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MSP0 Summary Report for Certification Assessment

Keresa Plantations Sdn Bhd Jiba Estate

Report prepared by:

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Report Number: BSI/MSP0/2015-Jiba Estate-IAV

Assessment Conducted by:

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1.0 EXECUTIVE SUMMARY

1.1 Details of Initial Certification Assessment Scope and Certification Recommendation:				
<p>BSI has conducted the Initial Certification Assessment of Keresa Plantations Sdn Bhd, Jiba Estate located in Bintulu, Sarawak, Malaysia comprising oil palm plantation, support services and infrastructure. As per Malaysian Sustainable Palm Oil (MSPO) Certification Scheme (Doc. No. MPOB/MSPO/CS/01 dated 19 Nov 2013), Jiba Estate was exempted from stage I assessment because of having at least one internationally recognised sustainable scheme certificate. Jiba Estate belongs to Keresa Plantations Sdn Bhd. Jiba Estate is already certified with Roundtable on Sustainable Palm Oil (RSPO) and International Sustainable Carbon Certification (ISCC).</p> <p>The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organised smallholders and MSPO Guidance - Part 3_Audit Guidance. The onsite assessment was conducted on 23rd July 2015.</p> <p>Based on the assessment result, BSI recommends Jiba Estate certificate of compliance with MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organised smallholders and MSPO Guidance - Part 3_Audit Guidance.</p>				
1.2 Identity of Certification Unit				
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)		Site Address		GPS Reference of the site office
				Longitude Latitude
Jiba Estate		Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia.		113° 33' 36.4" 03° 09' 10.5"
1.3 Production Volume (Tonnage).				
Name of Estate	Projected from last audit	Actual production (2014)	Projected production for next 12 months (2015)	
	FFB	FFB	FFB	
Jiba Estate	N/A	56,603	54,452	
1.4 Certification Details				
Number		(will be assigned upon MPOB Approval)		
Issued Date		(will be assigned upon MPOB Approval)		
Expiry Date		(will be assigned upon MPOB Approval)		
Stage 1 Date		N/A. . Having at least one internationally recognised sustainable scheme certificate (i.e. RSPO)		
Stage 2 / Initial Assessment Visit Date (IAV)		Main Assessment: 23 rd July 2015		
Continuous Assessment Visit Date (CAV) 1		NA		
Continuous Assessment Visit Date (CAV) 2		NA		
Continuous Assessment Visit Date (CAV) 3		NA		
Continuous Assessment Visit Date (CAV) 4		NA		
1.5 Estate Area Statement				
<p>Jiba Estate is belongs to Keresa Plantations Sdn. Bhd. It is located at Bintulu, Sarawak, Malaysia. Jiba Estate already certified with RSPO and ISCC certifications. Area statement of Jiba Estate as follows:</p>				
Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure/others (ha)	Total (ha)
2,268.82	0	2,268.82	211.48	2,480.30

1.6 Detail of other certification held			
No.	Type of Certification	Certificate #	Expiry Date
1	RSPO	SPO 559278	20/10/2015 (Recertification completed)
2	ISCC	EU-ISCC-Cert-DE104-11421401	8/9/2015

1.7 Organizational Information and Contact Person	
Company name:	Keresia Plantations Sdn Bhd/ Jiba Estate
Business address:	Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia.
Group name if applicable:	N/A
Contact person:	Abdul Aziz Bin Zainal Abidin
Tel.:	+6086-981105
Fax:	+6086-981106
e-mail:	aziz@keresa.com.my
Web site:	www.keresia.my
MPOB License:	503656102000

2.0 ASSESSMENT PROCESS

2.1 Certification Body	
<p>BSI Services Malaysia Sdn Bhd (Co.Reg. 804473 A) B-08-01 (East), Level 8 Block B, PJ8, No. 23, Jalan Barat, Seksyen 8 46050 Petaling Jaya, Selangor, Malaysia. Tel.: +603 7960 7801; Fax: +603 7960 5801 www.bsigroup.com.my</p> <p>BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is approved by Malaysian Palm Oil Board (MPOB) to provide MSPO Certification and activities.</p>	
2.2 Qualification of the Lead Assessor and Assessment Team	
<p>Mohamed Hidhir Lead Assessor</p>	<p>He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.</p>

<p>Kelvin Lim Kok Wei Team member</p>	<p>Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He has attended MSPO awareness training conducted by MPOB. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Device auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues.</p>
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2.3 Assessment Methodology, Programme and Site Visits

The initial Certification Assessment was conducted on 23 July 2015. The audit programme is included as Appendix A.

The approach to the audit was to treat the estate as a MSPO Certification Unit. Estate was audited together with its support services and infrastructure. A range of safety & health, environmental and social factors were covered. These included consideration of safe working practice, environmental issues and local communities issues as part of stakeholder consultation.

