apartment</td> <td>Domestic Waste</td> <td>unhealthy to tenants</td> <td>Bin 10</td> </tr> <tr> <td>2</td> <td>Workshop</td> <td>Schedule Waste/Scrap Metal</td> <td>Acute toxicity</td> <td>NIL</td> </tr> <tr> <td>3</td> <td>Workshop</td> <td>Schedule Waste/Spent lubricant oil</td> <td>Acute toxicity</td> <td>SW305</td> </tr> <tr> <td>4</td> <td>Workshop</td> <td>Schedule Waste/Filter</td> <td>Acute toxicity</td> <td>SW410</td> </tr> <tr> <td>5</td> <td>Store / Fertilizers</td> <td>Empty Fertilizers Bags</td> <td>Pollution</td> <td>In progress</td> </tr> <tr> <td>6</td> <td>Store / Chemicals</td> <td>Empty Chemicals Containers [UPPCR]</td> <td>Pollution</td> <td>In progress</td> </tr> </tbody> </table>				#	Facility	Nature of Waste	Environment Hazard Category	Designated Scheduled Waste (ID No)	1	Office & Grace Apartment	Domestic Waste	unhealthy to tenants	Bin 10	2	Workshop	Schedule Waste/Scrap Metal	Acute toxicity	NIL	3	Workshop	Schedule Waste/Spent lubricant oil	Acute toxicity	SW305	4	Workshop	Schedule Waste/Filter	Acute toxicity	SW410	5	Store / Fertilizers	Empty Fertilizers Bags	Pollution	In progress	6	Store / Chemicals	Empty Chemicals Containers [UPPCR]	Pollution	In progress	<p>Complied</p>
#	Facility	Nature of Waste	Environment Hazard Category	Designated Scheduled Waste (ID No)																																				
1	Office & Grace Apartment	Domestic Waste	unhealthy to tenants	Bin 10																																				
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6	Store / Chemicals	Empty Chemicals Containers [UPPCR]	Pollution	In progress																																				

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Criterion / Indicator		Assessment Findings					Compliance
		7	Labour Line	Domestic Waste	unhealthy to tenants	Bin 1 - 9	
		8	Main Genset Room	Schedule Waste/Spent lubricant oil	Acute toxicity	SW305	
		9	Main Genset Room	Schedule Waste/Filter	Acute toxicity	SW410	
		10	Weightbridge	Domestic Waste	unhealthy to tenants	Bin 16	
		11	Staff Quarters	Domestic Waste	unhealthy to tenants	Bin 11 - 12	
		12	Diesel Tank House	Schedule Waste	Acute toxicity	SW 02	
		13	Security Post & Quarters	Domestic Waste	unhealthy to tenants	Bin 15	
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> <ul style="list-style-type: none"> Identifying and monitoring sources of waste and pollution Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</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. The management plan was reviewed on annually basis.</p> <p>Sighted the implementation of the management plan as follow:</p> <p>Chemical containers were triple rinsing and disposed as recycle items. Sighted the chemicals containers logbook. Reviewed the latest records dated 07/08/2020</p> <p>The estate monitor the domestic generated. Sighted the monitoring records as todated FY 2020. Domestic waste was collected and disposed at the Majlis Perbandaran Sibu municipal landfill.</p>					Complied

