

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

PALMGROUP HOLDINGS SDN BHD
Client Company Address: 25.1-25.2, Level 25, Wisma Sanyan No. 1, Jalan Sanyan 96000 Sibu, Sarawak, Malaysia
Certification Unit: Victoria Square Development Sdn Bhd (Victoria Square Development Estate)
Date Final Report: 1/12/2021

Report prepared by:
Muhamad Naquiuddin Mazeli (Lead Auditor)

Report Number: 3293266

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
(DSM Accreditation Number: MSPO 09112018 CB 12)
Suite 29.01 Level 29 The Gardens North Tower,
Mid Valley City Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia
Tel +60392129638 Fax +60392129639
www.bsigroup.com

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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	
	549549002000	30/4/2022	
Address	Lot 540, Engkilo Land District, Sibul Division & Block 42, Lot 1, Kabang Land District, 96000 Sibul, Sarawak, Malaysia		
Certification Unit	Victoria Square Development Sdn Bhd (Victoria Square Development Estate)		
Contact Person Name	Mr. Raymond Nyian		
Website	http://www.mafrika.com.my	E-mail	raymondny@mafrika.com.my
Telephone	+6084 353 155 +6012 881 0052	Facsimile	+6084 332153

1.2 Certification Information			
Certificate Number	MSPO 681157		
Issue Date	12/10/2018	Expiry date	11/10/2023
Scope of Certification	Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Stage 1 Date	16/11/2017		
Stage 2 / Initial Assessment Visit Date (IAV)	22/03/2018		
Continuous Assessment Visit Date (CAV) 1	26/08/2019		
Continuous Assessment Visit Date (CAV) 2	Remote Audit: 17/08/2020 & On-site Audit: 01-02/10/2020		
Continuous Assessment Visit Date (CAV) 3	Remote Audit: 9/8/2021		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
N/A			

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude

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

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

1.5 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Victoria Square Development Estate	12.50	619.69	3000.49	-	-	3,620.18	12.50
Total (ha)	12.50	619.69	3,000.49	-	-	3,620.18	12.50

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Oct 2020 - Sep 2021)	Actual (Aug 2020 - Jul 2021)	Forecast (Oct 2021 - Sep 2022)
Victoria Square Development Estate	58,448.72	37,416.60	55,000.00
Total (mt)	58,448.72	37,416.60	55,000.00

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Oct 2020 - Sep 2021)	Actual (Aug 2020 - Jul 2021)	Forecast (Oct 2021 - Sep 2022)
N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A

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1.8 Certified Tonnage			
	Estimated (Oct 2020 - Sep 2021)	Actual (Aug 2020 - Jul 2021)	Forecast (Oct 2021 - Sep 2022)
Mill Capacity: N/A	FFB	FFB	FFB
	58,448.72	37,416.60	55,000.00
SCC Model: N/A	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)
	N/A	N/A	N/A
	PK (KER: %)	PK (KER: %)	PK (KER: %)
	N/A	N/A	N/A

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
N/A	N/A	N/A	N/A	N/A	N/A
Total	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
Total	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 assessment was remotely conducted on 9/08/2021 due to the Movement Control Order (MCO) imposed by the Malaysian Government during Pandemic COVID-19 using Information and Communication Technologies including (Microsoft Teams and WhatsApp). The audit programme is included in Section 2.3. The planned audit objectives have been achieved, there were no connectivity issues which adversely affected the audit. The approach to the audit was to treat the Victoria Square Development Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

Meetings by phone call were held with internal stakeholders such as workers 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 internal stakeholder and the company before discussions proceeded. The interviewer recorded comments made by internal stakeholders and these have been incorporated into the assessment findings. No site verification during this assessment because of fully remote audit due to Pandemic COVID-19 issue and to comply with Movement Control Order. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings from the initial assessment are detailed in Section 4.2.

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

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

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

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

Tentative Date of Next Visit: August 1, 2022 - August 1, 2022

Total No. of Mandays: 2 mandays

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 Naquiuddin Mazeli (MNM)	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 support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Pro-forest. He also already trained in SMETA on 2021. During this audit, he cover Social aspect and stakeholder consultation. Able to speak and understand Bahasa Malaysia and English.
Mohamad Fitri Mustafa (MFM)	Team Member	Graduated 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 safety and health also environment aspect. 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
Wednesday, 28/07/2021	10.00 - 10.30	Trial Meeting for Communication test. Communication on document preparation - Audit plan - Any additional Information	Teleconference, Microsoft Team Meeting, Email	
Monday, 9/08/2021	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	
Victoria Square Development Estate	09.30 - 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	
	16.30 - 17.00	Preparation of audit report/Closing meeting	Teleconference, Microsoft Team Meeting, Email	
	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

The nonconformity is listed below.

During the Annual Surveillance Assessment 3 (ASA3) there were one major (1) Major non-conformities raised. Victoria Square Development Estate submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the non-conformity was reviewed by the BSI audit team and accepted.

The implementation of the Corrective Actions for the Major Non-Conformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:				
Ref: 2092442-202108-M1	Area/Process: Victoria Square Development Estate		Clause: MSPO 2530 Part 3- 4.4.5.3	
	Issue Date: 12/8/2021		Closed Date: 30/10/2021	
Requirements:	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.			
Statement of Nonconformity:	The employee pays and condition was inadequately meet legal and industry minimum standard.			
Objective Evidence:	Sighted a piece rated worker, Neni Junerawati (MY00005510) that working on rest day dated 1/3/2020 and 8/3/2020 was not paid as per Section 105C of Sarawak Labour Ordinance 1958.			
Corrections:	To pay double rate for rest day work on this piece rated activities.			
	Action taken	Responsible person	Completion Date	Status
	Record of payment based on audit finding	HRD, HQ	30/8/2021	In progress
Root cause analysis:	As there was a lots of changes at management level, there were some delayed in training plan to the new person in charge that supposed to do the monitoring. Therefore, the monitoring is not yet being conducted.			
Corrective Actions:	To include the monitoring checklist in internal audit and ensure the monitoring was done accordingly. The Human resource will be monitoring activity to ensure the requirement is fully enforced and ensure the person in-charge was trained and updated the file accordingly.			