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

2.4 Stakeholder Consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss the operating unit's practices in relation to environmental and social performance.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. The meeting was conducted without the present of management of Certification Unit. At the start of each meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions continued. The auditor recorded comments made by stakeholders and verified with the management before incorporating into the assessment findings.

Employee interviews with male and female workers and staff were held in private at the workplace in the estate. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews which were appreciated by the stakeholders. A list of Stakeholders contacted is included as Appendix B.

The comments made by external stakeholders were taken into account in the assessment and these have been incorporated into the assessment findings.

3.0 ASSESSMENT FINDINGS

3.1 Summary of the findings by Principles and Criteria		
Principle 1: Management commitment and responsibility		
Criterion 1: MSPO Policy		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Policy for the implementation of MSPO shall be established.	The company has initiated the implementations of MSPO requirements. MSPO Policy has been established and signed by Senior Group General Manager April 2015.	Yes
Indicator 2: The policy shall also emphasize on the commitment to continual Improvement.	The established policy has emphasized on the commitment to continual Improvement with the objective of improving the milling and estate operation.	Yes
Criterion 2: Internal audit		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	As to date there was no internal audit conducted to ensure compliance with MSPO requirements. Thus major NC was issued. <i>NC Ref. No.: 1211918M3 – refer section 3.2 for details.</i>	No
Indicator 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.	This indicator could not be assessed as the current Internal Audit was not conducted as to date. <i>NC Ref. No.: 1211918M3 – refer section 3.2 for details.</i>	No
Indicator 3: Reports shall be made available to the management for their review.	This indicator could not be assessed as the current Internal Audit was not conducted as to date. <i>NC Ref. No.: 1211918M3 – refer section 3.2 for details.</i>	No
Criterion 3: Management review		
Indicator	Summary	Compliance (Yes / No)
Indicator 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	Management review was not conducted as to date. Thus, major NC was issued. <i>NC Ref. No.: 1211918M4 – refer section 3.2 for details.</i>	No

modification.		
Criterion 4: Continual improvement		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: The action plan for continual improvement shall be based on a Consideration of the main social and environmental impact and opportunities for the company.	TQM has worked with estate to review and update the social and environmental aspects and impacts risk registers and to develop improvement plans.	Yes
Indicator 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.	The estate has optimised the use of mechanised operations to reduce pollutions.	Yes
Indicator 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.	The estate has appointed the assistant manager as in charge person to implement and monitor any new technologies being implemented and training of other personnel's.	Yes

Principle 2: Transparency		
Criterion 1: Transparency of information and documents relevant to MSPO requirements		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: 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.	Jiba Estate has maintained records of requests and responses, Land titles/user rights, Safety and health plans, Plans and impact assessments relating to environmental and social impact, Plans for pollution prevention , Records of complaints and grievances, Plans for continuous improvement and make available upon request.	Yes
Indicator 2: 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.	Jiba Estate holds copies of each of the management documents that are required to be publicly available. Copies of the document such as Plans and impact assessments relating to environmental and social impact, Plans for pollution prevention, records of complaints and grievances were available on request. Keresa policy is to make documents and copies of the document publicly available on request, except those relating to commercial confidentiality.	Yes

Criterion 2: Transparent method of communication and consultation		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.	Keresa Plantations Sdn Bhd has established and implement Complaints & Grievances Procedure (Ref. SOC 3.2, Version 1) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders. Estate implemented the "Communication and Consultation Management guidelines" as evidenced by the maintenance of filing systems for recording written requests for assistance and information. Inspection of a sample of records found that requests for information were received only from Government Departments (DOE, DOSH, MPOB) and complaint form from the local communities.	Yes
Indicator 2: A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	The TQM Executive (Alicesa Anak Ramba) has been appointed as Social Management Representative for internal and external stakeholders. The responsibilities have been stated in the appointment letter dated 29/7/2013. Interviews with Stakeholders confirmed that Keresa has an open approach to communication with staff, workers and local communities.	Yes
Indicator 3: A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	Stakeholder list available that include the supplier, contractor, smallholders, external stakeholders plantation, villagers & government agency such as DOSH, MPOB, DOE, Labour department & etc. For internal stakeholder, JCC meeting was used to collect feedback. The action request has been recorded and track by Ms Winnie. Request from government agency was by visit log book such as MPOB, DOE and DOSH. The action has been taken accordingly and recorded. Joint consultative committee (JCC) meeting, internal stakeholder meeting that involve worker representative and chaired by estate manager. Last meeting was conducted on 10/7/15 that involved Jiba and Sujan estate. All issued has been discussed with current action plan has been established. The stakeholder meeting (external stakeholder) was conducted on 13/2/2015 which was chaired by GM. All issued has been discussed with current action plan has been established and discussed accordingly.	Yes
Criterion 3: Traceability		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	SOP on the traceability of the FFB has established in ISCC Management System guidelines Version 1.	Yes
Indicator 2: The management shall conduct regular inspections on	There is no evidence of the process that Jiba Estate has assigned any employees to conduct inspection for the traceability system. Further verified the	No