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Criterion / Indicator		Assessment Findings	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>- Major compliance -</p>	<p>The company has established SOP for Scheduled Waste Handling and documented in Scheduled Waste Handling and Storage Guidance. Refer document no. PGHSB/SOPP/014/2016 dated 21/11/2016.</p> <p>Scheduled waste was stored at designated storage area and disposed by licensed contractors. Sighted the inventory in E-SWISS and sampled disposal records as follows:</p> <p>06/08/2020 for SW 410, C/N no. 20200806WYVOA5 06/08/2020 for SW 409, C/N no. 20200806DPWYXL 05/08/2020 for SW 305, C/N no. 20200805096EU1QP 05/08/2020 for SW 102, C/N no. 2020080509F68V7P 06/08/2020 for SW 306, C/N no. 20200806YBNR3G</p>	Complied
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>- Major compliance -</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>The empty chemical containers triple rinsed, punctured and stored in designated storage area under locked and key. Sighted the chemicals containers logbook. Reviewed the latest records dated 07/08/2020.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Domestic waste was collected and disposed at the Majlis Perbandaran Sibu municipal landfill. Sighted the collection records for the month of January, February and March 2020.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>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:</p> <p>Machinery/Vehicle</p> <p>Monthly diesel and fuel consumption</p> <p>Provide tray to reduce oil spillage and leakage</p> <p>Service all machineries/vehicles on time</p> <p>Generators</p> <p>Monthly diesel and fuel consumption</p> <p>Service all machineries/vehicles on time</p> <p>Fertilizers</p> <p>To monitor and register all fertilizer consumption</p> <p>Chemicals</p> <p>Plant more beneficial plant at every phase</p>	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>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:</p> <p>The estate monitor the fuel consumption on monthly basis. Reviewed the data FY 2019 and todate FY 2020.</p> <p>The estate maintain records for diesel consumption for each tractors, machineries, vehicles and genset in Machinery Use Record. Refer doc no. ET07. Reviewed the diesel usage data as at July 2020.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.5: Natural water resources			
<p>4.5.5.1</p>	<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> <p>Assessment of water usage and sources of supply.</p> <p>Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>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.).</p> <p>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.</p> <p>Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>The company 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>The estate has established Water Supply Management Plan and Peat Management Control Plan. The plan focusing on ensure water availability for communities and maintain the water level at the peat area.</p> <p>The estate has install water level indicator in the estate. The estate monitor the water level on daily basis to ensure the water level at optimum level of 50 – 70 cm from the surface.</p> <p>The estate prohibited the sprayers to do chemical application ant the estate main drain. Reviewed the training records dated 29/06/2020</p>	<p>Complied</p>
<p>4.5.5.2</p>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>No natural river passing through the estate</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
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). - Minor compliance -	All houses were provided with 2 units of 400 gallons water tanks to harvest rain water.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
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: Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. 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. - Major compliance -	The estate has conducted High Conservation Value Assessment by Wild Asia as per final reports 21/12/2018. In the reports, potential HCV 1, HCV 4 and HCV 5 was identified in the estate. In the assessment, potential of HCV 1 is identified. The potential RTE Species identified and IUCN, RTE and Cites 9 status was listed in table 67: Victoria Square HCV 1 Species.	Complied
4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: Ensuring that any legal requirements relating to the protection of the species are met. Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.	The potential RTE Species identified and IUCN, RTE and Cites 9 status was listed in table 67: Victoria Square HCV 1 Species. The estate has established management plan for RTE species and documented in Environmental Management Plan under Flora and Fauna or RTE section and HCV Goals. Sighted the implementation of the management plan as follows: The estate has erected signboard on prohibition of illegal hunting the estate entrance, HCV area and linesite. Noted during interview with	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	workers and stakeholders, the understanding on prohibition of illegal hunting was satisfactory. The estate has issued internal memo to all the employee on the prohibition of illegal hunting in the estate premises dated 02/01/2020 signed by the Asst. manager. RTE monitoring was recorded in the RTE Log Book. In the log book recorded the date, name or reporter, name of RTE and location the RTE sighted. Reviewed the monitoring records dated 05/03/2020, 13/03/2020, 16/03/2020, 25/03/2020, 07/06/2020, 09/06/2020, 11/06/2020 and 29/07/2020.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The estate has established management plan to comply with Indicator 1 as stated in indicator 4.5.6.3.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	The company 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.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No controlled burning application is allowed as per Zero Burning Policy	Complied

