

**MALAYSIAN SUSTAINABLE PALM OIL
3rd ANNUAL SURVEILLANCE ASSESSMENT (ASA3)
Public Summary Report**

Palmgroup Holdings Sdn Bhd (795938-M)
Client company Address: Level 25, Wisma Sanyan No. 1, Jalan Sanyan, 96000 Sibu Sarawak, Malaysia
Certification Unit: Palmcol Sdn Bhd (Palmcol Estate) Location of Certification Unit: Lot 2, Block 1, Arip Land District Sibu Division, Sarawak, Malaysia

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

Report Number: 3261394

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Palmcol Sdn Bhd (437701-K)		
Mill/Estate	MPOB License No.	Expiry Date	
	539584002000 & 564007002000	31/5/21	
Address	Lot 2, Block 1, Arip Land District, Sibul Division, Sarawak, Malaysia		
Certification Unit	Palmcol Sdn Bhd (Palmcol Estate)		
Contact Person Name	Mr Raymond Nyian		
Website	-	E-mail	raymondny@mafrica.com.my
Telephone	+6084 353 155 +6012 881 0052	Facsimile	+6084 332153

1.2 Certification Information			
Certificate Number	MSPO 668094		
Issue Date	20/10/2017	Expiry date	19/10/2022
Scope of Certification	Production of Sustainable Oil Palm Fruits		
Standard	MSPO 2530-3:2013 Part 3: General principles for oil palm plantations and organised smallholders		
Stage 1 Date	03/08/2016		
Stage 2 / Initial Assessment Visit Date (IAV)	20-21/01/2017		
Continuous Assessment Visit Date (CAV) 1	01/08/2018		
Continuous Assessment Visit Date (CAV) 2	01-02/08/2019		
Continuous Assessment Visit Date (CAV) 3	11/08/2020 (remote), 30/09 & 01/10/2020 (onsite)		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE100-75982020	ISCC EU (point of origin, first gathering point and oil mill)	SGS	17/4/2021

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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Palmcol Estate	Lot 2, Block 1, Arip Land District, Sibu Division, Sarawak, Malaysia	112.6249	2.8252
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1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Palmcol Estate	4,732.55	348.17	109.48	5,190.20	91.18%
TOTAL	4,732.55	348.17	109.48	5,190.20	

1.5 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Palmcol Estate	16.13	4,228.87	487.55	-	-	4,716.42	16.13
TOTAL (Ha)	16.13	4,228.87	487.55	-	-	4,716.42	16.13

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jul 19 - Aug 20)	Actual (Jul 19 - Aug 20)	Forecast (Sept 20 - Aug 21)
Palmcol Estate	120,582.47	116,159.46	112,700.00
Total	120,582.47	116,159.46	112,700.00

Note:
Nil

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jul 19 - Aug 20)	Actual (Jul 19 - Aug 20)	Forecast (Sept 20 - Aug 21)
N/A			
Total			

Note:
Nil

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1.8 Certified Tonnage			
	Estimated (Jul 19 - Aug 20)	Actual (Jul 19 - Aug 20)	Forecast (Sept 20 - Aug 21)
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)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
N/A					

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
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

This on-site assessment was conducted from 11/8/2020 (remote) and 30/9 & 1/10/2020. The audit programme is included as section 2.3. This remote audit has been conducted using Information and Communication Technologies including (Microsoft Teams, WhatsApp and phone call). The planned audit objectives have been achieved, there were no connectivity issues which adversely affected the audit.

The approach to the audit was to treat the estate as 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. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the 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)
Palmcol Estate	√	√	√	√	√

Tentative Date of Next Visit: September 8, 2021 - September 9, 2021

Total No. of Mandays: 3

2.1 BSI Assessment Team

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

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:

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	ICT Planned
Monday 3/8/2020	10.00 - 11.00	Test call/preparatory prior to audit	√	Webex/MS team/WhatsApp
Tuesday 10/8/20 Palmcol Estate	09.00 - 12.00	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) *document review/interview via WebEx platform. other document sharing options such as google drive, drop box can be used.	√	Webex/MS team/WhatsApp
	12.30 - 13.30	Lunch	√	
	13.30 - 16.00	Continue with pre-lunch activity	√	Webex/MS team/WhatsApp
	16.00 - 16.30	Interim closing	√	Webex/MS team/WhatsApp

Onsite audit:

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	
Wednesday 30/9/20 Palmcol Estate	09.00 - 12.00	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.	√	
	12.30 - 13.30	Lunch	√	
	13.30 - 16.00	Continue with pre-lunch activities	√	
	16.00 - 16.30	Interim closing	√	

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Date	Time	Subjects	Hidhir
Thursday 1/10/20 Palmcol Estate	09.00 - 12.00	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)	√
	12.30 - 13.30	Lunch	√
	13.30 - 16.00	Continue with pre-lunch activities	√
	16.00 - 16.30	Interim Closing	√

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 0 Major & 0 Minor nonconformities 1 OFI raised. The Palmcol Sdn Bhd (Palmcol Estate) 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.

Opportunity For Improvement		
Ref: 1964346-202009-11	Area/Process: Palmcol Estate	Clause: 4.3.1.1
Objective Evidence:	The estate in the midst of conducting NRA @ Noise Risk Assessment as per new OHSA Noise Exposure Regulation 2019. Implementation based of the recommendation given by the NRA assessor will be further verified in the next assessment.	

Noteworthy Positive Comments	
1	Good cooperation given by HQ and site team for the ease of logistic and audit arrangement.

3.3 Status of Nonconformities Previously Identified and OFI

Not applicable.