compliance with the established traceability system.	internal audit was not including the inspection of the traceability system. Therefore, Major NC was raised. <i>Refer to NC Ref. No.: 1211918M5 – refer section 3.2 for details.</i>	
Indicator 3: The management shall identify and assign suitable employees to implement and maintain the traceability system.	Agnes Lutap (TQM Executive) has been assigned to maintain the traceability system. The appointment letter dated 29/8/2014 with job responsibility has been clearly defined.	Yes
Indicator 4: Records of sales, delivery or transportation of FFB shall be maintained.	Inspection of records confirmed these were updated daily.	Yes

Principle 3: Compliance to legal requirements		
Criterion 1: Regulatory requirements		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: All operations shall be in compliance with applicable local, national and ratified international laws and regulations.	Keresa Plantation has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records showed that the Jiba Estate has maintained legal compliance with statutory requirements. Sample of permit and license sighted at Jiba Estate were : i)MPOB licence – registered under Keresa Plantations Sdn Bhd, 503656102000 (valid until 29/2/16) ii)Petrol License - Bintulu Development Authority (BDA) SLP000174 (31/12/15) Diesel/petrol KPDNKK (BTU.P.33/7(D), Serial number Q006680) valid until 16/9/15. Quantity (15,000 litre) iii)Trading License – The Business, Professions and Trading License Ordinance. (Borang I, Seksyen 5, 23 dan 24(2)) – No. 725609 valid until 14/4/16.	Yes
Indicator 2: The management shall list all relevant laws related to their operations in a legal requirements register.	A Legal Compliance procedure has been established (KP 16 mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. TQM sustainability department have reviewed and updated the LORR at both mil and estates on 30/6/2015.	Yes
Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA seculars.	Yes

Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Administration executive, Agatha is the person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Yes
Criterion 2 : Land use rights		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: The management shall ensure that their oil palm activities do not diminish the land use rights of other users.	Keresia (Jiba Estate) is on "State Lease" land under Keresia Plantations Sdn Bhd. Lease valid until Jan 2080.	Yes
Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.	Keresia (Jiba Estate) is on "State Lease" land under Keresia plantation Sdn Bhd. Lease valid until Jan 2080.	Yes
Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	Keresia (Jiba Estate) has completed the program of surveying the boundaries of all of its properties and installing boundary stones.	Yes
Indicator 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).	There was no land disputes noted during the audit at Keresia (Jiba Estate) as the estate has the legal ownership documents which was under the Keresia Plantations Sdn. Bhd.	Yes
Criterion 3 : Customary land rights		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	There is no customary land or negotiated agreements within the landholding of Keresia Plantations Sdn Bhd. (Jiba Estate) land.	Yes
Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	The right to use the land is not disputed and there were no customary land within the Keresia Plantations Sdn Bhd. (Jiba Estate).	Yes
Indicator 3: Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	Not applicable for Keresia Plantations Sdn Bhd. (Jiba Estate) as there were no negotiation has occurred.	Yes

Principle 4: Social responsibility, health, safety and employment condition		
Criterion 1: Social impact assessment (SIA)		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	TQM department has conduct with the internal stakeholder on the 5/9/2014 using survey that includes the criteria of term & condition of work, social provision and safety & health. A summary report has been compiled and analysed. Action plan has been established and implemented to ensure the satisfaction of the workers in term of work condition, social provision and safety & Health. The monitoring of the action plan was by TQM team documented in the 'management action request record'. The JCC meeting and smallholder meeting were conducted at least once a year to gather the feedback from the stakeholder. The last meeting was conducted on the 11/7/15, all the issues raised were recorded and action plan has been established. Some has been completed such as house repairing and some was still in the progress.	Yes
Criterion 2: Complaints and grievances		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: A system for dealing with complaints and grievances shall be established and documented.	The estate has established the procedure to deal with complaints and grievances by using the complaint form.	Yes
Indicator 2: The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.	Inspection of records at estate indicated that written communications were replied promptly and the correspondence kept in file.	Yes
Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	The Estate maintains 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees. No external stakeholders were recorded related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.	Yes
Indicator 4: Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	Interview with stakeholders found that they are aware of the procedure and no pending issues.	Yes
Indicator 5: Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	Record review found that previous complaints and requests from 2012 were still available.	Yes