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Criterion / Indicator		Assessment Findings	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	Complied
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 No replanting activity is planned within 5 years since this estate has planting the oil palm in year 2001 first planting.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
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] ii. Oil Palm Frond Pruning [001, 20/9/13] iii. Control of Tirathaba Bunch Moth [PGHSB/BMPP/002/2014, 2/5/14] iv. Water Management in Peat Soil [PGHSB/BMPP/004/2014, 1/7/14] v. Weeding [PGHSB/BMPP/005/2014, 1/7/14] vi. Termite Management in Peat Soil [PGHSB/BMPP/001/2014, 1/7/14] vii. IPM in Oil Palm Agro-ecological System [PGHSB/BMPP/007/2014, 14/7/14] viii. Fertilizer Management [PGHSB/BMPP/006/2014, 14/7/14] ix. Oil Palm Nursery Management [PGHSB/BMPP/003/2014, 1/7/14]	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>x. 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&D programme and overall field condition.</p>	
4.6.1.2	<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>- Major compliance -</p>	There is no slope area at the estate.	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	Identification of field reference was mainly made of plastic plat with white font on black background. The plat has the information about Block number, road number, year planted, SPH, Ha and planting material.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<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>- Major compliance -</p>	Business plan was demonstrated through availability of annual budget with 2 years projection. Among the main items included in the annual budget were harvesting and evacuation, field upkeep and employees welfare.	Complied
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p>	No replanting activity is planned within 5 years since this estate has planting the oil palm in year 2001 first planting.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.6.2.3	<p>The business or management plan may contain:</p> <p>Attention to quality of planting materials and FFB</p> <p>Crop projection: site yield potential, age profile, FFB yield trends</p> <p>Cost of production : cost per tonne of FFB</p> <p>Price forecast</p> <p>e) Financial indicators : cost benefit, discounted cash flow, return on investment</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>Management has the working sheet for all the field operation for realization. Sampled the sanitation schedule on monthly basis by manager for implementation of profit and loss monitoring.</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Pricing mechanisms for the products and other services were effectively documented and implemented as per following example:</p> <p>Ref. no. VSDBS/NC20010018, VSDBS/NC20010021 and VSDBS/NC20010022 between Victoria Square Development Sdn. Bhd. and contractor, Lau Huat Kock</p> <p>Pricing mechanism is based on rate per RM/ton at specific work target/field.</p>	Complied

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4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Refer to FFB transporter contract Ref. no. VSDBS/NC20010018, VSDBS/NC20010021 and VSDBS/NC20010022 between Victoria Square Development Sdn. Bhd. and contractors, Lau Huat Kock. Noted during the interview with the contractors, all the contract payments have been made accordingly in timely manners.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	MSPO training for contractor has been conducted which attended by 1 contractor, Lau Huat Kock during contract signing on 01/01/2020	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Refer to FFB transporter contract Ref. no. VSDBS/NC20010018, VSDBS/NC20010021 and VSDBS/NC20010022 between Victoria Square Development Sdn. Bhd. and contractors, Lau Huat Kock. The above contract is valid for 12 month until 31/12/2020. Signature of the manager for estate and contractor evident in the agreement in 01/01/2020.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The company has no objection to allow BSI auditors to verify the assessment through physical inspection if required. The estate has issued an official Adoption Letter for Malaysian Sustainable Palm Oil. In the letter stated: 1. Contractor shall understand MSPO requirements and compliance where applicable; 2. Contractor shall comply with the applicable laws and regulations;	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		3. Employees are paid based on legal or industry minimum standards according to agreed employment contract; 4. Children and young persons shall not be employed; 5. To ensure all employees are appropriately trained based on their job application; 6. Continual improvement in the main social, environment impact and opportunities for the company.	
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. - Major compliance -	The contractor works has been recorded and approved in work verification @ certificate for payment before payment made by HQ in Sibiu.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
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. - Major compliance -	No development of new planting in the estate.	NA
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.	No development of new planting in the estate.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
Criterion 4.7.2: Peat Land			
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 -	No development of new planting in the estate.	NA
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
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 -	No development of new planting in the estate.	NA
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 -	No development of new planting in the estate.	NA
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 -	No development of new planting in the estate.	NA
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be	No development of new planting in the estate.	NA

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Criterion / Indicator		Assessment Findings	Compliance
	documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -		
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	No development of new planting in the estate.	NA
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	No development of new planting in the estate.	NA
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	No development of new planting in the estate.	NA
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	No development of new planting in the estate.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	No development of new planting in the estate.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	No development of new planting in the estate.	NA
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	No development of new planting in the estate.	NA
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	No development of new planting in the estate.	NA
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. - Major compliance -	No development of new planting in the estate.	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	No development of new planting in the estate.	NA

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	No development of new planting in the estate.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	No development of new planting in the estate.	NA
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. - Minor compliance -	No development of new planting in the estate.	NA

Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Nil</p>
<p>Suppliers/Contractors/Vendors: SYL Ventures PLT</p>	<p>Worker’s Representative/Gender Committee: Estate manager Supervisors, Staff & Clerks Estate local & foreign workers (harvesters, sprayers, etc.) Local workers representatives Foreign workers representatives Gender committee representative Estate Hospital Assistant</p>

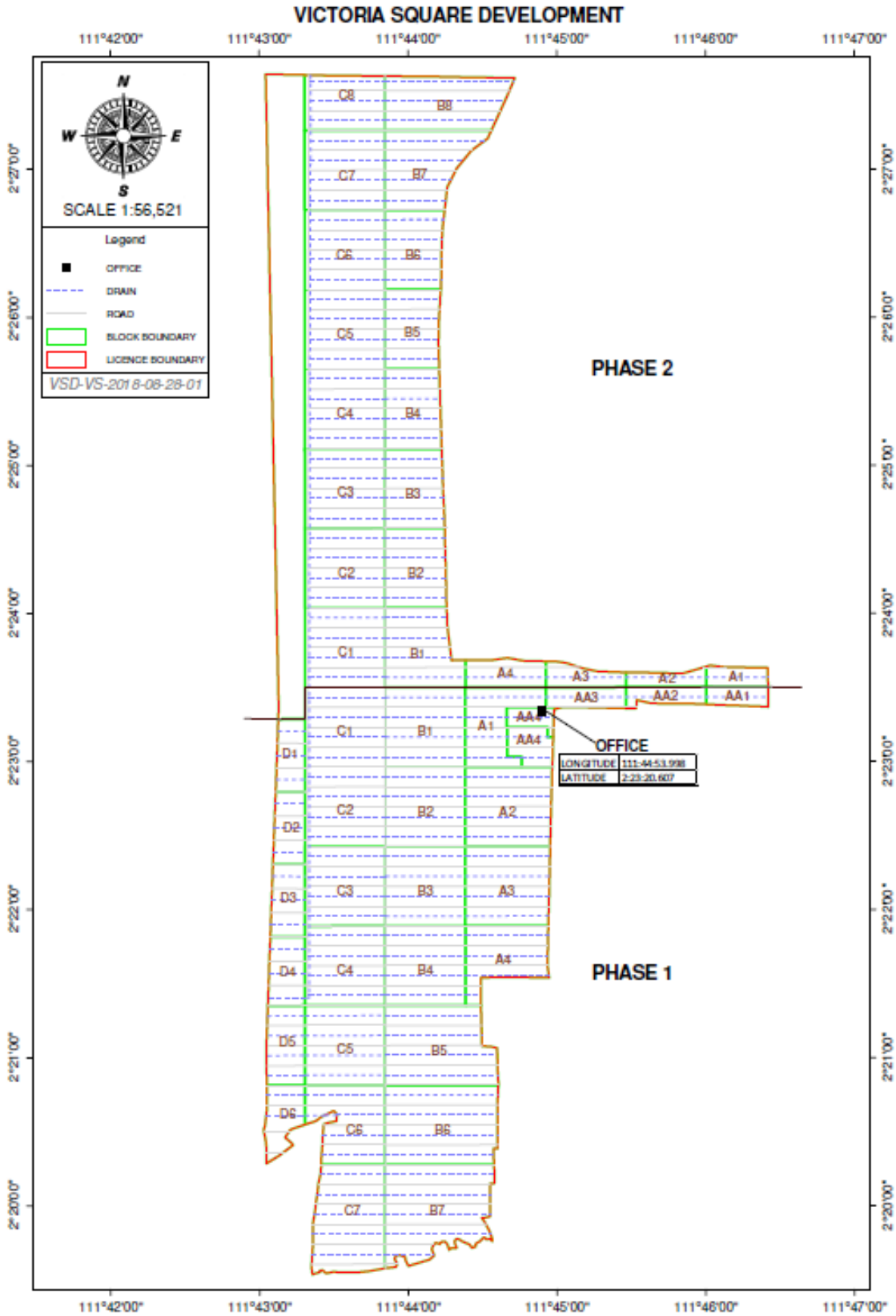
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Appendix C: Smallholder Member Details

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

Appendix D: Location and Field Map





Appendix E: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure