

**MALAYSIAN SUSTAINABLE PALM OIL  
4<sup>th</sup> ANNUAL SURVEILLANCE ASSESSMENT (ASA4)  
Public Summary Report**

<b>Palmgroup Holdings Sdn Bhd</b>
Client company Address: Level 25, Wisma Sanyan No. 1 Jalan Sanyan 96000 Sibul, 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:**  
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**Report Number: 3293262**

**Assessment Conducted by:**  
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### Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Palmgroup Holdings Sdn Bhd		
Mill/Estate	MPOB License No.	Expiry Date	
	539584002000 & 564007002000	31/5/22	
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	Facsimile	+6084 332153
	+6012 881 0052		

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	MS 2530-3:2013 General Principles for Oil Palm Plantations and Organized Smallholders		
Stage 1 Date	3/8/2016		
Stage 2 / Initial Assessment Visit Date (IAV)	20-21/1/2017		
Continuous Assessment Visit Date (CAV) 1	1/8/2018		
Continuous Assessment Visit Date (CAV) 2	1-2/8/2019		
Continuous Assessment Visit Date (CAV) 3	11/8/20 (remote), 30-9 & 1/10/2020 (onsite)		
Continuous Assessment Visit Date (CAV) 4	5/8/2021 (Fully Remote)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-CertDE100-75982020	ISCC EU (point of origin, first gathering point and oil mill)	SGS	17/4/2022

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
Palmcol Estate	Lot 2, Block 1, Arip Land District, Sibul Division, Sarawak, Malaysia	112.6249	2.8252

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<b>1.4 Certified Area</b>					
<b>Estate</b>	<b>Total Planted (Mature + Immature) (ha)</b>	<b>HCV (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Area (ha)</b>	<b>% of Planted</b>
Palmcol Estate	4,732.55	348.17	109.48	5,190.20	91.18%
<b>TOTAL</b>	4,732.55	348.17	109.48	5,190.20	

<b>1.5 Plantings &amp; Cycle</b>							
<b>Estate</b>	<b>Age (Years)</b>					<b>Mature</b>	<b>Immature</b>
	<b>0 - 3</b>	<b>4 - 10</b>	<b>11 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>		
Palmcol Estate	-	673.12	4,059.43	-	-	4,732.55	-
<b>Total (ha)</b>	-	673.12	4,059.43	-	-	4,732.55	-

<b>1.6 Certified Tonnage of FFB</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (Sep 2020 - Aug 2021)</b>	<b>Actual (Sep 2020 - Jul 2021)</b>	<b>Forecast (Oct 2021 - Sep 2022)</b>
Palmcol Estate	112,700.00	82,872.14	110,703.11
<b>Total</b>	112,700.00	82,872.14	110,703.11

<b>1.7 Uncertified Tonnage of FFB</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (Sep 2020 - Jul 2021)</b>	<b>Actual (Sep 2020 - Jul 2021)</b>	<b>Forecast (Oct 2021 - Sep 2022)</b>
N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A

<b>1.8 Certified Tonnage</b>			
<b>Mill Capacity: N/A</b>	<b>Estimated (Sep 2020 - Jul 2021)</b>	<b>Actual (Sep 2020 - Jul 2021)</b>	<b>Forecast (Oct 2021 - Sep 2022)</b>
	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	112,700.00	82,872.14	110,703.11
<b>SCC Model: N/A</b>	<b>CPO (OER: %)</b>	<b>CPO (OER: %)</b>	<b>CPO (OER: %)</b>
	N/A	N/A	N/A
	<b>PK (KER: %)</b>	<b>PK (KER: %)</b>	<b>PK (KER: %)</b>

	N/A	N/A	N/A
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**1.9 Actual Sold Volume (CPO)**

CPO (MT)	MSPO 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)	MSPO 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

This fully remote assessment was conducted from 05/08/2021. The audit programme is included as Section 2.3. The approach to the audit was to treat the Palmcol Sdn Bhd 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. 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 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.

No meetings was conducted with stakeholders due COVID-19 issue and however interviewed by phone call have been made by auditor 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.

All the previous nonconformities are remains closed. The assessment findings for the ASA4 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.

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: August 1, 2022 - August 2, 2022**

**Total No. of Mandays: 3**

## 2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Muhamad Naquiddin Mazeli	Team Leader	He hold Bachelor of Science Horticulture, graduated from University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement, and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also supports in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and 45001 Lead Auditor Course in 2019, Endorsed RSPO P&C Lead Auditor Course in 2019, MSPO Awareness Training in 2018, Endorsed RSPO SCCS Lead Auditor Course in 2019 and trained in SMETA on 2021. He had been involved in RSPO auditing since August 2018 in more than various companies in Malaysia. During this audit, he cover Social aspect and stakeholder consultation. Able to speak and understand Bahasa Malaysia and English.
Mohamad Fitri Mustafa	Team Member	Graduate in degree of agribusiness with more than 8 years working experience in various plantation companies and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017. Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Member of BSI MSPO audit team. During this audit, he cover estate best practice, safety and health aspect. Able to speak and understand Bahasa Malaysia and English.
Mohd Syafiq Zawawi	Team Member	Holds Diploma in Mechanical Engineering from UiTM, Diploma in Palm Oil Milling Management form IMPAC and currently undergraduate studies in bachelor's degree Of Mechanical Engineering at UTM. Has successfully attended courses of Lead Auditor In IMS, MSPO, MSPO SCCS, RSPO P&C

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		and RSPO SCC. Has 12 years working experience in the palm oil industry including assisting managing the palm oil mill, managing palm oil bulking supply chain and sustainability audit since 2018. He is a competent person for Steam Engineer Grade II (DOSH), registered Authorised Gas Tester for Confine Space (AGT) and also Certified Environmental Professional in Schedule Waste Management (CePSWAM). During this audit, he covered in the management commitment area, legal and environmental part. Able to speak and understand Bahasa Malaysia and English.
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**2.2 Accompanying Persons**

No.	Name	Role
	N/A	

**2.3 Assessment Plan**

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

Date	Time	Subjects	MNM	MFM	MSZ
Wednesday, 28/07/2021	10.00 - 10.30 am	Trial Meeting for Communication test. Communication on document preparation - Audit plan Any additional Information	Teleconference, Microsoft Team Meeting, Email		
Wednesday, 4/08/2021	09.00 - 09.30	Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan	Teleconference, Microsoft Team Meeting, Email		
Thursday, 5/08/2021 Palmcol Sdn Bhd	9.00-12.30	Document audit: 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 P6: Best practices P7: Development of New Planting (if any)	Teleconference, Microsoft Team Meeting, Email		
	12.30 - 13.30	Lunch	√		
	13.30 - 16.30	Continue with document review (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 P6: Best practices P7: Development of New Planting (if any)	Teleconference, Microsoft Team Meeting, Email		



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Date	Time	Subjects	MNM	MFM	MSZ
	16.30 - 17.00	Preparation of audit report/Closing meeting	Teleconference,	Microsoft	Team Meeting,
	17.00 - 17.30	Closing Meeting	Teleconference,	Microsoft	Team Meeting, Email

### 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

During the ASA 4 there were 0 Major & 0 Minor nonconformities raised.

Noteworthy Positive Comments	
1	Good cooperation given by the HQ and site team.
2	Good management system and document retrieval.

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

Opportunity For Improvement		
<b>Ref: 1964346-202009-11</b>	<b>Area/Process: Palmcol Estate</b>	<b>Clause: 4.3.1.1</b>
Objective Evidence:	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.	
Verification ASA 4	The management already assign Global Green OSH Services Sdn Bhd as per letter GGOSH/NRA-MAFRICA/2020/01 dated 17 December 2020. The assessment was in progress and extend due to COVID-19 issue thus OFI was close as per verification.	

#### 3.4 Summary of the Nonconformities and Status


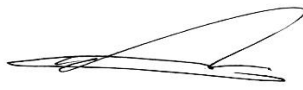
CAR Ref.	CLASS	ISSUED	STATUS
1431236-201701-M1	Major	21/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension.
1431236-201701-M2	Major	21/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension.
1431236-201701-M3	Major	21/1/2017	Closed out on 17/4/17. Applied for additional 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.
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**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues:</b>  <u>JCC representative</u>                      The management was very active in taking action for any complaint and issue been highlight in meeting.                      No other comment.</p> <p><b>Management Responses:</b>                      The management taken positive comment and continue this best practice.</p> <p><b>Audit Team Findings:</b>                      No further issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment <i>Palmcol Sdn Bhd</i> Certification Unit complies with the <b>MS 2530-3:2013</b> . It is recommended that the certification of <i>Palmcol Sdn Bhd</i> Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Raymond Nyian	<b>Name:</b> <b>Muhamad Naquiuddin Mazeli</b>
<b>Company name:</b> Palmgroup Holdings Sdn Bhd	<b>Company name:</b> <b>BSI Services (M) Sdn Bhd</b>
<b>Title:</b> Manager, Sustainability	<b>Title:</b> <b>Lead Auditor</b>
<b>Signature:</b> 	<b>Signature:</b> 
<b>Date:</b> 23/08/2021	<b>Date:</b> 17/8/2021

**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 Organized Smallholders**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	The group has established a MSPO Policy dated on 05/05/2017 and endorsed by Mr. Tiong Chiong Hee (Managing Director). It was stated in the policy the group’s, “Continual improvement in the management of these key considerations shall be attained through regular training sessions on and consider monitoring and review of existing procedures.  The policy has been communicated to the workforce through the training and briefing sessions: a. Briefing to office staff on MSPO management principle and awareness, conducted on 25/06/2021, delivered by Mr. Harry Bernard Duat. b. Awareness on MSPO management and principle briefing was conducted on 13/04/2021, delivered by Mr. Aldiran Anthony and Mr. Jeremy Lee Ak Pantar. c. Briefing on the awareness on MSPO was conducted on 22/12/2020, delivered by Mr. Alfonso ak Mos.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	The policy stated the group’s continual improvement commitment. This has been elaborated in the indicator 4.1.1.1.	Complied