	Estate management will enforce the requirement at site operation by reminding to the person in charge and follow up with the HR.
Assessment Conclusion:	<p>As per record of :-</p> <ol style="list-style-type: none"> 1. Cash payment voucher (VS/AP/PC/2021/008-008) dated 20/8/2021. 2. Payment advice (VSDSB/PE20030080) dated 19/8/2021. 3. And reminder letter from estate manager to Admin office dated 20/8/2021. <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 30/10/2021.</p>

Opportunity For Improvement		
Ref: N/A	Area/Process: N/A	Clause: N/A
Objective Evidence:	N/A	

Noteworthy Positive Comments	
1	Good commitment by the management
2	Good relationship with adjacent stakeholders

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:				
Ref: 1963445-202009-M1	Area/Process: Victoria Square Development Estate		Clause: MSPO 2530 Part 3-4.4.5.3	
	Issue Date: 02/10/2020		Due Date: 7/12/2020	
Requirements:	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.			
Statement of Nonconformity:	Pay and conditions for harvesting and piece rated work done on rest day does not meet Sarawak Labour Ordinance under section 105 (5).			
Objective Evidence:	<p>Noted that harvesters as follows has been working on their rest day in the month of March, April and May 2020. However, they are not paid double rate as per Sarawak Labor Ordinance under section 105 (5) that stated:</p> <p>"An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece".</p> <p>Sampled the checkroll and detail payslip for harvesters as follows:</p>			
	Employee No.	Working on Rest day	Job Type	Paid Rate (Normal Rate/ton)
	PE821090-H2-15	29/3/2020 5/4/2020 26/4/2020 3/5/2020	Harvesting	RM 40.00

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	10/5/2020 17/5/2020 24/5/2020 14/6/2020 21/6/2020														
PE1877186-H2-47	29/3/2020 5/4/2020 12/4/2020	Spraying	RM 21.00												
	19/4/2020 26/4/2020 3/5/2020 17/5/2020 31/5/2020	Harvesting	RM 40.00												
PE-1877190-H2-48	5/4/2020	Spraying	RM 21.00												
	29/3/2020 12/4/2020 19/4/2020 3/5/2020 17/5/2020 31/5/2020	Harvesting	RM 40.00												
<p>The rate of pay for done on rest day should be as follows: Spraying: RM 21.00/ha x 2 = RM 42.00/ha Harvesting RM 40.00/ton x 2 = RM 80.00/ton</p>															
Corrections:	<p>To pay double rate for rest day work on harvesting and other piece rated activities. Planned verification of effectiveness of this action, with deadline:-</p> <table border="1"> <thead> <tr> <th>Action Taken</th> <th>Responsible Person</th> <th>Completion Date</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Record of payment based on audit findings</td> <td>HRD, HQ</td> <td>9/11/2020</td> <td>In progress</td> </tr> </tbody> </table>			Action Taken	Responsible Person	Completion Date	Status	Record of payment based on audit findings	HRD, HQ	9/11/2020	In progress				
Action Taken	Responsible Person	Completion Date	Status												
Record of payment based on audit findings	HRD, HQ	9/11/2020	In progress												
Root cause analysis:	<p>Site operation yet fully enforce the requirement because there is no person in charge to do the monitoring activity.</p>														
Corrective Actions:	<p>Admin Officer will assist Estate Manager to do the monitoring activity to ensure the requirements is fully enforced. Planned verification of effectiveness of this action, with deadline:-</p> <table border="1"> <thead> <tr> <th>Action Taken</th> <th>Responsible Person</th> <th>Completion Date</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation.</td> <td>HRD, HQ</td> <td>9/11/2020</td> <td>In progress</td> </tr> <tr> <td>Briefing on the reminder by Operations General Manager & Senior Plantation Manager</td> <td>EM</td> <td>9/11/2020</td> <td>In progress</td> </tr> </tbody> </table>			Action Taken	Responsible Person	Completion Date	Status	Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation.	HRD, HQ	9/11/2020	In progress	Briefing on the reminder by Operations General Manager & Senior Plantation Manager	EM	9/11/2020	In progress
Action Taken	Responsible Person	Completion Date	Status												
Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation.	HRD, HQ	9/11/2020	In progress												
Briefing on the reminder by Operations General Manager & Senior Plantation Manager	EM	9/11/2020	In progress												

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	to all their management staff based at estate site.			
Assessment Conclusion:	<p>Major NC Close out: Evidence sighted as follows: The estate has made payment for the underpaid salary for the sampled workers as payment advice dated 10/11/2011. Reviewed the payment advice as follows:</p> <ol style="list-style-type: none"> 1. JRSB/PE20100194 2. VDSB/PE20100101 3. VDSB/PE20100111 4. VDSB/PE20100099 5. VDSB/PE20100194 <p>The estate has conducted the staffs meeting on 18/11/2020. In the meeting, the Operation General Manager has reminded the staff to not offer workers to work on Restday and Public holidays. The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 07/12/2020.</p>			
Verification Statement	<p>ASA3: During verification sighted a piece rated worker, Neni Junerawati (MY00005510) that working on rest day dated 1/3/2020 and 8/3/2020 was not paid as per Section 105C of Sarawak Labour Ordinance 1958. Thus, Major NC been re-raised under same indicator.</p>			

3.4 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
1608413-201802-M1	Major	22/03/2018	Closed on 21/05/2018
1608413-201802-M2	Major	22/03/2018	Closed on 21/05/2018
1816032-201903-N1	Minor	26/08/2019	Closed on 02/10/2020
1816032-201903-N2	Minor	26/08/2019	Closed on 02/10/2020
1816032-201903-N3	Minor	26/08/2019	Closed on 02/10/2020
1963445-202009-M1	Major	02/10/2020	Re-raised Major 4.4.5.3
2092442-202108-M1	Major	12/08/2021	Closed on 30/10/2021

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: <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>Management Responses: The management taken positive comment and continue this best practice.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: <u>Gender representative</u> No record of sexual harassment in estate. No discrimination of management between gender and they were very active in participate if any issue been raised.</p> <p>Management Responses: The management taken positive comment and continue best practiced.</p> <p>Audit Team Findings: No further issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment <i>Victoria Square Development Sdn Bhd</i> Certification Unit complies with the MS 2530-3:2013 . It is recommended that the certification of <i>Victoria Square Development Sdn Bhd</i> Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Raymond Nyian	Name: Muhamad Naquiuddin Mazeli
Company name: Palmgroup Holdings Sdn Bhd	Company name: BSI Services Malaysia Sdn Bhd
Title: Manager, Sustainability	Title: Lead Auditor
Signature: 	Signature: 
Date: 29/11/2021	Date: 28/11/2021