Major/Minor Nonconformities:		
Ref: N/A	Area/Process: N/A	Clause: N/A
	Issue Date: N/A	Due Date: N/A
Requirements:		
Statement of Nonconformity:		
Objective Evidence:		
Corrections:		
Root cause analysis:		
Corrective Actions:		

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Assessment Conclusion:	
Verification Statement	

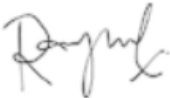

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1431236-201701-M1	Major	21/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension
1431236-201701-M2	Major	21/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension
1431236-201701-M3	Major	21/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension
1664970-201808-M1	Major	1/8/2018	Closed out on 18/9/2018
1664970-201808-M2	Major	1/8/2018	Closed out on 18/9/2018
1664970-201808-M3	Major	1/8/2018	Closed out on 18/9/2018

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: Workers Representative (Indonesian and local Sarawakian) Good decent housing complex provided by the company. Electricity and water subsidise to all workers. Basic pay in accordance with Minimum Wages Order 2020 for RM1,200 per month.
	Management Responses: To continue comply with the laws and regulation.
	Audit Team Findings: No further issue raised

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Palmcol Sdn Bhd (Palmcol Estate) Certification Unit complies with the MS 2530-3:2013. It is recommended that the certification of Palmcol Sdn Bhd (Palmcol Estate) Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Raymond Nyian	Name: Mohamed Hidhir Zainal Abidin
Company name: Palmgroup Holdings Sdn Bhd	Company name: BSI Services (M) Sdn Bhd
Title: Manager, Sustainability	Title: Lead Auditor
Signature: 	Signature: 
Date: 23/07/2021	Date: 22 nd July 2021

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organised Smallholders.

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 -	Palmcol Estate has established a policy on sustainable palm oil production. Signed by MD, Mr Tiong Chiong Hee dated 20/4/16. Refer to MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016(2019-05), version 5, dated 25/3/19.	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 milling and 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 -	Internal audit was carried by Sustainability team on 9-12/6/2020 for Palmcol Estate. Audit covered both documentation and field operation for the mill. Rating was given based on audit finding. Audit report was available with the summary of findings for each respective work units. Total of 8 non-conformities raised by the internal auditor and closed on 10/8/2020.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to	Palmcol Estate has implemented Internal Audits Procedure under the established procedure, to MSPO Management Policy and Procedure,	Complied

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	implement the necessary corrective action. - Major compliance -	PGHSB/SOPP/014/2016(2019-05), version 5, dated 25/3/19 which prepared by Sustainability Manager, Mr Raymond Nyian. The procedure has incorporated the internal auditor competency requirement. By default, internal audit is planned once a year. No finding recorded in the last internal audit and only a few comments for improvement recorded in the report.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Internal audit report dated 19/6/2020 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 -	MSPO management review was carried out on 17/7/2020. The meeting was carried out at Palmgroup POM office with the management team and staff. All pertinent elements for MSPO implementation has been reviewed and presented to top management. In addition, TQM management meeting was also discussing on the MSPO elements on top of group’s performance review on monthly basis.	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 -	Palmcol Estate has established management plan on social, safety and health and environmental impact. The plan are documented and available for references. Verified the management plan for 2020 dated 19/2/20 which covers social, environmental, safety and best practices as well as biodiversity aspect in palm oil mill operation. Monthly update will be presented via TQM management meeting in HQ.	Complied

<p>4.1.4.2</p>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -</p>	<p>Palmcol Estate will be responsible to monitor and improves practices of new information and techniques or new industry standards and technology to be implemented.</p>	<p>Complied</p>
<p>4.1.4.3</p>	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -</p>	<p>On top of the management plan established, Palmcol Estate has the budget for continual improvement; i) Plant & machineries – 10 MT bin (hook lift system), farm tractor (KIOTI PC9020 89 hp), ii) Equipment and furniture – water tank 400, 2000, 5000 gallon. iii) Building and religious accommodation – labour quarter (10 units), surau</p>	<p>Complied</p>
<p>4.2 Principle 2: Transparency</p>			
<p>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</p>			
<p>4.2.1.1</p>	<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. - Major compliance -</p>	<p>Palmcol Estate had continued to implement the Communication and Consultation Procedure (version 2) dated 15/4/2019. The procedure describe on the communication with the internal and external stakeholders. Mr Robin Soon Ak Jungang has been appointed as Estate Social Officer which will be responsible in implementation and maintain of Company’s Social issues. The appointment letter dated 2/5/2020 which issued by Estate Manager was sighted. Records of consultation and communication is available in following documents: a. ST 18- Register of Dispute b. ST 19- Monitoring of request c. Complaint/ suggestion record</p>	<p>Complied</p>

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		<p>d. Consultation records with community log book</p> <p>List of external stakeholders was available which included stakeholder from nearby village, contractors, FFB suppliers, government bodies, internal stakeholders. The list was last update on July 2020. The management communicate the information during Training (complaint and grievance procedures, communication and consultation procedure) has been conducted to all workers in estate on 24/7/20.</p>	
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>Palmcol Estate holds copies of each of the management documents that were required to be publicly available. Copies of the document such as documents related to environmental and social issues, plans for pollution prevention, records of complaints and grievances were available upon request. The memo was displayed on the information notice board. For external stakeholder, communication will be done by during stakeholder meeting. The latest meeting was carried out on 24/7/20 at Palmcol MESS.</p>	Complied
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 had continued to implement the Communication and Consultation Procedure (version 2) dated 15/4/2019. The procedure describe on the communication with the internal and external stakeholders.</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>Mr Robin Soon Ak Jungang has been appointed as Estate Social Officer which will be responsible in implementation and maintain of Company's Social issues. The appointment letter dated 2/5/2020 which issued by Estate Manager was sighted.</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>List of external stakeholders was available which included stakeholder from nearby village, contractors, government bodies, internal stakeholders. The list was last update on 11/6/2020.</p>	Complied