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<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Internal audit has been planned and carried out annually. For the year 2021, the internal audit was done remotely by HQ representative. Sighted in "Guidelines on remote audit requirements" dated on the 17/05/2021 has scheduled to be conducted in week two of June 2021 Actual internal audits was conducted on 5 & 8/7/2021. There was no NCR raised in the internal audit.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. <b>- Major compliance -</b>	The management has established maintained the same internal audit procedure PGHB/SOPP/014/2016(2019-05) issued on 25/3/2019. Since its first establishment on 2016, there were four times revision been made in this procedure. In view for this year 2021 the global pandemic COVID-19 restriction for meeting, the audit was done remotely with the "Guidelines on remote audit requirements" developed by company on 17/05/2021. Result on internal audit documented in the "Annual Surveillance Internal Audit Summary Report" with 99% compliance.	Complied
<b>4.1.2.3</b>	Report shall be made available to the management for their review. <b>- Major compliance -</b>	Internal remote audit report dated 5 & 8/7/2021 was made available for management review.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	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. <b>- Major compliance -</b>	Management review was conducted in the "Estate TQM Meeting" dated on 28 <sup>th</sup> July 2021 at the Palmcol Estate Office. The meeting was attended by 14 member of management representative lead by the Senior Assistant Manager in view the Senior Manager unable to chair it due to in quarantine period.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		All pertinent elements for MSPO implementation has been reviewed and presented during the meeting. In addition, TQM management meeting was also discussing on the MSPO elements on top of group's performance review on monthly basis.	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p><b>- Major compliance -</b></p>	<p>The estate management has established continual improvement plan based on the environment, social and safety &amp; health. These plans have been document, communicated to the workforce consistently monitored the implementation of the plans. Sighted some of the plans as follow:</p> <ul style="list-style-type: none"> <li>a. Peat Management Action Plan: <ul style="list-style-type: none"> <li>To maintain water level at 50 – 70 cm from ground surface.</li> <li>Regular checking and inspection</li> <li>Measurement of peat subsidence on quarterly basic</li> </ul> </li> <li>b. RTE management action plan: <ul style="list-style-type: none"> <li>No activities that harmful to flora and fauna at buffer zone</li> <li>To implement IPM system</li> <li>No spraying along the drains</li> <li>Awareness briefing on no illegal hunting</li> </ul> </li> <li>c. 3R management action plan: <ul style="list-style-type: none"> <li>Waste classification and collection</li> <li>Proper maintain 3R centre.</li> </ul> </li> <li>d. Living condition action plans:</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>To provide adequate facilities according to the Minimum Standard of Housing Amenities Act 1990.</p> <p>To regularly inspect the facilities</p>	
<b>4.1.4.2</b>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p><b>- Major compliance -</b></p>	<p>The estate management has established a training program which is scheduled for the whole year and this program is based on the training needs analysis of each worker. As if the training for new information or techniques feasible for adoption, the management will make some amendment on the training program to slot the new training. Training program for year 2021 was made available to the audit team and verified.</p>	Complied
<b>4.1.4.3</b>	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p><b>- Major compliance -</b></p>	<p>The estate management will decide on the new technology or information selection prior disseminate them to the workers. This will be integrated in the annual training program depending on the necessary basis.</p>	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>The management maintained the existing “Communication and Consultation Procedure” (version 2) dated 15/4/2019 for their communication with the relevant stakeholder and the “Application Information Procedure” (version 1) last revision on 05/01/2018 for information request by the staff and worker.</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		<p>In the communication procedure describe on the communication with the internal and external stakeholders. Record for the Application Information such the following:</p> <ul style="list-style-type: none"> <li>a. Information request form</li> <li>b. Record book of stakeholder or interested party who has viewed or obtained documents</li> <li>c. Record of correspondence letter with stakeholder</li> </ul> <p>Sighted the latest "Incoming Correspondence Record Year 2021", document sought by Agronomy &amp; Sustainability Department on 21/04/2021 via email for the document of Update Legal Register – Employees Minimum Standards of Housing, Accommodations and Amenities Act 1990.</p> <p>Sighted the latest "Outgoing Correspondence Record Year 2021", document sought by Human Resource Department on 01/04/2021 via email for the document of Attendance Record and the Annual Leave Reimbursement for 2020.</p>	
<b>4.2.1.2</b>	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>The management had issued a memo on 02/01/2021 those list documents of publicly view which are:-</p> <ul style="list-style-type: none"> <li>1. Land titles / User right</li> <li>2. Safety and Health Plan</li> <li>3. COC (Code of Conduct)</li> <li>4. Plan and impacts assessments relating to the environment and social impact.</li> <li>5. Pollution prevention and reduction plan</li> <li>6. Details of complaints and grievances</li> <li>7. Negotiation procedure</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		8. Continual Improvement Plan While those non-listed document, these document can be sought through the Application Information Procedure system.	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Palmgroup had continued to implement the Communication and Consultation Procedure (version 2) dated 15/4/2019. The procedure describes on the communication with the internal and external stakeholders.	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	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 PCSB/2020/SLC/001 dated 2/5/2020 which issued by Estate Manager was sighted.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	List of external stakeholders was available which included stakeholder from nearby village, contractors, government bodies, internal stakeholders. The list was last update on March 2021.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	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 MSPO. 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	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>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. As per sampling weighbridge ticket as per below:-</p> <ul style="list-style-type: none"> <li>a. Certificate number: MSPO 668094</li> <li>b. Name of certificate owner and estate name: Palmcol Sdn Bhd</li> <li>c. Date; 3/1/2021</li> <li>d. Weighbridge ticket Id: PCSB No. A 93925/35447</li> <li>e. Transporter Name: Jufri</li> <li>f. Source Location: block B05 &amp; 06</li> <li>g. FFB Weight and etc:10020kg</li> </ul>	
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	Traceability inspection report carried out on daily basis based on daily task assignment @ muster chit. Refer to harvesting activities dated 3/1/2021. Refer to bunch count sheet (419274 & 419273).	Complied
<b>4.2.3.3</b>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p><b>- Minor compliance -</b></p>	MR Jemmy Lee Ak Pantar has been appointed in charge of traceability. Refer to appointment letter dated 1/1/2021.	Complied
<b>4.2.3.4</b>	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p><b>- Major compliance -</b></p>	<p>All records inspected confirmed the documents for delivery and transportation of FFB are updated accordingly and updated daily to the established traceability procedure.</p> <ul style="list-style-type: none"> <li>i. Daily Despatch Chit (PCSB No. A 93925) dated 3/1/2021 with MSPO stamp (MSPO 668094)</li> </ul>	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			

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<b>4.3.1.1</b>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>The site are able to provide the following license and permits as evidence of legal compliances:</p> <ul style="list-style-type: none"> <li>i. MPOB License for no. 539584002000” for “Menjual dan Mengalih FFB” valid from 01/06/2021 - 31/05/2022 for 3,108.87 ha (license under Palmcol Sdn Bhd in the Arip Land District</li> <li>ii. MPOB License for no. 564007002000” for “Menjual dan Mengalih FFB” valid from 01/11/2021 - 31/10/2022 for 1,626.62 ha (license under Palmcol Sdn Bhd in the Balingian Land District</li> <li>iii. Trading License – The Business, Professions and Trading License Ordinance. (Borang I, Seksyen 5, 23 dan 24(2)) – No. A948355 valid until 31/7/2022</li> <li>iv. License for petroleum storage serial number 25380 from Majlis Daerah Sibu validity from 01/01/2021 to 31/12/2021</li> <li>v. Permit for control good items, no: MKH.P 09/17(D) for storing diesel at 20,000 litres validity until on 31/12/2021</li> <li>vi. Approval for salary deduction from Labour Department dated 04/12/2021 No. JTKSWK/PG/0080/18(SBU) for food ration</li> </ul> <p>It was noted the last year opportunity of improvement in regards to the Noise Risk Assessment is yet implemented by the management as the current situation of restriction due to Pandemic COVID-19. Current progress the management has confirmed to conduct the assessment of September after the restriction is lifted.</p>	Complied
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>All operating units have Legal &amp; Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register, OT05 latest reviewed on dated 19/7/2021. Sustainability</p>	Complied