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
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Palmgroup Holdings Sdn Bhd has established a policy on sustainable palm oil production. Signed by MD, Mr Tiong Chiong Hee dated 25/3/2019. Refer to MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016(2019-05). The latest briefing to workers was carried out on 12/5/2021.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the milling and estate operation. Sampling on continual improvement for social dated 4/8/2021 approved by Cliff Hii Kwang Wan (Estate Manager).	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The group has established internal audit procedure reference no PGHSB/SOPP/014/2016(2019-05), endorsed by the Managing Director, Mr. Tiong Chiong Hee on 25/09/2019. Stated in the policy that the internal audit shall be conducted minimum once a year. Internal audit was conducted on 07-09/07/2021 via remote audit due to restriction of MCO. The internal audit report was prepared by Mr. Raymond Nyian from Agronomy & Sustainability Department of Mafrica	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Corp Sdn Bhd on 09/07/2021. There were 8 non-conformities were raised during the internal audit.	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audit procedures and audit results were documented and well-kept by the estate management. The estate management has taken necessary action to identify the root cause and implement the necessary action. The internal audit report was made available to the estate management team and reviewed on 14/07/2021. Internal audit report for year 2021 and management review meeting to review the internal audit result were made available to the audit team. The meeting was conducted on 14/07/2021, where 8 non-conformities were raised during the internal audit.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The internal audit results were discussed in the TQM monthly meeting. The reports were made available to the audit team.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The estate management has conducted TQM meeting on monthly basis to review and monitor the estate operation and SOP & MSPO policies implementation. Among the agenda discussed during the meeting were: a. Progress of environmental & BMP implementation b. Progress of safety & health implementation c. Progress of social and legal d. Management of COVID-19 precautionary e. Review on MSPO audit report from CB Management review meeting was conducted on 14/07/2021.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Continual improvement plan is integrated in their environmental and social management plan. Both plans were made available to the audit team. 15 environmental impacts and 6 social responsibilities were identified and documented in their continual improvement. The estate management has established a monitoring schedule to monitor the environment and social responsibilities implementation on monthly basis.	Complied
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	The company established annual training program to ensure all employees are well trained and competent while carrying out their tasks. Thru this program, the estate management are able to disseminate new technology or information to the workforce if necessary.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	The group developed a procedure on handling new information & techniques or new industry standard & technology, reference no PGHSB/SOPP/005/2018, version 01, dated on June 2018, prepared by the Agronomic & Sustainability Department. The objective of the procedure to ensure the end users understand & confidence on the new technologies, systems such as estate or milling products, IT products, machineries, fertilizer, chemical etc.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Victoria Square Development Estate had continued to implement the Communication and Consultation Procedure (version 2) PGHSB/SOPP/001/2015(2019-2) dated 15/4/2019. The procedure describes on the communication with the internal and external stakeholders. Mr John Ling has been appointed as Estate Social Officer (Ref: VSDSB/TQM/Social & Legal/001) which will be responsible in implementation and maintain of Company's Social issues. The appointment letter dated 31/3/2020 which issued by Estate Manager was sighted. Records of consultation and communication is available in following documents:</p> <ul style="list-style-type: none"> a. ST 18- Register of Dispute b. ST 19- Monitoring of request c. Complaint/ suggestion record d. Consultation records with community logbook 	Complied
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Victoria Square Development Estate holds copies of each of the management documents that were required to be publicly available. Copies of the document such as documents related to environmental and social issues, plans for pollution prevention, records of complaints and grievances were available upon request. The memo regarding to management document be publicly available dated 9/3/2020 was displayed on the information notice board. For external stakeholder, communication will be done by during stakeholder meeting. To internal stakeholder management already conduct the briefing on 19/6/2021 regarding to this memo.</p>	Complied
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Victoria Square Development Estate 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. No changes from previous audit.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Mr John Ling has been appointed as Estate Social Officer which will be responsible in implementation and maintain of Company's Social issues. The appointment letter (Ref: VSDSB/TQM/Social & Legal/001) dated 31/3/2021 which issued by Estate Manager was sighted.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	List of external stakeholders was available which included stakeholder from nearby village, contractors, FFB suppliers, government bodies, internal stakeholders. The list was last update on Jan 2021.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	The group has established a guideline on the Supply Chain Traceability Procedures, reference no: PGHSB/SOPP/001/2017(2019-02), version 03, dated on August 2019, prepared by Agronomic & Sustainability Department. The objective of this guideline was to monitor and ensure accuracy of sustainable and non-sustainable receipts, dispatches and stock balance to conform to the requirement of MSPO. Training on the traceability procedures was conducted by Mr Alfred Mengga (Estate Assistant Manager) to the executives & staffs, FFB checkers and tractor/lorry driver. The trainings were conducted twice on 11/01/2021 and 18/06/2021.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	The mill management conduct FFB delivery to the mill on the daily basis. This is confirmed thru the weighbridge ticket the field conducted	Complied

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	- Major compliance -	checked and verified by the estate assistant manager. Sighted some of the information in the ticket as below: a. Date and time b. Chit no c. Vehicle no, driver's name, IC no and signature d. Field name, block name and no of bunches	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The estate management has appointed Mr. Alfred Mengga (Estate Assistant Manager) as the Traceability Officer dated on 10/03/2020. Appointment letter was made available to the audit team and verified.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of delivery or FFB transportation was well kept and maintained by the estate management. Sighted the records of FFB dispatch chit, weighbridge ticket and bunch count chit.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Licenses and permits for the Victoria Square Development Estate are as follow: a. MPOB license 549549002000, valid until 30/04/2022. b. "Permit menyimpan daftar pekerja di ibu pejabat syarikat", serial no: JTKSWK/DFHQ/048/16/(SBU), valid from 27/09/2016. c. "Permit potongan gaji pekerja", serial no: JTKSWK/PG/015/18/SBU), valid from 21/02/2018. d. "Perakuan penentuan timbang & sukat", serial no: B02991119, valid until 22/11/2021.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> e. "Permit barang kawalan berjadual", serial no: Q 004324, valid until 11/07/2021. f. Windfall profit levy act 1998, serial no 002608, registration no: Y13201100000099, valid from 18/07/2011. 	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Legal Register Reference was made available to the audit team. The register was prepared by the Agronomic & Sustainability Department and updated by Mr. John Ling (Sustainability Officer). There are about 52 laws and regulations listed the Legal Registration Reference.</p>	Complied
4.3.1.3	<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>- Major compliance -</p>	<p>Mr. John Ling (Sustainability Officer) is responsible to update as and where there are any new amendments or new regulations coming into force. Sighted the Legal Registration Reference updated with new regulations as follow:</p> <ul style="list-style-type: none"> a. Public Health: "Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 198 (Akta 32), updated on 05/07/2020. b. Public Health: Protection of Public Health Ordinance 1999 (Chapter 30 – Laws of Sarawak) 05/07/2020. c. Public Order, Proclamation of Emergency: Emergency (Essential Powers) Ordinance 2021, 02/08/2021. 	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The management has appointed Mr John Ling as Social & Legal Coordinator, dated on 02/01/2021. Part of the job scope was to assist and coordinating in implementation and maintain of company's social and legal management system to ensure that is in compliance with relevant statutory requirements and meet sustainable standard.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance												
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The usage of all land titles area for agriculture purposes and no land encroachment occurs. Verified documents to show legal ownership of its land.	Complied												
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	<p>The management Victoria Square Development 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>Lot 42, Block 2, Kabang, Land District, Sibul, Sarawak 03-LCLS-006-042-00002</td> <td>1,954</td> <td>Lease of State Land 8/11/2067</td> <td>Agriculture purpose</td> </tr> <tr> <td>Lot 63, Block 6, Engkilo Land District, Sibul, Sarawak 03-LCLS-002-006-00063</td> <td>2,040</td> <td>Lease of State Land 8/11/2067</td> <td>Agriculture purpose</td> </tr> </tbody> </table>	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type	Lot 42, Block 2, Kabang, Land District, Sibul, Sarawak 03-LCLS-006-042-00002	1,954	Lease of State Land 8/11/2067	Agriculture purpose	Lot 63, Block 6, Engkilo Land District, Sibul, Sarawak 03-LCLS-002-006-00063	2,040	Lease of State Land 8/11/2067	Agriculture purpose	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. - Major compliance -	The legal perimeter boundary markers were clearly demarcated and visibly maintained on the ground as per sample sighted in the field block boundary to stakeholder area as per previous year visit. This year no site visit conducted due to COVID-19 issue. Management also establish the procedure to maintain the peg under Guidelines on Boundary Pegs Establishment and Maintenance Procedures (PGHSB/SOPP/002/2018) ver. 2 dated Jan 2018.	Complied												