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Criterion 4.2.3 – Traceability		
<p>4.2.3.1</p> <p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>Supply Chain Procedures (Mill) Mass Balance, PGHSB/SOPP/001/2017 version 2 dated August 2019 describes the procedure for monitoring and to ensure accuracy of sustainable and non-sustainable receipts, dispatches and stock balance to conform to the requirement of RSPO/MSPO. These include:</p> <ul style="list-style-type: none"> a. Certificate number b. Name of certificate owner and estate name c. Date d. Weighbridge ticket Id e. Transporter Name f. Source Location g. FFB Weight and etc h. Traceability identification <p>The traceability procedure has covered the procedure for external supplier which including the pre and post traceability. All the FFB suppliers are registered with MPOB with a valid license of selling FFB to the mill. Licenses of the FFB supplier are sighted during the audit. All the licenses are still valid. The weighbridge ticket will be issued during the delivery of FFB from the estate to mill as well as delivery of CPO and PK from mill.</p>	<p>Complied</p>
<p>4.2.3.2</p> <p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Traceability inspection report carried out on daily basis based on daily task assignment @ muster chit. Refer to harvesting activities dated 2/6/2020. Refer to buch count sheet (B384290).</p>	<p>Complied</p>
<p>4.2.3.3</p> <p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>Mr Aldrian Anthony has been appointed in charge of traceability. Refer to appointment letter dated 1/11/19.</p>	<p>Complied</p>

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4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	All records inspected confirmed the documents for delivery and transportation of FFB are updated accordingly and updated daily to the established traceability procedure. i) Daily Despatch Chit (PCSB No. A 83777) dated 2/6/2020 with MSPO stamp (MSPO 668094)	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 -	<p>Palmcol Estate has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records showed that the Palmcol Estate has maintained legal compliance with statutory requirements. Sample of permit and license sighted at Palmcol Estate were:</p> <ul style="list-style-type: none"> i) MPOB licence – registered under Palmcol Sdn Bhd, 564007002000 (1,626.62 ha) & 539584002000 (3108.87 ha) valid until 31/10/21 and 31/5/21. ii) Trading License – The Business, Professions and Trading License Ordinance. (Borang I, Seksyen 5, 23 dan 24(2)) – No. A858227 valid until 31/7/2021 iii) EIA approval base on Environment (Prescribed Activities) Order 1994, refer to approval ref: (13) NREB/6-1/2D/32 dated 17 November 2006. And EMR (NREB/6-1/2D/32) prepared by Envisar Sdn Bhd iv) Permit for salary deduction from Labour Department dated 13 April 2017 No. JTKSWK/PG/009/17(SBU) for food ration. v) Permit buy diesel obtained from KPDNKK as per Regulation 9(2), Control of Supplies Act 1974, no. Q 001264 valid until 25/7/20. Renewal is still in progress with the approval from Fire Department 	OFI

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		dated 23/9/2020. OFI - The estate in the midst of conducting NRA @ Noise Risk Assessment as per new OSHA Noise Exposure Regulation 2019. Implementation based of the recommendation given by the NRA assessor will be further verified in the next assessment.	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register, OT05 dated 9/7/2020. Sustainability department have reviewed and updated the applicable and relevant legal in the register.	Complied
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 -	Tracking system to ensure any changes in the relevant regulation been well implemented through communication from the Group head Office to the mill management. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites.	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 -	Person in charge for legal, Mr Harry Bernard Duat dated 2/05/2020. The person is responsible to monitor compliance and to track and update the changes in regulatory requirements.	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 usage of all land titles area for agriculture purposes and no land encroachment occur.	Complied

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<p>4.3.2.2</p>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>The management Palmcol Estate have provided documents to show legal ownership. Sighted during the audit were the title documents issued as summarized below:</p> <table border="1" data-bbox="1050 475 1881 869"> <thead> <tr> <th>Grant details</th> <th>Land size (Ha)</th> <th>Legal ownership/ Tenure</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>Balingan Land, Lot 5, Block 181</td> <td>1,618.6 ha</td> <td>Leasehold for 60 years until 21/3/20</td> <td>Agriculture</td> </tr> <tr> <td>Arip Land, Lot 2, Block 1</td> <td>3,502 ha</td> <td>Leasehold for 60 years until 21/3/20</td> <td>Agriculture</td> </tr> <tr> <td>Balingan Land, Lot 3, Block 181</td> <td>8.021 ha</td> <td>Leasehold for 60 years until 21/3/20</td> <td>Agriculture</td> </tr> </tbody> </table>	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type	Balingan Land, Lot 5, Block 181	1,618.6 ha	Leasehold for 60 years until 21/3/20	Agriculture	Arip Land, Lot 2, Block 1	3,502 ha	Leasehold for 60 years until 21/3/20	Agriculture	Balingan Land, Lot 3, Block 181	8.021 ha	Leasehold for 60 years until 21/3/20	Agriculture	<p>Complied</p>
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<p>4.3.2.3</p>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Although only some of the boundary stones were managed to be found by the company, the demarcation of boundaries at the visited estates using concrete pole painted with red and white was very obvious, especially at the boundaries with third parties.</p> <p>There are more than 10 boundary pegs installed at the boundary of the estate and are evidence in Layout Plan with details GPS Coordinate. On top of boundary marker, physical boundary (trenches) is constructed boundary area example Peg No.9 /PH05. This process is guided under, Guidelines on Boundary Pegs Establishment and Maintenance Procedure, PGHSB/SOPP/002/2018, ver: 01.</p>	<p>Complied</p>																
<p>4.3.2.4</p>	<p>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</p>	<p>There was no dispute in the Palmcol Estate after the audit last year until this surveillance audit. Sighted the record, ST18: Register of dispute. If there is any legal acquisition of land title, the estate will respond according to established procedure, Identification of</p>	<p>Complied</p>																

	be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Customary Land Rights and Compensation Procedures (PGHSB/SOPP/005/2015) dated 21/12/2015.	
Criterion 4.3.3 – Customary rights			
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. - Major compliance -	The estate lands were legally leased by the company, Palmcol Sdn Bhd. The existing estates were not encumbered by any customary land rights. The company boundary has been constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries. No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The estate lands were legally owned and leased by the company, Palmcol Sdn Bhd. The existing estates were not encumbered by any customary land rights. The company was constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The estate lands were legally owned and leased by the company, Palmcol Sdn Bhd. The existing estates were not encumbered by any customary land rights. The company was constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries. No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	The Social Impact Assessment (SIA) was conducted on 5– 9 10/2015 by WildAsia including consideration of feedbacks from the stakeholder engagement meeting. Below are the details of the reviewed SIA:	Complied

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	- Minor compliance -	<ul style="list-style-type: none"> - Introduction - Site Location and Size - Land Use - Human Environment - List of Stakeholders Nearby the Site - Survey Methodology - Identify Direct and Indirect Potential Impacts from operation - Mitigation Plan - Monitoring and Review <p>The SIA included mitigation plan for the identified negative impacts and also the monitoring and review of the impacts. The timeframe and responsible person to for SIA management plan has been incorporated in the latest plan, Social Continual Improvement Plan, dated 19/2/20.</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>Palmgroup Holdings had continued to implement Complaint and Grievance Procedures with Doc. No. PGHSB/SOPP/002/2015 dated 21/12/2015 to enable internal and external stakeholder to complaints. According to the procedure, all the complaints and grievances will be recorded in each individual form. The forms can be filling and drop into the suggestion box at the office or send to PIC. Complaints form available for internal workers as well as external stakeholders (stage 1 & stage 2 to 3).</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>Complaint/Suggestion records for Internal and External Stakeholders was implemented. Seen the complaint forms and found most of the complaints were related to house damage issues.</p>	Complied

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<p>4.4.2.3</p>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -</p>	<p>The complaint form was available at the office. Besides, suggestion box was available in the office area where the stakeholders were able to lodge complaint or suggestion at any time.</p>	<p>Complied</p>
<p>4.4.2.4</p>	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -</p>	<p>Interviewed with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.</p>	<p>Complied</p>
<p>4.4.2.5</p>	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -</p>	<p>The management has started to implement the complaint form since May 2013. The records of complaint were available from May 2013 up to date.</p>	<p>Complied</p>
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			
<p>4.4.3.1</p>	<p>Growers should contribute to local development in consultation with the local communities. - Minor compliance -</p>	<p>Palmcol Estate was monitored on Social Activities for Y2020 such as: 1. COVID19 essential kit/hamper 2. Hamper for Gawai Dayak Celebration</p>	<p>Complied</p>
<p>Criterion 4.4.4: Employees safety and health</p>			
<p>4.4.4.1</p>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -</p>	<p>A revised Occupational Safety & Health Policy dated 01/01/2019 signed by Managing Director is available and been displayed at prominent location in the mill compound and office.</p>	<p>Complied</p>
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented.</p>	<p>a) Occupational Safety & Health Policy 1/01/2019 signed by Managing Director is available and been displayed at prominent location in the mill compound and office. Policy briefing for workers was carried out on 12/02/2020 and 10/02/2020 for contractor. Refer evidence</p>	<p>Complied</p>

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<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>HIRARC – Latest review, dated 17/02/2020. Coverage of activities (Field maintenance, manuring, transportation, farm tractor, workers transportation, diesel station, domestic waste, security, workshop and warehouse) included in the register.</p> <p>b) Training and awareness programme included in the OSH plan.</p> <p>c) Latest training for pesticides handler (mixer and sprayer) was carried out on 24/04/2020. Availability of SDS (valid and current version)</p> <p>d) PPE and CHRA requirement is based on CHRA assessor recommendation.</p> <p>e) SOP established for chemical weeding – BMP & Policies on Weeding, PGHSB/BMPP/05/2014</p> <p>f) At the estate, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents. SHC Secretary/coordinator – Unchau Anak Melintang, appointment on 20/1/20. Verified based on SHC organization chart for 2020, dated 24/2/20</p> <p>g) Quarterly SHC meeting was carried out as per below:</p> <table border="1" data-bbox="1099 1018 1765 1166"> <thead> <tr> <th>Date of meeting</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>8/02/2020</td> <td>No pending issues</td> </tr> <tr> <td>20/06/2020</td> <td></td> </tr> </tbody> </table> <p>h) The estate has site specific Plans including maps showing assembly areas and up-to-date lists of emergency contacts with training conducted to communicate the Plan. Interviews of estate staff and workers confirmed understanding of emergency response</p>	Date of meeting	Remarks	8/02/2020	No pending issues	20/06/2020		
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	<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>procedures. Emergency response team has been established for fire fighter, first aider, spillage and accident investigation.</p> <p>i) Employees trained in First Aid shall be present at estate operation. Internal training was done on 10/03/2020 for mill workers by trained first aider.</p> <p>j) JKKP 8 – 5 accident with 1 fatal accident for total of 6012 lost time accident.</p>	
<p>Criterion 4.4.5: Employment conditions</p>			
<p>4.4.5.1</p>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Palmcol Estate continued to implement Human Rights Policy dated 5/5/2017 signed by Managing Director. The company was committed to ensure every individual were treated with fairness, dignity and respect. The company will respect the rights of every individual as expressed in the Code of Conduct for Industrial Harmony. Training of the policy was conducted on 5/5/20. Seen the training attendance list where all the workers were participated in the training, photo evident and training materials. Besides, the policy was publicly displayed at the information notice board inside, outside the office estate.</p>	<p>Complied</p>
<p>4.4.5.2</p>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>The top management of Palmgroup is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the "Human Rights Policy". There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well. Interview with workers indicates that there is no such discrimination occurs in the workplace.</p>	<p>Complied</p>
<p>4.4.5.3</p>	<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</p>	<p>There was an employment contracts for staff and workers. Pay and conditions were documented and found above the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions were clearly outlined and signed by the worker. Sampled of</p>	<p>Complied</p>