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		<p>department have reviewed and updated the applicable and relevant legal such as:</p> <ul style="list-style-type: none"> <li>i. Malaysian Palm Oil Board (License) Regulation 2005 &amp; Malaysian Palm Oil Board 1998</li> <li>ii. Sarawak Land Code</li> <li>iii. Control of Supplies Act 1974</li> <li>iv. Pesticide Act, 1974</li> <li>v. Pesticide (Pesticides Registration) Rules 2005</li> <li>vi. Sarawak Labour Ordinance (Cap 76)</li> <li>vii. OSHA 1994</li> <li>viii. Natural Resource and Environment Ordinance (Cap. 84 - Laws of Sarawak) Incorporating all amendments up to 31<sup>st</sup> August, 2008.</li> <li>ix. And the list of 58 number act and regulations</li> </ul>	
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	<p>In the document of "Legal Register" dated on 17/5/2021, has including the monitoring of the latest or new amendment of revision of Act or Regulations or relevant regulatory section. Latest legal requirement of Akta Pencegahan dan Pengawalan Penyakit Berjangking 1988 (Akta 342), "Factories and Machinery Act (Noise Exposure) 2019 &amp; Minimum Wages Order 2020 are included in the Legal Requirement Register.</p>	Complied
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>Person in charge for legal, Mr Harry Bernard Duat dated 1/3/2021 and Mr. Unchau Ak Melintang dated on 1/3/2021. The person is responsible to monitor compliance and to track and update the changes in regulatory requirements.</p>	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			

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4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The usage of all land titles area for agriculture purposes and no land encroachment occur. No record of complaint or grievances regarding toward land issue from stakeholder. Same as previous year audit.	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. <b>- Major compliance -</b>	<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"> <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 21/3/2060</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 21/3/2060</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 21/3/2060</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 21/3/2060	Agriculture	Arip Land, Lot 2, Block 1	3,502 ha	Leasehold for 60 years until 21/3/2060	Agriculture	Balingan Land, Lot 3, Block 181	8.021 ha	Leasehold for 60 years until 21/3/2060	Agriculture	Complied
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4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	As per previous year site verification, 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. No changes due to no site verification been done this year due to COVID-19 issue and to comply with MCO.	Complied																

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<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	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 Customary Land Rights and Compensation Procedures (PGHSB/SOPP/005/2015) dated 21/12/2015.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	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
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	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
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	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

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<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	The Social Impact Assessment (SIA) was conducted on 5th – 9th October 2015 by WildAsia including consideration of feedbacks from the stakeholder engagement meeting. 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 4/1/2021.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	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.	Complied
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	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. Latest record was on 20/1/2021 and the management resolve the issue on 27/1/2021.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	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. There also have 14 place that have suggestion box including canteen and labour quarter aside	Complied



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		from office. The report on inspection for suggestion box also been conducted by management, latest report was on 5/4/2021. This to ensure the suggestion box was in good condition and updated.	
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	Due to COVID-19 and MCO, the management only conduct the raining to workers dated 29/3/2021 regarding to compliant and suggestion box. For the communities the management send the letter to Palmcol Sdn Bhd stakeholder dated 2/1/2021 to inform about the policy, communication procedure and others.	Complied
<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	The management has started to implement the complaint form since May 2013. The records of complaint were available from May 2013 up to date.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	Palmcol Estate was monitored on Social Activities for Y2021 such as: 1) Giving 100 liter of Diesel to Rumah Panjang Chali dated 23/4/2021 2) Giving hampers to Tr. Anggok during Gawai Sandau Ari dated 8/1/2021 3) Installation culvert at Rumah Panjang Anas dated 7/3/2021	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	Safety & health policy was developed by the group's sustainability department. Sighted the policy was endorsed by Mr. Tiong Chiong Hee (Managing Director) on 01/01/2021. The main objective of the policy is to ensure that the estate area is safe and healthy to all its workers and to everyone who is involved in its estate activities.	Complied

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		<p>The estate management has established an Occupational Safety &amp; Health Plan for year 2021 which comprises of 43 different trainings and activities. Some of the training conducted are as follow:</p> <ul style="list-style-type: none"> <li>a. OSH Training (SSOP for Chemical Sprayer, Safe handling on Chemical, PPE awareness, ERP (fire, accident, spillage), SOP for COVID-19), conducted on 02/11/2020 for newly recruited workers.</li> <li>b. Training on the first aid box carrier was conducted on 13-18/03/2021, to employees, delivered by Mr. Unchau Melintang.</li> <li>c. Fire safety and fire extinguisher handling training, was conducted on 27/03/2021, and delivered by OSH team.</li> </ul>	
<p><b>4.4.4.2</b></p>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health</li> </ul>	<ul style="list-style-type: none"> <li>a. Safety &amp; health policy was established and endorsed by the group managing director on 01/01/2021. The policy has been communicated to the employees during the training and the morning briefing. Some training records explained under indicator 4.4.4.1.</li> <li>b. The estate management has conducted hazards identification, risk assessment, risk control for Palmcol Estate on 10/02/2021, by Mr. Unchau Melintang (OSH Coordinator) and approved by Mr Rangga Jerman (Senior Estate Manager). Safety &amp; Health Coordinator conducted regular inspection on the work place to ensure it is safe for the employee. Sighted the inspection records dated on 15/02/2021 was done to warehouse (fertilizer packing), harvesting operation and labour line-site.</li> <li>c. OSH Training (SSOP for Chemical Sprayer, Safe handling on Chemical, PPE awareness, ERP (fire, accident, spillage), SOP for COVID-19), conducted on 02/11/2020, delivered by Mr. Unchau Melintang (OSH Coordinator) and Mr. Rahim Sapian (Cade Assistant Manager).</li> </ul>	<p>Complied</p>