Criterion 3: Commitment to contribute to local sustainable development		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Growers should contribute to local development in consultation with the local communities.	Keresa Plantations Sdn. Bhd. has taken the initiative to assist the smallholders such as providing technical assistant to obtain the RSPO certification. Apart from that, the plantation allows the local villagers to have the access of the road. The Plantation offers opportunity of business for the local community by offering of sundry shop business to sell sundry goods in the plantation shop.	Yes
Criterion 4: Employees safety and health		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	Jiba estate has implemented an OSH Management Plan for improvement of safety of employees that was updated in January 2015 for the calendar year.	Yes
Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i) all employees involved are adequately trained on safe working practices; and ii) All precautions attached to products should be properly observed and applied. d) The management shall provide the appropriate personal protective equipment (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	Keresa Plantations has safety and health policy that has been communicated to the staff and workers. On site supervisors and estate assistant managers ensure the implementation of it. HIRARC – Latest review, version 2 dated 14/2/14. Coverage of activities (land preparation, construction, upkeep, harvesting, generator, WTP, Chemical mixing etc. In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE. Chemical register dated 18/5/15 was sighted. Latest chemical used were: i) Ally ii) Mamba 360SL – Glyphosate iii) Starmix SDS for the said chemicals are available at the store in Dual-language (Bahasa Malaysia and English). Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. Jiba estate follows the Keresa Plantations SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. Keresa Plantations Sdn. Bhd. has established Safe & Standard Operating Procedure for Oil Palm	Yes

<p>Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be 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 shall be present at all field operations. First Aid equipment 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>Plantations (SSOP) dated January 2011. (Doc ref KP2-5). Estate upkeep, crop evacuation, chemical and agrochemical management, transportation of workers, utilities management, Pest control, highly toxic pesticides, working at height etc.</p> <p>CHRA dated September 2012 (JKKP HIE 127/171-2(164))</p> <p>Recommendation :</p> <ul style="list-style-type: none"> i) Medical Surveillance (Sprayer) ii) Training (Chemical Safe Handling) <p>Medical surveillance was last done on 4/7/15 by Occupational Health Doctor DOSH Reg. No. JKKP HQ/08/DOC/00(206). Result of the Medical Examinations found to be normal without any health detrimental issues.</p> <p>At the estate, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents.</p> <p>For Jiba Estate :</p> <p>Appointment of SHC – Estate manager (Chairman): Handrick Lagang (13/4/13), SHC secretary: Raymond anak Elah (13/4/13)</p> <p>Refer OHS meeting minutes :</p> <p>OHS meeting – HSE/BU-SHC/MOM-02/15 dated 20/6/15</p> <p>HSE/BU-SHC/MOM-01/15 dated 13/3/15.</p> <p>Records were available confirming that quarterly OSH meetings had been held at the estate.</p> <p>Emergency Preparedness and Response Plan was developed for the following type of scenario :</p> <ul style="list-style-type: none"> i) ERP for Fire ii) ERP for Bund Break iii) ERP for Chemical and Fertilizer Spillage iv) ERP for Suicide Attempt and Prevention v) ERP for Bush Fire vi) ERP for injury and illness require Medical attentions vii) ERP for flood ix) ERP for poisoning x) ERP for workplace violence. <p>ERP plan – Appendix A ERT – Appendix B Emergency contact number – Appendix C</p> <p>The estate has site specific Plans (refer to the above) including maps showing assembly areas and up-to-date lists of emergency contacts with training conducted to communicate the Plan. Interviews of estate staff and workers confirmed understanding of emergency response.</p> <p>First Aid Kits are provided at various work sites at the estates and inspection confirmed these had been</p>	
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	<p>appropriately stocked.</p> <p>All accidents are investigated and reported to Head Office. Accident statistics for Jiba as follows :</p> <p>1st quarter – 2 accident (2 LTI) 2nd quarter – 15 accident (2 LTI)</p>	
Criterion 5: Employment conditions		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	The management has established a policy on good social ethics regarding human rights such as Equal Rights Policy, Prevention of sexual harassment & domestic violence in the workplace policy, freedom of association policy, etc. has been signed off by Managing Director of the group. The policy was communicated by displayed at the strategic location, induction & training, memo and meeting.	Yes
Indicator 2: The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	Keresa Plantations Sdn. Bhd. has established Equal Rights Policy to ensure equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. Inspection of a sample of pay records and interviews of staff and workers did not found any issues related to discrimination.	Yes
Indicator 3: Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Staff and Workers confirmed this during interview. Sampled Workers checked Sarwan (10532), Misnawati (10540), Irma Susanti (10155), Munawarah Saprin (51988).	Yes
Indicator 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.	Keresa Finance Department arranges contracts for the purchase of goods and services, including those with FFB suppliers. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws. Interviews of contractors indicated that they understand their contracts. Further interview with the contractor's workers found that they were paid at least meeting the minimum wages requirement.	Yes
Indicator 5: The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the	Keresa Plantations Sdn. Bhd. (Jiba Estate) has a register of all staff and workers at the premise. The detail includes the date of join, job title; basic wages and etc were documented and maintained in the employee personnel file.	Yes