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	<p>on minimum wage.</p> <p>- Major compliance -</p>	<p>the payslips confirmed that the workers were paid in accordance with Minimum Wage Order 2020 as per below sample:</p> <ol style="list-style-type: none"> 1. MY00005875 2. MY00003785 3. MY00001479 4. MY00005743 5. MY00005973 6. MY00002736 	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>No 3rd party contractor for production related activities at Palmcol Estate.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers were registered in the Labour Registration Record where personal details such as name, nationality, next of kin, education standard, date of employed, job description, wage rate, date of birth and etc was stated in the registration card. Sampled of the Labour Registration Card as below:</p> <ol style="list-style-type: none"> 1. MY00005875 2. MY00003785 3. MY00001479 4. MY00005743 5. MY00005973 6. MY00002736 	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee</p>	<p>Employment contracts were acknowledged and kept a copy by the workers verified through interviewed with the workers. The terms and</p>	Complied

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	<p>indicated in the employment records.</p> <p>- Major compliance -</p>	<p>conditions were clearly stated in the contract such as salary, annual leaves and public holiday entitlement, rate of work on rest day, overtime and etc. Sampled of employment contracts as below:</p> <ol style="list-style-type: none"> 1. MY00005875 2. MY00003785 3. MY00001479 4. MY00005743 5. MY00005973 6. MY00002736 	
4.4.5.7	<p>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>Palmcol Estate has established a time recording system (checkroll payroll process) for all employees. Time recording system has been implemented by thumb print and checkroll book for all employees. The working hours for all employees has been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer.</p>	Complied
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>From the overtime transaction of the workers, noted that some of the workers exceeded the OT limit of 104 hours per month. There was permit obtained from labour Department for such issues. The permit (JTKSWK/HKLM/002/17/(MUKAH)) dated 28/3/2017 was sighted.</p>	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>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the time recording system (checkroll payroll process). Total hours of overtime and daily attendance were recorded in the time card for the below sample:</p>	Complied

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		<ol style="list-style-type: none"> 1. MY00005875 2. MY00003785 3. MY00001479 4. MY00005743 5. MY00005973 6. MY00002736 	
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>Palmcol Estate has provided yearly bonus, monthly incentive which are paid according to staff's performances. Apart from that, the management also provides free housing facilities with water and electricity. In addition, employees will be sent to nearby clinic and the cost is reimbursable.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>On-site living quarters are provided to general workers and staff. Observed that the living quarters are habitable and have amenities such as water and electricity.</p>	Complied
4.4.5.12	<p>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 management continued to implement the policy and guidelines to prevent all forms of sexual harassment and violence of work place, namely "Sexual Harassment Policy" which was established by the management of Palmcol Estate on 22/02/2016.</p> <p>Up to date, there is no case reported since last assessment. The training for sexual harassment policy was conducted on 17/7/2020 to all employees especially women.</p>	Complied

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<p>4.4.5.13</p>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Palmcol Estate has continued to implement Policy on Freedom of Association and Collective Bargaining dated 21/03/2016. The company was committed and allowed their stakeholders such as employees, clients, business partner to form or join any association.</p> <p>Interviews of staff and workers confirmed Palmcol 1 Estate supports freedom of association and collective bargaining. Although there were no Labour Unions, workers and staff are represented in Joint Consultative Committee (JCC). Members are elected from representatives of every division including foreign workers. The latest meeting was held on 29/6/2019 and attended by the elected members and estate management.</p>	<p>Complied</p>
<p>4.4.5.14</p>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance –</p>	<p>Palmcol Estate was continued to implement Child Labour Policy which was signed by Senior Human Resource Manager dated 22/6/2018. No workers below than 18 years old will be recruited. Document verified on the Employee Master List confirmed that all the workers employed were above 18 years old.</p>	<p>Complied</p>
<p>Criterion 4.4.6: Training and competency</p>			
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Palmcol 1 Estate has prepared an Annual Training Plan for 2020 for workers and contractors that lists the internal and external training courses scheduled for the year. Training carried out for 2020/2021:</p> <ul style="list-style-type: none"> i) Oil Palm Frond Pruning BMP and Policy (22/1/20) ii) Oil Palm Harvesting Policy (21/1/20) 	<p>Complied</p>