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<p>(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>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>d. PPE issuance records were made available to the audit team. The estate management also conducted PPE inspection to ensure the employees taking a good care of the equipment.</p> <p>e. The estate management provides PPE to their workers for free. Sighted the PPE issuance records and verified.</p> <p>f. The estate management has appointed Mr. Unchau Melintang as the Safety &amp; Health Coordinated dated on 16/04/2014.</p> <p>g. The OSH committee has conducted the meeting as per regulated in the OSH Act 1994 (Act 14), OSH Regulations 1996. The 2020 OSH Committee meeting was conducted on 08/02/2020, 20/06/2020, 28/08/2020 and 03/12/2020. As of for year 2021, they managed to conduct 2 meetings on 20/02/2021 and 22/05/2021.</p> <p>h. Emergency response procedures was conducted for all employees on 27/03/2021, delivered by Mr. Unchau Melintang (OSH Coordinator), Mr. Bana Gadot (Foreseen Commander) and Mr. Ediwin Engkamat (Assistant Foreseen Commander).</p> <p>i. The estate has 6 authorized employees who has attended a training on 11/11/2018 delivered by "Bulan Sabit Merah Malaysia". The authorized person is responsible to train and brief the workforce and to ensure the equipment in the first aid box are well managed. Basic first aid training was conducted on 13-18/03/2021 to the person who will be present at the field. List of first aid box items were made available to the audit team and verified.</p> <p>j. Accident records are well kept and maintained by the estate management. Sighted the JKKP 8 form was submitted to the DOSH on 04/01/2021.</p>	

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<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>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 5/5/2021. 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>
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>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>
<b>4.4.5.3</b>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></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 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"> <li>1. C 7465848</li> <li>2. AT 855215</li> </ol>	<p>Complied</p>

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		3. B 8918702 4. B 7440321 5. 750331-13-xxx2 6. 971206-13-xxx6 7. 851029-13-xxx7	
<b>4.4.5.4</b>	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. <b>- Minor compliance -</b>	No 3 <sup>rd</sup> party contractor for production related activities at Palmcol Estate. Same as per previous year report.	Complied
<b>4.4.5.5</b>	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. <b>- Major compliance -</b>	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: 1. C 7465848 2. AT 855215 3. B 8918702 4. B 7440321 5. 750331-13-xxx2 6. 971206-13-xxx6 7. 851029-13-xxx7	Complied
<b>4.4.5.6</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	Employment contracts were acknowledged and kept a copy by the workers verified through interviewed with the workers. The terms and conditions were clearly stated in the contract such as salary, annual leaves and public holiday entitlement, rate of work on rest day,	Complied

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	- Major compliance -	overtime and etc. Sampled of employment contracts as below: 1. C 7465848 2. AT 855215 3. B 8918702 4. B 7440321 5. 750331-13-xxx2 6. 971206-13-xxx6 7. 851029-13-xxx7	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	Palmcol Estate has established a time recording system (check roll payroll process) for all employees. Time recording system has been implemented by thumb print however during this pandemic the thumb print was not in used to ensure safety, other type like check roll book for all employees have been used. The working hours for all employees have been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	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.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	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	Complied

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		sample: 1. C 7465848 2. AT 855215 3. B 8918702 4. B 7440321 5. 750331-13-xxx2 6. 971206-13-xxx6 7. 851029-13-xxx7	
<b>4.4.5.10</b>	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. <b>- Minor compliance -</b>	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.	Complied
<b>4.4.5.11</b>	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. <b>- Major compliance -</b>	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.	Complied
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	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" (ref no:PGHSB/SOPP/012/2016) which was established by the management of Palmcol Estate on 22/02/2016.	Complied

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		Up to date, there is no case reported since last assessment. The training for sexual harassment policy was conducted on 27/5/2021 to all employees especially women.	
<b>4.4.5.13</b>	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. <b>- Major compliance -</b>	Palmcol Estate has continued to implement Policy on Freedom of Association and Collective Bargaining dated 22/02/2016 (Ref no: PGHSB/SOPP/009/2016). The company was committed and allowed their stakeholders such as employees, clients, business partner to form or join any association. 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 28/3/2021 and attended by the elected members and estate management.	Complied
<b>4.4.5.14</b>	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 expose to hazardous working conditions. <b>- Major compliance -</b>	Palmcol Estate was continued to implement Child Labour Policy which was signed by Senior Human Resource Manager dated 22/2/2018 (Ref no: PGHSB/SOPP/005/2016). 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.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	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. <b>- Major compliance -</b>	The group established a procedure regarding on the Training Procedure, reference no: PGHSB/SOPP/004/2018(2019-02), version no 02, prepared by the Agronomic & Sustainability Department. The objectives of the procedure are to provide guideline for all identify training needs and to provide guidance on training procedure for all oil palm estate and mill.	Complied



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		Annual training program was made available to the audit team and reviewed. 39 trainings and briefings covering the environmental, social, safety & health and training for contractor’s workers & local community/visitor were schedule for their employees.	
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. <b>- Major compliance -</b>	Training needs for individual employees was identified thru the training matrix system and made available to the audit team.	Complied
<b>4.4.6.3</b>	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. <b>- Minor compliance -</b>	The estate management has schedule training and briefing for the employees for the year and consistently monitored the progress. Training records were made available to the audit team and verified.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	The management has established and maintained the “Environmental Policy”, with signed by Managing Director on 6 <sup>th</sup> January 2014. Sighted the policy been communicated to the employee at Palmcol Estate during the “Awareness Briefing of Environmental Policy and No Open Burning” on 12/12/2021 attended by all estate workers. Noted also the policy been displayed at the several location of the estate such as Security Post Road 2, Anggerik Camp Road 3F, Office and Outside Road 11E and also at labour quarters.	Complied

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<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>a) The management has developed an environmental policy and its 4 objectives well written in the policy which are included in the policy</li> <li>b) The company has maintained a documented aspect and impact analysis and subsequently developed the environmental action plan. Seen the following aspect covered in the documents:               <ul style="list-style-type: none"> <li>1. Chemical Storage</li> <li>2. Harvesting &amp; Pruning</li> <li>3. Water Treatment Plant</li> <li>4. Workshop Operation</li> <li>5. Housing and building</li> <li>6. Manuring</li> <li>7. Pest and Disease Control</li> <li>8. EFB Mulching</li> <li>9. Chemical Premix</li> <li>10. Generator Set Operation</li> <li>11. Transportation</li> </ul> </li> </ul>	Complied
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The environmental improvement plan has been implemented as per planned programme as observed in the document Environmental Continual Improvement plan 2021. Sighted the sample of continual improvement plan developed were:</p> <p>Water Quality Management for outlet drains and water monitoring point, riparian buffer zone.</p>	Complied

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		<p>Action taken by Environmental Monitoring Report by Envisar (Quarterly Basis), avoid spraying along the drain or riverside, no rubbish dumping into the drains and waterways, awareness briefing.</p> <p>Soil Erosion by monitoring the main road, main drain, collection drain, field and rainfall measurement gauge.</p> <p>Action taken by soil analysis report, maintain cover crop soft grass of the drain bunds and roads, proper road design, pruned frond stacking properly and rainfall record. All of these actions are taken continuously.</p> <p>Domestic waste management at the labour quarter, office and workshop. Action taken by regular inspection, activities gotong royong, awareness briefing and the trend analysis. All of these actions are taken continuously.</p>	
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>The environmental continual improvement programme also includes positive impact. Verified continuous improvement programme for rain harvesting system in the estate.</p>	Complied
<b>4.5.1.5</b>	<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.</p> <p><b>- Major compliance -</b></p>	<p>It was noted the management has conducted the environmental training for the year 2021 such as:</p> <ol style="list-style-type: none"> <li>1. Briefing on Environmental Policy and No Opens Burning on 12/12/2020</li> <li>2. Briefing on 3R awareness on 22/06/2021</li> <li>3. Briefing on Housing Memorandum on 02/12/2021</li> <li>4. Briefing on Scheduled Waste Handling and Storage Guidelines on 01/12/2020</li> <li>5. Scheduled Waste Management Training on 22/01/2021</li> </ol>	Complied

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<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b>	The management has organized meetings with concerns on environmental quality matters and HCV concern. Sighted record of latest meeting conducted on 23/2/2021 attended by all the 25 number of Environmental and HCV Committee. Memo of meeting and records of the meeting minutes is sighted.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	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. <b>- Major compliance -</b>	<p>The management has tabulated consumption of non-renewable energy (Diesel) by own vehicles and machineries. The management monitored their consumption by establishing monthly trends for diesel.</p> <p>Documents seen "Monitoring of Gen-Set Running Hours &amp; Fuel Consumption" with total of 10 genset fuel usage are monitored. Latest diesel usage recorded on June 2021 at 1,200 litre with the year todate usage at 7,295 litres.</p> <p>Documents seen "Monitoring of Heavy Machineries Running Hours &amp; Fuel Consumption" with total of 67 heavy machineries fuel usage are monitored. Latest diesel usage recorded on June 2021 at 14,360 litre with the year todate usage at 72,950 litres.</p> <p>Documents seen "Monitoring of Vehicles Running Hours &amp; Fuel Consumption" with total of 17 vehicles fuel usage are monitored. Latest diesel usage recorded on June 2021 at 4,640 litre with the year todate usage at 20,850 litres.</p>	Complied
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This	The management has clearly estimating the direct usage of diesel to determine non-renewable energy efficiency of their operation, The estimation is carry out individually to each vehicle as it will assessing	Complied

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	shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	which unit is having high usage of fuel therefore they able to investigate the issue of the vehicle.  Total recorded of diesel usage for the year 2020 was 256,084 litre with the budget 654,660 litres. It was estimated ratio per FFB for that year 5.89 litre/FFB, with the actual ratio was 2.62 litres/FFB.  For the year 2021, year to date actual usage 120,360 litres with the estimate usage for the year 2021 at 637,200 litres. Target ratio per tonne FFB for the year 2021 is 5.73.	
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	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
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	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 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 19/5/2015.	Complied

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<b>4.5.3.2</b>	<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"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p>	<p>Based on the established waste Management monitoring plan for the year 2021 has identified each categories of waste source of its, parameter to monitor, monitoring point and the frequency of monitoring. Sample seen at the:</p> <p>Impact of Domestic waste, monitoring point is the Domestic Waste Collection at the whole location of workers and staff quarter. Frequency done twice a month, disposed at the Balingian Landfill.</p> <p>Impact of Schedule waste, monitoring point is the Schedule Waste Storage at the workshop, gen set and labour line. Frequency done update monthly.</p>	Complied
<b>4.5.3.3</b>	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>	<p>The management 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.</p> <p><u>Disposal Consignment Note</u></p> <p>Last consignment notes of disposal seen at</p> <p>Consignment No: 2021010813UDO4JM dated on 08/01/2021 SW409 (spent lubricating oil) disposed at quantity 0.1420Mt</p> <p>Consignment No: 2021010813AK2SVX dated on 08/01/2021 SW410 (Fertilizer Rag) disposed at quantity 0.1280Mt</p> <p>Consignment No: 2020121813K4C6ZJ dated on 08/01/2021 SW103 (Used Battery) disposed at quantity 0.4160Mt</p>	Complied

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		<p>Consignment No: 2020121813JEZVUY dated on 08/01/2021 SW305 (Spent Lubricating Oil) disposed at quantity 0.8830Mt</p> <p>Latest consignment notes of disposal seen at            Consignment No: 2021073010R51DVZ dated on 30/07/2021 SW305 (spent lubricating oil) disposed at quantity 1.4120Mt            Consignment No: 2021072816LMUJSB dated on 08/01/2021 SW102 (Used Filter) disposed at quantity 0.2870Mt            Consignment No: 2021072813BMUHCW dated on 08/01/2021 SW103 (Used Battery) disposed at quantity 0.2870Mt</p> <p><u>SW Inventory</u>            SW 305 (Spent Lubrication Oil), latest recorded on 08/2021 with balance 0.0980mt            SW 306 (Used Hydraulic Oil), latest recorded on 08/2021 with balance 0.150mt.            SW 410 (Rags), latest recorded on 08/2021 with balance 0.01750mt.</p>	
<p><b>4.5.3.4</b></p>	<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><b>- Major compliance -</b></p>	<p>Handling of the empty pesticides containers is refer in the Management Of On-Site Scheduled Waste For Chemical Containers dated of 22/09/2015. It has been verified the management has recorded number of empty container produce by field.</p> <p>Verified through photo evidence the empty pesticide containers were punctured, labelled, collected and stored in the empty chemical store. Inventory of Empty Chemical Container also been update and monitored by the management.</p>	<p>Complied</p>