premises). The records should contain full names, gender, and date of birth, date of entry, a job description, wage and the period of employment.		
Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.	There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.	Yes
Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.	Keresa Plantations Sdn. Bhd. (Jiba Estate) has a daily attendance log sheet time recording system to monitor the working hours of its workers and staffs.	Yes
Indicator 8: The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	The management has obtained the overtime permit from labour department. Interview of workers and pay record shows the overtime payments are in accordance to law and workers are not forced to work overtimes.	Yes
Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Sample payslips checked found the overtime payments are documented in line with the Employee agreement.	Yes
Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, payment, and support of professional development, medical care and health provisions.	Interviews of local and foreign workers indicated satisfaction with the standard of housing and facilities. Electricity and water are provided without charges. Keresa Plantations Sdn. Bhd. provides transport for children to school.	Yes
Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	Residents at all company housing have access to facilities established by the company, such as health clinic, sports field, crèche, and places of worship.	Yes
Indicator 12: The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the	Keresa Plantations Sdn. Bhd. has established prevention of sexual harassment & domestic violence in the workplace policy and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding	Yes

workplace.	of the Policy.	
Indicator 13: The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or 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.	Interviews of staff and workers confirmed Keresia Plantation supports freedom of association. At estate there is a local committee made up of workers representatives elected by workers. JCC meeting has been conducted for the internal stakeholder with the company management staffs The last meeting was conducted on the 10/7/2015. Interview of Staff and Workers also confirmed their awareness of freedom of association but there was no worker unions being formed at the moment.	Yes
Indicator 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.	Inspection of a sample of personnel files at the estate confirmed recruits' ages were checked against their Identity Card for Malaysian workers or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.	Yes
Criterion 6: Training and competency		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	Jiba Estate has prepared an Annual Training Plan 2015 for workers and contractors that lists the internal and external training courses scheduled for the year. Training plan for 2015 were: i)Spraying Training (08/7/15) ii) Harvesting Training (12/6/15) iii)Tractor Driver Safety Training (28/1/15) iv)Fire Demonstration Training (15/1/15) v)PPE Training (8/7/15) vi)MSPO and RSPO awareness training (mill and estate) – 28/4/15	Yes
Indicator 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.	Jiba estate has conducted training needs assessment prior to prepare the annual training plan for the year 2015 for all the employee groups including new and existing workers and staffs.	Yes

<p>Indicator 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.</p>	<p>Continuous training programme is planned and implemented covering all employees and contractors as per the documented training procedure.</p>	<p>Yes</p>
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Principle 5: Environment, natural resources, biodiversity and ecosystem services

Criterion 1: Environmental management plan

Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p>	<p>Keresia Plantations Sdn. Bhd. has an Environmental policy that has been signed by the top management and environmental management plan with relevant to the applicable laws and regulations. Interviews of staff and workers found that the policy has been communicated and implemented.</p>	<p>Yes</p>
<p>Indicator 2: The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.</p>	<p>The established environmental management plan has covered the environmental aspects and impacts based on Keresia Plantations Sdn. Bhd. & Mill – TQM Management System entitled Environmental Management System (Chapter 4; Ref. # E4.2; issue date Nov 2009; version1.0), an environmental impact assessment (KM 4-1 Baseline EIA 2009) was documented. Significant environmental aspect and impact was identified in the document related to all estate operation including land preparation, terracing, replanting, crop evacuation and harvesting, maintenance and upkeep, pest and disease as well as other supporting activities such as workshop and maintenance.</p>	<p>Yes</p>
<p>Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p>	<p>The continuous monitoring as per initial implementation was implemented on timely basis where for each operating unit the planned programs were included in annual budgeting. Results of the programs that were monitored will determine operational changes whether have positive or negative environmental impacts. The visit confirmed that programs gave continuous improvement accordingly to the company.</p>	<p>Yes</p>
<p>Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.</p>	<p>Jiba estate’s environmental improvement programme also includes continual improvement plans. Verified continuous improvement programme for rain harvesting system in the estate.</p>	<p>Yes</p>