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	No any disputes on land ownership as per record dated 7/7/2021 (Ref no: ST18), where in case of any as per record the process will be conducted based on Flow Chart 1: FPIC Process Guide – Title: Identification of Customary Land Rights and Compensation Procedure; Ver. # 1; Ref. # PGHSB/SOPP/005/20151 dated 21/12/2015	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There’s no land encumbered by customary rights in Victoria Square Development Estate hence this indicator is not applicable.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The group has established a guideline on Boundary Pegs Established and Maintenance Procedures, reference no: PGHSB/SOPP/002/2018, version 01. The estate management managed to identify their boundary pegs and documented it. The maps were made available to the audit team and verified.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There’s no land encumbered by customary rights in Victoria Square Development Estate, hence this indicator is not applicable.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	The SIA have been done by Wild Asia dated 21/6/2019 (Project Ref: P438 Palmgroup) Plans and impact assessments relating to	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	environmental and social impacts based on records of following: Internal: Social Impact Assessment (SIA) Mitigation Plan; Version: 1 Raymond/SU; Dated: 4/8/2021; By: Raymond Nyian; updated by; John Ling. The management establish the guidelines on Social plan dated 14/12/2017. The issue that been highlight in continuous improvement for Social was Social Management System (policies, communication and others), Local community aspect, Traceability & Fair Trade, work condition, living condition and others.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	A system for dealing with complaints and grievances established as Complaint and Grievance Procedures; Ref. # PGHSB/SOPP/002/2015; Ver. 1; Date issued: 21/12/2015.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Based on sampled "Borang Aduan" and above procedure, the system able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. Sampling as per record dated 9/5/2020 and issue resolved on 11/5/2020. The management also conduct the meeting for tracking the complaint and grievance record that been received by estate by quarterly (3month once) based. The latest meeting was on 27/2/2021.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Any complaints will reported through official complaint form (formal/informal/sensitive) and will be discussed during meeting. Status of complaints are closed and resolution of the issues will be informed officially through letter to the said complainants. Latest the estate management using memo media to communicate regarding this procedure dated 20/2/2021 and 25/2/2021.	Complied

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4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	It was confirmed that employees and surrounding communities are aware on the complaints and suggestion can be made anytime to the management. The management already conducted the training regarding to complaint and grievances on 25/2/2021 at workers housing area attended by all workers. Verified as per training record.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The complaint records are available and recorded since 2016.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The management has allocated some fund for local contribution and donation. Besides, the estate also made contribution to longhouse for festival celebration and school teacher's day celebration etc. For example, contribution 3-ply Mask, hand Sanitizer and forehead thermometer to Sekolah Kebangsaan Sungai Aup as per letter ref: JPS/(W)/SKSA/(Perh)/153/09/07/01 dated 8/9/2020.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	The group has developed safety & health policy, endorsed by Mr Tiong Chiong Hee, (Managing Director) dated on 01/01/2021. The objective of this policy is to ensure the estate area is safe and healthy to all its workers and to everyone who is involved in its estate activities. Besides that, the estate management also has scheduled OSH plan for the year 2021 which cover 41 different types of training and briefing activities.	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>The policy has been communicated to the workers on 23/01/2021, delivered by the estate management team. Training records was prepared by Mr. John Ling, Sustainability Coordinator.</p>	
<p>4.4.4.2</p> <p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied 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). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 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. 	<ul style="list-style-type: none"> a. OSH plan and policy were developed and communicated to the workforce via training, briefing, and inspection. The details of the records were explained under indicator 4.4.4.1 and in this indicator. b. The estate management has assessed the risks of all operation and documented the program. The assessment was conducted on 02/01/2021 by Mr John Ling (sustainability coordinator) and approved by Mr Hii Kwang Wan (estate manager). The estate representative has identified 10 work section for HIRARC in the estate compound; field maintenance, manuring, transportation, worker's transportation, diesel station, domestic waste, security, workshop, store and genset. Workplace inspection was conducted 17/07/2021 to ensure the work stations are safe for the workers. Sighted the inspection records done at security quarters, workers line-site's at Camp Kenyalang and Camp Harmony. c. Awareness on safety and health was delivered to the employees by the estate management. Sighted some training records conducted by the management as follow: <ul style="list-style-type: none"> i. Safety & Health Policy briefing was conducted on 24/01/2021, delivered by Mr. John Ling. ii. Safe Standard Operation Procedure on Manuring training was conducted on 23/03/2021, delivered by Mr. Joseph Kalang 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																					
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Selong (Cadet Assistant Manager) and Mr. Jacobsen Benedict (Field Conductor).</p> <p>iii. Safe Standard Operation Procedure on Chemical Spraying was conducted on 08/06/2021, delivered by Mr. Joseph Kalang Selong (Cadet Assistant Manager).</p> <p>d. PPE was provided by the estate management to the employees for free. Latest PPE issuance records were made available to the audit team. The records as follow:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Employees</th> <th style="text-align: center;">Dated</th> <th style="text-align: center;">PPE Type</th> </tr> </thead> <tbody> <tr> <td>Jabu Riong (Harvester)</td> <td style="text-align: center;">25/06/2021</td> <td>Safety Helmet</td> </tr> <tr> <td>Longki Lemi (Lorry driver)</td> <td style="text-align: center;">28/06/2021</td> <td>Safety helmet & vest</td> </tr> <tr> <td>Neni Jumerawat (Gardener)</td> <td style="text-align: center;">02/07/2021</td> <td>Safety vest</td> </tr> <tr> <td>Regina Funan</td> <td style="text-align: center;">02/07/2021</td> <td>Safety vest</td> </tr> <tr> <td>Nedi Suid (Tractor driver)</td> <td style="text-align: center;">08/07/2021</td> <td>Bowling shoes</td> </tr> <tr> <td>Yiu Zie Yang</td> <td style="text-align: center;">10/07/2021</td> <td>Safety helmet</td> </tr> </tbody> </table> <p>e. The estate has developed procedures for handling chemicals to ensure proper and safe handling and storage in accordance to the related laws and regulations. Among the procedures are:</p> <ul style="list-style-type: none"> i. Safe standard operation procedure for chemical & fertilizer storage. ii. Standard operation procedure on handling spills of hazardous chemicals. iii. Standard operation procedure for chemical mixing. 	Employees	Dated	PPE Type	Jabu Riong (Harvester)	25/06/2021	Safety Helmet	Longki Lemi (Lorry driver)	28/06/2021	Safety helmet & vest	Neni Jumerawat (Gardener)	02/07/2021	Safety vest	Regina Funan	02/07/2021	Safety vest	Nedi Suid (Tractor driver)	08/07/2021	Bowling shoes	Yiu Zie Yang	10/07/2021	Safety helmet	
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		f. Mr John Ling has been appointed as the Estate Safety & Health Coordinator, dated on 05/10/2020. g. The estate management conducted regular meeting with the employees to discuss matter relating to safety and health. Sighted the first meeting was conducted on 27/05/2021. h. Emergency Respond Plan was developed and communicated to the workers during the Safety & Healthy Policy briefing, dated on 24/01/2021. i. First aid training was conducted by Mr. John Ling on 05/08/2021 to all field staffs and executives. j. Accident records are well kept and reviewed during quarterly meeting and on a need basis. Sighted the JKPP 8 form was submitted to the DOSH on 24/01/2021, reference no: JKPP8/79309/2020.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - Major compliance -	The policies on good social practices regarding human rights in respect of industrial harmony for Palmgroup Holdings Sdn Bhd were established as following: - Employment Policy; Ref. # PGHSB/SOPP/011/2016; Ver. 01; Date issued: 22/2/2016 - Child Labour Policy; Ref. # PGHSB/SOPP/005/2016; Ver. 02; Date issued: 5/5/2017 - Equal Opportunity Policy; Ref. # PGHSB/SOPP/007/2016; Ver.02; Date issued: 5/5/2017 - Special Labour and Forced Labour Policy; Ref. # PGHSB/SOPP/008/2017; Ver. 02; Date issued: 5/5/2017	Complied