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<p>4.4.6.2</p>	<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>Palmcol Estate has conducted training needs assessment prior to prepare the annual training plan for the year 2020 for all the employee groups including new and existing workers and staffs. Training programmes is based on worker’s competency requirements. Workers must be properly trained before assigned to the respective work units. On-site observation @ assessment will be carried out by field staff and assistant to monitor training effectiveness.</p>	<p>Complied</p>
<p>4.4.6.3</p>	<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>Continuous training programme is planned and implemented covering all employees and contractors as per the documented training procedure. For example in 2020, all relevant MSPO training programme which consist of occupational safety and health, environmental, biodiversity and social has been planned as part of part of continuous training programme for the estate.</p>	<p>Complied</p>
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>			
<p>Criterion 4.5.1: Environmental Management Plan</p>			
<p>4.5.1.1</p>	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>PalmCol Estate has established an environmental policy and environmental management plan with relevant to the applicable laws and regulations. Policy was signed by managing director on 6/01/2014. Interviews of staff and workers found that the policy has been implemented and communicated regularly through morning briefing and displayed on notice board. The latest policy briefing was carried out on 14th March 2020.</p>	<p>Complied</p>
<p>4.5.1.2</p>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>Environmental management plan (EMP) documented under Environmental Continual Improvement Plan 2020 (PPOM/2020/03/13/V1). 11 environment impacts identified and being monitored as per stipulated frequency. Environmental schedule plan dated 2020/2021 was verified.</p>	<p>Complied</p>

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<p>4.5.1.3</p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -</p>	<p>The environmental improvement plan has been implemented as per planned programme as observed in the document Environmental Improvement plan 2020. As per the requirements under, The Natural Resources an Environment (Prescribed Activities) Order 1994, refer to approval ref: (13)NREB/6- 1/2D/32 dated 17/11/2006, environmental improvement plan was carried out as per the EIA approval, under section 5.5: environmental monitoring system and compliance. 5.5.1 Monitoring of water quality (quarterly) 5.5.2 Monitoring of subsidence (twice per year) 5.5.3 Monitoring of ground water (fortnightly) 5.5.4 Drain water level monitoring 5.5.5 Monitoring of other environmental and socio-economic parameters The above monitoring has been monitored on every 3 month based on the EIA approval conditions. Environmental Monitoring Report (EMR) shall be submitted to Natural Resources and Environmental Board (NREB) once every 3 months.</p>	<p>Complied</p>
<p>4.5.1.4</p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -</p>	<p>Palmcol Estate’s environmental improvement programme also includes continual improvement plans. Verified continuous improvement programme for rain harvesting system in the estate.</p>	<p>Complied</p>
<p>4.5.1.5</p>	<p>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 -</p>	<p>Briefing on 3R, domestic and scheduled waste management was carried out 19/2/20.</p>	<p>Complied</p>
<p>4.5.1.6</p>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -</p>	<p>Environmental related matters were discussed during morning briefing and safety meeting. Workers interview reveal that they are free and encouraged to discuss environmental issues with the management. In</p>	<p>Complied</p>

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		addition, quarterly environmental meeting was last conducted on 6/5/2020. All pertinent environmental matters were discussed during the meeting done by quarterly basis.	
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 maintains records of energy usage, which is reported monthly to head office. The use of the fossil fuel against the FFB production is being monitored. Diesel consumption for 2019: 285,237 litre Diesel consumption for 2020 (todate): 142,283 litre	Complied
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 -	Palmcol Estate has estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring. Fossil fuel@ diesel usage is mainly from estate vehicle and generator set as there was no electricity supply from government @ Sarawak Energy. Palmcol Estate generate their own electricity for domestic and office consumption.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no use of renewable energy at Palmcol Estate as to date. Operation of diesel set and vehicle is fully dependent on fossil fuel.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Based on the established procedures under, Domestic Waste Management Policy & BMP, ET001 dated 12/8/13 and Scheduled Waste Handling and Storage Guidance, PGHSB/SOPP/014/2016 dated 21/11/16 among the waste products identified and documented including general waste and scheduled waste. Sources of waste were from, estates and housing area. Common waste identified including domestic waste and scheduled waste. For estates, its reusable and	Complied

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		recyclable wastes identified included empty fertilizer bags and triple rinsed empty chemical containers. Organic biomass waste generated by estates including fronds and chipped fell palms. Other specific activities such as estate vehicle workshop generate few categories of scheduled waste such as SW 102, SW 306, SW 501, SW 409 and SW 410. This verified with inventory of scheduled waste (OT03) dated 19 May 2015.	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	Documented pollution prevention plan for Palmcol Sdn Bhd was emphasized in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the estate. Noted records of triple rinsed container either to be used back for premix activities or pierced and disposed to recycler. The estate has appointed G-Planter Sdn. Bhd. as the recycler for the empty pesticide container as per email. Dated 11/04/2019.	Complied
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>	Palmcol Estate has established 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. Document entitled Scheduled Waste Handling and Scheduled Waste Guidelines PGHSB/SOPP/14/2016 is referred to.	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>	Empty pesticide containers were triple rinse and punctured before return back to recycler. Empty chemical container need to be marked or painted before re-used back for premix. For Bintulu, appointed DOA contractor for recycling is Fonsen Enterprise.	Complied