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<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste generated onsite generally disposed at the outside landfill either at Sibul or Balingian dumpsite. Sighted the approval letter from the Majlis Daerah Dalat & Mukah dated on 09/04/2021. The district council has charges with RM200/trip to the council landfill.  The management has established monthly schedule of domestic waste collection. Apart from that, record of the domestic waste movement also been established, with the latest record on June 2021 domestic waste produce at Balingian Dumpsite.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The management has determined all kind of activities that contribute to the polluting activities with each activity consumption that produce to the carbon emission. Seen the record of: 1. Number of trip and volume of bunch ash transported 2. Number of trip and volume of EFB transported 3. Fertiliser Usage Record 4. Number of trip and volume of FFB transported 5. Fuel and lubricant consumption 6. Pesticide and herbicide usage	Complied
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Plan to reduce identified significant pollutants and emissions documented under Environmental Continual Improvement Plan. Other plans for related to environmental pollution documented under environmental aspect impact and management plan.	Complied
<b>Criterion 4.5.5:</b> Natural water resources			



Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.5.1</b> The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> <li>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul> <p><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>a) Sighted the water management plan developed by the for the year 2021 where is the water supplied get from rain water harvesting for domestic used while for the estate operation cater from rain water harvesting, field drain, boundary drain and nearby water stream. Some of the staff quarter also is nearby with the mill complex hence they were provided with the treated water from the mill. Monitoring of water quality for domestic consume was done by the water quality sampling 6 month once with the latest report done on July to Dec (2<sup>nd</sup> Quarter) 2020.</li> <li>b) The company has conducted the monitoring of the water by conducting the water sampling passing through the water stream in the estate. Sighted in the Environmental Monitoring report (4<sup>th</sup> Quarter 2020) November 2020 – January 2021 under quality water monitoring with conclusion no significant environmental issue for this monitoring period.</li> <li>c) As refer to photo evidence of the rain water harvesting is in place to cater the rain water for domestic used.</li> <li>d) Sighted a photo of riparian buffer zones signboards and signages erected along natural waterways PH 04, Block E 06(B) Road 24 Sg. Anak Buffer Riparian Zone, PH 04, Block D 06, Road 25(B) Sg. Anak Buffer Riparian Zone.</li> <li>e) Natural vegetation was sighted to be maintained based on photo evidence during remote audit.</li> <li>f) No bore well water used at the estate.</li> </ul>	<p>Complied</p>
<p><b>4.5.5.2</b> No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate. Weirs and bunds</p>	<p>Complied</p>

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		constructed only at filed drain as part of estate’s water management plan for peat.	
<b>4.5.5.3</b>	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). <b>- Minor compliance -</b>	Water management plan includes BMP on peat, rainwater harvesting, desilting of roadside drains and etc. Evidence of photo rainwater harvesting is sighted.	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <b>- Major compliance -</b>	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 categorized under IUCN list would categorize the area under HCV 1.3 (endemic species).  The estate also conducted yearly monitoring assessment on the HCV as seen in the internal report dated on 22/04/2021. Fauna sighted during the assessment were Eagle at the Phase 4, Block D5, Road 18A, Kingfisher at the Phase 01, Block E3, Road 11, Primate (Nyumboh) at the Palmcol Estate Access Road.	Complied
<b>4.5.6.2</b>	If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or	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	Complied

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	collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	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 22/6/2021 on HCV protection, RTE and protected animals as well as discouraging of illegal hunting.	
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	Management plan for HCV is documented under HCV Management Plan for 2021. Quarterly monitoring to maintain peat subsidence pole. Daily weekly monitoring to improve all water management implementation. Quarterly or when needed to promote flora and fauna and RTE.	Complied
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	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. <b>- Major compliance -</b>	There was no replanting at Palmcol Estate. No evidence of open burning sighted during site review.	Complied
<b>4.5.7.2</b>	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. <b>- Major compliance -</b>	Not applicable for Palmcol Estate.	Complied
<b>4.5.7.3</b>	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. <b>- Major compliance -</b>	Not applicable for Palmcol Estate.	Complied
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. <b>- Minor compliance -</b>	Not applicable for Palmcol Estate as there was no replanting in the recent years.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The group has established standard operation procedures as a guideline for operation in the estate compound. The SOP was last updated on 17/06/2020. There are 3 different procedures which are best management practices procedure, standard operation practices procedure (endorsed policies) and guidelines. Some of the procedures are as follow:</p> <ul style="list-style-type: none"> <li>a. Oil palm harvesting procedures</li> <li>b. Frond pruning procedures</li> <li>c. Water management on peat procedures</li> <li>d. Human right policy</li> <li>e. MSPO management policy</li> <li>f. Guidelines on domestic waste management</li> <li>g. Guidelines on traceability</li> <li>h. Guidelines on training</li> </ul> <p>The estate management has developed annual training program and conducted the training or briefing on regular basis. Trainings &amp; briefing records were made available to the audit team and verified.</p> <p>TQM meeting was conducted on monthly basis in order to ensure and monitor the operation procedure. Minute for TQM meeting was made available to the audit team. Among the agenda discussed during the meeting were internal audit reports (MSPO &amp; ISCC), review external audit report, progress of environmental &amp; BMP, progress of safety &amp; health, management of COVID-19 pandemic and others.</p>	<p>Complied</p>

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4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. <b>- Major compliance -</b>	The estate was developed on the peat soil series and generally has flat area.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	The estate management marked their field block with a sign board which consist of the following information: a. Phase b. Block name c. Road d. Area e. Year planted	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
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. <b>- Major compliance -</b>	Documented business plan/budget were available for the audit team. Attention was given to crop projection, cost of production, cost per ton and per hectares.	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. <b>- Major compliance -</b>	No replanting program to be carried out for the next 5 year since the oldest palm aged 15 years old.	Complied