Indicator 5: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.	Annual training programme of the estate includes environmental awareness and compliance related trainings to the executives, staffs and workers.	Yes
Indicator 6: Management shall organize regular meetings with employees' where their concerns about the environmental quality are discussed.	Environmental related matters were discussed during morning briefing and safety meeting. Workers interview reveal that they are free and encouraged to discuss environmental issues with the management.	Yes
Criterion 2 : Efficiency of energy use and use of renewable energy		
Indicator	Summary	Compliance (Yes / No)
Indicator 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.	The estate maintains records of energy usage, which is reported monthly to head office. The use of the fossil fuel against the FFB production is being monitored.	Yes
Indicator 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.	Jiba estate has estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.	Yes
Indicator 3: The use of renewable energy should be applied where possible.	The estate has plans to use renewable energy in the future such as buffalo assisted harvesting. Noted in the CAPEX some initiative for solar energy utilization.	Yes
Criterion 3 : Waste management and disposal		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: All waste products and sources of pollution shall be identified and documented.	Based on documented pollution prevention plan (KM 4-1 Waste Register), among the waste products identified and documented including general waste and scheduled waste. Sources of waste were from, estates and housing area. Common waste identified including domestic waste and scheduled waste. For estates, its reusable and recyclable wastes identified included empty fertilizer bags and triple rinsed empty chemical containers. Organic biomass waste generated by estates including fronds and chipped fell palms. Other specific activities such as estate vehicle workshop generate few categories of	Yes

	scheduled waste such as SW 305, SW 306, SW 409 and SW 410. Clinic operation generated clinical waste.	
Indicator 2: A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added products.	Documented pollution prevention plan (KM 4-1) was emphasized in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company and estates.	Yes
Indicator 3: 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.	For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed for storage. A company registered with DOE, Wasteway (M) Sdn. Bhd. Was appointed to collect the scheduled waste from all the scheduled waste storage facilities within the company. Clinical waste from the clinic was collected by Medan Central Clinic as the authorised clinical waste collection and disposal contractor appointed by the company.	Yes
Indicator 4: 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.	Empty pesticide containers were triple rinse and punctured before return back to supplier.	Yes
Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	Domestic waste is being disposed at estate landfill and it's away from watercourse.	Yes
Criterion 4 : Reduction of pollution and emission.		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	Jiba estate has done environmental impact and aspect identification involving all the activities within the estate.	Yes
Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and	Environmental improvement plan include assessment of all polluting activities within the estate operation such as waste, air emissions and water discharges.	Yes

implemented.		
Criterion 5 : Natural water resources		
Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources of supply.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>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.).</p> <p>d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p>	<p>Water management plan (KP 2-201 dated June 2010) involved water consumption management and quality monitoring which inclusive of drinking water monitoring and discharge water monitoring. Drinking water monitoring was done as per Interim National Water Quality Standard Malaysia (INWQSM) by Kementerian Kesihatan Malaysia through its Pejabat Kesihatan Bahagian Bintulu.</p> <p>Outgoing water being monitored by mill and the outgoing stream is Sujan River. Refer to (Sample: ESI Laboratory Sdn. Bhd. Certificate of analysis ref. # KMSB/12-06/207 dated 12 June 2015) Result: (Sungai Sujan) upstream = <2mg/l BOD3, river (Sungai Sujan) downstream = <2mg/l</p> <p>Jiba estate has prepared a map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection at Jiba estate confirmed that the buffer zone beside the stream has been set.</p>	Yes
<p>Indicator 2: No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	<p>There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	Yes
<p>Indicator 3: Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p>	<p>Water management plan includes rain water harvesting, desilting of road side drains and etc.</p>	Yes

Criterion 6 : Status of rare, threatened, or endangered species and high biodiversity value area		
Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</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 (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>	<p>Keresa Plantations Sdn. Bhd. had engaged a consultant (Wild Asia) in 2009 to conduct a biodiversity assessment of the land at the Estate as well as preparation of site-specific short-term and long-term HCV Management Plans. There was no HCV and rare, threatened, or endangered species being identified within the estate area.</p>	Yes
<p>Indicator 2: 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>There was no HCV and rare, threatened, or endangered species being identified within the estate area.</p> <p>“No illegal hunting”, signages are prominently erected at the estate entrance and other strategic area and awareness training has been given to workers and other stakeholders.</p>	Yes
<p>Indicator 3: A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>	<p>There was no HCV and rare, threatened, or endangered species being identified within the estate area.</p>	Yes
Criterion 7 : Zero burning practices		
Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be</p>	<p>There was no replanting at Jiba Estate. No evidence of open burning sighted during site review.</p>	

avoided except in specific situations, as identified in regional best practice.		Yes
Indicator 2: A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	Not applicable for Jiba estate.	Yes
Indicator 3: Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	Not applicable for Jiba estate.	Yes
Indicator 4: Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Not applicable for Jiba estate.	Yes