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<p>4.5.3.5</p>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -</p>	<p>Domestic waste are being disposed at approved municipal council landfill either Sibul or Balingian dumpsite. Centralized waste location was located at phase 1 before collection made to the approved land fill. It was noted that the collection centre is away from watercourse. Collection was done by Palmcol 1 estate self.</p>	<p>Complied</p>
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			
<p>4.5.4.1</p>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -</p>	<p>Palmcol Estate has done environmental impact and aspect identification involving all the activities within the estate. Refer to Form 1: Identification and Significance Determination of Environmental Aspect and Setting Objective and Targets, Revise version 27/02/2020.</p>	<p>Complied</p>
<p>4.5.4.2</p>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance</p>	<p>Plan to reduce identified significant pollutants and emissions documented under GHG minimize plan for 2020. Other plans for related to environmental pollution documented under environmental aspect impact and management plan.</p>	<p>Complied</p>
<p>Criterion 4.5.5: Natural water resources</p>			
<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: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application,</p>	<p>Water management plan is based on the conditions stipulated in the EIA report and the established procedure for Water Management Plan 2020. The plan involved the management of ground and surface water as well as the peat subsidence monitoring.</p>	<p>Complied</p>

	<p>maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. 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>		
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate. Weirs and bunds constructed only at filed drain as part of estate’s water management plan for peat.	Complied
4.5.5.3	<p>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).</p> <p>- Minor compliance -</p>	Water management plan includes BMP on peat, rain water harvesting, desilting of road side drains and etc.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>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:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	Palmcol Estate has engaged a consultant (Wild Asia) in 2016 to conduct a biodiversity assessment of the land at the Estate as well as preparation of site-specific short-term and long-term HCV Management Plans. The final report dated 25/2/17 available for review. From the report, it was noted that 5 types of HCV identified, HCV1 to HCV 6 except for HCV2. Presence of the rare and endemic Bornean Ground Cuckoo with	Complied

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	<p>b) Conservation status (<i>e.g.</i> 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.</p> <p>- Major compliance -</p>	categorized under IUCN list would categorize the area under HCV 1.3 (endemic species).	
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	Based on the report, there are HCV and rare, threatened, or endangered species being identified within the estate area. On top of the HCV report information, list of protected and totally protected wildlife provided by Sarawak Forestry displayed at prominent location with the estate. The pictorial information available at phase 1 notice board and line site. No illegal hunting signages are prominently erected at the estate entrance and other strategic area and awareness training has been given to workers and other stakeholders. The latest awareness training was carried out on 26/03/2019 on HCV protection, RTE and protected animals as well as discouraging of illegal hunting.	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	Management plan for HCV is documented under HCV Management Plan for 2020. Quarterly patrolling was carried out by HCV patrol team on illegal hunting, encroachment of area, illegal fishing and open burning.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	There was no replanting at Palmcol Estate. No evidence of open burning sighted during site review.	Complied
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where</p>	Not applicable for Palmcol Estate.	N/A

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	there is a significant risk of disease spread or continuation into the next crop. - Major compliance -		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	Not applicable for Palmcol Estate.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Not applicable for Palmcol Estate as there was no replanting in the recent years.	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 -	Palmcol Estate has established management systems for monitoring and control of best practice implementation at its estate. This includes the programme of regular internal audits by Sustainability Department and agronomist for maintaining and improving the production. Areas of visit scope (crop recovery, harvesting guidelines, field upkeep and maintenance, frond stacking discipline, manuring matters, pest management, FFB production.	Complied
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of	Palmcol Estate has 93% of very deep peat (>250 cm), low-ash peat/organic soil of Anderson 3 Series. Significant areas (6.7%) are also endowed with the shallower peat soils of Anderson 1 and 2 series, with peat depths of 200-250cm and 150-200 cm. Minor soil in the estate include Mukah and Bijat Series. Summary of soil type and terrain within	Complied

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	either soil, nutrients or chemicals. - Major compliance -	Palmcol Estate: Soil type Terrain Area (ha) % Anderson 1,2 & 3 Generally flat, though dome shaped; Flat (0-6o) 68 1.3 Anderson 2 284 5.4 Anderson 3 4,835 93 Bijat/Anderson Flat (0-6o) 13 0.3 Inspection of field conditions at estate showed well established and maintained groundcover vegetation.	
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	During site verification, seen all fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every fields.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Palmcol Estate has implemented a management system for monitoring and reporting of performance against production targets for achieving long-term economic and financial viability. Gazetted CAPEX and OPEX for FY2020 was verified for the operation as well as for the continual improvement on social and welfare elements for workers.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance –	Palmcol Estate has implemented a management system for monitoring and reporting of performance against production targets for achieving long-term economic and financial viability.	Complied

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<p>4.6.2.3</p>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance –</p>	<p>The management target will replant on 2027 because the earlier planting was in 2007. The next cycle of replanting would be in 20-25 year time as recommended by plantation advisory.</p>	<p>Complied</p>
<p>4.6.2.4</p>	<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>Annual business plan in the form of annual budget and the projection for 2 years prepared as guidance for future planning. The business plan contains FFB yield and costs of production, etc. It also includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure (CAPEX) for 2020 as per the following:</p> <ul style="list-style-type: none"> i) Plant & machineries – 10 MT bin (hook lift system), farm tractor (KIOTI PC9020 89 hp), ii) Equipment and furniture – water tank 400, 2000, 5000 gallon. iii) Building and religious accommodation – labour quarter (10 units), surau 	<p>Complied</p>
<p>Criterion 4.6.3: Transparent and fair price dealing</p>			
<p>4.6.3.1</p>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance-</p>	<p>Palmcol (Canteen) Sdn. Bhd. had displayed the pricing of all goods sold inside the canteen. Workers can check the price of goods before purchasing it. Other than canteen operator, there was no vendor/contractor in the estate.</p>	<p>Complied</p>