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<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production: cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) Financial indicators: cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance -</b></p>	<p>Documented business plan/budget were available for the audit team. Attention was given to crop projection, cost of production, cost per ton and per hectares.</p>	Complied
<b>4.6.2.4</b>	<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><b>- Major compliance -</b></p>	<p>The estate management conducted monthly meeting to monitor and examine the progress of work done in the estate compound. The monthly meeting report and agronomic visit report were made available to the audit team. part of the agendas discussed during the monthly TQM meeting are as follow:</p> <ul style="list-style-type: none"> <li>• Review on MSPO &amp; ISCC implementation</li> <li>• Progress report on environment and BMP</li> <li>• Progress report on safety &amp; health</li> <li>• Progress report on social &amp; legal</li> <li>• Management on COVID-19 and others</li> </ul>	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance -</b></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>	Complied

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<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	There was no agreement/contract with the contractor for the last review period. Most of the field activities were no longer outsourced to 3 <sup>rd</sup> party contractor.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - <b>Major compliance</b> -	There was no agreement/contract with the contractor for the last review period. Most of the field activities were no longer outsourced to 3 <sup>rd</sup> party contractor.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - <b>Minor compliance</b> -	Palmcol Estate has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Complied
<b>4.6.4.4</b>	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - <b>Major compliance</b> -	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
<b>4.7 Principle 7: Development of new planting (No New Planting In Palmcol Sdn Bhd)</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			

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Criterion / Indicator		Assessment Findings	Compliance
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 -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>Criterion 4.7.2: Peat Land</b>			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable



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Criterion / Indicator		Assessment Findings	Compliance
	participatory methodology which includes external stakeholders. <b>- Major compliance -</b>		
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <b>- Major compliance -</b>	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>4.7.3.4</b>	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. <b>- Minor compliance -</b>	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>Criterion 4.7.4:</b> Soil and topographic information			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. <b>- Major compliance -</b>	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
<b>Criterion 4.7.6: Customary land</b>			
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 -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable

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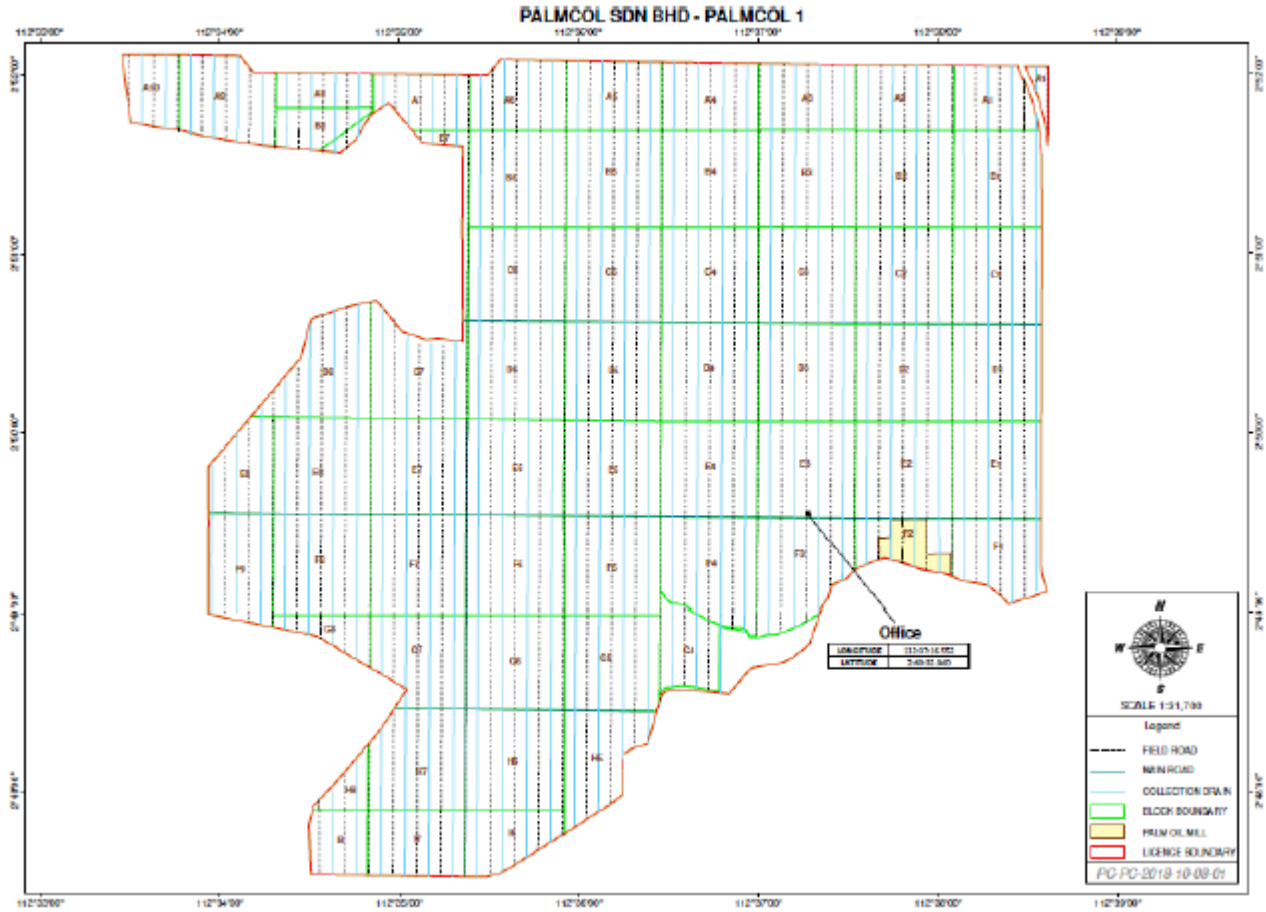
Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	Not applicable because no new development in Palmcol Sdn Bhd.	Not Applicable

**Appendix B: List of Stakeholders Contacted**

<p><b>Government Officer:</b> Nil</p>	<p><b>Community/neighbouring village:</b> Nil</p>
<p><b>Suppliers/Contractors/Vendors:</b> Nil</p>	<p><b>Worker’s Representative/Gender Committee:</b> JCC Representative Gender Representative Worker’s representative by nationalities</p>



**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