Principle 6: Best practices		
Criterion 1: Site management		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	Keresa Plantations Sdn. Bhd. has well established management systems for monitoring and control of best practice implementation at its estate. This includes the programme of regular internal audits by TQM and agronomist for maintaining and improving the production. Date of the last visit as follows: TQM unit visit: 13-14/5/2015 Agronomist visit: 16-17 October 2014	Yes
Indicator 2: Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	Jiba Estate has overlain a topographic map on the soil map to identify areas of potential erosion risk at Jiba Estate. The estate has identified steep areas for setting aside as conservation areas when replanting is due. Inspection of field conditions at estate showed well established and maintained groundcover vegetation.	Yes
Indicator 3: A visual identification or reference system shall be established for each field.	Inspection of field conditions at sloping areas and terraces, found stacking of pruned fronds along the contour for protection against soil erosion was relatively consistent.	Yes

Criterion 2 : Economic and financial viability plan		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Keresia Plantations Sdn. Bhd. has implemented a management system for monitoring and reporting of performance against production targets for achieving long-term economic and financial viability.	Yes
Indicator 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.	The earlier planting was in 1997 and the next replanting would be in 2023.	Yes
Indicator 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	Jiba estate has an annual operating budget for the calendar year 2015 and five-year projections (2015 – 2020) for production. The plan includes age profile, yield projection, cost per tonne of FFB production and etc. Besides the OPEX, CAPEX was also gazetted for improvement. Sample of CAPEX for 2015 were: i) Bulding and Construction – Chemical mixing store, Oil trapping, Solar panel for gate & Meligai ramp, FFB ramp ii) Land clearing & Agricultural Equipment – Mini Kubota L3800DT 4WD, backhoe loader John Deere	Yes
Indicator 4: The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Keresia Plantations Sdn. Bhd. monitored the estate performance against the targets. It also recommends changes to the plans if necessary.	Yes
Criterion 3 : Transparent and fair price dealing		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.	The pricing method has been clearly stated in the contract and contractors are explained on the term of contracts prior to the signing of contract.	Yes
Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	Sample contract and payment record verification together with interviews of suppliers and contractor found the payments has been made as per contract. Sampled Contractor (Smart Hub Sdn Bhd- EFB contractor)	Yes

Criterion 4 : Contractor		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	Keresia Plantation Sdn. Bhd. has initiated the MSPO awareness to all its contractors. Interview with the contractors found that they have limited information on the MSPO requirements even though the has conducted awareness training. This will be followed up for further details during next assessment.	Yes
Indicator 2: The management shall provide evidence of agreed contracts with the contractor.	Keresia Plantation Sdn. Bhd. has prepared a standard contract for all the contractors. The signed copy of the contract available at the estate office.	Yes
Indicator 3: The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	Keresia Plantation Sdn. Bhd. has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Yes

Principle 7: Development of new plantings

Jiba estate has not carried out any new oil palm developments. There are no plans for expansion of plantings. Principle 7 is therefore not applicable to this Assessment.

3.2 Details of Nonconformities and Observation.

Major Nonconformities:

Ref	Area/Process	Clause
1211918M3	Jiba Estate	Criteria 4.1.2
Details:	Internal audit for MSPO was not effectively implemented.	
Requirements:	4.1.2.1 Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. 4.1.2.2 Indicator 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. 4.1.2.3 Indicator 3: Reports shall be made available to the management for their review.	
Objective Evidence:	i) As to date there was no internal audit conducted to ensure compliance with MSPO requirements. ii) There was no internal audit procedure for documented for MSPO. iii) There was no MSPO internal audit report generated to the management for review.	
Close Out Evidence:	i) Internal audit was planned on 25/8/15 for Jiba Estate. Verified internal audit plan, TQM/MSPO(IA)/KPSB(JE)-01/20115 prepared prior to audit. ii) Internal audit procedure was established; refer to Internal Audit Procedure dated 5/8/15. iii) Verified internal audit conducted on 25/8/15 for Jiba Estate. Refer to internal audit report, MSPO JE(IA)/TQM-01/2015 iv) Verified nominated management representatives to be sent for MSPO awareness training	

	on 23/10/15 in Kuching.
Audit team conclusion:	Audit team have reviewed the evidence submitted and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Effectiveness of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 17/9/15

Ref	Area/Process	Clause
1211918M4	Jiba Estate	Criteria 4.1.3
Details:	Management review was not effectively implemented for MSPO	
Requirements:	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.	
Objective Evidence:	There was no management review meeting carried out as to date to review effective implementation of MSPO.	
Close Out Evidence:	Management review was conducted on 26/8/15 for Jiba Estate. Adequate input review has been discussed as per established procedure, version 1 September 2015.	
Audit team conclusion:	Audit team have reviewed the evidence submitted and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Effectiveness of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 17/9/15	
Ref	Area/Process	Clause
1211918M5	Jiba Estate	Criterion 4.2.3.2
Details:	Regular inspections on compliance with the established traceability system was not effectively implemented for MSPO	
Requirements:	The management shall conduct regular inspections on compliance with the established traceability system.	
Objective Evidence:	There was no evidence on the internal audit that traceability system has been checked or verified.	
Close Out Evidence:	Traceability inspection was conducted on 10/9/15 for Jiba Estate. Verified inspection records which cover 3 division of Jiba Estate (Mapo, Smemerah and Belungai).	
Audit team conclusion:	Audit team have reviewed the evidence submitted and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Effectiveness of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 17/9/15	

Observations / Opportunity for improvements:

Nil

3.3 Status of Nonconformities (Major and Minor) Previously Identified

Not Applicable. This is an initial certification assessment.