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		<ul style="list-style-type: none"> - Freedom of Association & Collective Bargaining Policy; Ref. # PGHSB/SOPP/009/2017; Ver. 02; Date issued: 5/5/2017 - Human Rights Policy; Ref. # PGHSB/SOPP/010/2017; Rev. 02 Date issued: 5/5/2017 - Sexual Harassment Policy; Ref. # PGHSB/SOPP/012/2017; Rev. 02; Date issued: 5/5/2017 - Women Rights Policy; Ref. # PGHSB/SOPP/013/2017; Rev. 02; Date issued: 5/5/2017 	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>There are no discriminatory practices in Victoria Square Development Estate. The workers were equally treated for male and female and locals and foreign workers. All workers receive free accommodation, electricity, medical and insurance. The management also establish the equality policy dated 22/2/2016 (PGHSB/SOPP/007/2016).</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Sample of payslips (March 2020, July 2020 and Oct 2020)/check roll/attendance @ thumb print and payment advice (piece rated) checked as per below:</p> <ul style="list-style-type: none"> • MY00005263 • MY00005510 • MY00002092 • MY00004958 • FW0004593 • FW0002441 • FW0002442 • FW0004244 <p>The employee pays and condition was inadequately meet legal and industry minimum standard.</p>	Major Non Compliance

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		Sighted a piece rated worker, Neni Junerawati (MY00005510) that working on rest day dated 1/3/2020 and 8/3/2020 was not paid as per Section 105C of Sarawak Labour Ordinance 1958. Thus, major non-compliance been re-raised.	
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	No external contractors' employees involved in direct estate operations i.e. production (harvesting) and maintenance (upkeep, spraying, manuring, etc.) except for road maintenance contractor.	Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	The master list of workers are available containing the worker's name, D.O.B, age, gender, job description, etc. sample as per below showed that all document was available at site:- <ul style="list-style-type: none"> • MY00005263 • MY00005510 • MY00002092 • MY00004958 • FW0004593 • FW0002441 • FW0002442 • FW0004244 	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	All employees were provided with fair contracts that have been signed by both employee and employer. Copy of contract available ass per sample employment contract file and pay slips verified as per sampled employment contract file: <ul style="list-style-type: none"> • MY00005263 • MY00005510 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • MY00002092 • MY00004958 • FW0004593 • FW0002441 • FW0002442 • FW0004244 	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Based on the sampled pay slips of workers as above, there is no trace of breach of payment as stipulated in their contract. Interview with workers shows no issue on wages received. During phone interview with both local and foreign workers revealed no discrimination on overtime hours as well on wages received for overtime work done. This was also cross checked in their respective pay slips against punch card monthly/daily and daily payroll records sample and no discrepancies found.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>The working hours and break for each individual was available under check roll record. The over time was mutually agreed as per agreement contract between employee and employer and also meet the legal (Sarawak Labour Ordinance). As at current status, there was none has crossed 80 hours of overtime. Verified the pay slips, the payment and calculation of overt time well distributed. The overtime rate after 8 hours daily rated is:</p> <p>(upkeep/maintenance/general workers)</p> <ul style="list-style-type: none"> - Mon - Sat – daily rated / 8 hours x 1.5 - Sunday - daily rated / 8 hours x 2.0 - Public holiday – daily rated / 8 hours x 3.0 	Complied