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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 -	There was no agreement/contract with the contractor for the last review period. Most of the field activities were no longer outsourced to 3 rd party contractor.	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 -	A letter of understanding regards Palmcol Sdn Bhd's adaptation for Malaysian Sustainable Palm Oil) read and agreed by Contractor Mr. Lau Huat Kock & Mr. Wong Sheng Yong in 2019. There is no new contractor for 2020. The adaptation letter displayed at the Main office notice board.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	There was no agreement/contract with the contractor for the last review period. Most of the field activities were no longer outsourced to 3 rd party contractor.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Palmcol Estate has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Complied
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 -	Palmcol Estate has appoint assistants manager for each phase (1 to 5) to observe the control points applicable to the tasks performed by the contractor.	Complied
4.7 Principle 7: Development of new planting – Palmcol Estate did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.			
Criterion 4.7.1: High biodiversity value			

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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.	N/A
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. - Major compliance -	No development of new planting in the estate.	N/A
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.	N/A
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.	N/A
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.	N/A

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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.	N/A
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	No development of new planting in the estate.	N/A
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.	N/A
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.	N/A
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.	N/A
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and	No development of new planting in the estate.	N/A

	to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	No development of new planting in the estate.	N/A
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.	N/A
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.	N/A
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.	N/A
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.	N/A

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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.	N/A
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.	N/A
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.	N/A
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.	N/A

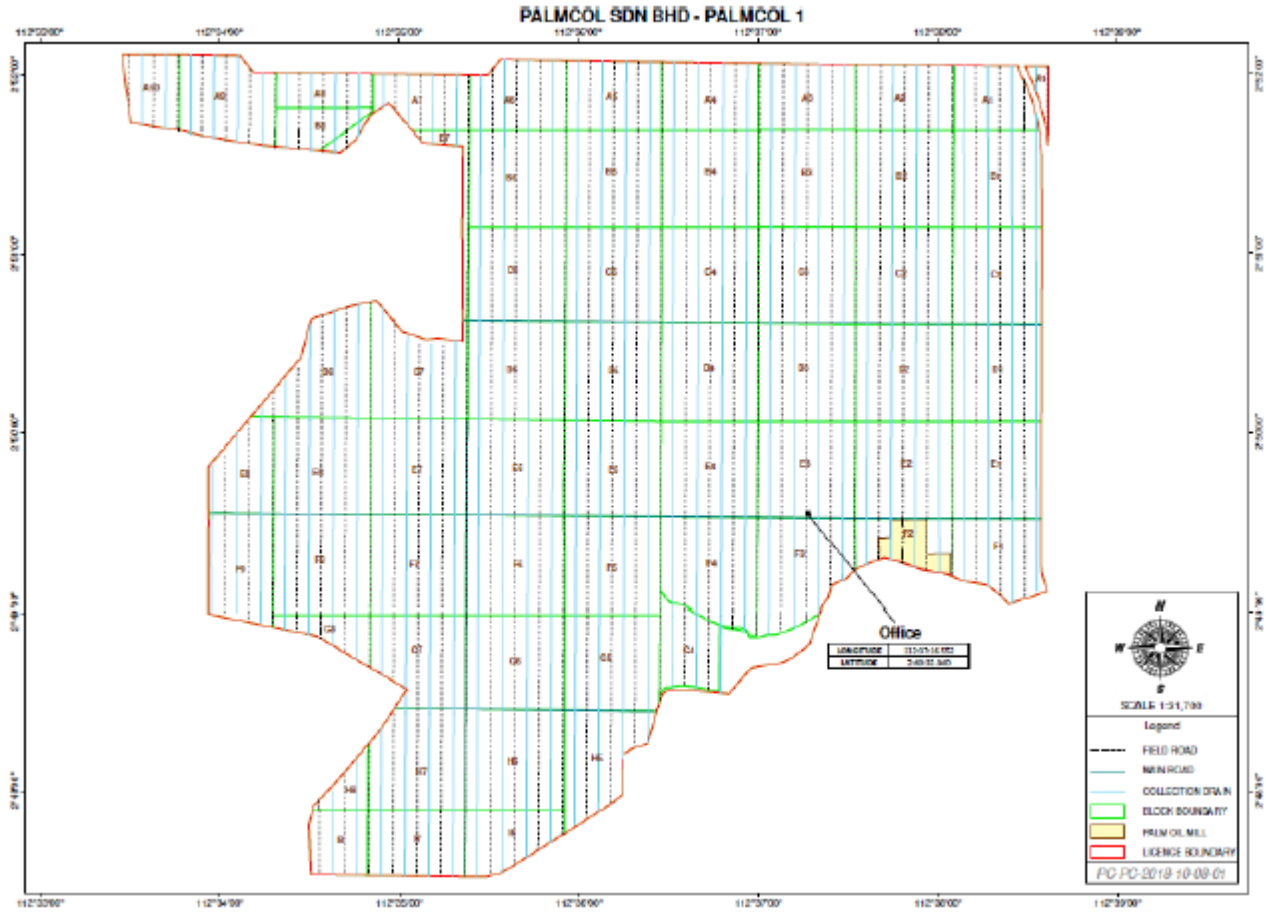
Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Nil</p>
<p>Suppliers/Contractors/Vendors: Nil</p>	<p>Worker's Representative/Gender Committee: Gender committee representative Worker's representative by nationalities (Indonesian and local workers) Field workers JCC representative</p>

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