3.4 Issues Raised by Stakeholders.

During this initial certification assessment, stakeholders were contacted through phone calls as well as private meeting conducted without the present of management team. The majority of stakeholders had positive comments about Jiba Estate. Issues raised by stakeholders were discussed with the management and the company’s response is obtained. The detail of stakeholders comment is provided in each criterion as part of this summary report.

Local and foreign workers: There are no any issues or disputes were raised.

Union representative: Confirmed that no any unresolved disputes or grievance.

Contractors and suppliers: Confirm that payment is made promptly and no any disputes. Contracts are transparent and legal.

Labour Department: Informed that there is no issue on legal compliance.

DOSH Department: No non-compliance issue against occupational health and safety regulations by Jiba Estate

DOE Department: No non-compliance issue against environmental regulations by Jiba Estate

Panel clinic doctor: The estate following the recommendation to conduct medical check-up, medical surveillance and health inspection for chemical handling workers according to occupational health requirements

MPOB, Bintulu: Jiba Estate complying with its licensing requirement well.

3.5 Noteworthy Positive Components

Safety signs are continuously maintained well and clearly marked at the facilities around the estate. Estate management maintain good relationship with stakeholders. Roads are well maintained.

4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Assessment Visit

The next Assessment visit will be scheduled within 12 -18 months of Jiba Estate’s MSPO Certificate being issued.

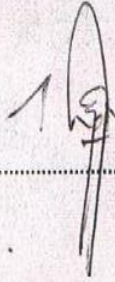
4.2 Date of Closing Nonconformities (Major and Minor)

NC Ref.	CLASS	ISSUED	STATUS
1211918M3	Major	23/7/2015	Closed out on 17/9/15
1211918M4	Major	23/7/2015	Closed out on 17/9/15
1211918M5	Major	23/7/2015	Closed out on 17/9/15

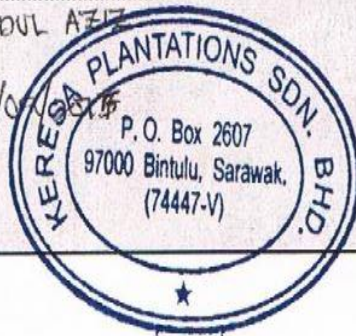
4.3 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Signed for on behalf of
Keresa Plantation Sdn Bhd
(Jiba Estate)

ABDUL AZIZ
18/09/2015



ABDUL AZIZ
18/09/2015



Signed for on behalf of
BSI Services Malaysia Sdn. Bhd



Mohamed Hidhir Zainal Abidin
BSI Lead Auditor

Date : 17th September 2015

Appendix A: MSPO Initial Certification Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Kelvin
Tuesday 21/7/2015	PM	Audit Team travelling to the site.	√	√
Wednesday 22/7/2015	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). 	√	√
	08.30-17.00	Keresia Palm Oil Mill MSPO Assessment		
Thursday 23/7/2015	08.30 – 12.30	Jiba Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Jiba Estate Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting.	√	√
	16.30 - 17.00	Interim Closing Briefing	√ √	√
Friday 24/7/2015	-	Jiba Estate MSPO Assessment		
Saturday 25/7/2015	11.30 - 12.30	Combined Closing Meeting for Keresia Mill, Jiba Estate and Sujana Estate.	√	√
	PM	Audit Team travelling back to KL.	√	√

Appendix B: List of Stakeholders Contacted

Internal Stakeholders	External Stakeholders
Keresia Certification Unit Management team and Staff	Government School
Assistant General Manager	Department of Safety and Health
Representatives from TQM Department	Department of Environment
On site compliance executives	Labour Department
Mill Manager and Assistants	Malaysian Palm Oil Board
Estate Managers and Assistants	General Contractor
Facility Administrators	FFB Supplier
Gender Committee Representatives	FFB Transport contractor
Hospital / Medical Assistants	Occupational Health Doctor (Panel Clinic)
Clinic Assistants	MPOB Representative, Bintulu
Male and Female workers	
Workers Representatives	
Foreign Workers Representatives	