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		<p>The payment of overtime was been verified as per payslip and check roll record as per below sampling:-</p> <ul style="list-style-type: none"> • MY00005263 • MY00005510 • MY00002092 • MY00004958 • FW0004593 • FW0002441 • FW0002442 • FW0004244 	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers payslip showed confirm that workers are being paid more than the stipulated minimum wage and that they understand all the deductions being made.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>For local workers, the incentives for good work performance by giving hampers for general workers during annual dinner and for staff is based on KPI eligible for incentive, bonus payment, professional development for only executive and above, medical care and health provisions are for entire work force including periodical medical surveillance for sprayers.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Workers were provided with housing in clean and conducive condition. Progressively old wooden house will be replaced with concrete house as part of continual improvement plan. As minimum, linesite inspection has been conducted by site safety officer on monthly basis. As for Sarawak, Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) is not applicable. Refer to letter from Labour</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Department, ref. no.: JTKSWK/DA/(S)18 JLD 3 (27) dated 15/5/18. Sampling on workers housing inspection dated 5/7/2021.	
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	The management established the Sexual Harassment Policy – 5/5/2017 to prevent all forms of sexual harassment and violence at workplace. The training been done by management dated 6/3/2021 to all workers and staff. No record of sexual harassment cases in this estate.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	The management established the Freedom of Association & Collective Bargaining Policy - 009 to facilitate the collective bargaining in accordance with applicable laws and regulations. Sighted the latest JCC meeting for Worker-Management Committee Organization Chart 2021. No changes on committee members the appointment as to date. Latest JCC meeting dated 23/2/2021 was made available for review.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions. - Major compliance -	In-line with the established Child Labour Policy – 005/2016; it was verified there was no evidence of workers below 18 years old been employed as per on call interview. Workers were also aware of the minimum age policy is being strictly enforced by the management at which the age limit is above 18 years old. No changes from previous audit.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the	The group has established guidelines on training procedures, reference no: PGHSB/SOPP/004/2018 (2019-02), version no 02, prepared by	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance -	Agronomic & Sustainability Department and approved by the Managing Director on May 2019. The objective of this guideline is to identify training needs to ensure all employees are trained and capable carrying out their task and responsibility besides to provide guidance on training procedure for all oil palm estates and mills. The estate management has listed 34 training to be delivered to the employees and they are categorized into 4 types which are training on BMP & SOP, environmental, social & legal and safety & health.	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Training needs analysis for year 2021 was made available to the audit team. The management has listed 50 kind of different trainings for the employees to follow.	Complied
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	Continuous training program has been scheduled in the annual training plan. The plan was made available and verified.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	The group's environmental policy was made available to the audit team. It was endorsed by Mr. Tiong Chiong Hee (Managing Director) on 21/11/2016. The company has stated their commitment to seek continual improvements in the environmental performance and comply	Complied

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Criterion / Indicator		Assessment Findings	Compliance										
	- Major compliance -	<p>with all environmental legislations, regulations and codes of practice relevant to the plantation industry.</p> <p>Environmental management plan is integrated with their continual improvement plan. The estate management has identified 14 sections that might give impact to the environment. Some of the section are as follow:</p> <table border="1"> <thead> <tr> <th>Section</th> <th>Positive Action</th> </tr> </thead> <tbody> <tr> <td>Water Quality Management</td> <td>Avoid spraying alongside the drain No rubbish dumping into the drain and waterways Awareness briefing</td> </tr> <tr> <td>Soil erosion</td> <td>Maintain cover crop, soft grasses of the drains and roads. Proper road design</td> </tr> <tr> <td>Schedule waste</td> <td>To record waste inventory Briefing on handling SW Proper labelling the empty chemical containers</td> </tr> <tr> <td>RTE management</td> <td>Discouraging illegal hunting via training and briefing Use more IPM system No spraying alongside the drain</td> </tr> </tbody> </table>	Section	Positive Action	Water Quality Management	Avoid spraying alongside the drain No rubbish dumping into the drain and waterways Awareness briefing	Soil erosion	Maintain cover crop, soft grasses of the drains and roads. Proper road design	Schedule waste	To record waste inventory Briefing on handling SW Proper labelling the empty chemical containers	RTE management	Discouraging illegal hunting via training and briefing Use more IPM system No spraying alongside the drain	
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Schedule waste	To record waste inventory Briefing on handling SW Proper labelling the empty chemical containers												
RTE management	Discouraging illegal hunting via training and briefing Use more IPM system No spraying alongside the drain												
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>The estate management has established aspect impact analysis of all operations. They have identified aspects & impacts for 19 areas/processes from all operations and documented in Register of Environment Aspect & Impacts Significance Identification.</p>	Complied										

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Criterion / Indicator		Assessment Findings	Compliance
		The register was prepared by Ms Suzy Rekha Noh (Sustainability Coordinator), confirmed by Mr. Joseph Kalang (Assistant Manager) and approved by Mr. Cliff Hii (Estate Manager) on 03/03/2021.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Environment improvement plan to mitigate the negative impact was included in their environmental continual improvement plan. Details explained under indicator 4.5.1.1. Sighted some of the monitoring conducted by the estate management to ensure the practices are effectively implemented. a. To conduct regular inspection on the waste collection. b. Riparian & buffer zone inspection records c. Peat subsidence monitoring records.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Program to promote positive impacts were included in the continual improvement plan. Positive action plan was briefed under indicator 4.5.1.1.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Annual training program has been established by the estate management, they have listed 50 different kind of trainings and briefings to be delivered to all range of employees, including 8 environmental training. Training and briefing records were made available to the audit team and verified.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	The estate management conducted regular meetings with employees to discuss and raise their concern regarding on the environment. To date, the management has conducted 2 meetings dated on 23/03/2021 and 15/05/2021. Among the issues or agendas discussed during the meeting were water management, peat management, HCV management, waste management, GHG management, store	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		management and reviewing inspection report on environmental & BMP.	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	Usage of non-renewable energy is monitored on monthly basis. Record on the usage of diesel is available for review and well maintained at the estate office. Data as of June 2021 records that actual fuel consumption at 108,697 litres of diesel and actual FFB production at 14,193.28 Mt. Actual baseline recorded at 7.66 litre/Mt FFB whilst projected baseline was 6.53 litre/Mt FFB.	Complied
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estate management has estimated the direct usage of non-renewable energy and documented in their estate annual budget. As for year 2021, the estate estimated the fuel consumption at 359,250 litres.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Not applicable the estate used gen set to generate and supply the electricity to the resident.	Not applicable
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Waste management plan was integrated in the Environmental Continual Improvement Plan which are Domestic Waste Management and Schedule Waste Management Plan. Waste products have been identified in the Significance Identification. Among the area or process station are:	Complied

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Criterion / Indicator		Assessment Findings	Compliance						
		<ul style="list-style-type: none"> a. Worker housing area b. Generator set operation c. Workshop station d. Premix store e. Fertilizer / chemical store 							
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>Among the action plan documented for the waste management plan are:</p> <table border="1"> <thead> <tr> <th>Waste</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Domestic Waste</td> <td> <ul style="list-style-type: none"> a. Regular inspection b. Awareness briefing c. Ensure waste collection on track </td> </tr> <tr> <td>Schedule Waste</td> <td> <ul style="list-style-type: none"> a. Proper labelling the designated containers for storage. b. Engage license contractor to collect schedule waste. </td> </tr> </tbody> </table>	Waste	Action Plan	Domestic Waste	<ul style="list-style-type: none"> a. Regular inspection b. Awareness briefing c. Ensure waste collection on track 	Schedule Waste	<ul style="list-style-type: none"> a. Proper labelling the designated containers for storage. b. Engage license contractor to collect schedule waste. 	Complied
Waste	Action Plan								
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Schedule Waste	<ul style="list-style-type: none"> a. Proper labelling the designated containers for storage. b. Engage license contractor to collect schedule waste. 								
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The group has established a guidance, Scheduled Waste Handling & Storage, reference no: PGHSB/SOPP/014/2016, version 01, endorsed by Managing Director on 21/11/2016. The objective of the guidance is to guide on the implementation of national legislation concerning the handling and storage of schedule waste.</p>	Complied						
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Series of training and briefing conducted to the employees by the estate management. Sighted and verified the training records dated on 19/03/2021 and 08/04/2021.</p> <p>The estate management also record the empty chemical container into the Containers Logbook.</p>	Complied						

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Criterion / Indicator		Assessment Findings	Compliance								
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Domestic waste disposed at the municipal landfill.	Complied								
Criterion 4.5.4: Reduction of pollution and emission											
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Plan to reduce or minimize GHG emission was made available to the audit team. The plan was prepared by Mr John Ling and approved by Mr Cliff Hii Kwang Wan on 02/05/2021. The plan has listed some parameter to be monitored such as water management, fire prevention, fertilizer practices, chemicals, carbon stock and fuel utilization. Action plan was properly documented by the estate management team.	Complied								
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Action plan to reduce or minimize GHG emission was made available to the audit team. Attention was given to the following parameters for monitoring purpose; water management, fire prevention, fertilizer practices, chemicals (herbicide & pesticides), carbon stock (peat soil) and fuel utilization. Among the action taken or documented by the estate management are as follow: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Parameters</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Water management</td> <td>Maintain water level at 50 – 70 cm from ground surface.</td> </tr> <tr> <td>Fire prevention</td> <td>To follow the manual for control the fire on peat land and peat land forest.</td> </tr> <tr> <td>Fertilizer practices</td> <td>To ensure correct calibration of fertilizer recommendation. Reduce high N fertilizer or substitute with low N fertilizer.</td> </tr> </tbody> </table>	Parameters	Action Plan	Water management	Maintain water level at 50 – 70 cm from ground surface.	Fire prevention	To follow the manual for control the fire on peat land and peat land forest.	Fertilizer practices	To ensure correct calibration of fertilizer recommendation. Reduce high N fertilizer or substitute with low N fertilizer.	Complied
Parameters	Action Plan										
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Fertilizer practices	To ensure correct calibration of fertilizer recommendation. Reduce high N fertilizer or substitute with low N fertilizer.										

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Criterion / Indicator		Assessment Findings		Compliance
		Chemicals	Selective spray No blanket spray Beneficial plants planting	
		Carbon stock	Zero spray activities at reserved buffer zone Awareness programme and signboard.	
<p>Training on zero spraying at buffer zone was conducted on 19/03/2021, delivered by Mr. Nicholas Balang (Senior Field Conductor).</p>				
Criterion 4.5.5: Natural water resources				
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. 	<p>The estate has established water management plan for year 2021. There are 4 main items or category included in the plan which are water quality management, general water management, water efficient landscape and emergency management.</p> <p>Water source comes from rainwater only as there is no access to the local authority water supply. The estate management has conducted periodically water analysis to ensure the water are safe to consume. Drinking water analysis was conducted twice a year by Envisar Sdn Bhd on 13/05/2020 and 10/10/2020. Despite the water analysis results exceeded the acceptable level, the water will be safe to consume as long as it is boiled or sufficiently filtered.</p> <p>The group established guidelines on riparian protection, reference no PGHSB/SOPP/003/2015, version no 01, endorsed by the Managing Director on 21/12/2015 with objective to provide guidelines on riparian protection within the estates.</p>		Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>Training awareness for sprayers not to spray along the drain was conducted on 19/03/2021.</p> <p>No bore well was used inside the estate compound.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>No rivers crossing the estate compound thus no construction of bunds, weirs and dams was made.</p>	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>The estate has practising water harvesting for domestic consumption and agriculture purpose.</p>	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>	<p>The estate management has taken appropriate action to monitor and conserve the environment. Any flora or fauna found roaming in the estate area will be recorded in the RTE Logbook. RTE records were made available to the audit team and verified.</p> <p>According to the estate RTE plan, awareness training and briefing will be conducted on regular basis and signboard of illegal hunting erected certain location such as housing area.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.6.2	<p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Awareness training related to the RTE has been delivered to the employees on 09/04/2021. The objective of the training was to ensure that the company's policy and procedure regarding on the RTE is implemented and established inside the estate compound besides to make aware to the employees that illegal hunting is prohibited.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The estate management has developed Rare, Threatened and Endangered management plan. The plan has outlined the action need to be ensure the flora and fauna are well conserved.</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>As per verification on video call and interview with management no use of fire for waste disposal and for preparing land for oil palm cultivation or replanting.</p>	Complied
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p>	<p>No disease spread in Victoria Estate therefore no special approval was been made for open burning conducted in estate.</p>	Not applicable
4.5.7.3	<p>Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open</p>	<p>Not applicable due no open burning been conducted as per verification under indicator 4.5.7.1</p>	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	Burning) Order 2003 or other applicable laws. - Major compliance -		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	As per verification on video call and interview with management no use of fire for waste disposal and for preparing land for oil palm cultivation or replanting. The management using zero burning technique such as felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The group has established standard operation procedure and policies in order to ensure the operation conducted in the best management method. The group has 9 Best Management Practices and 15 Policies regarding on the sustainability. Some of the list are as follow: Best Management Practices a. BMP – Oil Palm Harvesting Practices b. BMP – Termite Control in Oil Palm Plantation c. BMP – Water Management in Peat Soil d. BMP – Oil Palm Nursery Management e. BMP – IPM in Oil Palm Agrotechnology Sustainability Policies a. Riparian Protection Policy b. Child Labour Policy c. Water Use Monitoring Policy	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>d. Communication & Consultation Policy</p> <p>e. Human Rights Policy</p> <p>The estate management has developed annual training program and conducted the training or briefing on regular basis. Trainings & 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 June meeting was made available to the audit team. Among the agenda discussed during the meeting were manuring reports, fertilizer delivery, pest & disease control, major planting & supplying, FFB production reports, clerical matters and others.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	The estate was developed on a peat soil and generally flat area.	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	The estate marked each field with signboard which contained information such as block no, plated year, material and hectareage.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p>	Documented business management plan with attention was given to crop projection, cost of production, cost per ton and per hectare. The cost of production was reviewed and compared against expenditure	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	each year with projections in place for future years was given to crop projection, cost of production, cost per ton and per hectare. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.	
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Not applicable since the palm oil age profile is still young.	Not applicable
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	Documented business management plan with attention was given to crop projection, cost of production, cost per ton and per hectare. The cost of production was reviewed and compared against expenditure each year with projections in place for future years was given to crop projection, cost of production, cost per ton and per hectare. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.	Complied
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estate management has regular monthly meeting in order to ensure the operation practices are effectively implemented and achieved their goals. TQM monthly meeting minutes were made available to the audit team and verified. Among the agenda discussed during the meeting were as follow: a. Harvesting	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		b. Maintenance. c. Administrative d. Other matters.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	There only one contractor in Victoria Square Development Estate for compaction to harvesting path and stacking row Desilting drain etc. The pricing mechanisms for the products and other services were effectively documented and implemented as per following example: Contract work agreement for road maintenance and de-silting of collection drain, ref. no.: VSDSB/NC21010226 dated 1/1/2021 between Victoria Square Development Estate and contractor, SYL Venture PLT.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Contract work agreement for road maintenance and de-silting of collection drain, ref. no.: VSDSB/NC21010226 between Victoria Square Development Estate and contractor, SYL Venture PLT. Signature of the manager for estate and contractor evident in the agreement in January 2021. Payment records were found to be prompt and made in timely manner.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Refer to road maintenance contract for 1 contractor; i) Contract work agreement for road maintenance and de-silting of collection drain, ref. no.:VSDSB/NC21010226 between Victoria Square Development Estate and contractor, SYL Venture PLT. Signature of the manager for estate and contractor evident in the agreement in January 2021.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The company has no objection to allow BSI auditors to verify the assessment through physical inspection if required as stated under statutory requirement.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The contractor works has been recorded and approved in work verification @ certificate for payment before payment made by HQ in Sibuh.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	Contract work agreement for road maintenance and de-silting of collection drain, ref. no.: VSDSB/NC21010226 between Victoria Square Development Estate and contractor, SYL Venture PLT Signature of the manager for estate and contractor evident in the agreement in January 2021.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.	No new planting in the estate.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	No new planting in the estate.	Not Applicable
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented	No new planting in the estate.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
	and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -		
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	No new planting in the estate.	Not Applicable
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	No new planting in the estate.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners’ free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	No new planting in the estate.	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 -	No new planting in the estate.	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. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	No new planting in the estate.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	No new planting in the estate.	Not Applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	No new planting in the estate.	Not Applicable

Appendix B: List of Stakeholders Contacted

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

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Appendix C: Smallholder Member Details

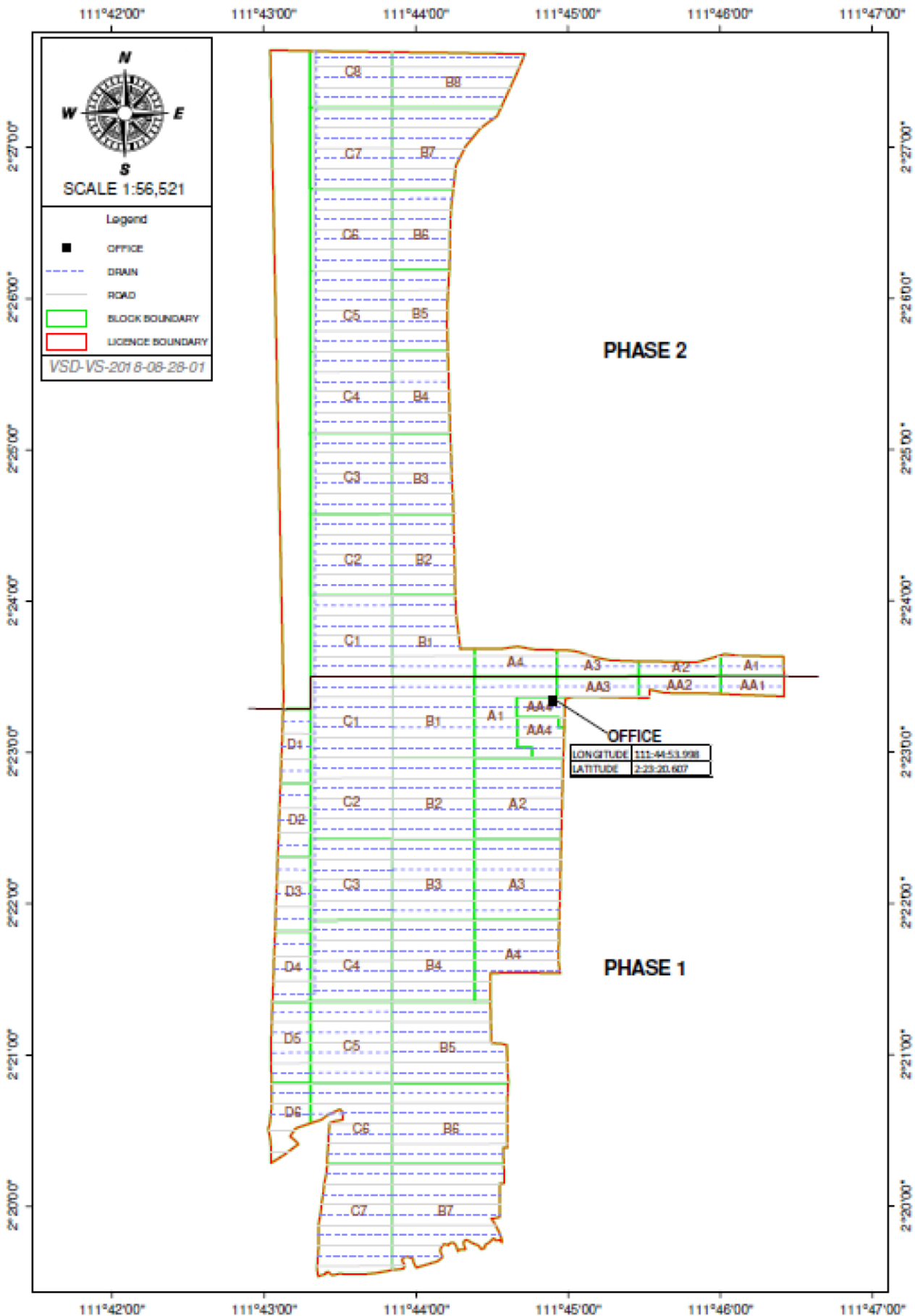
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	Nil					

Appendix D: Location and Field Map

Victoria Square Development Estate



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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